



HARMONY™

**Integrated
annual
report
2021**

**MINING WITH
PURPOSE**

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FEEDBACK

We welcome your feedback on these reports.

If you have any comments or suggestions on this report, contact our investor relations team at:

HarmonyIR@harmony.co.za

Mining with purpose

We are a global, sustainable gold producer, creating shared value for all stakeholders while leaving a lasting positive legacy by:

- Creating a profitable, sustainable company
- Committing to safe, ethical, social and ecologically responsible mining
- Positioning our business to contribute to a low-carbon future.

Creating shared value is the golden thread that links our purpose to our business model to our strategy. It drives our pursuit of operational excellence and ensures an inclusive approach to stakeholders. This guides the way we manage our capitals – ensuring that at all times we create and preserve value, generating infinite opportunities from a finite resource.

Our values



No matter the circumstances, safety is our main priority



We are all accountable for delivering on our commitments



Achievement is core to our success



We are all connected as one team



We uphold honesty in all our business dealings and communicate openly with stakeholders

Our business

Harmony is a **world-class gold mining and exploration company, with a copper footprint**

We have supplemented seven decades of experience with value-accretive acquisitions, revitalising our company as the largest gold producer by volume in South Africa. With a significant portion of the group's Mineral Resources and Reserves in Papua New Guinea, one of the world's premier new gold-copper regions, Harmony is also an acknowledged emerging-market specialist.

Reference:

A glossary of terms is included at the end of this report. For convenience:

- PGK – kina, the currency of Papua New Guinea
- Moz – million ounces
- Mt – million tonnes
- Mlb – million pounds
- All production volumes are in metric tonnes (t), unless specifically stated as imperial tons.

While our reporting currency is the South African rand, US dollar equivalents of significant financial metrics, along with percentage movements, are provided to aid sector and peer comparisons.

REFERENCE



Cross reference to information elsewhere in the report.



Information online at www.harmony.co.za.

Icons used in this report

OUR STRATEGIC PILLARS



Responsible stewardship



Operational excellence



Cash certainty



Effective capital allocation

CAPITAL INPUTS



Human capital



Financial capital



Manufactured capital



Intellectual capital



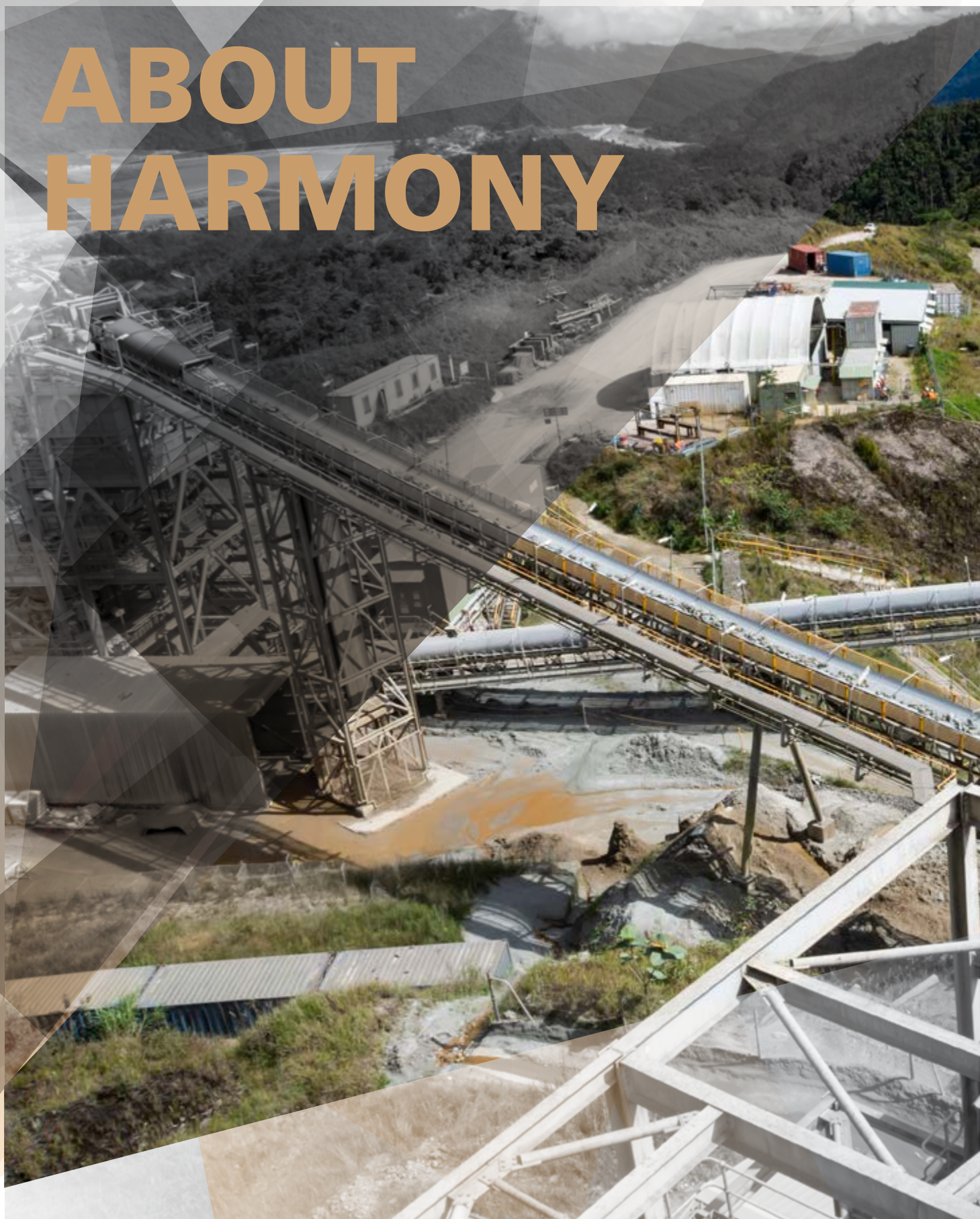
Natural capital



Social and relationship capital

Note: All photographs in this report were taken under strict Covid-19 safety protocols, including social distancing and the use of facial masks to ensure the safety and wellbeing of our employees

ABOUT HARMONY



Hidden Valley overland conveyor and processing plant used for crushing.

A SAFE, HEALTHY WORKFORCE CREATES VALUE

Our focus on zero harm is an investment in our business and in our people.

A safe, healthy workforce means engaged, motivated and productive workers, which in turn minimises operational stoppages, reduces potential legal liabilities and averts reputational damage.

We acknowledge that we have more work ahead to reach this goal. Much work has already been done to understand the underlying causes of safety incidents, most importantly human behaviour.

Reaching and maintaining zero harm is a commitment shared by every person in the group. Our people deserve no less.

 Our safety and health programmes are detailed in our **ESG report**.

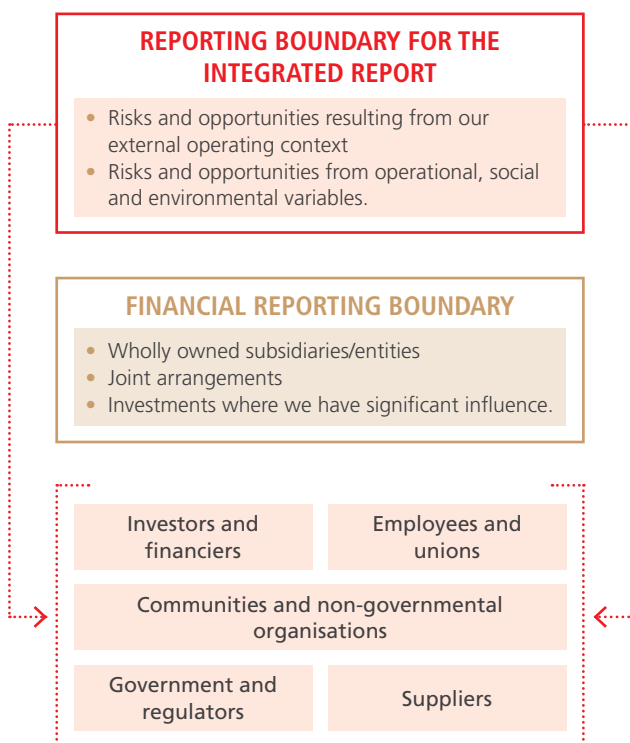
ABOUT THIS REPORT

Harmony's 2021 integrated annual report is for the financial year ended 30 June 2021 (FY21). Aimed primarily at investors, it covers all our operations and activities in South Africa and Papua New Guinea, their impacts and most material matters during the period. Significant events between year end and the date of approving this report are also noted.

This report aims to provide a holistic view of the company. It explains our business model, which informs our strategy as well as how we create and share value, and covers our performance – environmental, social, governance, operational and financial – for the year. Our overarching governance framework, using an integrated risk-based approach, guides all our decisions and is critical in ensuring and protecting value creation and delivery of our strategic objectives.

We aim to provide balanced, accurate and accessible information to enable readers to assess our performance over the past year and our ability to create value over time.

In compiling this report, we have determined our reporting boundary by taking into account:



Materiality

This report addresses aspects that have a material impact on our performance now or in future, and therefore our ability to deliver on our strategy. These issues may also affect our ability to create and preserve value in the short, medium and long term.

Key to determining these aspects is engaging with stakeholders to identify their primary concerns. For a better understanding, see the section on stakeholder engagement. Our material issues are detailed on pages 52 to 56, while risks and opportunities are discussed from pages 40 to 51 – these sections provide context for how material issues are being managed.

While this report is aimed primarily at providers of financial capital, when read with the *ESG report 2021*, we trust we have addressed the information requirements of all stakeholders.

Reporting frameworks, guidelines and standards considered in compiling this report include:

- International Integrated Reporting Framework 2021
- King Report on Corporate Governance for South Africa, 2016 (King IV™*)
- JSE Listings Requirements
- GRI Standards for sustainability reporting
- United Nations Sustainable Development Goals (SDGs)
- International Council on Mining and Metals – 10 principles
- United Nations Global Compact
- Voluntary Principles on Security and Human Rights
- World Gold Council's Responsible Mining Principles

We have also considered the Principles for Responsible Investment, a United Nations-supported international network of investors, which reflect the increasing prominence of environmental, social and governance (ESG) issues to investors.

Scan QR code to download our full suite of 2021 annual reports.



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Our 2021 suite of reports:



Integrated annual report
2021



Environment, social
and governance report
(ESG report)
2021



Mineral Resources and
Mineral Reserves
2021



Report to shareholders
2021



Financial report
2021



Operational report
2021



Climate-related
financial disclosures
2021*

* Referred to in our reporting suite as TCFD report.

Other reports:

Form 20-F

Annual report filed with the United States Securities and Exchange Commission, in compliance with the listing requirements of the New York Stock Exchange



These reports and supporting documents are available at
www.harmony.co.za.

This integrated annual report aims to provide a holistic view of the company

Directors' responsibility for the integrated annual report 2021

The Harmony board of directors has ultimate accountability for the integrity and accuracy of this integrated annual report. The board believes this report has been prepared in accordance with the International Integrated Reporting Council's Integrated Reporting Framework (2021). Based on the recommendations of the audit and risk committee and the social and ethics committee, the board has reviewed the report and confirms it addresses the most material issues currently facing Harmony and presents a balanced, accurate and representative view of the company and its strategy, its performance in the past financial year and its future ability to create and preserve value. The remuneration report was reviewed and approved by the remuneration committee.

The board approved this report on 28 October 2021.

Dr Patrice Motsepe
Chairman

Peter Steenkamp
Chief executive officer

Boipelo Lekubo
Financial director

Fikile De Buck
Chairperson: audit and risk committee

Dr Simo Lushaba
Chairperson: social and ethics committee

Vishnu Pillay
Chairperson: remuneration committee

SALIENT FEATURES

Strategic pillars			
Responsible stewardship	Operational excellence	Cash certainty	Effective capital allocation
<ul style="list-style-type: none"> ✓ In final phases of embedding a proactive safety culture focused on leadership and behaviour ✓ Our health initiatives and Covid-19 protocols embed our commitment to the S in ESG ✓ Covid-19 vaccination drive protecting our employees ✓ Upgraded MSCI score from CCC to B rating ✓ FTSE4Good constituent ✓ Included in Bloomberg Gender Equality Index 2021 	<ul style="list-style-type: none"> ✓ 66% increase in production profit to R12bn (US\$777m) from R7.2bn (US\$459m) ✓ 1% increase in underground recovered grade to 5.51g/t from 5.45g/t ✓ 26% increase in gold production to 47 755kg (1 535 352oz) from 37 863kg (1 217 323oz) ✓ 19% increase in total mineral resources ✓ 16% increase in total mineral reserves 	<ul style="list-style-type: none"> ✓ 43% increase in revenue to R41.7bn (US\$2.7bn) from R29.2bn (US\$1.9bn) ✓ 83% increase in operating free cash flow to R6.5bn (US\$424m) from R3.6bn (US\$228m) ✓ 702% increase in net profit to R5.1bn (US\$325m) from a loss of R850m (US\$56m) ✓ 60% reduction in net debt to R542m (US\$38m) from R1.4bn (US\$79m) ✓ Net debt to EBITDA at 0.1x from 0.2x ✓ HEPS increased 741% to 987 SA cents (64 US cents) from a net loss per share of 154 SA cents (10 US cents) 	<ul style="list-style-type: none"> ✓ Successful integration of Mponeng and related assets ✓ Deleveraged balance sheet provides optionality for projects and acquisitions ✓ Strong pipeline of organic projects to drive production profile and margin expansion ✓ Final dividend of 27 SA cents (1.8 US cents)[^] per share declared ✓ Total FY21 dividend yield of 2.4%[#]

[^] Illustrative equivalent based on the closing exchange rate of R14.72/US\$1 as at 27 August 2021.

[#] As at 27 August 2021.

Our investment case

<p>1.5Moz production in FY21</p>	<p>Leveraged to R/kg gold price</p>	<p>Quality growth prospects</p>	<p>Maintaining focus on a strong balance sheet</p>
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WHO WE ARE

Harmony is an emerging-market gold mining and exploration specialist with a copper footprint. We operate in South Africa and Papua New Guinea, one of the world's premier new gold-copper regions.

With over 70 years in the industry, Harmony is an experienced emerging-market gold miner and the largest gold producer by volume in South Africa. The company is also a significant operator of gold tailings retreatment facilities. Our operations in Papua New Guinea include the Hidden Valley gold mine and our joint-venture stake in the Wafi-Golpu copper-gold project.

Our purpose

A global, sustainable gold producer, creating shared value for all stakeholders while leaving a lasting positive legacy:

- Creating longevity, profitability and sustainability
- Committed to safe, ethical, social and ecologically responsible mining
- Positioning our business to contribute to a low-carbon future.

Our mission

To create value by operating safely and sustainably, and growing our margins.

Our values

- No matter the circumstances, **safety** is our main priority
- We are all **accountable** for delivering on our commitments
- **Achievement** is core to our success
- We are all **connected** as one team
- We uphold **honesty** in all our business dealings and communicate openly with stakeholders.

Our impact

At Harmony, we understand that our activities and the way we conduct business affects the lives of the people we employ, communities that surround our mines and the environment. This impact has economic and social implications for our stakeholders and the countries in which we operate. In line with our purpose, we strive to ensure that our contribution is positive on balance and that our positive legacy endures once mining stops.

Shareholders

Our largest shareholder is African Rainbow Minerals Limited (ARM), which has a stake of 12.12% in Harmony. Our remaining shareholders are geographically diverse and include some of the largest fund managers globally. The largest shareholder base is in the United States (over 50%), followed by South Africa.

Refer to the **Shareholder information** section in **Ancillary information**.

Market capitalisation

Headquartered in Randfontein, South Africa, Harmony has its primary listing on Johannesburg's stock exchange, the JSE Limited (HAR). It also has an American depositary receipt programme listed on the New York Stock Exchange (HMY). At 30 June 2021, our market capitalisation is R32.5 billion (US\$2.3 billion) (30 June 2020: R43.3 billion; US\$2.5 billion).

Doing what we know best		
South African gold-mining champion – delivering value-enhancing consolidation	Proven expertise in driving efficiencies safely	Elevated margins and operating free cash flow
<ul style="list-style-type: none"> • Emerging-market specialist (South Africa and Papua New Guinea) • Significant increase in South African production from Moab Khotsoong acquisition, followed by Mponeng and Mine Waste Solutions acquisition • Meaningful value-enhancing improvement in South African recovered grade through acquisition, development • Acquisition synergies and other investments have potential to reduce all-in sustaining costs. 	<ul style="list-style-type: none"> • Safety, a core value • Focus – quality ounces and cost reduction aimed at lowering all-in sustaining costs • Proven track record – sustaining and prolonging operating lives of deep-level mines • Wealth of mining expertise – combined, senior executive management and prescribed officers have decades of industry experience. 	<ul style="list-style-type: none"> • Positioned to benefit from gold price and foreign exchange (operating free cash flow highly geared to current gold price environment) • Locking in high margin for future returns • Strengthened balance sheet supports future growth and capital returns • Regional consolidation in South Africa will unlock significant value, synergies and scale • Portfolio value supported by joint ownership of Wafi-Golpu asset.

WHERE WE OPERATE



South Africa

Production:

1.38Moz (90%)

Located on the Witwatersrand Basin and Kraaipan Greenstone Belt, our South African operations accounted for 71% of group Mineral Resources (gold and gold equivalent ounces) and 58% of group Mineral Reserves at year end.

UNDERGROUND

West Rand¹

Doornkop

LoM* 14 years
4 146 employees
Annual production 117 993oz
Grade 4.31g/t

Kusasaletu

LoM 3 years
4 260 employees
Annual production 128 570oz
Grade 5.65g/t

Mponeng²

LoM 8 years
5 308 employees
Annual production 175 092oz
Grade 7.97g/t

Klerksdorp goldfield³

Moab Khotsoeng

LoM 24 years⁴
6 209 employees
Annual production 230 391oz
Grade 7.94g/t

Free State

Tshepong Operations

LoM 20 years
9 164 employees
Annual production 238 526oz
Grade 4.76g/t

Bambanani

LoM 3 years
1 639 employees
Annual production 64 044oz
Grade 8.78g/t

Joel

LoM 9 years
2 032 employees
Annual production 45 783oz
Grade 3.97g/t

Masimong

LoM 1.5 years
2 064 employees
Annual production 64 687oz
Grade 3.95g/t

Target 1

LoM 7 years
1 865 employees
Annual production 51 536oz
Grade 3.28g/t

SURFACE

North West

Kalgold

LoM 12 years
700 employees
Annual production 35 655oz
Grade 0.74g/t

Mine Waste Solutions²

LoM: 17 years
1 276 employees
Annual production 66 133oz
Grade 0.116g/t

Waste-rock dumps

Annual production 41 250oz
Grade 0.285g/t

West Rand¹

Waste-rock dumps

Annual production 41 506oz
Grade 0.324g/t

Free State

Central Plant Reclamation

LoM 14 years
249 employees
Annual production 18 101oz
Grade 0.140g/t

Phoenix

LoM 7 years
333 employees
Annual production 25 046oz
Grade 0.126g/t

Waste-rock dumps

Annual production 32 343oz
Grade 0.616g/t

¹ The West Rand is on the border between Gauteng and North West.

² Production for nine months from October 2020 to June 2021.

³ North West.

⁴ Includes Zaaipplaats.

* LoM – life-of-mine.

Papua New Guinea

Production:

~150 755oz (10%)

Located on the New Guinea Mobile Belt, in Morobe Province, our PNG operation accounted for 29% of group Mineral Resources (gold and gold equivalent ounces) and 42% of group Mineral Reserves at year end.

Hidden Valley

Open-pit gold and silver mine

LoM 6 years
2 228 employees
Annual production 150 755oz
Grade 1.37g/t

Wafi-Golpu

Proposed underground copper-gold joint operation – 50%

LoM 28 years
Projected grade 1.27% copper, 0.9g/t gold

Multiple exploration areas



Safety equipment collection before heading underground.

SUSTAINABLE GOLD

For over seven decades, Harmony has demonstrated true sustainability – arguably better than any other gold-mining company in South Africa. From the product we mine and the way in which we mine it, to the care we take to preserve the environment and the support we provide to our communities, we have repeatedly proven that sustainability is the driving force of our business



TIME

Harmony has grown from a single-lease mine into a multinational entity with the resources, skills and resilience to endure the dynamic climate we operate in

Our most compelling proof of sustainability is not our longevity, but the way we turn our assets to account by extracting maximum value over a longer life-of-mine. Many of the assets we have owned and mined over the decades would have closed much earlier under previous owners. By applying our business acumen and a responsible mindset, we have prolonged the lives of these assets, to the sustained benefit of employees, communities, shareholders and other stakeholders.



VALUE

The enduring value of the gold we mine is undisputed

Gold's principal characteristics of being highly corrosion-resistant, malleable and highly conductive make it one of the most superior mined commodities. More importantly, it has been viewed as a store of wealth for 6 000 years. Demand for gold is as sustainable as its characteristics – for as long as this precious metal remains a coveted commodity, we will continue to supply the market.





CARE

True sustainability can only be achieved by properly managing the environment and supporting host communities affected by mining activities

Harmony takes its role as a responsible corporate citizen seriously. We have evolved our approach to mining to one that is cooperative and responsible. We pursue focused programmes and initiatives to uplift and develop our host communities, while mitigating our environmental impact as far as feasible, to ensure we leave a positive and lasting socio-enviro-economic legacy in the areas where we operate.



GROWTH

Our path remains clear and Harmony, as a multinational entity, continues to grow and develop

We remain focused on our objective to grow and develop our people and assets, and provide sustainable value to all our stakeholders through responsible operation and economic regeneration.



BUSINESS MODEL

HOW WE CREATE VALUE YEAR ON YEAR

→ INPUTS →

NATURAL CAPITAL

Natural resources, such as our orebodies, water and energy, used to operate our business

- Mineral Reserve of 42.45Moz gold and gold equivalents (FY20: 36.50Moz)
- Land under management 95 255ha (FY20: 69 159ha)
- Ore milled 49.25Mt (FY20: 25.43Mt)
- Resources consumed:
 - Water for primary activities 30 306 000m³ (FY20: 19 692 000m³)
 - Electricity 4 123 000MWh (FY20: 3 171 000MWh).



Refer **Mineral Resources and Reserves summary** and **Environmental management and stewardship** in the **ESG report**.

HUMAN CAPITAL

Skills and know-how of our workforce

- 48 113 permanent and contract employees (FY20: 39 714)
- Training 94% of workforce
- Transformation to create a more diverse and representative workforce, focused on recruiting from local communities.



Refer **Caring for our workforce** in the **ESG report**.

INTELLECTUAL CAPITAL

Intangibles associated with our brand and reputation, organisational systems and related procedures

- Skills and expertise as global leader in deep-level gold mining
- Digitisation underway
- Unique systems and processes.

MANUFACTURED CAPITAL

Physical infrastructure or technology we use

- Operational and associated infrastructure, equipment
- Production costs R29.8bn (US\$1.9bn) (FY20: R22.1bn, US\$1.4bn)
- Capital expenditure of R5.1bn (US\$331m) (FY20: R3.6bn, US\$230m)
- Mining rights and leases
- Exploration and growth projects
- Exploration spend, including Wafi-Golpu, R166m (US\$11m) (FY20: R259m, US\$17m).



See **Operational performance**.

FINANCIAL CAPITAL

Includes funds from financing or generated by productivity

- Total equity R31.2bn (US\$2.2bn) (FY20: R23.4bn, US\$1.4bn)
- Cash generated by operating activities R9.2bn (US\$596m) (FY20: R4.7bn, US\$302m).



See **Financial director's report**.

SOCIAL AND RELATIONSHIP CAPITAL

Relationships with all stakeholders

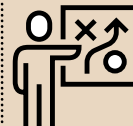
- Values and code of ethics guiding engagement
- Governance and corporate responsibilities
- Stakeholders: investors, employees, government and regulators, communities and suppliers.



See **Stakeholder engagement**.

→ OPERATING CONTEXT →

Our strategy



To produce safe, profitable ounces and improve margins through responsible stewardship, operational excellence and effective capital allocation.

Activities



We focus on mining gold from mature deep-level and surface operations, processing ore and selling the product to the market for further refinement. We also deliver on capital projects.

A competitive advantage



Harmony is a world leader in surface and deep-level mature asset mining. We are uniquely skilled, with extensive institutional knowledge, in prolonging the operating lives of mining assets. We understand mutually beneficial stakeholder engagement, enabling us to thrive in emerging markets.

Social licence to operate



We prioritise stakeholder engagement and creating shared value to maintain our social licence to operate.

Outlook



Harmony has operated for over 70 years – we intend to operate for another seven decades by organically growing our Mineral Reserve base and pursuing value-accretive acquisitions.

Factors impacting our business

What we can manage:

- Safety
- Grade and volume mined

- Costs, efficiencies and productivity
- Stakeholder relations.

What is beyond our control:

- Gold price and global market
- Exchange rate volatility

- Regulatory policy and political uncertainty
- Mounting community expectations and socio-economic challenges.

OUTPUTS

Gold produced
1.54Moz
(FY20: 1.22Moz)

Revenue generated
R41.7bn
(FY20: R29.2bn)

Total economic value distributed
R31.9bn
(FY20: R26.4bn)

Total CO₂ emissions
5 135 198t
(FY20: 4 012 110t)

Mining waste generated
Total milled
49.25Mt
(FY20: 25.5Mt)

Hazardous waste to landfill
524t
(FY20: 250t)

OUTCOMES



NATURAL CAPITAL

- ✓ Group spent R281m (US\$18m) (FY20: R159m; US\$10m) on land rehabilitation and environmental stewardship
- ✓ 4.46ha rehabilitated



HUMAN CAPITAL

- ✗ Tragically, 11 fatalities
- ✓ A year of no strikes indicates a strong and mature relationship with unions
- ✓ Three-year wage settlement finalised post year end
- ✓ Focus on gender diversity
- ✓ Transformed workforce in South Africa, with 60% of management from designated groups
- ✓ R15.3bn (US\$995m) spent on wages and salaries
- ✓ R488m (US\$32 million) on skills training and development (FY20: R458m, US\$29m)
- ✓ Robust Covid-19 response, vaccination programme



INTELLECTUAL CAPITAL

- ✓ 49 346 employees trained
- ✓ 119 tertiary bursaries
- ✓ More digitised business to operate effectively in 21st century



MANUFACTURED CAPITAL

- ✓ Acquisition of Mponeng Mine and Mine Waste Solutions in October 2020, smooth integration
- ✓ Progressed our 30MW Nyala solar generation project to reduce dependency on fossil fuel-generated electricity



FINANCIAL CAPITAL

- ✓ Headline earnings R6.0bn (US\$387m) (FY20 headline loss R828m; US\$53m)
- ✗ Share price down by 27%, decreasing market capitalisation to R32.5bn
- ✓ Net debt down to R542m (US\$38m) (FY20: R1.4bn; US\$79m)
- ✓ Production profit – R12.0bn (US\$777m) (FY20: R7.2bn; US\$459m)



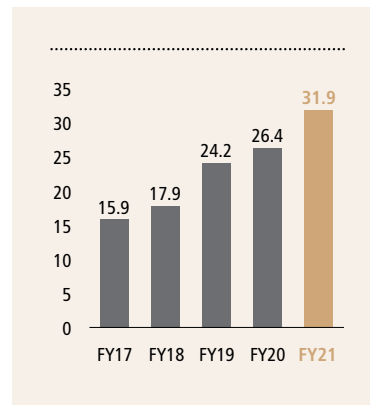
SOCIAL AND RELATIONSHIP CAPITAL

- ✓ Invested R60m (US\$4m) and R34m (US\$2m) in South Africa and Papua New Guinea, respectively, in our social licence to operate and mine community development
- ✓ Focused on preferential/local procurement, spending R10.7bn (US\$695m) in South Africa and R2.3bn (US\$149m) in Papua New Guinea
- ✓ R1.2bn (US\$79m) (FY20: R342m; US\$22m) paid in taxes and royalties
- ✓ Improved relationship with host communities
- ✓ Ongoing pandemic support for most vulnerable households in host communities
- ✓ Constructive relations with governments of South Africa and Papua New Guinea

CREATING AND SHARING VALUE

Harmony creates value by delivering on its strategic objectives. These are underpinned by its four strategic pillars: responsible stewardship, operational excellence, cash certainty and effective capital allocation. In doing so, we ensure the long-term sustainability and profitability of our business. This in turn enables us to invest in our employees and our host communities, while contributing to the economy and sharing the value created with all our stakeholders.

How we create value for stakeholders

EMPLOYEES	INVESTORS	SUPPLIERS												
<ul style="list-style-type: none">Ensuring a positive, safe working environmentEmpowering employees by investing in skills training and developmentEmploying people from host communitiesPromoting transformation and female representationAttracting and retaining the skills and expertise requiredMotivating and rewarding employees for value-added performancePromoting harmonious, cooperative relations with employees and unions.	<ul style="list-style-type: none">Delivering on our strategy and performing in line with guidance; positive earnings and share price growth, paying dividends <p>We do this by:</p> <ul style="list-style-type: none">Generating positive margins and cash flowMaintaining balance sheet flexibilityDelivering on production guidanceInvesting in organic growthUnlocking value from synergies after integrating acquired assetsValue-accretive acquisitions.	<ul style="list-style-type: none">Focus on local preferential procurement to support local economiesEngaging with suppliers and contractors to build cooperative, trust-based relationships and manage costsEnsuring services are delivered as agreed and in line with our values and strategic objectivesHonest and timely communicationIndirectly contributing to the broader economy.												
COMMUNITIES	GOVERNMENTS	<p>Economic value distributed over past five years (Rbn)</p>  <table><thead><tr><th>Fiscal Year</th><th>Value (Rbn)</th></tr></thead><tbody><tr><td>FY17</td><td>15.9</td></tr><tr><td>FY18</td><td>17.9</td></tr><tr><td>FY19</td><td>24.2</td></tr><tr><td>FY20</td><td>26.4</td></tr><tr><td>FY21</td><td>31.9</td></tr></tbody></table>	Fiscal Year	Value (Rbn)	FY17	15.9	FY18	17.9	FY19	24.2	FY20	26.4	FY21	31.9
Fiscal Year	Value (Rbn)													
FY17	15.9													
FY18	17.9													
FY19	24.2													
FY20	26.4													
FY21	31.9													

Total economic value distributed* to our stakeholders FY21
R31.9 billion (US\$2.1 billion)
(FY20: R26.4 billion; US\$1.7 billion)
** Includes financial and economic value distributed to our employee, investor, supplier, community and government stakeholders – see page 15.*

We invest in sustaining our business for its long-term viability. A resilient and profitable business can invest in sustaining itself, in employees, rewarding investors and, as a responsible corporate citizen, honouring its socio-economic commitments.

How we created and shared economic value by stakeholder FY21

EMPLOYEES	INVESTORS	SUPPLIERS														
<p>Being a fair and responsible employer</p> <p>R15.3bn (US\$995m) paid in wages and salaries to 48 113 employees (FY20: R11.7bn; US\$744m and 39 714 respectively)</p> <p>South Africa: R14.5bn (US\$938m) (FY20: R10.9bn; US\$695m)</p> <p>Papua New Guinea: R871m (US\$57m) (FY20: R775m; US\$49m)</p>	<p>Rewarding shareholders and investing in sustaining our business and growth</p> <p>Dividends of R684m (US\$44m) (FY20: R3m) paid to shareholders</p> <p>Future value creation and stay-in-business (total capital and exploration expenditure): R5.3bn (US\$344m) (FY20: R3.8bn; US\$243m)¹</p> <p>South Africa: R3.9bn (US\$253m) (FY20: R2.6bn; US\$166m)</p> <p>Papua New Guinea: R1.4bn (US\$91m) (FY20: R1.2bn; US\$77m)</p>	<p>Supporting the broader economy by procuring goods and services to operate our business</p> <p>R14.6bn (US\$948m) spent on procuring goods and services (FY20: R14.3bn; US\$913m)</p> <p>South Africa: Total procurement (discretionary) spend R10.7bn (US\$693m) (FY20: R7.7bn; US\$492m). Of this, 74% or R7.9bn (US\$515m) was preferential procurement with black economic empowerment* entities (FY20: 66%, R5.1bn; US\$326m)</p> <p>Papua New Guinea: Total procurement spend R2.3bn (US\$253m) (FY20: R3.9bn; US\$231m), with 51% or R1,2bn (US\$150m) (FY20: 64%, R2.5bn; US\$145 million) spent in-country and 49% (R489m; US\$32m) (FY20: 18%, R697 million; US\$41 million) in Morobe Province</p>														
<p>Distributing economic value created – FY21</p> <div><table><tr><th>Stakeholder</th><th>Percentage</th></tr><tr><td>Employees</td><td>48%</td></tr><tr><td>Suppliers</td><td>29%</td></tr><tr><td>Sustaining the business</td><td>16%</td></tr><tr><td>Governments</td><td>4%</td></tr><tr><td>Dividends</td><td>2%</td></tr><tr><td>Communities</td><td>1%</td></tr></table></div>	Stakeholder	Percentage	Employees	48%	Suppliers	29%	Sustaining the business	16%	Governments	4%	Dividends	2%	Communities	1%	<p>COMMUNITIES</p> <p>Investing in self-sustaining communities</p> <p>Invested R112m (US\$7m) in social and economic initiatives, as well as corporate social investment (FY20: R112m; US\$7m)</p> <p>South Africa: R78m** (US\$5m) (FY20: R76m; US\$5m)</p> <p>Papua New Guinea: R34m (US\$2m) (FY20: R36m; US\$2m)</p>	<p>GOVERNMENTS</p> <p>Supporting governments by contributing to the national fiscus</p> <p>Payments to government: Taxes and royalties of R1.3bn (US\$88m) (FY20: R342m; US\$22m)</p> <p>South Africa: R1.2bn (US\$79m) (FY20: R248m; US\$16m)</p> <p>Papua New Guinea: R127m (US\$8m) (FY20: R94m; US\$6m)</p> <p>Paid personal income tax of R2.4bn (US\$157m) on employee salaries and wages (FY20: R2.0bn; US\$128m)</p> <p>South Africa: R2.2bn (US\$144m) (FY20: R1.8bn; US\$117m)</p> <p>Papua New Guinea: R198m (US\$13m) (FY20: R175m; US\$11m)</p>
Stakeholder	Percentage															
Employees	48%															
Suppliers	29%															
Sustaining the business	16%															
Governments	4%															
Dividends	2%															
Communities	1%															

* Refers to >25% + 1 vote historically disadvantaged person-owned and -controlled companies.

** Includes corporate social investment.

¹ For the purposes of economic value created, capital and exploration expenditure is included as a part of employee and supplier spending.

DELIVERING ON OUR STRATEGY

To produce safe, profitable ounces and improve margins through operational excellence and value-accretive acquisitions, our strategy is underpinned by four strategic pillars (see page 19).

Legend:

Achieved

Making progress

Work remains to be done



RESPONSIBLE STEWARDSHIP

Embed proactive safety culture

FY21 – what we did

Disappointing safety performance – fatal injury frequency rate deteriorated by 38% (11 fatalities versus six in FY20) but the lost-time injury frequency rate improved 2% to 6.18 per million hours worked.

Status:



Outlook

Continue implementing and embedding our four-phase proactive safety culture.

Achieve our objective of zero harm and zero loss-of-life incidents.



Detailed **Safety and health** in the **ESG report**.

Manage the pandemic

FY21 – what we did

- Effective measures to manage, contain and prevent spread of Covid-19 in the workplace and host communities
- Vaccination programme underway
- Community outreach projects aimed at the most vulnerable.

Status:



Outlook

While Covid-19 poses a threat to our employees and host communities, our preventive and mitigating measures are proving effective.

Vaccination programme target: 80% of workforce to receive their first vaccine by October 2021, extending into host communities.



See **Safety and health** and **Harmony's response to Covid-19** in the **ESG report**.

Maintain strong stakeholder relations

FY21 – what we did

Our response to the pandemic reinforced our commitment to the S in ESG. In addition to engaging with employees and unions, we are managing the pandemic by collaborating and engaging with other stakeholders including government, community representatives, industry bodies and our peers in the mining sector.

Status:



Outlook

We continue to prioritise engagements with our stakeholders to ensure we maintain healthy and robust relationships.



Refer to our **Stakeholder engagement** in this report and the **ESG report**.

Continue responsible ESG practices

FY21 – what we did

- Our corporate governance framework, code of ethics, values as well as policies and frameworks determine our decisions and actions for the environment, our host communities and the regulatory environment.
- Our third-generation social and labour plan projects are well underway
- Environmental performance, climate change, land rehabilitation and water conservation remain focus areas
- We now report against the financial requirements/guidelines of the global Task Force for Climate-related Financial Disclosure (TCFD).

Status:



Outlook

Retaining our social licence to operate is crucial. As this hinges on responsible ESG practices, we remain focused on ensuring we strive for excellence in every aspect.



Refer to our **ESG report** as well as the **TCFD report** for further detail on all aspects.



OPERATIONAL EXCELLENCE

Continue operating: safely, optimally, meeting/exceeding plans

FY21 – what we did

Harmony is proving its expertise as a world leader in deep-level, mature asset mining, and its resilience through social and economic uncertainty.

Safety is discussed under strategic pillar 1.

Key features of our operational performance were:

- A 26% increase in annual gold production to 1.54Moz
- A 1% increase in underground recovered grade to 5.51g/t
- A 66% increase in production profit to R12bn (US\$777m).

In addition, exploration and projects underway will contribute to our resource and reserve pipeline in the longer term. See strategic pillar 4.

Status:

Outlook

Estimated group production for FY22 is:

- 1.54Moz to 1.63Moz at an all-in sustaining cost of R765 000/kg to R800 000/kg
- Average underground recovered grade of 5.40g/t to 5.57g/t.



Refer to **Operational performance** in this report as well as our separate **Operational report 2021**.



CASH CERTAINTY

Effective cash utilisation

FY21 – what we did

A stronger average gold price received for the year – up 16% in rand and 18% in US dollars – boosted free cash flow by 83% to R6.5bn (US\$424m), providing balance sheet flexibility.

The group has deleveraged the balance sheet by reducing long-term debt 60% to R542m (US\$38m).

Additionally, the desire to create, preserve and redistribute long-term growth and value resulted in declaring a total dividend of 137 SA cents (9.3 US cents) per share.

Status:

Outlook

We continue to focus on maintaining a strong balance sheet and optimising its flexibility.



Refer to **Financial director's report**.

Reduce costs

FY21 – what we did

Costs were under pressure for most of the year, with the group all-in sustaining cost increasing 11% in rand terms to R723 054/kg (13% increase in US dollars to US\$1 460/oz).

This was mainly due to labour and electricity cost inflation as well as lower production at Target 1, Bambanani and Hidden Valley.

Status:

Outlook

Higher production means lower costs – if we achieve our production targets, we will contain costs. We are advancing projects to improve our energy supply and substantially reduce costs. New three-year wage agreement has been finalised – labour costs currently account for 53% of total cash operating costs.



Refer to **Financial director's report**.

DELIVERING ON OUR STRATEGY continued

Reduce debt	
FY21 – what we did	Outlook
<p>Net debt again reduced significantly in FY21.</p> <p>At 30 June 2021:</p> <ul style="list-style-type: none"> Net debt was R542m (US\$38m) versus R1.4bn (US\$79m) in prior year Net debt to EBITDA was 0.1 times, compared to 0.2 times at 30 June 2020. <p>Status: </p>	<p>Maintain our net debt to EBITDA ratio at below 1 times.</p> <p> Refer to Financial director's report.</p>

Adapt to gold price fluctuations	
FY21 – what we did	Outlook
<p>The derivative programme stood at a net positive value of R1.6bn (US\$111m) at 30 June 2021, mainly due to hedging in the first half when the gold price was higher and we could lock in a margin of over 25% above cost.</p> <p>Status: </p>	<p>We maintain a hedging limit of 20% of two years' gold production to secure cash certainty for a significant portion of our future production.</p> <p>Up to 25% of our foreign exchange may be covered.</p> <p> Refer to Financial director's report.</p>



EFFECTIVE CAPITAL ALLOCATIONS

Develop pipeline of organic projects	
FY21 – what we did	Outlook
<p>Clear targets inform our capital allocation, including an internal rate of return of over 15% and a debt repayment level of under 1 times net debt:EBITDA.</p> <p>Our pipeline of organic growth projects is aimed at addressing the ore reserve replacement risk and ensuring future growth. Capital expenditure of R166m (US\$11m) was invested in exploration and project development in FY21.</p> <p>Status: </p>	<p>Capital expenditure of R314m (US\$22m) is forecast for exploration and project development in FY22.</p> <p>A principal aim is to progress permitting for Wafi-Golpu and proceed with its development.</p> <p> Refer Exploration and projects.</p>

Integrate Mponeng and Mine Waste Solutions	
FY21 – what we did	Outlook
<p>This acquisition was effective from 1 October 2020.</p> <p>Status: </p>	<p>Smooth integration.</p> <p> Refer Chief executive officer's review and Financial director's report.</p>

Returns	
FY21 – what we did	Outlook
<p>Each of our capital-allocation decisions is aimed at ensuring total shareholder return – both share appreciation and dividends. The decision to pay a dividend is based on Harmony's operational and financial performance, as well as strategic direction. Dividends are paid from profits only. The company is currently in a growth phase and our priority remains to first repay our debt.</p> <p>Status: </p>	<p>At current gold price levels, we aim to be in a net cash position in the next 12 to 18 months.</p>




















DISCIPLINED CAPITAL ALLOCATION

– UNDERSTANDING OUR STRATEGIC TRADE-OFFS

Our business strategy aims to efficiently convert our natural capital into value across the other five capitals

Creating and optimising that value inevitably requires trade-offs in how and when value is created, transformed or eroded across the various capitals.

Major trade-offs considered in terms of our strategic pillars in FY21 are summarised below.

Strategic pillar	Capitals enhanced	Capitals depleted
 Responsible stewardship	 Human capital Acted on our duty of care for employee safety and health.  Natural capital Mitigated and managed the environmental impact of our activities.  Social and relationship capital Engaged with stakeholders, invested in communities, paid taxes and royalties, and complied with regulations.	 Financial capital Costs of our stewardship responsibilities – particularly employee healthcare and managing Covid-19 as well as environmental management.
 Operational excellence	 Human capital Invested in employees' safety, skills development and training.  Intellectual capital Invested in technology upgrades as well as system and process improvements to optimise and increase efficiencies and productivity.  Manufactured capital Invested in maintaining mining infrastructure (plant, machinery and equipment) and sustaining our business.	 Financial capital Financial expenditure to promote operational excellence and achieve our strategic pillar of cash certainty.
 Cash certainty	 Financial capital Enhance financial capital – to preserve cash and reduce costs and debt.	 Human capital  Social and relationship capital
 Effective capital allocation	 Manufactured capital Acquired infrastructure and assets (Mponeng and Mine Waste Solutions).  Natural capital <ul style="list-style-type: none"> Developing project pipeline to ensure availability of ore reserves to be mined Acquired resources and reserves (Mponeng and Mine Waste Solutions).  Financial capital In the longer term, acquisitions and projects will contribute to operational cash flows and margins.	 Financial capital Total cost of acquisitions, debt incurred and project development is balanced against longer-term financial benefits.

CASE STUDY

Live longer – our way of working



Humanistic transformation process – Thibakotsi Journey

2016 – 2023

Proactive culture/live longer

Initiative	Business improvement	Optimisation
How must I as a leader develop myself?		
Visible felt leadership – Approach, training, coaching and feedback	Established visible felt leadership at all operations	Embed new way of work – linked to our values
Leadership assessments and leadership development programme	Effective and efficient leadership	
How must I as a leader develop others?		
Empowerment tactics for middle management and supervisors	Engaged and competent middle management and supervisors	Embed new way of work – linked to our values
Risk propensity assessments and training	Improved risk profile of employees at operations	
Learning from incidents – closing the loop – organisational learning	Established LFI processes	
How must I as a leader take my people along?		
Bottom-up interventions: safety transformation – training and impact measurement	Improved operational safety and productivity indicators	Embed new way of work – linked to our values
Employee engagement tactics	Engaged workforce at all operations	
Change management including stakeholder management, communication, evaluation and audit of key action items		

“Safety starts with me and I behave safely in everything I do. Zero harm. Zero accidents. Zero fatalities. I am always alert to my colleagues’ safety”



Achieving our goal of zero loss of life and, ultimately, zero harm is a formidable challenge but one we are determined to achieve. In tandem with improving systems and controls, we are changing behaviour in a complex and high-risk mining environment through an integrated approach to shared responsibility.

This is a cross-functional approach, with initiatives in key disciplines cascading up to a group-wide organisational effectiveness and improvement (OEI) programme that totalled R12.3 million in FY21 alone. This in turn is centred on our core values (page 7) as an organisation that truly cares. We keenly understand that, without our 48 113 people, Harmony does not exist.

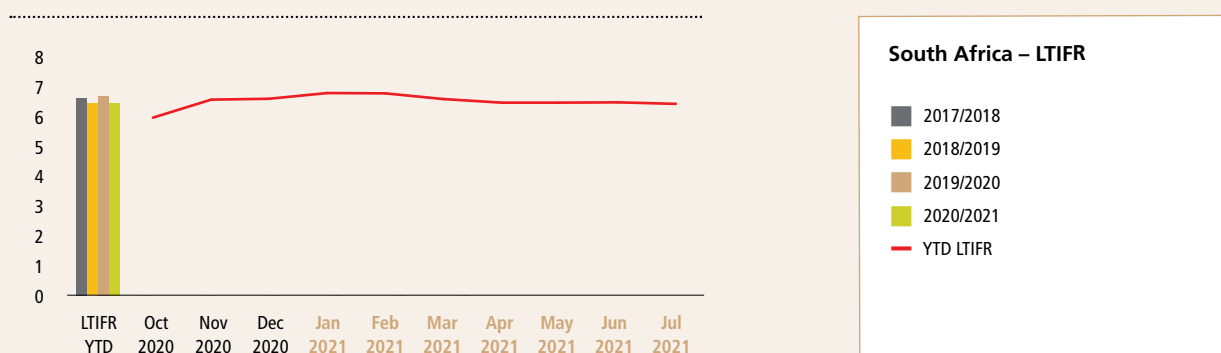
The coherent development of both the systemic and humanistic dimensions, as well as full integration with the Harmony safety strategy, are fundamental principles on which the business improvement programme is based.

Key to the programme over 2021-2023 is the sustainability and full integration of the humanistic transformation output, the Thibakotsi journey, illustrated below. Phases 3 and 4 are being implemented concurrently.

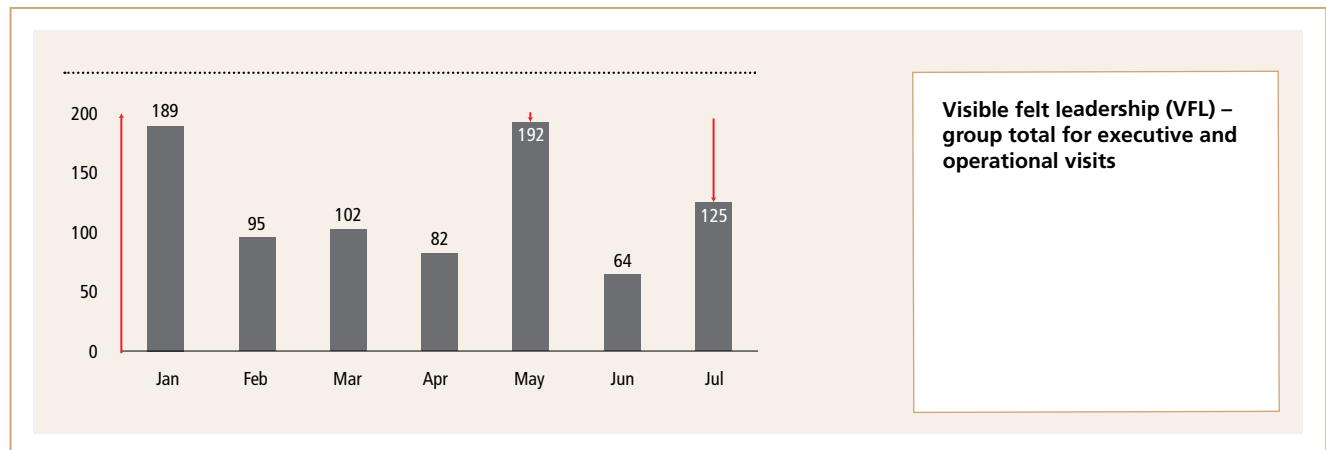
This company culture transformation framework has three key change drivers highlighted in the three main streams (rows) above. They are:

- How leaders show up, develop themselves and adopt a collaborative leadership style aligned to all the company values
- How leaders empower, develop and engage middle management and supervisors
- How leaders empower and engage with frontline employees, ensuring there is also a bottom-up approach to culture change.

Building on the foundation laid in earlier years, the Thibakotsi journey was initiated in 2021. This focuses on improving employee behaviour as well as team and operational behaviour. Results to date prove that active leadership (refer visible felt leadership graph below) is making measurable progress in creating a proactive safety culture and an environment where all employees really live our values amid high levels of mutual trust, respect and hope. Working from the top down and bottom up simultaneously, we are entrenching the belief that zero loss of life is possible and that all employees and contractors are empowered to deliver it. This is illustrated in the gradual decline in our lost-time injury frequency rate (below).



CASE STUDY continued



How we measure our progress

We constantly monitor key initiatives to ensure that value is realised, using specific quantitative and qualitative measures, summarised below.

Quantitative (systemic and humanistic measures)		Qualitative (head-heart-hands)	
Leadership	<ul style="list-style-type: none"> % leadership assessments completed – 100% expected by September 2021 Number of scheduled VFL (visible felt leadership) visits per operation. 	Leadership level	<ul style="list-style-type: none"> Create a vision for the future Identify priorities to get there Communicate vision and priorities Address employee concerns, fears and hopes Inspire and empower people Be agile and adaptable Implement operational culture improvement plans.
Teamwork	<ul style="list-style-type: none"> Employee absenteeism rate Crew satisfaction indicators. 	Team level	<ul style="list-style-type: none"> Team integration and dynamics – effectiveness of crew composition Team physical and psychological wellness Thibakotsi team training.
Recognition	<ul style="list-style-type: none"> Number of employees recognised. 	Individual level	<ul style="list-style-type: none"> Wellness Engagement.
Business improvement	<ul style="list-style-type: none"> Total number of incidents (total recordable case frequency rate or TRCFR) % repeat incidents. 		

Next steps

Key initiatives now underway focus on the third company culture-improvement driver – how our leaders take their people along – through safety transformation training (Thibakotsi team training), increasing employee engagement by implementing operational culture-improvement plans and rolling out management and union imbizos (a local term for gathering, usually called by a traditional leader) at our operations.

Thibakotsi team training

The goal of this training is to co-create a proactive, sustainable safety culture by transforming it from the bottom up. It is compulsory for all mines and plants, with specific focus on middle management, supervisors and front-line employees. Essentially, over the next two years, we aim to embed a new way of working by:

- Improving each employee's safety mindset
- Aligning our drive for humanistic transformation to support business improvement
- Addressing issues identified in our employee surveys
- Enabling employees to understand their personal risk profile.

The primary objectives of this training include:

- Positive impact on employees' relationship to safety, each other and the company
- Developing safety leadership capability at all levels of leadership
- Transforming the minds, hearts and behaviour of all employees
- Employee efficiency indicators are measured
- Improving employee engagement and development
- Embedded practices, routines and habits to ensure consistency and sustainability
- Improving response time to identified risks
- Improving employee availability
- Improving the safety credibility of leaders
- Reducing injuries
- Zero loss of life.

Service providers have been appointed and training began at Tshepong Operations, Doornkop and Masimong in the review period. It will be rolled out to the remaining operations and plants in FY22.

Measuring progress

- Quantitative:
 - Team performance (towards goal of S300m²/crew/month)
 - Team LTIFR
 - Absenteeism
 - Team member transfers.
- Qualitative:
 - Crew satisfaction feedback (leading safety indicator)
 - Workplace (underground) follow-up visits for feedback from team members.

These results are presented to specific steering committees monthly.

Employee engagement

Employee surveys measure the heartbeat of a company. Employees who are engaged care about each other, the company and their role in shared success. These surveys are also vital reference points to assess changes over time and identify common concerns.

Building on the results from earlier surveys, our 2021 employee survey reflects a significant improvement in key indicators. It also underscores the commitment by Harmony's leadership and cooperation of our unions.

Key findings from the company culture survey over March-June 2021

- Company entropy (a measure of counterproductive behaviours or energy in a system) significantly down from 18% in 2013 to 10% in 2021 (below world-class benchmark of 14%)

- Employees have a strong alignment between their personal values and current company culture
- Employees also indicated a good alignment between the current and desired company values
- Employees request a desired culture that includes:
 - Skills development
 - Caring
 - Trust.

In collaboration with unions, the respective operations will address their unique challenges and develop culture-improvement plans based on their survey results.

Cross-functional initiatives are also underway to address the expressed needs of our people for more skills development, trust and caring. These are detailed in our ESG report.

Imbizos

The key objective of imbizos is to mobilise all parties in pursuit of our goal of zero fatalities and ultimately zero harm. Following national and regional imbizos earlier in the year (which included DMRE representatives), operational and branch-level imbizos were finalised in July 2021. Each mine management team will now roll out imbizos with unions at their operations.



For more, see **Safety and health** in the **ESG report**.

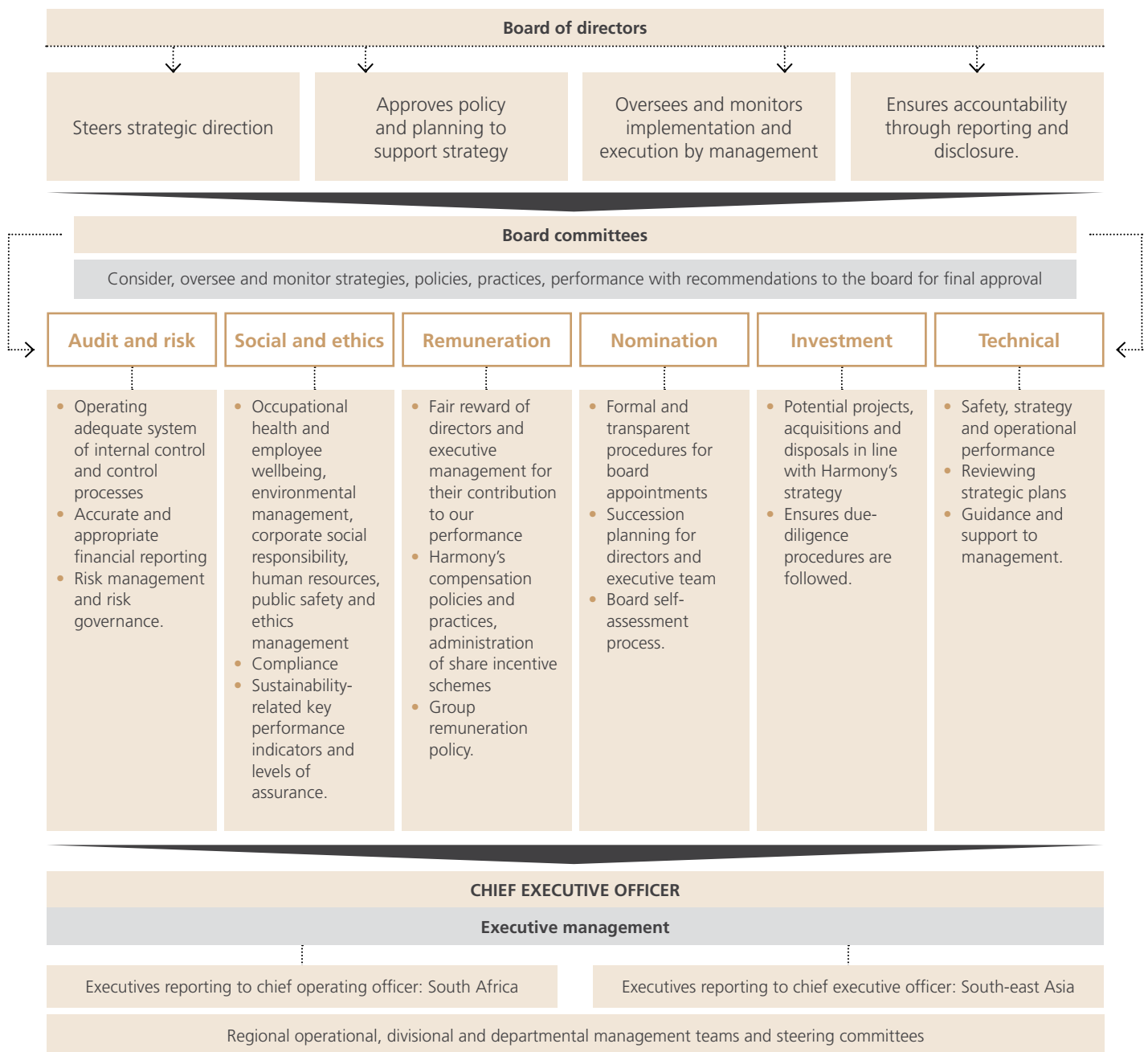


Waiting area at Great Noligwa shaft.

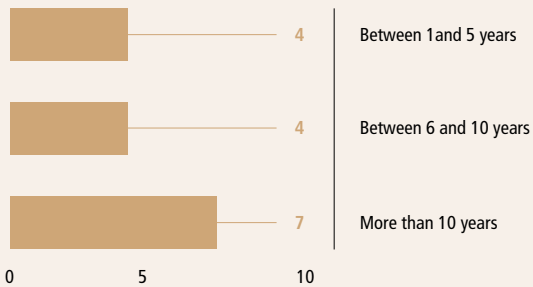
ETHICAL LEADERSHIP AND GOOD CORPORATE GOVERNANCE

Harmony is led by a unitary board of directors that subscribes to the principles of good corporate governance. Our duty to be a responsible corporate citizen is fully supported by our directors and their commitment to ethical leadership

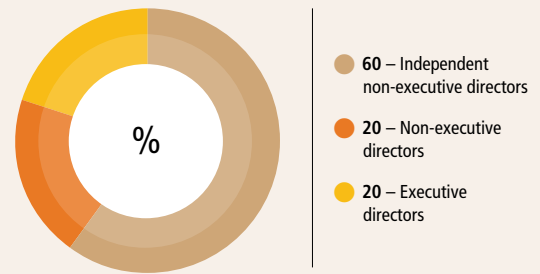
The group executive management team, headed by the chief executive officer, is responsible for executing our board-approved strategy, policy and operational planning.



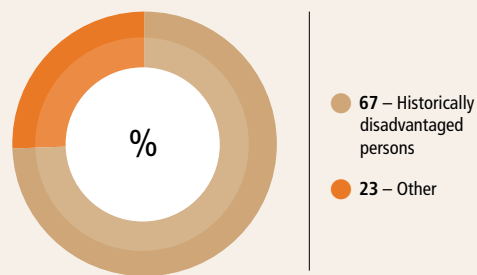
Tenure (number of directors)



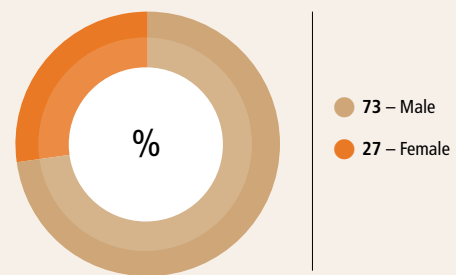
Independence



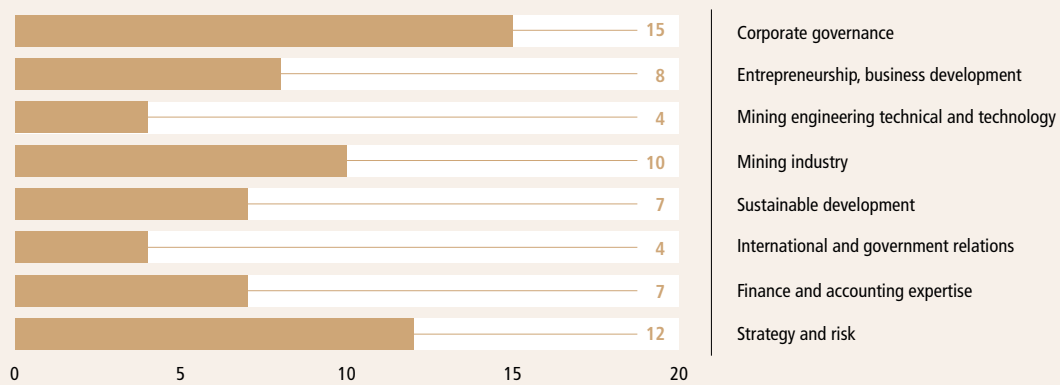
Transformation



Female representation



Core skills and experience



📶 For more detail on governance, see [Corporate governance](#) in our [ESG report](#).

MANAGING PERFORMANCE THROUGH REMUNERATION

We remunerate our executives fairly and hold them accountable for the success of the business in the interests of all stakeholders.

Harmony's reward strategy underpins our business strategy of safely producing profitable ounces, increasing our margins and expanding our reserves and resources through organic growth and acquisitions. Over the past four years, Harmony has added gold ounces per annum by acquiring Moab Khotso, reinvestment in Hidden Valley, Papua New Guinea, and acquiring Mponeng and related assets (effective October 2020).

To sustain this growth, we rely on experienced, skilled teams who live our values and maintain stakeholder relationships to grow profits safely and support a sustainable company.

Our remuneration policy has been designed with our business strategy in mind – to attract and retain these experienced, skilled teams and to motivate them to achieve our key business goals. To ensure this happens, we need to be certain that all elements of our remuneration and wider reward offerings are aligned, fair and competitive. In determining remuneration, the remuneration committee considers shareholders' interests as well as the financial health and future of the company.

Gender and race equality

Harmony's remuneration policy is to remunerate based on an individual's ability, skills and knowledge. Men and women, irrespective of race or any other arbitrary factor, are paid equally for equivalent roles.

Fair and responsible pay

Harmony is committed to the concept of a living wage, which is based on the philosophy of fair and responsible pay. It embodies our initiatives to enhance the lives of our employees by enabling them to improve their living conditions, and to have better access to social services, healthcare, education and training. For more information, refer to **Caring for our workforce** in our **ESG report 2021**.

Total incentive plan

The total incentive is determined every year on the following basis:

TOTAL INCENTIVE (R)	=	Guaranteed pay (R)	X	Participation factor (%)	X	Balanced scorecard result (%)
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The balanced scorecard result includes a number of key short- and long-term company performance measures (to be measured over trailing three- and one-year periods). The measures are reviewed and defined annually with appropriate weightings. The scorecard for FY22 is detailed in the **Remuneration report** in the **Report to shareholders 2021**.

A portion of the total incentive is paid immediately in cash and the balance is settled by means of deferred shares, which will vest at a rate of 20% per annum over the next five years for the executive directors and prescribed officers, and 33% per annum over the next three years for management.

In the event of fault termination of employment, including resignation and termination for disciplinary reasons, all unvested deferred shares are forfeited.

Shareholders will be requested to approve a change in the provision for no-fault terminations at the annual general meeting to provide that the awards do not vest early, on a time-prorated basis, on termination of employment but will continue in force to vest on the original vesting dates. This update will ensure that executives who leave the company in good standing, for example retirement, will continue to be exposed to the company share price for the remainder of the vesting periods of unvested awards. It will encourage and reward their focus on sustainability and succession during their tenure. The remuneration committee believes this provides continued exposure to the company's performance which is now preferred by shareholders in terms of the emerging practice of post-termination shareholding, as well as providing a fair outcome for our employees who have provided loyal service to the company for as long as they are able. This approach is also aligned to market practice for deferred bonus awards, in contrast to that applied to performance share awards with forward-looking performance conditions.

Incentive payments attributable to FY21

Total incentive plan

Actual performance outcomes based on the FY21 balanced scorecard for the period 1 July 2020 to 30 June 2021:

FY21 scorecard result for the group

Performance drivers	Description	Target	Actual	% achieved	Qualifies	Weighting	Scorecard line result	Final outcome
Shareholder value	Total shareholder return (TSR)							
	– TSR absolute	56%	142%	141.8%	YES	8.34	100.0%	8.34%
	– TSR versus JSE Gold Index	10%	(43)%	(42.7)%	NO	8.33	0.0%	0.0%
	– TSR versus FTSE Gold Mines	10%	63%	63.5%	YES	8.33	100.0%	8.33%
Operational and financial	Kilograms total Harmony	48 805	47 755	97.8%	YES	20.0	51.4%	10.28%
	Total production cost (SA)	29 703	30 028	98.9%	YES	12.0	55.6%	6.68%
	AISC (SEA ops) (US\$/oz)	1 197	1 217	98.4%	YES	3.0	53.5%	1.61%
	Net free cash flow	4 947	5 990	121.1%	YES	10.0	88.1%	8.81%
Growth	Reserve addition (Moz)		9.286		YES	10.0	100.0%	10.00%
Sustainability	LTIFR total SA ops	6.36	6.46	98.4%	YES	15.0	53.7%	8.06%
	ESG				YES	5.0	100.0%	5.00%
						100.0		67.11%

	FY18	FY19	FY20	Three-year average	FY21	% variation	% of LTIFR awarded
Fatal incidents versus actual	8	11	6	8	11	(38)%	40.00%
Final LTIFR %							3.22%
Final scorecard result							62.27%

Discretion to be applied based on the number of fatalities during the financial year:

The LTIFR award percentage will be adjusted as follows:

- The actual number of fatalities compared to average fatal incidents over the previous three years:
 - Equal to or better than the average – full LTIFR award
 - Up to 20% above the average – 60% of LTIFR award
 - Between 20% and 40% above the average – 40% of LTIFR award
 - More than 40% above the average – 0% of LTIFR award.

The board, with the assistance of the remuneration committee, has added an additional 5% to the formulaic outcome disclosed above to recognise the salary cuts taken last year and the extraordinary efforts of management to address the uncertainty and challenges of the Covid-19 impact on the business as well as the successful integration of recent acquisitions with minimal disruption.

For more detail, see [Remuneration report](#) in our [Report to shareholders](#).

OUR LEADERSHIP

Board of directors

BOARD LEADERSHIP



Non-executive chairman

Dr Patrice Motsepe (59)

BA, LLB, Doctor of Commerce (Honoris Causa), Doctor of Management and Commerce (Honoris Causa)

Appointed non-independent non-executive chairman on 23 September 2003

Member: ●



Non-executive deputy chairman

Modise Motlobo (55)

BSc, Diploma in Strategic Management

Appointed 30 July 2004

Chairperson: ●

Member: ● ● ●



Lead independent non-executive director

Dr Mavuso Msimang (80)

MBA (Project Management), BSc

Appointed 26 March 2011

Chairperson: ●

Member: ●

EXECUTIVE DIRECTORS



Chief executive officer

Peter Steenkamp (61)

BEng (Mining), Mine Manager's Certificate Metal Mines, Fiery Mines, CPIR, MDP, BLDP

Appointed chief executive officer on 1 January 2016



Financial director

Boipelo Lekubo (38)

BCom (Hons), CA(SA)

Joined Harmony in June 2017 and appointed financial director on 3 March 2020



Executive director: stakeholder relations and corporate affairs

Mashego Mashego (57)

BA (Education), BA (Hons) (Human Resources Management), Joint Management Development Programme, Global Executive Development Programme

Joined Harmony in 2005 and appointed executive director on 24 February 2010

INDEPENDENT NON-EXECUTIVE DIRECTORS



Joaquim Chissano (82)
PhD (Honoris Causa)
 Appointed 20 April 2005
 Member: ●●



Fikile De Buck (61)
BA (Economics & Accounting), FCCA
 Appointed 30 March 2006
 Chairperson: ●
 Member: ●●●



Dr Simo Lushaba (55)
BSc (Hons), MBA, DBA, CD (SA)
 Appointed 18 October 2002
 Chairperson: ●
 Member: ●●●



Karabo Nondumo (43)
BAcc, HDip (Acc), CA(SA)
 Appointed 3 May 2013
 Member: ●●●



Vishnu Pillay (64)
BSc (Hons), MSc
 Appointed 8 May 2013
 Chairperson: ●
 Member: ●●●



Given Sibiya (53)
BCom, BAcc, CA(SA)
 Appointed 13 May 2019
 Member: ●



Peter Turner (65)
Mine Managers Certificate of Competency, NHD Mechanical Engineering, CPIR, MDP, EDP
 Appointed 19 February 2021
 Member: ●●



John Wetton (72)
CA(SA), FCA
 Appointed 1 July 2011
 Member: ●●●●

NON-EXECUTIVE DIRECTOR



André Wilkens (72)
Mine Manager's Certificate of Competency, MDPA, RMIIA, Mini MBA Oil and Gas
 Appointed 7 August 2007
 Chairperson: ●
 Member: ●●

COMMITTEE

- | | |
|---------------------|--------------|
| ● Audit and risk | ● Nomination |
| ● Social and ethics | ● Investment |
| ● Remuneration | ● Technical |



Detailed résumés of Harmony's board members are available at
<https://www.harmony.co.za/who-we-are/board>

OUR LEADERSHIP continued

Executive management

SENIOR GROUP EXECUTIVES



Chief operating officer: South Africa

Beyers Nel (44)
BEng (Mining Engineering),
MBA, Pr Eng, Mine Manager's
Certificate of Competency



Chief executive officer: South-east Asia

Johannes van Heerden (48)
BCompt (Hons), CA(SA)



Chief operating officer: new business development, corporate strategy and projects

Phillip Tobias (51)
BSc (Mining Engineering),
International Executive
Development Programme,
Advanced Management
Programme, Pr Eng and
Mine Manager's Certificate
of Competency



Enterprise risk and investor relations

Marian van der Walt (48)
MBA (Oxford), BCom (Law), LLB,
Higher Diploma in Tax, Diplomas
in Corporate Governance and
Insolvency Law, Certificates in
Business Leadership and Investor
Relations (UK), MBC (Oxford)
(cum laude)

CORPORATE EXECUTIVES



Chief audit executive Besky Maluleka-Ngunjiri (45)

BCompt (Hons), CTA, CIA,
CCSA



Sustainable development Melanie Naidoo-Vermaak (47)

BSc (Hons) (Industrial
Microbiology), MSc (Sustainable
Development), MBA



Chief financial officer: treasury Herman Perry (49)

BCom (Hons), CA(SA)

GROUP COMPANY SECRETARY



Shela Mohatla (36)

MBA, FCG (CGISA), BAdmin IR,
PGDIP Corporate Law,
Certificate in Management
Development (PMD)



Detailed resumés of members of Harmony's executive management are available at
<https://www.harmony.co.za/about/executive>

CHAIRMAN'S REVIEW



"The company focuses on what it can influence, which is being a sustainable and competitive business which creates shared value through organic growth and value-creating acquisitions in the long term."

Dr Patrice Motsepe
Chairman

Dear shareholders and stakeholders

Harmony's excellent results for the 2021 financial year (FY21) were based on implementing its strategic objectives as stated in the CEO's report. These results were achieved despite ongoing macro-economic uncertainties as the world deals with successive waves of the Covid-19 pandemic.

Gold, once more reflected its safe-haven investment status, as its price climbed from around US\$1 500/oz in early 2020 when Covid-19 was declared a global pandemic and peaked at US\$2 063/oz in August 2020, when vaccines became a reality and investors began rotating out of gold into other investment classes.

At year end, the gold price was US\$1 769.80/oz, reaffirming our positive outlook on the commodity in a volatile macro-environment.

For Harmony, this translated into an 18% increase in the US\$/oz gold price received compared to the prior year. Gold production also increased by 26% from the 2020 financial year (FY20) when production was significantly affected by national lockdowns in

South Africa in the final quarter of FY20 and the integration of Mponeng and related assets into our portfolio from October 2020. The company recorded a commendable 66% increase in production profit in the year under review.

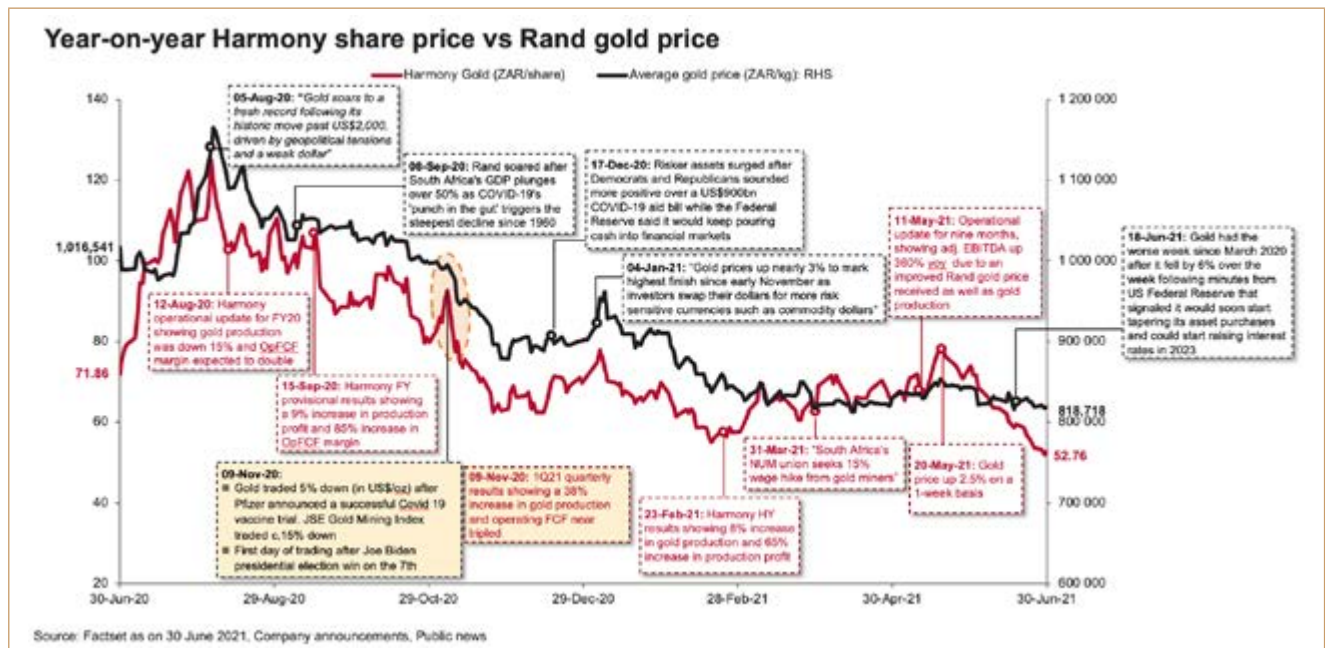
As planned, the newly acquired assets of Mponeng and related assets, which accounted for 19% of group production in just nine months, boosted production to over 1.54Moz.

The Harmony share price moved in tandem with the gold price and a stronger Rand, coming off its peak last year to close at R52.76 per share, resulting in a market capitalisation of R32.5 billion (US\$2.3 billion) at 30 June 2021.

The South African gold-mining industry

In calendar 2020, the South African industry employed 93 682 people, paid R25.6 billion (US\$1.6 billion) in wages, salaries and employee benefits and recorded gold sales of R78.2 billion (US\$4.8 billion).

CHAIRMAN'S REVIEW continued



Against this background, we believe Harmony has demonstrated its investment case and shown that it can offer significant value in a high-price commodity cycle.

Whereas the price of gold is outside Harmony's control, the company focuses on what it can influence, which is being a sustainable and competitive business which creates shared value through organic growth and value-creating acquisitions in the long term. Our re-engineered portfolio has significantly reduced our debt which has resulted in a strong and flexible balance sheet.

Vital to being a responsible and integrated business is embedding environment, social and governance (ESG) matters into our decision-making. Responsible stewardship is an important pillar of Harmony's strategy.

Maintaining a safe and healthy work environment

The safety and health of our approximately 48 000 employees is both our primary responsibility and a business imperative. Safety is a foundational value at Harmony. Safe production at all our operations and at all times is non-negotiable.

Our ESG report details results stemming from the proactive behavioural safety journey we initiated years ago to improve the culture of safety in Harmony. Regrettably, we lost 11 employees during the year in work-related incidents, and we extend our sincere condolences to their families, friends and colleagues. We are deeply disappointed by our safety performance in FY21 and are committed to reviewing our safety systems, policies and cultures.

Covid-19 remains a major focus area and a risk to our business. Our robust and collaborative response contained the Covid-19 active case level to 0.27% of our workforce. In line with government programmes in South Africa and Papua New Guinea, we have been rolling out our vaccine programme since June 2021, aiming to cover 80% of our South African workforce by October 2021.

Investing in our employees

As noted, we provide employment for approximately 48 000 people, most of whom live in communities around our operations. Our collaborative and inclusive approach supports constructive relationships with our employees and their representative trade unions. This is further demonstrated by the conclusion of our wage negotiations in September 2021, where we reached a three-year wage agreement with all five labour unions.

During the year, we invested R1 billion (US\$65 million) in the health and wellbeing of our employees, of which R292 million (US\$19 million) was specifically to manage and mitigate the impact of Covid-19. In addition, we invested R488 million (US\$32 million) in employee training, development and career advancement.

Ongoing commitment to host communities

The sustainability of our business is interlinked with the socio-economic sustainability of our host communities. We contribute to improving the living conditions of our host communities by initiating infrastructure development projects, creating employment opportunities and providing skills training and preferential procurement. Equally important is contributing to their sustainability by creating economic opportunities in the agricultural sector to promote women and youth employment and by creating enterprises that can sustain themselves post-mining.

The pandemic affected all our host communities, particularly those most in need. In addition to Covid-19 public awareness campaigns, we continued to support our doorstep communities by providing food and hygiene products and funded income-generating projects such as the manufacturing of masks.

In FY21, we invested R71 million (US\$5 million) in community development and upliftment projects, and corporate social investment. In addition to allocating resources focused on Covid-19, we concentrated on providing infrastructure and supporting enterprise development for small, medium and micro-businesses.

In South Africa and Papua New Guinea, we supported agricultural projects led by women and the youth. In the past three years, we have invested R36 million (US\$2 million) in agricultural projects in host communities in South Africa. Similarly, we have invested R408 385 (US\$27 115) in coffee and cocoa agricultural projects in Papua New Guinea and employed agricultural officers at Hidden Valley mine to support and coordinate these activities.

We also contribute significantly to taxes and royalties in the countries where we operate. In FY21, we paid R1.2 billion (US\$79 million) in South Africa and about R127 million (US\$8 million) in Papua New Guinea. We also paid R15.3 billion (US\$995 million) in wages and salaries, and spent R13.0 billion (US\$844 million) on local procurement.

📶 More information on our socio-economic development initiatives can be found in our **ESG report 2021**.

Our commitment to the environment and its resources

📶 In FY21, Harmony continued to apply global good practice in managing our scarce natural resources. These initiatives have been recognised by global research agencies (see our **ESG report 2021**).

The lasting impact of climate change is arguably the most critical global challenge of our time. In line with our business strategy, we remain committed to participating in the global response to reduce carbon emissions and mitigate the physical impacts of climate change.

We are reducing our carbon footprint and are committed to making more progress in this regard. We have reduced our energy intensity by 28% over the past six years, reducing CO₂ emissions by 1.2 million tons and saving R1 billion in energy costs.

We welcome the South African President's announcement in June 2021 of a 100 megawatt (MW) cap for embedded generation, effectively doubling the amount of energy our industry can generate for self-use. We are exploring a number of self-generation renewable energy options, including solar projects. Harmony plans to bring the first 30MW of solar power into production in early 2022 while developing a pipeline of projects for an additional 137MW.

In South Africa, a water-scarce region, we have almost doubled the quantity of recycled water and reduced our water consumption intensity (which measures the quantity of water required to treat a tonne of treated ore) by 37% over five years.

📶 For more on our environmental management activities, see our **ESG report 2021**.

Commitment to good governance

Our board formulates robust governance standards and ensures that we conduct our business ethically and in line with global good governance practice.

Amid the prevailing social, political, economic and environmental challenges, the depth of expertise on Harmony's board has been invaluable.

In December 2020, Ms Grathel Motau resigned as an independent non-executive director and investment committee member to pursue other career opportunities. We thank Ms Motau for her contribution.

Mr Peter Turner was appointed to the board as an independent non-executive director in February 2021 and was subsequently appointed as a member of the technical and investment committees. His extensive experience in open-pit and deep-level underground gold mining in Africa makes a significant contribution to the technical expertise required for the company's safety, development and growth initiatives.

Two of our longest serving board members, Ms Fikile De Buck and Dr Simo Lushaba, who retire by rotation this year, although eligible, will not be seeking re-election to the board. This will be effective as of the conclusion of the 2021 annual general meeting. Ms De Buck and Dr Lushaba have contributed immensely to the growth and success of Harmony. On behalf of the board I would like to thank them for their invaluable contribution over many years.

The board has embarked on a transitional plan to ensure that its composition and functioning is in line with global best practices.

📶 For further details, refer to **Corporate governance** in the **ESG report 2021**.

My gratitude

Our management teams and employees have proven their mettle in the face of ongoing Covid-19 challenges and its impact on their work environment. On behalf of the board, I thank them for their resilience and commitment.

We are also deeply grateful for the continued support and cooperation of our host communities, shareholders and all other stakeholders.

I would also like to thank our chief executive officer, Peter Steenkamp, and his management team for their exemplary leadership and hard work. Their collective contribution has been pivotal to the success and growth of Harmony and our ability to create shared value.

My deep gratitude also goes to every member of our board for their guidance and advice during these challenging and demanding times.

Dr Patrice Motsepe
Chairman

28 October 2021

WORLD IN WHICH WE CREATE VALUE

ENGAGING WITH STAKEHOLDERS IS KEY TO CREATING SHARED VALUE

The views and legitimate concerns of our stakeholders are key to implementing our business strategy.

Similarly, our implicit social licence to operate depends on their inputs and their confidence in our ability to create value for all.

Given the finite nature of mining, we understand our responsibilities to host communities. During their productive lives, our operations are an important economic agent in these communities – as employer, in supporting local businesses, contributing to the tax base of local municipalities – and more. Equally, when a mine closes, there may be serious economic consequences for host communities. In line with national goals, we aim to create self-sustaining communities beyond the operating lives of our mines. As such, we leverage our skills and infrastructure, develop suppliers, and assist in establishing viable alternative economic activities post-mining.

We listen to our stakeholders. We understand the growing need to achieve measurable social outcomes and build sound relationships around operations. Through our social and labour plans, enterprise and supplier development initiatives, corporate social investment and infrastructure projects, we contributed R8.0 billion to host communities in FY21.

Engaging with stakeholders is key to implementing our business strategy. Failing to do so jeopardises our social licence to operate and could reduce opportunities in the market.



This is detailed in our **Stakeholder engagement** in the **ESG report**.



Doornkop agriculture project near Soweto.

OUR EXTERNAL OPERATING ENVIRONMENT

Our external operating environment is influenced by economic, social, political and environmental pressures at a macro-economic and national level. These can obviously change over the short, medium or long term. It is therefore vital for Harmony's sustainability that we anticipate, identify and understand all external influences that affect our business, and develop appropriate responses.






Global macro-environment








	Factor	What happened	Impact on Harmony	Our response
Economic and geo-politics	Gold price	The gold price continued to benefit from the Covid-19 aftermath, with higher prices in the first half of the year. These peaked at R2 063/oz on 6 August 2020. The gold price was relatively unchanged from US\$1 781/oz at the beginning of FY21 to US\$1 770/oz at year end. It has since remained steady, closing at US\$1 754/oz at the time of writing.	The comparatively higher gold price received in the current year has been a key contributor to our 43% increase in revenue to R41.7bn (US\$2.7bn).	As opportunities arise, our hedging strategy is to only lock in at a margin 25% above cost. This has contributed to our net positive derivative value of R1.6bn (US\$111m). In addition, our planning continues to use a conservative price assumption to maintain a reasonable margin. 📄 Chairman's review, Chief executive officer's review and Financial director's report.
	Gold market	Global demand for the commodity remained robust. The market was particularly driven by increasing demand for investment by central banks and other institutions.	This has meant we can continue to produce and initiate plans to invest in future projects and production.	We have returned to full production after the Covid-19 disruptions. To meet global demand, our operations increased quantity of gold produced 26% to 47 755kg. 📄 Chairman's review, Chief executive officer's review and Financial director's report.
	Geo-political uncertainties	Both the price of and market for gold are driven by the state of the global geo-political environment. The period under review remained characterised by heightened geo-political uncertainty, driven principally by rising tensions between the United States and China, decoupling of the US-Chinese technology sector, continued tensions in the Middle East, unrest in Hong Kong, and desecularisation of Turkey.	The identified geo-political uncertainty is yet to have any adverse effects on the group's ability to deliver on key strategic objectives. We are, however, analysing all potential negative outcomes to execute proactive responses.	📄 Chairman's review, Chief executive officer's review and Financial director's report.

	Factor	What happened	Impact on Harmony	Our response
Health	Covid-19	In FY21, several vaccines were developed, tested, approved and rolled out. The pace of vaccine uptake is slower than anticipated. This is particularly acute in South Africa, where vaccine hesitancy is having a significant impact on the speed of roll out. Of particular concern are variants that are emerging, sometimes with higher infection rates.	Regrettably, we lost integral members of our workforce to Covid-19. We grieve with all staff members who lost loved ones. The virus continues to have a limited impact on certain operations from time to time.	Our Covid-19 risk management strategy remains to reduce the probability of an employee contracting the virus and to limit the severity if infected. We have initiated a vaccination programme and continue to encourage our employees and their families to get vaccinated. Safety and health in our ESG report.
Socio-cultural	Shareholder activism	Shareholders and investors all over the world expect far more from companies than a decade ago. There is increasing pressure on mining companies to demonstrate that they can responsibly allocate and manage capital and, more importantly, prove a solid commitment to dealing with ESG issues.	Our reporting is robust and covers a number of impacts on our business holistically.	Responsible stewardship is one of our strategic pillars. To meet shareholder expectations, we focus on continuously improving our ESG performance, while aligning our corporate targets with the UN SDGs and other guidelines, where relevant. Stakeholder engagement and Material issues in this report and the ESG report.
Environmental	Climate change	Climate change is increasingly putting governments, investors, and society at large on a collision course with corporate decision-makers, who must choose between ambitious commitments to reduce their emissions and the bottom line. There is a growing trend in civil society of being unforgiving of investors and companies who they believe to be moving too slowly towards a carbon-neutral future. In addition, investors are reducing exposures to carbon-intensive industries. All this as global warming makes natural disasters more likely, more frequent and more severe.	Our ESG initiatives have resulted in our inclusion in the FTSE4Good Index, where we continue to outperform the gold sub-sector and basic metals sector averages. In FY21, MSCI upgraded Harmony's score to a B rating on the back of our strong governance framework.	We have implemented the necessary governance frameworks to ensure we are held accountable and deliver on our sustainability targets and ambitions. Key highlights from the review period include: <ul style="list-style-type: none"> • Reduced water, energy and emission intensities • Approved plans to construct a 30MW solar plant • Over 200 energy initiatives saving 1.2Mt of carbon dioxide • To minimise our impact, we are committed to reduce our carbon emissions as much as feasibly possible, comply with all environmental legislation, manage our resources efficiently, minimise waste streams, and implement best practices for land management and rehabilitation. Environmental management and stewardship in our ESG report.




OUR EXTERNAL OPERATING ENVIRONMENT continued

Regional factors

	Factor	What happened	Impact on Harmony	Our response
Economic	Exchange rate 	The rand appreciated considerably against the US dollar in FY21, opening at R17.32/US\$1 and closing at R14.27/US\$1.	A foreign exchange translation gain of R670m (US\$44m) compared to a R892m loss (US\$57m) in FY20 mainly reflects favourable translations on US dollar loan balances. These in turn are attributable to the rand strengthening against the US dollar, with an improved average and closing exchange rate of R15.40/US\$1 (FY20: R15.66/US\$1) and R14.27/US\$1 (FY20: R17.32/US\$1) respectively.	<p>We are focused on maintaining production levels. Even at the relatively lower exchange rate, the group's South African operations are generating a margin and positive cash flow. Our derivative strategy is to only lock in pricing at favourable rates and no new foreign exchange derivative contracts were entered into for FY21. We will await an appropriate opportunity to cover up to 25% of Harmony's foreign exchange revenue transactions.</p> <p> Financial director's report.</p>
	Sovereign rating  	<p>Following South Africa's sovereign rating downgrade in 2020, credit ratings agencies have affirmed the BB- rating, citing an upturn in near-term economic performance and improved public finances.</p> <p>Papua New Guinea's long-term foreign and local currency sovereign credit rating was also downgraded in 2020 on the back of mounting debt and fiscal deficits. Although that country's rating has not since changed, the outlook was downgraded to negative, citing fiscal pressures.</p>	Adverse credit ratings do deter some investors, threatening our long-term value. Our market capitalisation has declined from R43.3bn (US\$2.5bn) in FY20 to R32.5bn (US\$2.3bn) in FY21.	<p>We regularly engage with investors to provide a realistic understanding of our potential operating and financial performance.</p> <p> Financial director's report.</p>
Socio-cultural	Social licence to operate  	The nature of the extractive sector means that mining companies must pay particular attention to their social licence to operate. This is a tacit approval by local communities and other stakeholders to operate a project. To ensure a social licence to operate, companies must navigate complex social, economic and political dynamics over time to avoid conflicts with their host communities.	There have been no adverse finding against any of the group's operations.	<p>We take our role as a responsible corporate citizen seriously and continuously strive to preserve our social licence to operate. We constructively engage with stakeholders to share value, better understand and manage expectations, and to secure and maintain our social licence to operate.</p> <p> ESG report on Caring for our workforce, and Empowering communities.</p>
	Potential liability for occupational lung disease compensation 	<p>On 21 December 2012, a class action suit was brought against 32 South African gold-mining companies on behalf of 69 former gold miners – in turn representing a far larger number of miners – suffering from silicosis.</p> <p>The litigation represented a substantial financial and reputational liability for the gold mining companies.</p>	The group has paid R170m (US\$11m) and R155m (US\$10m) in FY21 and FY20 respectively to service its obligation. The remaining obligation is estimated at R854m (US\$60m).	<p>Harmony was central to negotiations on a R5.2bn settlement approved by the Johannesburg High Court in July 2019. Harmony was also instrumental in establishing a trust to carry out the terms of the settlement agreement and manage the compensation process.</p> <p> Safety and health in ESG report.</p>

	Factor	What happened	Impact on Harmony	Our response
Political/regulatory	Political/regulatory/legal environment  	<p>The government of Papua New Guinea is undertaking a wide-ranging review of the country's mining regime to increase the state's share of proceeds from mining, enhance landholder and provincial government equity participation in mining projects and promote direct involvement in mining and exploration by state-owned enterprises. There are several draft bills and policies which, if adopted, could have a material adverse effect on the business, operating results and financial condition of Harmony's operations.</p>	<p>Uncertainty on future fiscal, legislative and regulatory environment causes us to exercise caution when assessing the viability of future investment in South Africa and Papua New Guinea.</p>	<p>In both jurisdictions, we engage with government directly and indirectly through industry representative bodies to find viable and constructive solutions to the aspirations and concerns of all stakeholders.</p> <p> Chairman's review, Chief executive officer's review, Exploration and projects.</p>
		<p>In South Africa, there are several new and amendment bills and draft policies before parliament, which have been delayed by the pandemic. This has prolonged regulatory uncertainty, particularly on the management and reporting of environmental impacts in and surrounding mining operations.</p>		
Environmental	Water shortage 	<p>Water availability is becoming less predictable, with South Africa experiencing intense drought periods recently.</p>	<p>Inadequate water supplies could disrupt our mining operations, mineral processing and damage property or equipment. They could also have adverse effects on our workforce and communities around our mines, such as increased risk of food insecurity, water scarcity and prevalence of disease.</p>	<p>We strive to manage and mitigate our impacts on water catchment areas by ensuring we do not denude the quality or reduce the volume of water in areas around our operations.</p> <p> ESG report for Water use.</p>
Technical	Electricity 	<p>Not only is the price of electricity expensive, intermittent loadshedding makes supply unreliable.</p>	<p>We have initiated alternative power-generation projects to reduce reliance on the inconsistent national power supply.</p> <p>This will be rolled out in phases. In the initial phase, we will construct three x 10 megawatt (MW) (30MW) solar plants in the Free State, with plans in the next phase for an additional 70-80MW of renewable energy over the next 18 months. In addition, we have a pipeline of renewable and alternative energy projects in various stages of development.</p>	<p>Harmony is exploring renewable energy options that will greatly assist in reducing dependency on Eskom.</p> <p> ESG report for climate change, energy, and emissions management.</p>

Legend:

-  South Africa-specific
-  Papua New Guinea-specific
-  Applicable to both jurisdictions

OUR RISKS AND OPPORTUNITIES

Our business is exposed to risks and opportunities inherent to mining, as well as factors and events in our external environment. These can affect our ability to achieve strategic objectives and our ability to generate sustainable value for all stakeholders.

By understanding the factors in our internal and external operating environments that create uncertainty and risk, as well as their interrelated dynamics, we are better able to manage these impacts and position Harmony to capitalise on opportunities, meet future challenges and deliver on our growth prospects. See our external operating environment for more information.

Underpinned by effective governance and active management, our systems and processes proactively evaluate, manage and mitigate risks. Over seven decades, we have built our expertise in operating in emerging economies as well as our experience in managing socio-political challenges in these countries. We have developed the skills to navigate the challenges of multi-stakeholder labour relations, especially at our deep-level gold mines in South Africa, which are labour-intensive and unionised.

Our enterprise risk management process

Our approach to risk management relies on continuously monitoring risk and related mitigation procedures and revising these when required. These procedures are embedded in our day-to-day activities and processes at operational level, and in our governance structures at a group policy level.

Risk management begins with our business strategy and related objectives. To achieve our goals, identifying and understanding the factors that could limit our ability to deliver on our strategy is vital. Equally, we need to understand those factors that present opportunities.

In the past year, our risk management team focused on progressively evolving from being risk-competent to becoming risk-intelligent, enabling us to make risk-based decisions within our risk appetite levels. We have finalised our new enterprise risk management policy, risk management guidelines plan and a new risk appetite framework in March this year to improve the effectiveness of risk management throughout Harmony. This entails a more holistic and forward-looking approach to managing risk and uncertainty. We have appointed the Institute of Risk Management South Africa to do frequent maturity assessments and to apply best practice to our ERM (enterprise risk management) processes and standards.

Risk management process



Board

Top strategic, operational and safety-specific risks plus mitigating actions are reported quarterly to the board by the audit and risk as well as technical committees. Other board committees review specific risks within their mandates. The top strategic, emerging, operational and safety risks that fall outside our risk appetite and tolerance levels are reported to the board. These reports include risk treatment strategies and business continuity management plans on how the risks are managed.



Quarterly review of Harmony's strategic risk profile to:

- Assess its completeness
- Consider external and internal factors that could lead to new/emerging risks and opportunities
- Review the likelihood and impact/consequence of existing risks and assess any new or emerging risks and opportunities to determine residual ratings
- Review the completeness, effectiveness and/or relevance of mitigating actions and evaluate resulting residual risk ranking.



Operational management teams

Implement and oversee day-to-day risk management.

Safety

Four-layered, risk-based approach to actively manage safety in South Africa and Papua New Guinea.



Refer to **Safety and Health** in the **ESG report**.

Operations

Each operation maintains, updates and regularly reviews its risk register. These are formally reviewed weekly by regional general managers, together with country-based executive and management teams.

Harmony's risk management strategy

In 2018, we adopted the Harmony risk management strategy, with the overarching objective to achieve safe, profitable production at all our operations in South Africa and Papua New Guinea.

This strategy is also focused on embedding a culture of risk awareness and mitigation in all our employees – from miners to executive management – to ensure we operate safely and productively.

📶 **Safety and Health** in our **ESG report** for more on the roll out of this strategy in the safety sphere.

Our risk management strategy is essentially a four-layered approach to identifying, assessing and controlling all hazards and risks that could impact our ability to achieve safe and profitable production.



The modernisation and digitisation of systems and processes across the group has been key to effectively rolling out this strategy. This has been underway since 2018.

For the past three years, implementation of our risk management strategy has focused on safety to improve our performance and embed a proactive culture on safety. In FY21, the strategy was rolled out to all spheres of the business.

Determining our most significant risks and opportunities

Once we have determined the group-level risk appetite and tolerance levels, we monitor all risks while identifying and managing those most material to the company. While our group-level risk appetite and tolerance levels are formally reviewed each year, they are continually monitored for relevance against changing macro-environment factors.

Group risk appetite

- Our business is gold mining – a high-risk/high-reward business
- We operate across the gold-mining value chain – from exploration, feasibility studies, building and buying mines, operating mines to closure followed by rehabilitation
- We are exposed to gold price and exchange rate volatility – we mitigate some of this exposure through derivative programmes
- We operate well in emerging economies and manage associated socio-political impacts
- We continue to invest in exploration – one of the most effective ways to grow an orebody and create value
- We have an appetite for change and continuous improvement – we continuously look for innovative ways to improve our existing mines and acquire assets that we can improve operationally
- We have the skills to deal with the challenges of multistakeholder labour relations – implicit in deep-level, narrow-reef gold mining in South Africa
- Our experienced teams have strong values and are committed to deliver.

Group risk tolerance

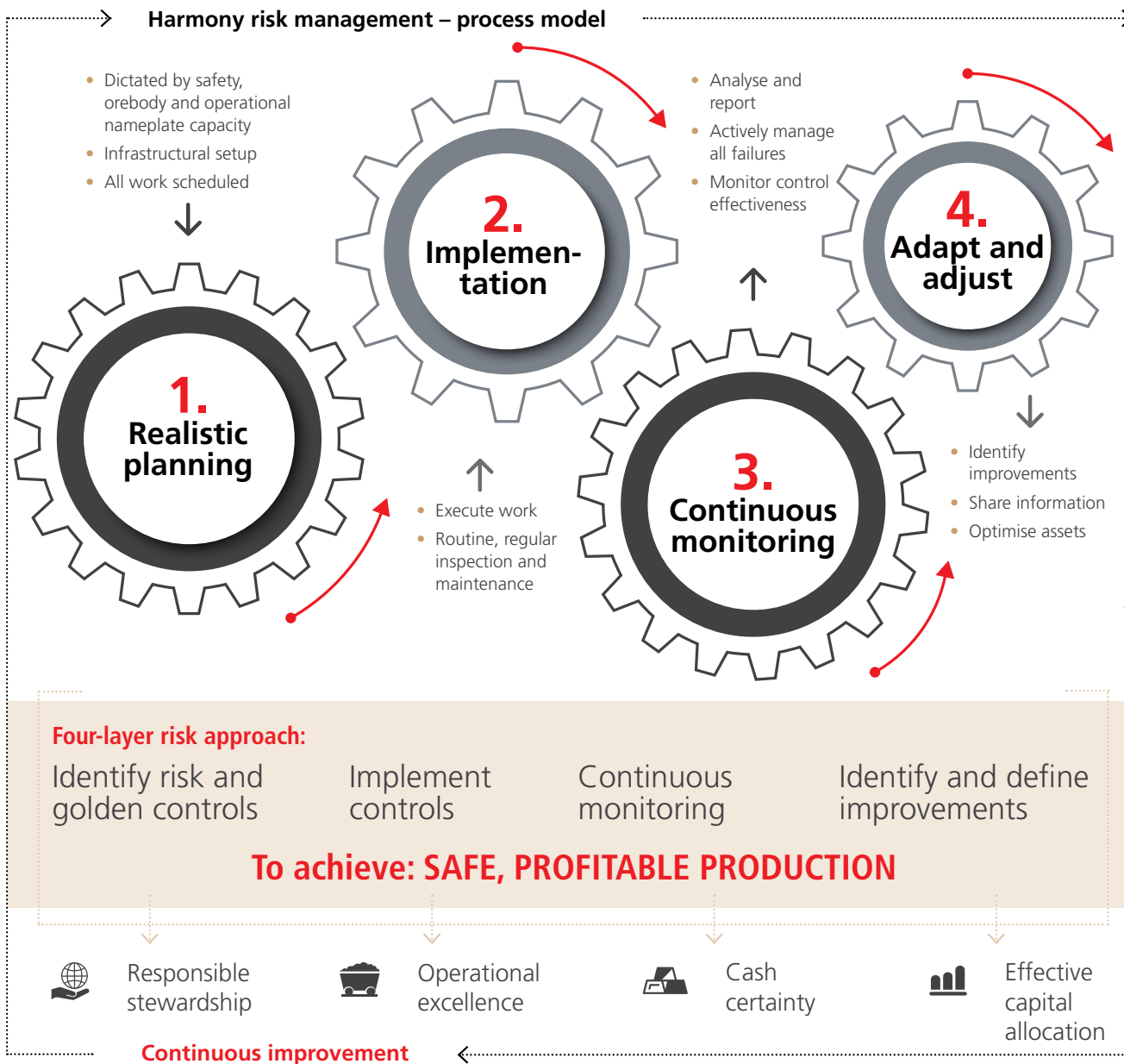
- We tolerate no deviation from the Harmony values
- Group net debt balance may not exceed a multiple of 1 times annual EBITDA
- We have zero tolerance for corruption, bribes or unethical transactions
- Any unanticipated damage to the environment must be prevented and remedied immediately.

Our top strategic risks and opportunities

Our risk profile is based on potential events or factors that present a threat or an opportunity. These downside risks and upside opportunities are considered in our day-to-day business activities and, once identified, are integral to formulating and implementing our group strategy.

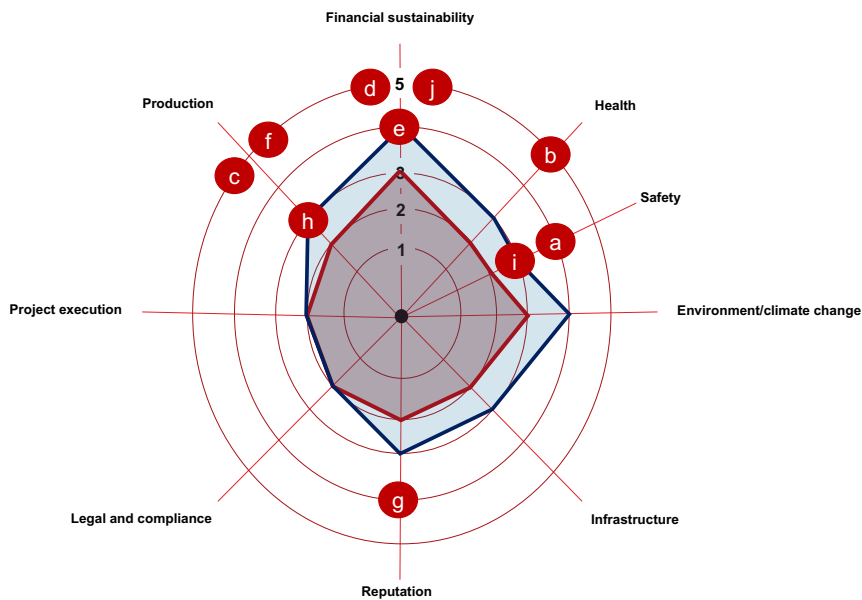
The diagrams of our strategic risk and opportunity profiles are based on our assessment of the residual rankings, and ranked in order of priority.

OUR RISKS AND OPPORTUNITIES continued



Group risk and opportunity profiles

Strategic risk profile – top risks




	Top risks
	Risk tolerance
	Risk appetite
5	Catastrophic
4	Very High
3	High
2	Medium
1	Low
Health, safety etc.	Harmony's 9 risk categories



Top strategic risks

- a Failure to eliminate fatalities and improve safety performance
- b Covid-19 pandemic – spread of infection and potential impact on business sustainability
- c Depleting Ore Reserve base
- d Divergent gold price and foreign exchange fluctuations (from planned levels)
- e Supply insecurity, rising cost of electricity and continued use of fossil fuel-generated electricity in South Africa
- f Ore reserve/mining inflexibility
- g Labour and community unrest during wage negotiations
- h Failure to achieve our operational objectives
- i Criminal mining and related activities
- j Data loss and lack of access due to technology upgrades on major systems, Oracle and human resources




OUR RISKS AND OPPORTUNITIES continued


Top strategic group risks


a Failure to eliminate fatalities and improve safety performance		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Employee safety, which is also our first value, is of paramount importance. Our safety performance has a direct impact on our ability to deliver safe, profitable ounces.</p> <p>Strategic pillars:</p>  <p>Responsible committees:</p> <ul style="list-style-type: none"> • Technical committee. 	<p>Although safety risks are inherent in deep-level mining, loss-of-life incidents are unacceptable. Our aim is zero harm.</p> <p>Safety also has the potential to halt production, affect our stakeholder relationships and reputation, lead to litigation and decrease Harmony's overall value.</p>	<ul style="list-style-type: none"> • Continued roll out of our four-layered, risk-based approach to ensure safe production, prevent fatalities and embed a proactive safety and health culture – the focus is currently on reinforcing and recognising positive safety behaviour • Apart from standard safety procedures, we engage with employees regularly on safety through training, awareness campaigns and open discussions • Ongoing review and update of safety procedures and systems to ensure industry-leading safety practices are in place • Focused review by executive management of safety risks. <p>Our strategic safety priorities are:</p> <ul style="list-style-type: none"> • Passionate and active leadership • Safety strategy now embedded in Harmony at all operations. Focus on humanistic component • Adopting industry-leading safety practices • Effective risk and critical control management • Effective safety management systems • Ongoing organisational learning • Proactive culture and engaged workforce • Modernised safety systems • Enhanced second-level safety audits by multidisciplinary team • Implementation of fatal-risk management programme • Dedicated operational safety days when production is suspended and the entire company participates in safety-focused discussions. <p>In addition to the continued upgrade of Syncromine, optical character recognition software was implemented to speed up and automate the identification of certain workplace risks and hazards. Risk management call centres have been established at each operation.</p>


b Covid-19 pandemic – spread of infection and potential impact on business sustainability		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Care for employee health and wellbeing is underpinned by our values, and their health and safety is a priority. The health of our workforce directly impacts our ability to deliver on our strategy.</p> <p>Strategic pillars:</p>  <p>Responsible committee:</p> <ul style="list-style-type: none"> • Technical committee • Social and ethics committee. 	<p>The Covid-19 pandemic and its consequences, including employee health and availability, have directly affected our ability to deliver safe, profitable ounces, with our duty of care taking precedence.</p> <p>The future trajectory of the disease is still highly uncertain. Unknown variables to be considered include how long it will take for the virus to play out, how many people will be infected, how many will succumb. Other potential consequences of the pandemic that may affect Harmony include disruptions to global trade and supply chains, volatile commodity prices and business continuity. The pandemic has affected employee safety and health, regulations, the working environment and production.</p> <p>To date, consequences of the epidemic for Harmony have included:</p> <ul style="list-style-type: none"> • Lost production of close to 5t of gold • Compromised availability of the full complement of mining crews in South Africa, with the return of employees to work delayed by quarantine/self-isolation requirements as well as travel restrictions on foreign employees • Increased medical expenses to provide personal protective equipment, sanitisers, testing and quarantine premises. <p>In Papua New Guinea, work rosters had to be significantly extended due to domestic and international quarantining requirements. This resulted in high staff turnover in skilled areas, as well as reduced labour efficiency due to mandatory rest days on the longer roster to manage fatigue.</p>	<p>Conducted proactive, thorough risk assessments and developed an emergency business continuity plan detailing actions to mitigate the risks and impact of Covid-19. Given the importance of employee health and safety, ongoing education and awareness campaigns inform employees on preventing the spread of the disease and what to do if testing positive. A WhatsApp group facilitates employee communication in South Africa. We also launched a Harmony Connect app to keep all employees updated on Covid-19 and company news.</p> <p>Voluntary vaccination programme is underway at DoH-approved vaccination sites across Harmony. Procurement of vaccines is ongoing, with no shortages to date. Awareness campaigns ensure all employees understand the process to register and receive the vaccination.</p> <p>Key elements of company-wide interventions included:</p> <ul style="list-style-type: none"> • Prevention • Vaccination facilities established • Risk assessments of workplaces and vulnerable employees – including bowtie analyses • Case management, including screening, testing, tracing, isolation, quarantine and reporting • Regional collaboration with companies and public health systems involved extensive engagement with employees, unions, regulators, businesses and shareholders. <p>In South Africa, to comply with national regulations, operations resumed in strict compliance with Harmony's Covid-19 standard operating procedure. As the national lockdown was eased and employees returned to work, mining crews were re-created and relocated to operations where needed. Health protocols have been aligned with those of the National Institute for Communicable Diseases, Department of Health and World Health Organisation. We have also collaborated with other mining companies to coordinate planning and establishing regional quarantine facilities.</p> <p>In Papua New Guinea, entry point centres were set up offsite to screen returning employees.</p> <p> See Safety and health in the ESG report for more information.</p>

OUR RISKS AND OPPORTUNITIES continued



c Depleting Ore Reserve base		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Ensuring a future production pipeline of quality reserves will enable us to operate sustainably and profitably.</p> <p>Strategic pillars:</p>  <p>Responsible committee:</p> <ul style="list-style-type: none"> • Technical committee. 	<p>Our current reserve base is forecast to decline sharply as certain mines approach the end of their operating lives. Maintaining the resource and reserve pipeline necessary to sustain future production is vital to our ability to fund and develop:</p> <ul style="list-style-type: none"> • The Wafi-Golpu project • Further organic growth projects in South Africa and Papua New Guinea. <p>A decline in our production base can lead to increased unit costs, reduced margins and could impact our market rating.</p>	<ul style="list-style-type: none"> • <i>Acquisition of Mponeng and Mine Waste Solutions</i> • Assessing, ranking and advancing several organic growth and exploration projects • Identifying further value-accretive acquisitions in South Africa, Papua New Guinea or elsewhere in Africa that meet our investment criteria • Advance permitting for the Wafi-Golpu project • Zaaiplaats project was approved and will ensure extension of LoM at Moab Khotsong operations • The extension of the Hidden Valley operation.
d Divergent gold price and foreign exchange fluctuations (varying from planned levels)		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Declines in the gold price received (ultimately in rand which is a function of the US dollar gold price and the rand/US dollar exchange rate) affects our ability to increase our free cash flow margins, which is key to our strategy.</p> <p>Strategic pillars:</p>  <p>Responsible committee:</p> <ul style="list-style-type: none"> • Audit and risk committee. 	<p>Harmony is a price-taker. The price received for the gold we produce and sell is determined in US dollars on global markets and, as a mainly South Africa-based company, by the rand/US dollar exchange rate. Commodity prices and exchange rates are affected by global factors over which Harmony has no control. Should the US dollar gold price decline, this could affect revenue and reduce our margins. Similarly, a stronger rand reduces rand revenue earned. Exchange rate movements can also adversely impact costs.</p> <p> See Our external operating environment.</p>	<ul style="list-style-type: none"> • Our commodity price and exchange rate derivative strategy and programme implemented for a limited portion of production and foreign exchange is intended to counter the strengthening rand/US dollar exchange rate and lower commodity prices. These programmes are topped up as opportunities arise to lock-in attractive margins for the business. Note that the relative decrease in the gold price and stronger rand/US dollar exchange rate resulted in hedging losses for the past year • Applying conservative long-term price assumptions in our planning • Appropriate capital allocation and rescheduling capital expenditure • Restructuring underperforming assets • Ensuring availability of sufficient funding facilities.


e Supply insecurity, rising cost of electricity and continued use of fossil fuel-generated electricity in South Africa		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>An unstable and increasingly costly power supply impacts our ability to produce safe and profitable production and affects the sustainability of our business.</p> <p>There is growing pressure for decarbonisation by climate activists and investors, and for companies to acknowledge, disclose and reduce their carbon emissions.</p> <p>Strategic pillars:</p>  <p>Responsible committee:</p> <ul style="list-style-type: none"> • Social and ethics committee • Technical committee. 	<p>In South Africa, our mining operations depend on coal-fired power generated by the South African state utility, Eskom.</p> <p>Electricity supply has been constrained over the past decade and there have been multiple power disruptions. There is uncertainty on whether Eskom will be able to meet demand for power supply in future.</p> <p>Impact on our business:</p> <ul style="list-style-type: none"> • Prolonged power stoppages may lead to production losses • The cost of electricity could rise by double digits in the next few years – burdening the economics and viability of some marginal operations in South Africa • Eskom – our primary power supplier in South Africa – relies on coal-fired power stations to produce most of its electricity, which impacts our carbon footprint. 	<ul style="list-style-type: none"> • Reprioritising and reinforcing energy efficiency and demand management initiatives underway at our operations in South Africa. Identifying independent power-producing and renewable energy opportunities to derisk pricing – currently advancing a 30MW solar generation project in the Free State • Reviewing our energy mix to reduce our carbon footprint. To aid this process, we produced our second report this year in line with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD).

f Ore Reserve/mining inflexibility		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Flexible ore reserves facilitate delivery on our strategy so it is important to ensure that every deep-level operation has sufficient face length available to enable mining flexibility and to maintain current and life-of-mine production profiles.</p> <p>Strategic pillars:</p>  <p>Responsible committee:</p> <ul style="list-style-type: none"> • Technical committee. 	<p>Inadequate availability of face length (ore reserves) for mining could lead to failure to achieve production plans.</p> <p>It could also adversely impact our financial results and investor confidence.</p>	<ul style="list-style-type: none"> • An internal risk model is used to manage, control and report on the risk • Weekly, bi-weekly monitoring by development, equipping and construction teams.

g Labour and community unrest during wage negotiations		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>The risk for community unrest that could lead to strikes during or after wage negotiations have been finalised.</p> <p>Strategic pillars:</p>  <p>Responsible committees:</p> <ul style="list-style-type: none"> • Technical committee. 	<p>Dissatisfied unions can prolong wage negotiations and undesirable outcomes can have a negative impact on our cost structure.</p>	<ul style="list-style-type: none"> • Training/educate our employees • Proper planning to prepare for negotiations • Strike contingency plan.

OUR RISKS AND OPPORTUNITIES continued

h Failure to achieve our operational objectives		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Achieving our operational objectives is vital to delivering on our strategy to produce safe, profitable ounces and increase margins. Not doing so negatively impacts the long-term sustainability of our business.</p> <p>Strategic pillars:</p>  <p>Responsible committees:</p> <ul style="list-style-type: none"> • Technical committee. 	<p>Unplanned events, such as safety-related incidents and stoppages, as well as gold price fluctuations, can all affect delivery on our operational results and cash flows. Missing our operational targets would impact our financial results and investor confidence, and could eventually lead to mine closures.</p>	<ul style="list-style-type: none"> • Identify and implement productivity improvement initiatives, together with improved operational risk management • To help meet our operational targets and objectives, we have enhanced operational risk management and planning, and regional general managers have been given greater oversight and responsibility, supported by the engineering discipline • Strict cost and capital controls in place • In the medium to long term, we intend to diversify away from high-cost mines in favour of high-margin, mechanised gold and copper opportunities in South Africa, the rest of Africa and Papua New Guinea.
i Criminal mining and related activities		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Criminal activities add to our costs and compromise the sustainability of our business and licence to operate. These activities also inhibit our ability to deliver on our strategic objectives and guidance targets.</p> <p>Strategic pillars:</p>  <p>Responsible committees:</p> <ul style="list-style-type: none"> • Audit and risk committee • Social and ethics committee. 	<p>Certain mothballed shafts, ventilation shafts and unused haulages are used to access old workings and distribute food and supplies to criminal miners. Once these shafts have been closed, illegal miners focus on underground workings and gain access via operational shafts. There is also a risk they could target the gold plants. The negative effects of criminal mining and possible attacks on our gold plants include:</p> <ul style="list-style-type: none"> • Potential loss of life – of illegal miners and Harmony employees • Damage to mine assets • Theft of gold-bearing material and copper cables • Production losses • Employee collusion, fraud and corruption • Damage to our reputation and stakeholder relations • Potential litigation. <p>Legalisation on artisanal mining could also result in increased numbers of illegal miners posing a threat to our operations.</p>	<ul style="list-style-type: none"> • 47 redundant shafts: 37 closed, 10 in the process of being filled up • Tactical security teams deployed underground at operational shafts and on surface to combat illegal miners • Security operations conducted in collaboration with South African Police Services • Ongoing employee and community anti-criminal mining awareness campaigns • Stricter security measures employed at underground access points • Implementing intelligence-driven solutions and technology to combat illegal mining.

j Data loss and lack of access because of technology upgrades on major systems, Oracle and human resources		
Description, link to strategy, and governance	Potential impact	Mitigating action
<p>Increasing need to digitalise and upgrade enterprise resource planning, financial and human resources systems to improve internal efficiencies, secure and protect our systems and enhance performance.</p> <p>Strategic pillars:</p>  <p>Responsible committee:</p> <ul style="list-style-type: none"> Audit and risk committee Social and ethics committee. 	<p>Breaches in our information technology security processes and violations of data-protection laws may adversely impact the conduct of our business activities and reputation. Oracle, the supporting software for our financial reporting system, requires an update as the current version may not be sufficient to support our financial system and future requirements.</p>	<ul style="list-style-type: none"> The enterprise resource planning system upgrade, which will provide full system support until 2030, began in July 2019. It is scheduled to be completed by the end of calendar 2021 Our financial system is fully functional and supported during this upgrade Upgrades to the human resources management system and health system are also underway, including migration to a centralised system.

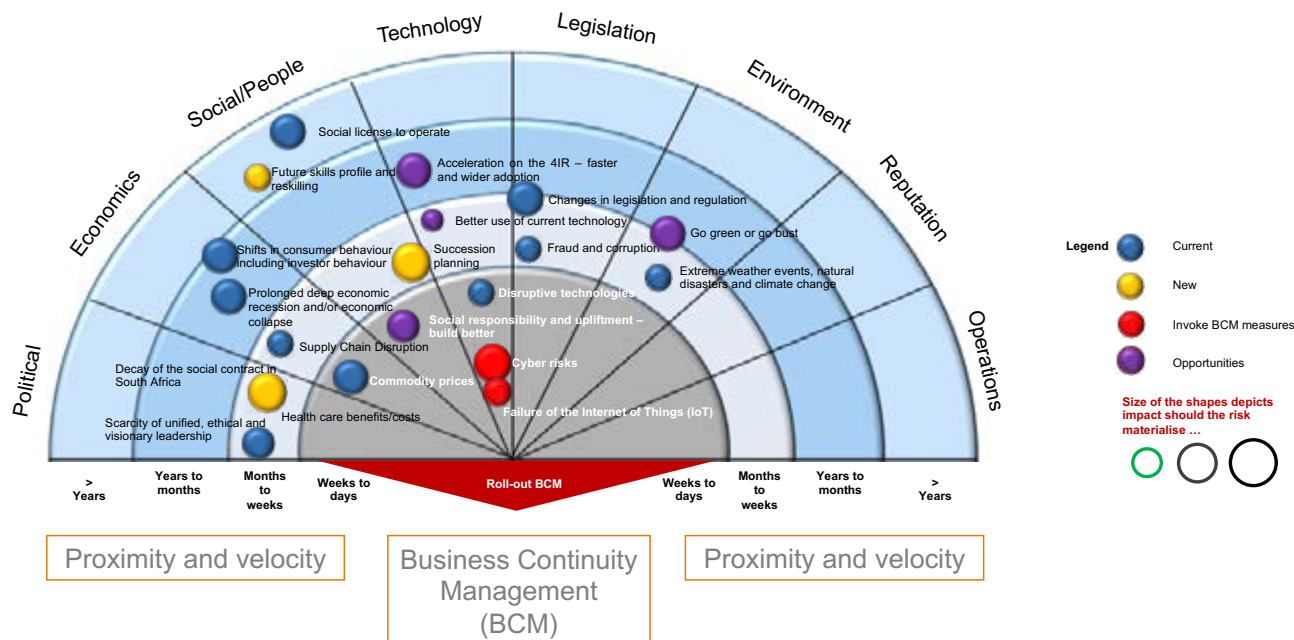
📶 For more information on Harmony's risk factors and potential impact, see the **Form 20-F**, as filed with the United States' Securities Exchange Commission, at www.harmony.co.za/invest/annual-reports.

Emerging risks

Emerging risks are identified from external environmental scanning, matters reported in the media and specific events. The purpose of this type of risk intelligence-gathering is to 'catch' potential threats and opportunities that may impact our strategy as soon as they become known.






Methods to recognise emerging risks include continuous environmental scanning, scenario planning and media tracking. Monitoring credible global and industry intelligence platforms also forms part of an emerging risk monitoring and reporting process.

Emerging risks are shown below, based on the latest information available at the time of reporting.




OUR RISKS AND OPPORTUNITIES continued

Top group opportunities

a Organic growth and mine life extension: Moab Khotsong and Hidden Valley	
Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillars:  Responsible committees: <ul style="list-style-type: none"> Investment committee Technical committee. 	<p>Opportunities to extend Moab Khotsong through the Zaaiplaats project have recently been approved and will extend life-of-mine by almost 30 years. Hidden Valley extension has also been approved. These will assist in sustaining profitable production in the longer term.</p> <p>Availability of quality reserves is essential to our growth and delivery on our strategic objectives.</p>
b Moving Wafi-Golpu up the value curve	
Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillars:  Responsible committees: <ul style="list-style-type: none"> Investment committee Technical committee. 	<p>Wafi-Golpu, a tier-one asset, has the potential to deliver substantial benefits to all stakeholders and contribute to Harmony's long-term Mineral Reserve pipeline that underpins the sustainability of our business.</p> <p>Permitting will provide fiscal and regulatory certainty to move Wafi-Golpu up the value curve. Targeted permitting timelines were not achieved in FY21. Harmony is committed to resuming constructive negotiations with the Papua New Guinea government and other relevant stakeholders.</p>
c Mponeng extension; life-of-mine (LoM)	
Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillars:  Responsible committees: <ul style="list-style-type: none"> Investment committee Audit and risk committee. 	<p>Growth: Extension of LoM and overall grade improvement at the Mponeng operations.</p> <p>Initiate project studies on extending mine production to below 126 level on the VCR (vertical crater retreat). Studies are underway on the possibility of safe extraction of the Tau Tona and Savuka mines' shaft pillars, both VCR and Carbon Leader Reef.</p>
d Productivity and business improvements	
Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillars:  Responsible committee: <ul style="list-style-type: none"> Technical committee. 	<p>Operational excellence is key to creating an enabling environment and achieving our operational plans. Proactively managing safety and health, combined with incentives to improve the productivity of our workforce, increasing flexibility and reducing unplanned stoppages are key aspects of our operational excellence approach.</p>
e Merger and acquisition opportunities	
Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillar:  Responsible committees: <ul style="list-style-type: none"> Investment committee Audit and risk committee. 	<p>Continue to evaluate and assess the quality of assets that meet our investment criteria (potential merger and acquisition targets).</p>


f Gold price and foreign exchange derivative programmes

Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillar:  Responsible committees: <ul style="list-style-type: none"> Investment committee Audit and risk committee. 	<p>Using derivatives to cover a specific percentage of production and foreign exchange to take advantage of volatile commodity and currency markets provides opportunities to lock-in attractive margins for the business.</p>

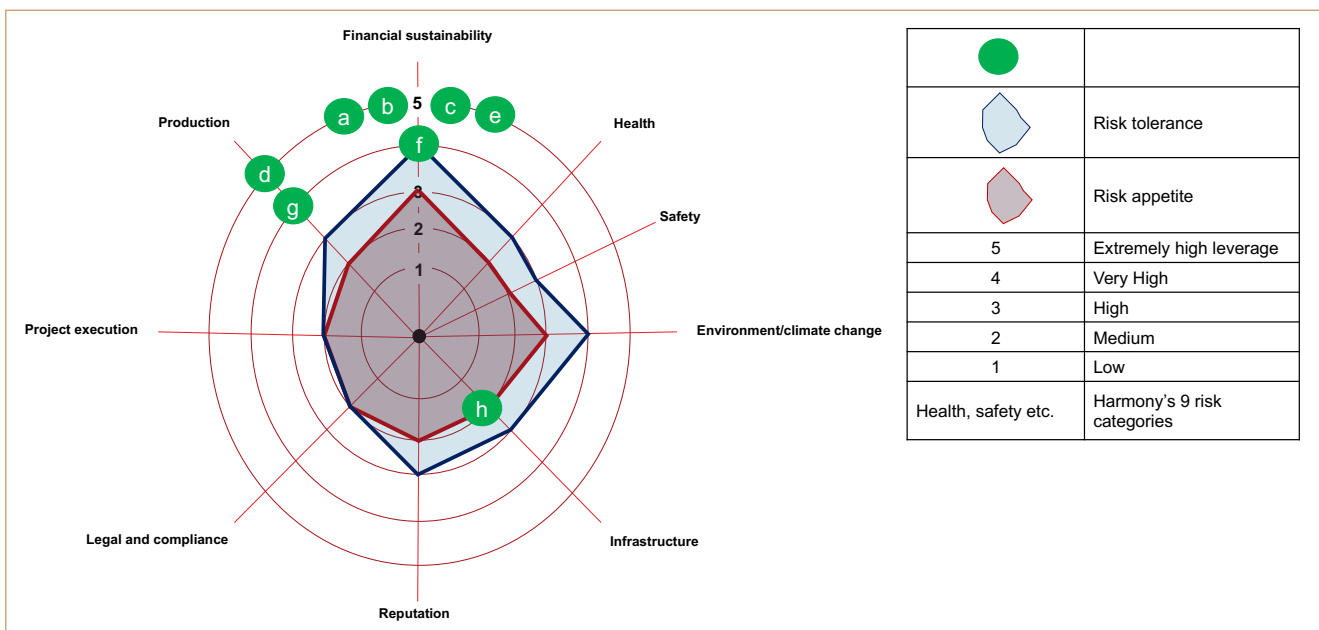
g Establishing a project pipeline to replace or contribute new production ounces

Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillars:  Responsible committees: <ul style="list-style-type: none"> Investment committee Technical committee. 	<p>As a mining company, maintaining a pipeline of resources and reserves is vital to ensuring sustained and profitable production in future. Quality reserve replacement and/or growth are vital to enable us to achieve our strategic objectives.</p> <p>There are currently two focus areas for such projects:</p> <ul style="list-style-type: none"> Moab Khotsong, South Africa: Organic growth opportunities such as the Zaaipplaats project approved Hidden Valley, Papua New Guinea: Management explored and studied an initial expansion and a second expansion opportunity at the Webiak prospect, near Hidden Valley, was approved.

h Implementing new technology



Opportunity, link to strategy, governance and related risks	Potential contribution to delivering on our strategy
Strategic pillar:  Responsible committee: <ul style="list-style-type: none"> Audit and risk committee. 	<p>New technology presents opportunities to improve safety and enhance our ability to improve cost and productivity efficiencies, as well as overall financial management.</p> <p>Harmony is implementing a digitisation programme and upgrading its enterprise resource planning and human resources management systems, which includes the health system.</p>

Strategic opportunity profile – top opportunities










MATERIAL ISSUES





In determining our material issues (see **materiality process** in **About this report**), we apply a disciplined risk-based approach and consider internal and external inputs from key stakeholders. As material issues by nature often affect multiple aspects of our business, we have grouped them for a high-level view of their collective impact on our ability to operate a sustainable business. As such, they are not presented in order of importance but more to reflect our triple bottom-line philosophy of people, planet, profit as we aim to turn finite resources into infinite possibilities. Each issue is cross referenced to related risks as well as detailed disclosure, targets and timelines elsewhere in our suite of reports.

Material issue	Impact (and link to risk register) and response	Strategic pillar
<p>SOCIAL</p>		 Responsible stewardship
<p>Stopping loss-of-life incidents</p> <p> Read more in our ESG report (Safety and health)</p>	<p>Impact (Failure to eliminate fatalities and improve safety performance) Every fatality represents the tragic loss of a colleague and impact on their families. For Harmony, it also means skills lost, stoppages that affect productivity. In FY21, 11 fatalities translated to 106kg of lost production and required 208 hours in safety training.</p> <p>Response and targets A safe mine is a profitable mine – our target is zero fatalities and, ultimately, zero harm. Milestone targets in South Africa include:</p> <ul style="list-style-type: none"> • LTIFR – 10% improvement on prior-year performance • FIFR – 0 <p>Our Papua New Guinea operations achieved the FY22 target of zero LTIFR a year ahead of plan.</p> <p>Key initiatives in our four-phase risk management strategy (phases 3 and 4 rolling out concurrently) include visible felt leadership, digitising systems for informed, proactive decisions and monitoring leading indicators to prevent incidents.</p>	












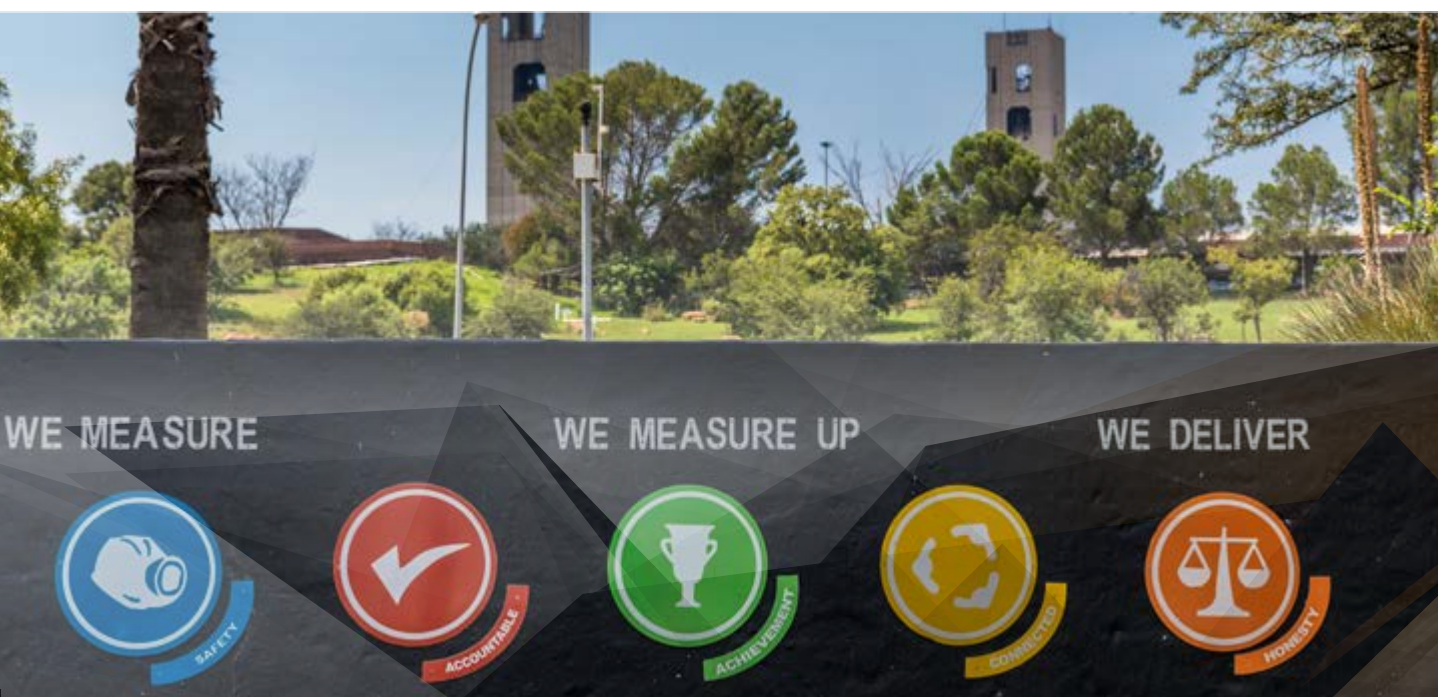
LIVE LONGER, Tshepong Operations.

Material issue	Impact (and link to risk register) and response	Strategic pillar
<p>SOCIAL</p>		<p> Responsible stewardship</p>
<p>Covid-19</p> <p>  Read more on page 93 in the ESG report (Safety and health and Harmony's response to Covid-19)</p>	<p>Impact (Covid-19 pandemic – spread of infection and potential impact on business sustainability)</p> <p>Potential for an outbreak in one of our deep-level and major mines would be severe due to prolonged shutdown and disruption. In FY21, 3 646 infections and 50 deaths; 97% recovery rate; R1 billion on related hygiene protocols.</p> <p>Response and targets</p> <p>Based on our scenario-planning exercises, effective and coordinated response includes:</p> <ul style="list-style-type: none"> • Continuous engagement with key stakeholders (employees, unions, communities and shareholders) • Our vaccination programme is being rolled out, targeting 80% of our workforce by October 2021, then extending to our host communities • Supporting our suppliers and local enterprises; addressing community unemployment • Working with Minerals Council South Africa on industry response to ensure resilience • Papua New Guinea: complying with relevant travel guidelines to manage potential impact of extended roster (due to incoming/outgoing quarantine requirements). 	
<p>Occupational hygiene, health and wellbeing</p> <p> Read more in the ESG report (Safety and health)</p>	<p>Impact</p> <p>Occupational and lifestyle diseases have consequences for an individual's physical and mental wellbeing, as well as productivity and cost implications for Harmony.</p> <p>Response</p> <p>Effective programmes have reduced the severity of the potential risk. Integrated lifestyle programme launched in FY21.</p>	
<p>Partnering with our communities for a thriving, resilient host community</p> <p> Read more in the ESG report (Empowering communities, and local and preferential procurement)</p>	<p>Impact</p> <p>Economically unsustainable communities can jeopardise production and our social licence to operate.</p> <p>Response</p> <p>For Harmony to be productive, safe, responsible and sustainable, we need to live alongside thriving communities – in practice, secure licences to operate and satisfied, committed local workforces. Proactive, inclusive strategies ensure we remain engaged and respect cultural heritage while we transform our supply chain and contribute to sustainable local economies.</p> <p>Papua New Guinea</p> <p>Engaging with landowner representative organisations at Hidden Valley and Wafi-Golpu Stakeholder agreements – complying with memorandum of agreement at Hidden Valley.</p>	
<p>Robust, engaged workforce</p> <p>  Read more on pages 93 and 94, in our ESG report (Caring for our workforce) and the Report to shareholders (Remuneration report)</p>	<p>Impact (Labour and community unrest during wage negotiations)</p> <p>Given our highly unionised workforce in South Africa, the key issue in FY21 was wage negotiations for the next three-year cycle (to FY24). For the first time, we negotiated outside of the traditional gold collective bargaining forum.</p> <p>Response</p> <p>Harmony enjoys stable labour relations, with no strikes in FY21, reflecting our focus on training and skills development, diversity, effective succession planning, an inclusive culture and ethical company values. Wage agreements were successfully finalised in September 2021.</p>	






<p>Capitals</p> <p> Human</p> <p> Social and relationship</p>	<p>Stakeholders</p> <ul style="list-style-type: none"> • Communities • Government • NGOs • Investors • Employees 	<p>SDGs</p> <p> </p>
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MATERIAL ISSUES continued

Material issue	Impact (and link to risk register) and response	Strategic pillar
<p>↓</p> <div>FINANCIAL/OPERATIONAL</div>	<p>↓</p>	<p>↓</p> <div>  Cash certainty, operational excellence, effective capital allocation </div>
<p>Profitability, financing and capital allocation, access to capital</p> <p>📄 📶 Read more in the Financial director's report, and Report to shareholders (audit and risk committee and the chairperson's report)</p>	<p>Impact (divergent gold price and foreign exchange fluctuations (from planned levels); depleting ore reserve base; ore reserve/mining inflexibility) Although the gold price and rand exchange rate worked in Harmony's favour in FY21, the global trend towards zero-emission industries is accelerating.</p> <p>Response We are building a robust, diversified portfolio, resilient through the cycles and guided by stringent criteria in allocating capital to projects to benefit all stakeholders, supported by an established derivative policy that reduces downside risk.</p>	
<p>Capitals</p> <ul style="list-style-type: none">  Human  Financial  Manufactured  Intellectual  Natural  Social and relationship 	<p>Shareholders</p> <ul style="list-style-type: none"> • Government • Regulators 	<p>SDGs</p> <div>   </div>







Kusasaletu shaft's "crew and material" and "rock and ventilation" headgears.








Material issue	Impact (and link to risk register) and response	Strategic pillar
ENVIRONMENT		 Responsible stewardship
Energy and climate change  Read more on page 95 and in the ESG report (Environment – climate change, energy and emissions management)	Impact (supply insecurity, rising cost of electricity and continued use of fossil fuel-generated electricity in South Africa) <ul style="list-style-type: none">• Rising electricity costs have a direct impact on our business, while carbon pricing affects margins• Climate change considerations and response by corporates starting to affect reputational capital and access to financial markets. This could have implications for an organisation that is planning to grow. Response Our operations exemplify global best practice for minimising and eliminating (where feasible) adverse environmental impacts. Our energy-efficiency programme reached a milestone in FY21 – over the last five years, we have reduced our CO ₂ e emissions by 1.2Mt and banked R1 billion in savings.	
Water management  Read more in the ESG report (Environment – water use)	Impact Water is a scarce resource in South Africa, particularly in our operating regions. In Papua New Guinea, we have the opposite problem of too much water. Both could have equally serious implications for our business. Response <ul style="list-style-type: none">• Water security is being prioritised in each of our regions, with regional plans to derisk the threat of unavailability• We are working to reuse and beneficiate mine water to reduce dependency on national potable sources• We again achieved our water targets in FY21, and are on track against our long-term targets to FY27.	
Air, water and land contamination  Read more in the ESG report (Environment – water use, tailings and waste management, air quality)	Impact Adverse impacts from contamination pose serious risks to our bio-physical environment, and regulatory and social licences to operate. Response Our goal is to prevent all pollution. Where incidents occur, we focus on cleaning up, remediation or treatment, and strengthening controls to prevent repeat occurrences.	
Tailings storage facility (TSF) safety  Read more in the ESG report (Environment – tailings and waste management)	Impact The failure of any TSF has potentially catastrophic consequences for those downstream, with severe financial and reputational risks for the company. Response All our South Africa operations have been independently confirmed as meeting or exceeding legal requirements. In Papua New Guinea, our proposed Wafi-Golpu deep-sea tailings placement (DSTP) has been granted an environment permit, which is currently under judicial review.	

Capitals  Natural  Manufactured  Intellectual	Stakeholders <ul style="list-style-type: none">• Communities• Government• NGOs• Investors	SDGs   
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MATERIAL ISSUES continued

Material issue	Impact (and link to risk register) and response	Strategic pillar
<div style="border: 1px solid red; padding: 10px; text-align: center; color: red; font-weight: bold;">AN ETHICAL ORGANISATION</div>		<div style="border: 1px solid red; padding: 10px; text-align: center;">  Responsible stewardship </div> <div style="border: 1px solid red; padding: 10px; text-align: center;">  Operational excellence </div> <div style="border: 1px solid red; padding: 10px; text-align: center;">  Cash certainty </div> <div style="border: 1px solid red; padding: 10px; text-align: center;">  Effective capital allocation </div>

Ethical mining  Read more on pages 24 and 25 (Ethical leadership and good corporate governance) and the ESG report (Corporate governance)	Impact As ESG issues come to the fore globally, we believe our industry is setting benchmarks for ethical conduct and transparent disclosure that create value across the capitals. Response At Harmony, ethical leadership is the cornerstone of ethical mining. The annual reviews of our board composition, fair and responsible remuneration practices as well as our governance frameworks and disclosures are aligned with best practice to ensure we are held accountable for delivering on our sustainability targets and ambition.
Geo-political environment  Read more on page 36 (Our external operating environment) and the Chairman's review, Chief executive officer's review and the Financial director's report	Impact Changing regulatory landscapes in our operating territories create uncertainty, delay key decisions, and may affect investor sentiment towards our group. In South Africa, key issues include the mining charter, financial provisioning and delayed clarity on new mining legislation. In Papua New Guinea, key legislation is being reviewed: <ul style="list-style-type: none"> • Mining Act 1992 (under review 2018-2020) contemplates introducing onerous fiscal and regulatory conditions under existing regime • Proposed organic law in 2020 contemplates introducing new mining regime based on production sharing. Response Our policy-advocacy initiatives in South Africa are channelled through Business Unity South Africa (BUSA) and Minerals Council. In Papua New Guinea, we work through the Chamber of Mines and Petroleum

Capitals  Human  Financial  Manufactured  Intellectual  Natural  Social and relationship	Stakeholders <ul style="list-style-type: none"> • Government • Industry bodies • Communities • Investors 	SDGs 
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STAKEHOLDER ENGAGEMENT

Why stakeholder engagement matters

Mining companies depend on their fixed mineral deposits and they cannot simply relocate when faced with deteriorating social, environmental or political conditions. As such, they must navigate these complex dynamics to retain their social licence to operate. Stakeholder engagement is the principal mechanism through which we address a wide range of issues, particularly with employees, host communities and government authorities.

Our stakeholder engagement plan is aimed at effective interaction. This builds partnerships and aids understanding of stakeholders' needs, community-based assets and expectations, as well as their perceptions of Harmony. This approach enables us to identify, prioritise and better manage issues, potential risks and opportunities.

To secure the involvement and commitment of our different stakeholders, we have proactively adopted measures and practices to inform and guide these engagements, in line with our stakeholder engagement policy. The platforms we use are detailed per stakeholder in the table on pages 58 and 59.

The quality of relationships with stakeholders and how well these are managed affect our ability to deliver on our strategy. In addition, building long-term, stable, mutually beneficial relationships protects our social licence to operate and creates shared value for all our stakeholders.

The Covid-19 pandemic has highlighted the need for collective action, underscored our interdependencies and strengthened our relationships with various stakeholders. We will continue to work with our stakeholders towards shared goals.

Governance and aims of stakeholder engagement

Our stakeholder engagement processes comply with relevant legislation and standards, including ISO 14001 and ISO 9000. They also consider King IV and related recommendations on inclusive stakeholder engagement and the importance of addressing legitimate concerns. The social and ethics committee is responsible for governance of stakeholder relations, with the board having ultimate accountability.

An annual plan is in place to structure engagements with stakeholders to understand their concerns, identify and prioritise material issues and potential risks, and determine plans to manage these. In engaging, we are guided by our values and our strategic intent to:

- Develop relationships founded on integrity, transparency and trust
- Support government by establishing collaborative partnerships
- Balance and align our goals and stakeholder expectations
- Establish accountability
- Improve stakeholder understanding of Harmony's challenges, requirements and concerns
- Support value creation by maintaining awareness of broader economic and ESG issues.

Our material stakeholders

Harmony has a host of stakeholders. For this report, we have identified the most material stakeholders – those with whom we engage more frequently – based on:

- Extent of their contribution to our initiatives to achieve our strategic goals
- Their potential to impact our performance
- Significance of the risk of not engaging with them.



A gold miner at Moab Khotsong operations.

STAKEHOLDER ENGAGEMENT continued

Engaging with stakeholders and responding to their concerns

We have considered and self-assessed the nature/quality of our relationships with these material stakeholders as follows:


Key


Positive and mutually beneficial Amiable

Investors and financiers Includes capital providers, current and future shareholders and, indirectly, investment analysts and financial media		
Significance: provide financial capital		Quality of relationship:
Concerns	Response	
<ul style="list-style-type: none"> Safety performance Power security in South Africa All-in sustaining costs and the impact of higher social demands Managing pandemic and related implications Concluding acquisition of Mponeng and Mine Waste Solutions and possible synergies to unlock value. 	<ul style="list-style-type: none"> Continued implementation of risk-based management strategy to improve safety performance Plans in place to access solar power Higher production results in lower costs, allowing Harmony to share profits with all stakeholders Detailed communication on action taken to address the Covid-19 pandemic – viability of company and livelihoods of surrounding communities ensured Acquisition concluded in September 2020, with Harmony taking control on 1 October 2020. This acquisition will support our long-term sustainability. 	

Employees and unions		
Significance: provide human capital, including skills and experience		Quality of relationship:
Concerns	Response	
<ul style="list-style-type: none"> Safety – eliminating injuries and preventing fatalities Covid-19 and related health concerns, treatment, vaccine roll-out Security of employment during the pandemic Transformation in South Africa and localisation in Papua New Guinea. 	<ul style="list-style-type: none"> Ongoing communication to raise safety awareness and continued roll out of risk management process Encouraging a more engaged and proactive safety culture Covid-19 standard operating procedures and related communication Workforce programme to encourage and deliver Covid-19 vaccinations Processes underway to improve transformation and localisation Three-year wage agreement settled with all five representative unions post-year end. 	

Communities and non-governmental organisations		
Significance: that aspect of social and relationship capital which represents responsible corporate citizenship and impacts our social licence to operate		Quality of relationship:
Concerns	Response	
<ul style="list-style-type: none"> Employment opportunities and job creation Procurement opportunities Enterprise development Mine community development Illegal mining Derelict mine infrastructure Education and skills development. 	<ul style="list-style-type: none"> Establishing community engagement structures, or re-establishing these in cases where they did not adhere to the principles of inclusivity, legitimacy and transparency or lacked an acceptable governance framework Social facilitation project assisting in setting up inclusive and legitimate community engagement structures Hosting open days for non-government organisations and community-based structures in host communities to build their capacity. 	

 Governments and regulators	
Engagement is undertaken at all levels of government – regional, provincial and national	
Significance: enact legislation and related regulations with which Harmony must comply to maintain its regulatory licence to operate	
Quality of relationship: <div style="width: 100%; height: 10px; background-color: #e67e22;"></div>	
Concerns	Response
<ul style="list-style-type: none"> • Compliance • Safety performance • Transformation • Land redistribution • Crime and poverty alleviation. • Economic diversification using procurement as a lever. 	<ul style="list-style-type: none"> • Complying with legislation • Accelerated transformation programme in place • Paying taxes and royalties • In-country investment supporting growth (South Africa and Papua New Guinea). Complying with legislation.

 Suppliers	
Significance: provide raw materials, inputs and services essential to our business	
Quality of relationship: <div style="width: 100%; height: 10px; background-color: #92d050;"></div>	
Concerns	Response
<ul style="list-style-type: none"> • Long-term sustainability and continuity of our business • Preferential procurement • Alignment with Harmony's values, policies and practices (human rights, labour relations, safety and environmental) • Ethical conduct, bribery and corruption. 	<ul style="list-style-type: none"> • Ongoing engagement with key suppliers • Dedicated initiatives giving preference to local suppliers and the historically disadvantaged • In South Africa, initiatives to support local small business via supplier days; a significant portion of our social and labour plan budget allocation is aimed at promoting entrepreneurial skills and small, medium and micro-business development, especially among women and youth • Contracts and service agreements aligned with policies on ethical conduct.

Wafi-Golpu

The special mining lease permit is still being negotiated, together with the mine development contract between the state and the Wafi-Golpu joint venture (WGJV). There is a fragmented view on the licensing of WGJV among the various regulatory authorities. In March 2021, the governor of Morobe Province and the Morobe provincial government initiated legal proceedings against the minister for environment and climate change, the managing director of CEPA, the minister for mining, and the independent state of Papua New Guinea seeking judicial review of granting an environment permit for the Wafi-Golpu project. The WGJV participants, namely Wafi Mining Limited and Newcrest PNG 2 Limited, are not parties to the proceeding.

The joint-venture partners continue to engage with the various structures to resolve the impasse and are confident that the mining lease permit will be awarded in the near future.

The WGJV social licence to operate is in good standing and continues to receive support from the project impact area communities, including coastal communities. There is overwhelming support and an expectation from those communities for project permitting delays to be addressed and expedited by the state in accordance with legislation.

The environmental permit has been issued, and included a requirement for WGJV to conduct a consultative roadshow with affected stakeholders. WGJV completed this roadshow in March 2021, focusing on Huon Gulf coastal awareness for local landowner groups in Labuta, Salamaua and Wampar. Over 2 330 people attended, with the main concerns raised being DSTP, monitoring for environmental damages and inclusive project benefits. This last issue has become more prominent.

As regards the permitting of the Wafi-Golpu project under the PNG Mining Act 1992, engagement between the WGJV participants and the State Negotiating Team was stayed by a judicial review instituted in January 2019 by the Governor of the Morobe Province regarding a Memorandum of Understanding entered into between the WGJV Participants and the State. The proceedings were dismissed in January 2020, but negotiations did not resume until July 2021, when the State Negotiation Team tabled a significantly revised terms sheet for the Mining Development Contract. The WGJV participants have tabled their response to the revised terms sheet, and are awaiting the response of the State Negotiating Team.

PERFORMANCE – value created

SUSTAINABLE PERFORMANCE UNDERPINS SHARED VALUE

Mining is a cyclical business – as commodity prices fluctuate, so too does available funding for the exploration and project development that are the industry's lifeblood.

At the same time, every mining company is focused on working smarter, leaner and more efficiently to ensure the resilience to weather the next commodity downturn.

Throughout the cycles, our shareholders expect a level of performance that ensures sustainable returns on their investment. In contrast, our broader stakeholder groups expect performance that ensures sustainable benefits. Balancing these expectations is both a business imperative and reflection of management's ability to navigate good and bad times.

This section details our operational performance for the year, progress with exploration activities and projects, movements in our mineral resources and reserves base, and material environmental and social issues.



Additional disclosure appears in our **Operational report** and the **Mineral Resources and Mineral Reserves report**.



Rock drill operators on the front line.

CHIEF EXECUTIVE OFFICER'S REVIEW



"We have re-engineered our portfolio and deleveraged our balance sheet to give us optionality while investing in our stakeholders and our future."

Peter Steenkamp
Chief executive officer

Overview

As we reflect on the past financial year (FY21), the resilience and determination shown throughout the company ensured we achieved our strategic objectives of operational excellence, responsible stewardship, cash certainty and effective capital allocation, and delivered stellar full-year results. The ongoing Covid-19 pandemic has been unprecedented, yet we adapted to a changed environment. The successful acquisition and integration of Mponeng and related assets are reflecting in our results. This demonstrates how we have further transformed our earnings profile by acquiring high-grade assets while delivering on our strategy of safe, profitable ounces and increasing margins.

As the largest gold producer in South Africa by volume, we embrace our moral obligation to ensure the wellbeing and safety of our people, along with the belief that the value created by our operations extends to all stakeholders and shareholders. We have proven this in South Africa and Papua New Guinea through the effective allocation of capital, continued operational optimisation and productivity enhancements across our portfolio.

Wage negotiations began in July 2021. In September 2021, we reached a historic wage agreement, with all five labour unions simultaneously signing the three-year settlement. This was the first time a wage agreement was reached outside the auspices of the Mineral Council's central bargaining unit and reflects the strong partnership between Harmony and organised labour. This further demonstrates our commitment to our people, who are the bedrock of our long-term sustainability. We thank everyone involved for engaging constructively and in the best interests of all.

We have re-engineered our portfolio and significantly reduced our debt, resulting in a strong, flexible balance sheet with greater optionality. Through exploration and brownfield projects, we will benefit from existing operational leverage as we convert our resources to reserves.

Safety and health

Safety is a core value at Harmony and we are resolute about achieving our goal of zero harm. The safety and health of our employees and their families remain our top priority. In FY21, we continued our journey to embed a proactive safety culture throughout the company. The results of our hard work are evident in key safety metrics, with our South African operations' lost-time injury frequency rate (LTIFR) improving by 3% to 6.46 per million shifts from 6.69 in FY20.

Despite this progress, accidents remain a constant and real threat. Our year-on-year fatality injury frequency rate regressed from 0.08 in FY20 to 0.11 in FY21, which is unacceptable.

It is with great sadness that we report losing 11 colleagues in mine-related incidents in FY21. We pay tribute to Zamokuhle Shabane (team leader, Bambanani), Zakhele Lubisi, (artisan, Kusasaletu), Alexis Lesiamang Ntjantso (driller, Doornkop), Tsoaela Botsane (team leader, Tshepong), Tisetso Pati (winch operator, Tshepong), Rakitsi Seseli (driller, Kusasaletu), Makhetha Allerdice Makobane (driller, Bambanani), Flip Kearabetswe Mahlolo (contractor, Free State surface operations), Tsietso Petrus Mateane (driller, Phakisa), Neo Mofokeng (underground assistant, Target 1) and Peter Bangixhanti Fosilara (artisan, Moab Khotsoeng). We extend our heartfelt condolences to their families, friends and colleagues.

Building on lessons learned in 2020, we are managing the risk of Covid-19 against strict protocols and with ongoing coordination from all stakeholders, management and employees in South Africa and Papua New Guinea. We continue our initiatives to reduce the spread of infection by implementing precautionary measures, including education and awareness, improved hygiene and infection-control practices. As noted by the chairman, we are rolling out a vaccination programme in South Africa and Papua New Guinea, and we continue to encourage our employees and their families to get vaccinated at one of our accredited sites. We expect to reach our goal of having 80% of our employees at least partially vaccinated by October 2021.

ESG or environment, social and governance

Good governance is overarching and embodies everything we do as a business. We believe ethical leadership equals ethical mining. Our ESG initiatives resulted in Harmony's inclusion in the FTSE4Good Index, where we continue to outperform the gold subsector and basic metals sector averages. In FY21, MSCI upgraded Harmony to a B rating on the back of our strong governance framework and we were included in the Bloomberg Gender-Equality Index for a third consecutive year. It is evident from these external recognitions and continual improvements in our ratings that we are committed to a greener and more equitable future.

Renewable energy and power

Our renewable energy journey will be rolled out in phases. In the initial phase, we will construct three 10-megawatt (MW) (30MW) solar plants in the Free State, with plans in the next phase for an additional 70-80MW of renewable energy over the next 24 months. In addition, we have a pipeline of renewable and alternative energy projects in various stages of development. We have also implemented over 200 energy-savings initiatives that have yielded estimated savings of R1 billion since 2016 and reduced energy consumption by around 1.3 terawatt hours or 1.2 million tons of carbon dioxide.

Operational excellence

We are pleased to report that total gold production for FY21 was 26% higher at 47 755kg (1 535 352oz) compared to 37 863kg (1 217 323oz) in FY20. The higher production was in line with guidance and due mainly to including Mponeng and related assets into our portfolio. This number was further enhanced as we achieved our operational plans and regained mining flexibility at most of our mines after the impact of Covid-19. The average underground recovered grade increased 1% to 5.51g/t from 5.45g/t in FY21.

Our new assets added 8 948kg (287 683oz) in FY21. They have recorded excellent performance in the nine months since we took ownership, exceeding expectations across production metrics, while the surface retreatment operations also performed well.

Hidden Valley's FY21 gold production declined 4% to 4 689kg (150 755oz) from 4 872kg (156 639oz) in FY20, while silver production declined 32% to 63 482kg or 2 040 994oz from 93 858kg (3 017 620oz). Gold and silver production were affected by the Covid-19 outbreak and related international travel restrictions and operational constraints, in addition to mechanical repairs required on some major infrastructure. Despite these events, production profit was 10% higher, driven by an improvement in recovered gold grade to 1.37g/t from 1.25g/t in FY20 and a 12% higher gold price received of R847 027/kg (US\$1 711/oz) compared to R757 348/kg (US\$1 504/oz) in FY20.

Investing in growth

One of the key events in FY21 was the successful acquisition and integration of Mponeng and related assets. This transaction, along with the acquisition of Moab Khotsong in 2018, was strategically important and set Harmony on a new growth trajectory.

We have identified substantial opportunities in our existing portfolio through exploration and brownfield projects that will extend the life of some of our larger and higher-grade assets, adding lower-risk, higher-margin ounces to Harmony's portfolio. In addition to our existing projects, the key new projects include Zaaipplaats, Mine Waste Solutions and the Hidden Valley extension. Each project brings multiple benefits to Harmony and exceeds all our minimum criteria for allocating capital. We will continue to focus on ensuring all our mines operate safely and optimally, and on investing across our operations to ensure optimal production.

Wafi-Golpu project

Harmony is committed to its aspiration of becoming a specialist emerging-market copper-gold producer. In December 2020, after a rigorous environmental impact assessment, the environmental permit for the Wafi-Golpu project was approved by the Papua New Guinean Conservation and Environment Protection Authority and issued by the director of environment. Harmony, together with its Wafi-Golpu joint-venture partner, Newcrest Mining Limited, continue discussions with the state on the special mining lease.

Conclusion

Harmony is more than just mining; we are about people. The actions we take today are the foundations of tomorrow. We have an exciting investment case with our world-class pipeline of projects and embedded approach to ESG. We are committed to creating opportunities through sustainable mining, while creating value and delivering positive returns for all our shareholders and stakeholders.

Peter Steenkamp
Chief executive officer

28 October 2021

HOW WE PERFORMED

FIVE-YEAR SUMMARY

		FY21	FY20	FY19	FY18	FY17
Operating performance						
Ore milled	000t	49 253	25 429	25 976	22 441	19 401
Gold produced ¹	kg	47 755	37 863	44 734	38 193	33 836
	000oz	1 535	1 217	1 438	1 228	1 088
Operating costs	R/kg	600 592	553 513	439 722	421 260	436 917
	US\$/oz	1 213	1 099	965	1 018	1 000
All-in sustaining costs	R/kg	723 054	651 356	550 005	508 970	516 687
	US\$/oz	1 460	1 293	1 207	1 231	1 182
Underground grade	g/t	5.51	5.45	5.59	5.48	5.07
Financial performance						
Revenue	Rm	41 733	29 245	26 912	20 452	19 494
Production costs	Rm	29 774	22 048	20 324	15 084	15 042
Production profit	Rm	11 959	7 197	6 588	5 368	4 452
Operating margin	%	29	25	24	26	23
Net profit/(loss) for the year	Rm	5 124	(850)	(2 607)	(4 473)	362
Total headline earnings/(loss) per share	SA cents	987	(154)	204	171	298
Capital expenditure	Rm	5 142	3 610	5 036	4 687	4 280
Exploration spend ²	Rm	177	205	148	135	241
Dividend paid	Rm	677	–	–	154	439
Net debt	Rm	(542)	(1 361)	(4 922)	(4 908)	(887)
Market performance						
Average gold price received	R/kg	851 045	735 569	586 653	570 709	570 164
	US\$/oz	1 719	1 461	1 287	1 380	1 304
Total market capitalisation	Rbn	32.5	43.3	17.1	10.6	9.5
	US\$bn	2.3	2.5	1.2	0.8	0.7
Average exchange rate	R/US\$	15.40	15.66	14.18	12.85	13.6
Reserves						
Gold and gold equivalents	Moz	42.5	36.5	36.5	36.9	36.7
Geographical distribution						
– South Africa	%	58	48	47	46	44
– Papua New Guinea	%	42	52	53	54	56
Safety						
Number of fatalities		11	6	11	13	5
Group FIFR – fatal injury frequency rate	per million hours worked	0.11	0.08	0.13	0.16	0.07
Group LTIFR – lost-time injury frequency rate ³	per million hours worked	6.18	6.33	6.16	6.26	7.21
Total – injuries and accidents	number	720	623	696	769	768
Health (South Africa)						
– Shifts lost due to injury		28 943	25 205	25 388	23 769	24 026
– Silicosis cases certified ⁴		54	67	58	179	108

¹ Gold production of 2 068kg (66 499oz) capitalised in FY18. Zero gold production capitalised for all other years.

² As per income statement

³ FY21 assured by independent assurance providers. Please refer to the assurance report and to the glossary of terms on the website at www.harmony.co.za.

The assured indicator include the results of Mponeng for the period 1 October 2020 to 30 June 2021. The Mponeng results were not assured in FY21 and detailed assurance work will be performed for the FY22 period when 12 month results are available.

⁴ The number of cases of pure silicosis confirmed by South Africa's Medical Bureau of Occupational Diseases.

On 1 October 2020, Harmony acquired AngloGold Ashanti Limited's remaining South African operations (Mponeng operations and related assets). Due to their inclusion in the metrics reported in the table for nine months of the financial year, there has been an increase in FY21 compared to FY20.

		FY21	FY20	FY19	FY18	FY17
People						
Total employees and contractors ⁵		48 113	39 714	39 773	40 686	33 201
South Africa: Employees		36 860	31 502	31 201	32 520	26 478
South Africa: Contractors		8 874	5 841	6 159	5 951	4 512
Papua New Guinea: Employees		1 599	1 589	1 675	1 397	1 300
Papua New Guinea: Contractors		780	782	738	818	911
Employment equity (historically disadvantaged South Africans in management) ³	%	65	64	62	60	61
Number of people in single rooms ^{3 6}		8 547	7 350	8 019	6 739	7 266
Number of people sharing accommodation ³		0	0	0	0	0
Number of people in critical-skill positions trained ³		83	81	109	106	75
Community						
South Africa – local economic development ³	Rm	60	65	56	20	27
Papua New Guinea – socio-economic investment	Rm	4	36	14	1	3
Total group community spend	Rm	64	101	70	20	30
Group procurement	Rm	26 659	14 321	12 060	9 416	8 385
South Africa						
Total discretionary spend	Rm	10 667	7 682	8 470	6 436	5 685
Preferential procurement (BEE-compliant spend) ³	Rm	7 938	5 084	6 340	5 120	4 461
Preferential procurement spend	%	74	66	75	80	78
Papua New Guinea						
Total spend	Rm	3 890	3 900	3 590	2 980	2 700
Expenditure in country	Rm	2 316	2 470	2 200	1 600	1 000
Expenditure in Morobe Province	Rm	489	697	1 100	1 100	725
Environment						
Mineral waste (volume disposed) ^{3 7}	000t	71 014	51 817	52 691	50 798	38 392
Total electricity use (purchased) ³	000MWh	4 123	3 171	3 326	2 518	2 629
CO₂ emissions						
– Scope 1 ³	000t CO ₂ e	136	126	133	131	111
– Scope 2 ³	000t CO ₂ e	4 251	3 316	3 193	2 442	2 513 ³
– Scope 3 ³	000t CO ₂ e	748	570	533	440	445
Water used for primary activities ³	000m ³	30 306	19 692	23 158	15 473	18 125
Funding/guarantees for rehabilitation and closure	Rm	6 865	4 266	3 752	3 717	3 072

⁵ FY18 includes employees from the Moab Khotsong operations. Excludes employees from the Wafi-Golpu Joint Venture.

⁶ The number of single rooms only represent hostels which are 100% converted.

⁷ The year-on-year increase in mineral waste in FY18 was due to waste stripping of cutbacks at Hidden Valley.

FINANCIAL DIRECTOR'S REPORT



"With a number of projects in the pipeline, our investment in our growth strategy continues into FY22 with the recent approval of significant investment in organic growth."

Boipelo Lekubo
Financial director

FINANCIAL HIGHLIGHTS OF THE YEAR UNDER REVIEW

- In the nine months since their acquisition the Mponeng operations and related assets have generated free cash flow of **R1 863 million** (US\$121 million)
- **43%** increase in revenue to **R41 733 million** (US\$2 710 million) mainly due to the operational expansion from the acquisition of Mponeng operations and related assets as well as an increase in the average gold price received
- Net gain of **R1 022 million** (US\$66 million) reported on derivatives compared to a net loss of **R1 678 million** (US\$107 million) in the previous year
- Foreign exchange gain of **R670 million** (US\$44 million) compared to a loss of **R892 million** (US\$57 million) in the previous year, predominantly caused by the favourable translation of US dollar loan balances due to the strengthening of the rand/US\$ exchange rate
- **741%** increase in headline earnings per share to **987 SA cents** (64 US cents) from a loss of **154 SA cents** (10 US cents) in the previous year
- Net debt to EBITDA at **0.1x** from **0.2x** with net debt decreasing by **R819 million** (US\$41 million)
- The declaration of an interim and final dividend of **110 SA cents** (7.7 US cents) and **27 SA cents** (1.8 US cents)[^] per share respectively.

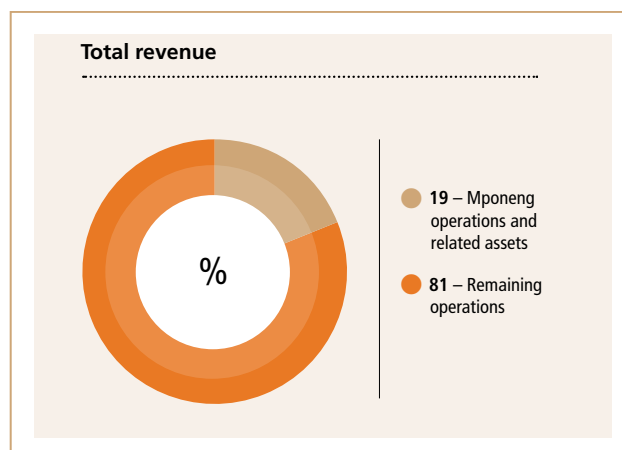
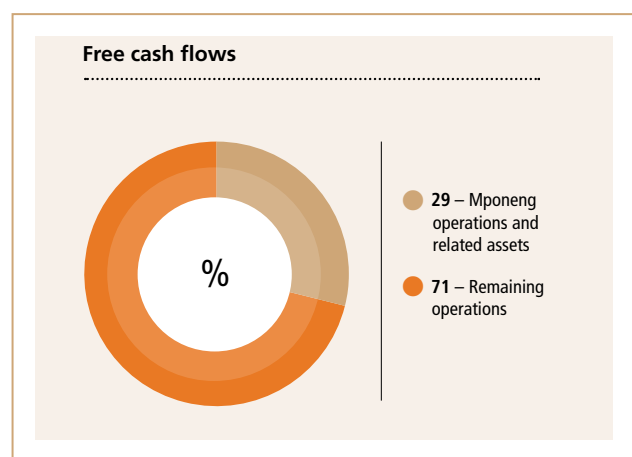
[^] Illustrative equivalent based on the closing exchange rate of 14.72/US\$1 as at 27 August 2021.

Acquisition of Mponeng operations and related assets

On 1 October 2020, Harmony acquired the Mponeng operations and related assets with the strategic intention of enhancing the group's recovered grade, all-in sustaining costs and operating free cash flow.

On 24 June 2020, Harmony raised US\$200 million (R3 466 million) by way of a share placement to fund the US\$200 million cash portion of the consideration. The fair value of the acquired assets and liabilities exceeded the consideration paid, resulting in a bargain purchase gain of R303 million (US\$18 million).

Since the acquisition, the acquired assets and operations have contributed 8 948kg (287 685oz) in production, or 19% of the group's total production. This added revenue of R7 920 million (US\$514 million) and generated free cash flows of R1 863 million (US\$121 million).

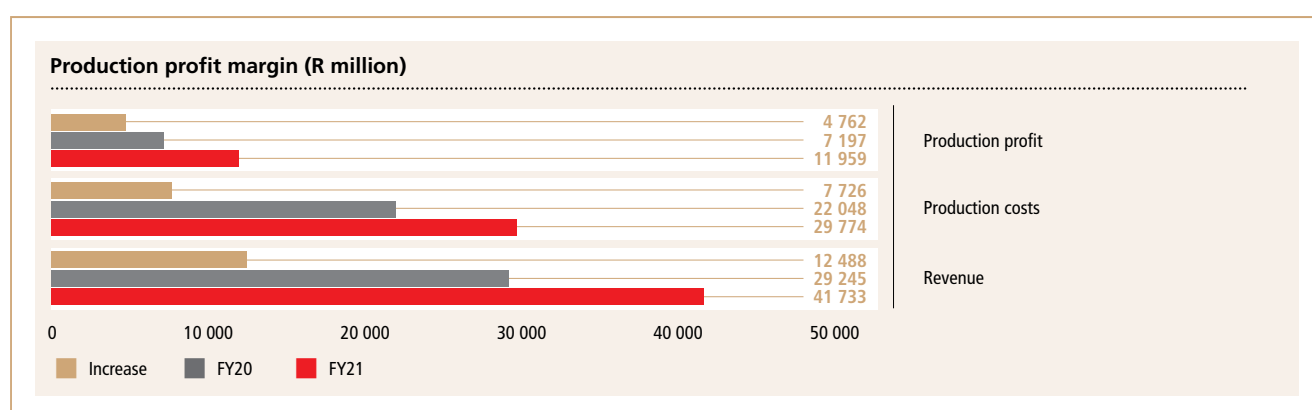


A combination of senior management's proactive leadership along with the group's inclusive culture has ensured the successful integration of these assets.

Key financial results against strategic pillars

Operational excellence

Despite challenges in FY21 from the ongoing Covid-19 pandemic, which impacted on mining flexibility at our South African underground mines and affected production at Hidden Valley, we achieved our production guidance for the year. The improvement of our operating free cash flow margin from 13% to 16% in the current financial year is evidenced by our earnings quality and ability to expand our asset base and create long-term shareholder value. The group's all-in sustaining costs have increased by 11% to R723 054/kg (US\$1 460/oz) mainly on lower-than-expected production at Target 1, Joel, Kalgold and Hidden Valley. The group produced and sold higher quantities of gold at an improved underground grade of 5.51g/t (up 1% from 5.45g/t in FY20).



FINANCIAL DIRECTOR'S REPORT continued

Cash certainty

We have been intentional in meeting our operational plans while exhibiting a strong financial discipline. We have persisted in deleveraging our balance sheet by reducing our borrowings and consequently our net debt by R819 million (US\$41 million). The 64% increase in EBITDA to R9 752 million (US\$633 million), along with our reduction in net debt to R542 million (US\$38 million), translated to an improved net debt to EBITDA ratio of 0.1x (FY20: 0.2x).

Effective capital allocation and dividends

Our capital and exploration spend increased to R5 319 million (US\$345 million) from R3 815 million (US\$244 million) in the prior financial year. We continue to evaluate and prioritise organic growth opportunities by only pursuing projects that generate superior returns. Our return on capital employed has improved from 6% in FY20 to 15% in the current financial year, evidencing our effective use of available capital. We have approved several new projects in our FY22 budgeting process, including the Zaaiploots project at Moab Khotsoeng, Kareerand extension at Mine Waste Solutions and Hidden Valley extension in PNG.

Responsible stewardship is a core strategic objective entrenched in Harmony's identity, demonstrated by our desire to produce sustainable returns. Our strong financial performance and cash generated from operations have allowed us to declare both an interim and final dividend of 110 SA cents (7.7 US cents) per share and 27 SA cents (1.8 US cents) per share respectively.

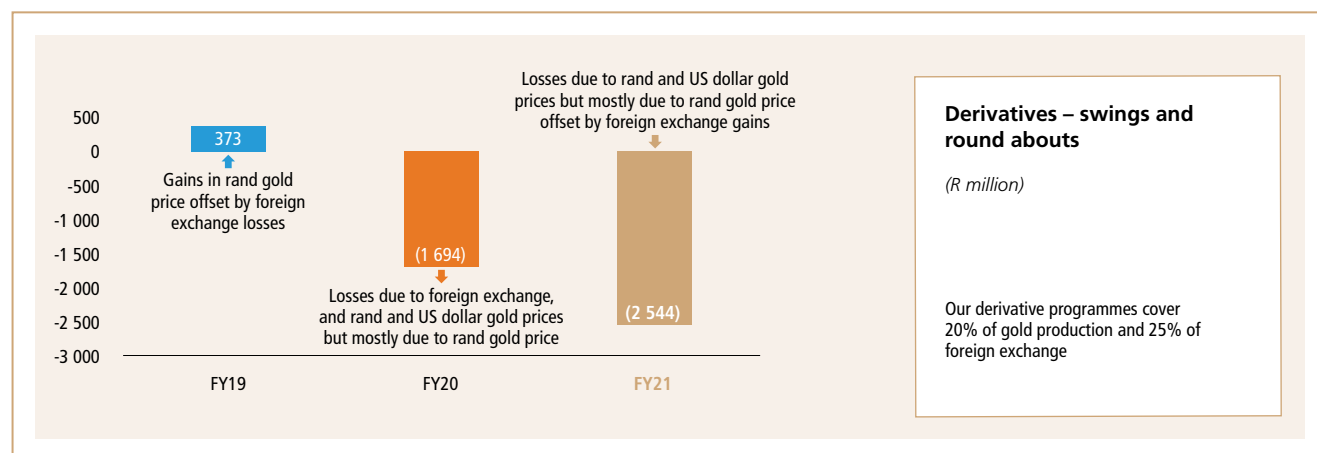
We maintain a healthy balance sheet in line with our objective of providing flexibility for growth which will create long-term value for our stakeholders.

Derivatives and hedging

Harmony's derivative programme stands at a net asset value of R1 587 million (US\$111 million) at 30 June 2021, compared to a net liability value of R4 935 million (US\$285 million) in the prior year. This is mainly due to hedging performed in the first half of the year, capitalising on a higher gold price to lock in a margin of at least 25% above cost.

Revenue includes a hedging loss of R2 296 million (US\$149 million) in FY21 and R1 397 million (US\$89 million) in FY20 relating to the realised effective portion of hedge-accounted gold derivatives. The current period includes a net gain on derivatives of R1 022 million (US\$66 million) compared to a net loss of R1 678 million (US\$107 million) in the prior year due to the rand strengthening against the US dollar in FY21.

Overall, the group's derivatives recorded a net realised cash outflow of R2 544 million (US\$165 million) in FY21 mainly due to a R2 210 million (US\$143 million) cash outflow on rand gold derivatives. Despite the derivative cash outflows, Harmony continues to enjoy favourable commodity and foreign exchange pricing on the unhedged portion of its exposure, while locking in on available higher prices as part of its derivative programme.



Financial performance

Key drivers of financial performance FY21

		FY21	FY20	Change %
Gold produced	kg	47 755	37 863	26
	oz	1 535 352	1 217 323	26
Underground grade	g/t	5.51	5.45	1
Gold price received	R/kg	851 045	735 569	16
	US\$/oz	1 719	1 461	18
All-in sustaining costs	R/kg	723 054	651 356	(11)
	US\$/oz	1 460	1 293	(13)
Production profit	R million	11 959	7 197	66
	US\$ million	777	459	69
Net debt	R million	542	1 361	60
	US\$ million	38	79	52
Net debt/EBITDA ratio ¹	times	0.1	0.2	
Average exchange rate	R:US\$	15.40	15.66	(2)

¹ The calculation of EBITDA is based on definitions included in our debt facility agreements which exclude certain exceptional items such as impairments, translation differences and gains/losses on derivatives.

Revenue

Revenue increased by R12 488 million or 43% to R41 733 million, mainly due to operational expansion from the acquisition of the Mponeng operations and related assets as well as an increase in the gold price received. The acquired assets contributed R7 920 million (US\$514 million) while the average gold price received increased by 16% to R851 045/kg from R735 569/kg in FY20. In US dollar terms, revenue increased by US\$843 million or 45% to US\$2 710 million. The average gold price received increased by 18% to US\$1 719/oz from US\$1 461/oz in FY20.

Production costs

Production costs increased by R7 726 million or 35% to R29 774 million in FY21, predominantly due to operational expansion and annual price increases. In US dollar terms, production costs increased US\$524 million or 37% to US\$1 933 million.

Amortisation and depreciation

Amortisation and depreciation increased by R367 million or 10% for FY21, mainly due to operational expansion and increased production levels relative to last year's lower levels (impacted by Covid-19 restrictions). In US dollar terms, amortisation and depreciation increased by US\$28 million to US\$252 million for FY21.

Impairment of assets

An impairment loss of assets of R1 124 million (US\$79 million), attributable to Bambanani, Target 3 and Tshepong Operations, has been recognised for FY21. The recoverable amounts were below their net asset values due to factors such as a lower projected grade and the impact on forecast discounted cash flows.

Refer to **Accounting considerations for material transactions** in this report.

Gains and expenses included in operating profit

A foreign exchange translation gain of R670 million (US\$44 million) compared to a R892 million loss (US\$57 million) in FY20 is predominantly caused by favourable translations on US dollar-denominated loan balances, as the rand strengthened against the

US dollar, evidenced by an improved average and closing exchange rate of R15.40/US\$1 (FY20: R15.66/ US\$1) and R14.27/US\$1 (FY20: R17.32/US\$1) respectively.

Also included in operating profit is the net gain on derivatives of R1 022 million (US\$66 million) compared to a net loss of R1 678 million (US\$107 million) in FY20, as previously discussed, and the remeasurement gain on the contingent consideration liability of R127 million (US\$8 million) recognised as part of the acquisition of the Mponeng operations and related assets.

Gain on bargain purchase

The fair value of assets and liabilities acquired from the Mponeng operations and related assets exceeded the consideration paid, resulting in a gain on bargain purchase of R303 million (US\$18 million). The gain has been determined in accordance with the requirements of IFRS 3.

Refer to **Accounting considerations for material transactions** in this report.

Taxation

The taxation expense for the group increased to R1 258 million (US\$82 million) from R255 million (US\$17 million) for FY21. An increase in taxable profits, mainly due to the significant revenue, higher gains on derivatives and increased foreign exchange translation gains contributed to the increased current tax expense. The deferred tax expense increase is mainly caused by the utilisation of assessed losses and unredeemed capital expenditure, as well as the impact of tax rate increases on certain statutory companies across the group.

Net profit/(loss)

Harmony's financial performance reflects a net profit increase of 702% to R5 124 million (US\$325 million), compared to a net loss of R850 million (US\$56 million) in the previous year. Headline earnings improved to 987 SA cents per share (64 US cents) compared with a headline loss of 154 SA cents (10 US cents) per share for FY20.

FINANCIAL DIRECTOR'S REPORT continued

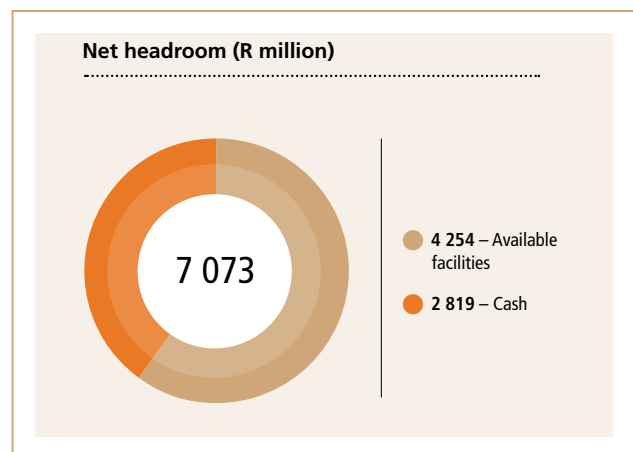
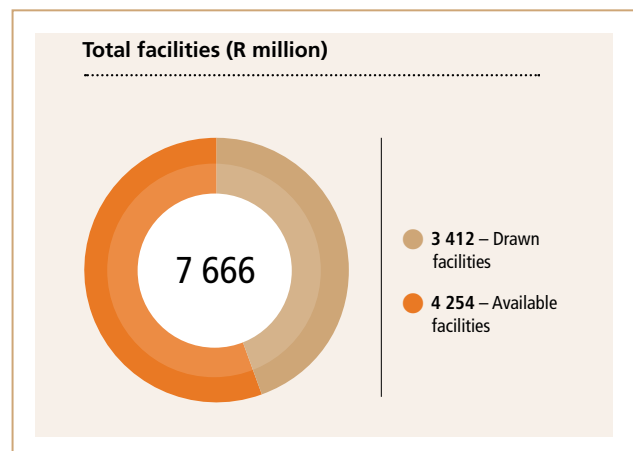
Outlook

Harmony has achieved significant growth in recent years through the acquisition of Moab Khotso and the Mponeng operations and related assets from AngloGold Ashanti, as well as further investment in Hidden Valley in Papua New Guinea. With a number of projects in the pipeline, our investment in our growth strategy continues into FY22 with the recent approval of significant investment in organic growth. The capital investments are focused on our high-quality and higher-grade assets, with the objective of moving the group down the cost curve over the next few years as these lower-cost assets contribute proportionally more to production.

Harmony is also looking to invest in renewable energy and lower its carbon footprint to support its ESG credentials and further drive down costs in the long term. In addition, Harmony remains acquisitive and is keen to make further investments in its selected geographies in the gold and copper space.

As a price taker it is imperative that we maintain financial discipline and a robust balance sheet that provides us flexibility to support the business in good times and bad times as well as enabling growth and investing in our assets. To this end we are considering renewing our banking facilities to increase corporate flexibility, and also to include sustainability metrics thereby aligning our funding facilities to the fast changing financial community landscape as well as Harmony's own sustainability goals.

Net headroom



Acknowledgement

In closing, I commend our finance team on their concerted effort to add value to all identified stakeholders. Thank you for continuously striving to produce work that displays integrity and high quality, and for adapting to a changed environment caused by the global Covid-19 pandemic. Continue to challenge and outdo yourselves with the greater intention of serving key business areas.

Boipelo Lekubo
Financial director

28 October 2021

Accounting considerations for material transactions

The fair value exercise for acquisition of Mponeng operations and related assets

Following the assessment in FY20 that the transaction meets the definition of a business combination in terms of IFRS 3, management engaged valuation specialists to assist with the fair value exercise. The audit and risk committee reviewed the outcome of this exercise, with specific attention to:

- In reviewing the reasonableness of the valuation, consideration was given to the appropriateness of critical assumptions and estimates used as well as the fair values of assets acquired and liabilities assumed that were recognised
- The transaction included some complex elements, including a streaming arrangement. Consideration was given to the accounting treatment of that arrangement
- Changes from the provisional fair value exercise reported in the December 2020 interim results to the final fair value exercise as at 30 June 2021, including relevant disclosures in the annual financial statements.

The impairment assessment of property, plant and equipment, and goodwill

For the year ended 30 June 2021, management performed an assessment of the property, plant and equipment, and goodwill with the audit and risk committee considering the following:

- Assessed whether an indicator of potential impairment existed at the reporting dates
- Assessed recoverable amounts of the assets determined by using discounted estimated after-tax future cash flows as well as resource values
- Calculated the recoverable amount for each cash-generating unit (CGU) using a discounted cash flow model
- Considered the excess of recoverable amount over the carrying value for each CGU.







Management concluded that impairments for Tshepong Operations, Bambanani and Target 3 of R759 million, R187 million and R178 million respectively were required as at 30 June 2021. Bambanani's impairment was recognised against the operation's goodwill. No reversal of previously recognised impairments was deemed necessary during the year.

OPERATIONAL PERFORMANCE

SAFE PRODUCTION

Operational excellence is one of four strategic pillars on which Harmony has built its business and is vital to delivering on our strategy – to create value by operating safely and sustainably, and by growing our margins. In striving to maintain operational excellence, we prioritise safety, ensure strict cost control, management of grades mined and encourage disciplined mining to improve productivity and efficiencies.

Capitals affected:

Directly	Indirectly
 HUMAN CAPITAL	 FINANCIAL CAPITAL
 MANUFACTURED CAPITAL	 NATURAL CAPITAL
 INTELLECTUAL CAPITAL	 SOCIAL AND RELATIONSHIP CAPITAL

Related risks:

- Failure to eliminate fatalities and improve safety performance
- Covid-19 pandemic – spread of infection and potential impact on business sustainability
- Depleting Ore Reserve base
- Divergent gold price and foreign exchange fluctuations (from planned levels)
- Supply insecurity, rising cost and continued use of fossil fuel-generated electricity in South Africa
- Ore Reserve/mining inflexibility (Iceberg management model)
- Labour and community unrest during wage negotiations
- Failure to achieve our operational objectives.

Stakeholder/(s) affected:

Employees Investors, various levels of government and regulators Communities

Strategic pillars:

 Responsible stewardship	 Operational excellence
 Cash certainty	 Effective capital allocation

Responsible committees:

- Technical.
- Social and ethics.

Our approach

Our approach to improved operational performance is driven by our commitment to operational excellence and to ensuring safe, consistent, predictable and profitable production. We aim to create an enabling and safe environment to achieve our operational plans, reduce unit costs and improve productivity to maximise the generation of free cash flow.

Key focus areas of our operational excellence programme:

Safety and health <ul style="list-style-type: none"> • Journey to proactive safety • Agile response to Covid-19 pandemic • Risk management and focus on critical controls. 	Infrastructure maintenance <ul style="list-style-type: none"> • Fewer unplanned stoppages.
Grade management and mining flexibility <ul style="list-style-type: none"> • Limit mining below cut-off grade • Incorporating flexibility into our mining plans. 	Cost management <ul style="list-style-type: none"> • Focused cost management and project delivery • Improved productivity.
Capital allocation <ul style="list-style-type: none"> • Prioritised and focused capital allocation for growth and to sustain the business. 	Environmental and social management <ul style="list-style-type: none"> • Sustainable and responsible environmental stewardship • Community engagement and social upliftment.

Safety and operational risk management

Managing safety risks: Safety is a material risk for Harmony. As such it is imperative to ensure safe production, prevent loss-of-life incidents and embed a proactive safety culture across all our operations. We have adopted global best practice safety standards, a four-layered approach based on risk management and implemented modernised safety systems. We have also intensified our focus on leadership development and training to address behaviour to achieve our goal of ensuring that each employee safely returns home every day.

📶 See **Safety and health** in our **ESG report** for details on our safety performance and management.

Managing operational risks: Operational risk management is an integral feature of our business and operating strategy. It entails managing risks effectively while working productively. Our risk-based approach helps ensure that all supporting systems are functioning efficiently. Safety hazards and operational business risks are identified and dealt with continuously at each of our operations.

Harmony's top three operational risks are:

- Failure to eliminate loss-of-life incidents and improve safety performance
- The spread of Covid-19 and its potential impact on business sustainability
- Depleting Ore Reserve base.

Our performance FY21

The successful acquisition and integration of Mponeng and related assets are reflected in our results and demonstrate how we continue to transform our earnings profile by acquiring high-grade assets, while delivering on our strategy of safe, profitable ounces and increasing margins.

The safety and health of our employees and their families remains our top priority. In FY21, we continued our safety journey to embed a proactive safety culture throughout the company. The ongoing Covid-19 pandemic is unprecedented, yet we adapted to a changed environment. We also initiated a successful Covid-19 vaccination programme in South Africa and Papua New Guinea. In South Africa, four of our facilities have been registered and authorised to store and administer vaccines to our employees and communities, with

another six sites awaiting accreditation. We continue to encourage our employees and their families to get vaccinated at one of our sites. At 30 September 2021, the numbers are encouraging with around 63% of our employees partially vaccinated and 40% fully vaccinated. We expect to reach our goal of 80% at least partially vaccinated by October 2021.

Group production for FY21 increased by 26% to 1.54Moz of gold and gold equivalents (FY20: 1.22Moz). This was in line with guidance mainly due to the inclusion of Mponeng and related assets into our portfolio, which contributed 8 948kg (287 683oz) in FY21. Of this, 5 446kg or 175 092oz was from Mponeng underground, 862kg or 27 714oz from Mponeng surface, 583kg or 18 744oz from Kopanang surface and 2 057kg or 66 133oz from Mine Waste Solutions. Combined, this accounted for 19% of group production. The average underground recovered grade increased by 1% to 5.51g/t from 5.45g/t due to higher grades achieved at Kusasalethu and Mponeng.

A further 16% rise in the average gold price received to R851 045/kg (FY20: R735 569/kg), complemented by a substantial increase in gold production as a result of operational excellence in FY21 led to revenue increasing 43% to R41 733 million. All-in sustaining costs rose 11% to R723 054/kg from R651 356/kg mainly due to operational expansion after acquiring Mponeng and related assets, as well as lower-than-expected gold production in Target 1, Joel, Kalgold and Hidden Valley. This resulted in a production profit of R11 959 million (US\$777 million), 66% higher compared to R7 197 million (US\$459 million) in FY20.

Group capital expenditure for FY21 rose 44% to R5 103 million (US\$331 million) from R3 553 million (US\$227 million) in FY20. This reflects the inclusion of Mponeng and related assets as well as normalised capital expenditure in South Africa and Papua New Guinea after capital spend on development and growth projects was halted in FY20 by the pandemic. It also includes the resumption of growth projects and ongoing development planned in FY20 and FY21.

📶 In this report, we provide an overview of group performance. Please refer to our **Operational report** on our website for further details. (www.harmony.co.za).

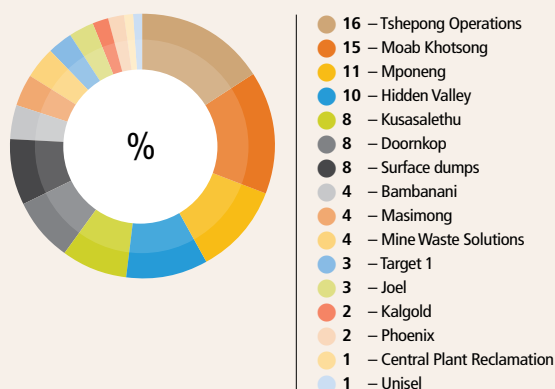
OPERATIONAL PERFORMANCE continued

FY21 focus areas and actions	How we performed
Continue embedding a proactive safety culture	Achieved our third-ever fatality-free quarter. South African lost-time injury frequency rate improved by 3% to 6.46 per million shifts from 6.69 in FY20.
Ensure we meet our operational plans and generate free cash flow	The group achieved its operational plans and regained mining flexibility at the majority of our mines after the impact of Covid-19. Operating free cash of R6 528 (US\$424 million) million for the reporting period used to reduce debt.
Integrate Mponeng and Mine Waste Solutions and create synergies in the West Witwatersrand (West Wits) region that will unlock value	Acquired assets and operations have contributed 8 948kg (287 683oz) in production, or 19% of the group's total production. They added revenue of R4 750 million and generated free cash flows of R1 356 million (US\$88 million).
Pursue organic brownfields growth strategy	Brownfield exploration at Hidden Valley and Kalgold to optimise existing open-pit operations and extend mine life, with brownfield exploration at our underground operations in South Africa.
Continue to drive down unit costs by improving our safety performance, delivering on our production plans, and increasing the productivity of our mining teams	Successful integration of Mponeng and related assets is reflected in our results. This demonstrates how we continue to transform our earnings profile by acquiring high-grade assets, while delivering on our strategy of safe, profitable ounces and increasing margins.

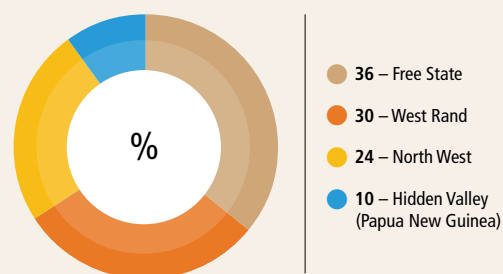
Key operational metrics FY21 – year-on-year (YoY) comparison

	Unit	YoY move	YoY %	FY21	FY20	Comments
Gold price	R/kg	↑	15.7	851 045	735 569	The average gold price received increased YoY, boosting our revenue
Underground yield	g/t	↑	1.1	5.51	5.45	The average underground recovered grade increased as a result of higher grades in Kusasaletu and Mponeng
Margin	%	↑	23.1	16	13	Mponeng was our most profitable underground operation for the reporting period, followed by Bambanani and Moab Khotsong, delivering operating free cash at margins of 29%, 27% and 26% respectively
Gold produced	kg	↑	26.1	47 755	37 863	
– South Africa	kg	↑	30.5	43 066	32 991	Higher gold production was in line with guidance and mainly due to including Mponeng and related assets in our portfolio
– Papua New Guinea	kg	↓	-3.8	4 689	4 872	Gold production in Hidden Valley was impacted by Covid-19 and related international travel restrictions and operational constraints, in addition to mechanical repairs required for some major infrastructure
All-in sustaining cost	R/kg	↓	-11	723 054	651 356	The increase in all-in sustaining cost was mainly due to operational expansion after acquiring Mponeng and related assets, as well as lower-than-expected gold production at Target 1, Joel, Kalgold and Hidden Valley

Contribution to group by operations – gold produced



Contribution to group production by region – gold produced



FY22 outlook

In the next financial year, gold production is estimated to be between 1.54Moz and 1.63Moz at an all-in sustaining cost of R765 000/kg to R800 000/kg. Underground recovered grade is planned to be about 5.40g/t to 5.57g/t.

The acquisition of Mponeng and Mine Waste Solutions, finalised at the end of September 2020, will continue to contribute to production and revenue in FY22. Mponeng is close to our Kusasaletu Mine in the West Wits region. While each of these operations has its own treatment plant, there are possible synergies for surface retreatment that will be explored and executed in FY22. The mine dumps at Deelkraal, Savuka and Kusasaletu are all in the same region and will provide extra ounces for the group, given the increased processing capacity. Harmony also acquired Kopanang plant but due to the operation being financially unviable, the plant will be placed on care and maintenance during the first quarter of FY22.

The acquisition of these assets will help offset the closure of Unisel and the expected decline in production at Masimong and Bambanani, as these near the end of their operating lives.

Looking ahead, we have a number of growth opportunities. We have obtained a life-of-mine extension of two years at Hidden Valley, continued mining the Great Nologwa shaft pillar and completed the Zaaiploats project feasibility study, which was approved by the technical committee. This is now in execution phase and will be the main focus in FY22.

Joel operation completed its twin-decline project at the end of July 2021, including the installation of a chairlift which enables employees to access 137 level quicker and improve productivity and production at the operation.

Exploration drilling at Kalgold has yielded favourable results and the operation has the potential to be further expanded. We are also drilling in the vicinity of Target North, situated on the Witwatersrand Basin.

Key focus areas and actions in FY22:

- Continue to embed a proactive safety culture
- Ensure we meet our operational plans and generate free cash flow
- Create synergies in the West Wits region that will unlock value
- Pursue organic brownfields growth strategy
- Continue to drive down unit costs by improving our safety performance, delivering on our production plans, and increasing the productivity of our mining teams.

See overleaf for graphs illustrating forecast group growth capital expenditure to FY24 and capital expenditure by operation for FY22.

OPERATIONAL PERFORMANCE continued

FY22 production and capital guidance

Operation	Production	Capital expenditure ^{1,2}		Life of mine
	(oz)	(Rm)	(US\$m)	(years)
Tshepong Operations	238 000 - 250 000	1 450	100	20
Moab Khotso ³	227 000 - 239 000	1 339	92	24
Mponeng	209 000 - 220 000	742	51	8
Bambanani	60 000 - 63 000	87	6	3
Doornkop	119 000 - 125 000	738	51	14
Joel	54 000 - 60 000	242	17	9
Target 1	59 000 - 68 000	398	27	7
Kusasaletu	126 000 - 133 000	270	19	3
Masimong	62 000 - 65 000	59	4	1.5
Underground operations – total⁴	1 154 000 - 1 223 000	5 325	367	
South African surface operations (tailings and waste rock dumps)	~115 000	316	22	14+
Mine Waste Solutions	85 000 - 89 000	863	59	17
Kalgold	40 000 - 42 000	65	4	12
Hidden Valley ⁵	153 000 - 161 000	1 460	101	6
Total	~1.540 - 1.630Moz	8 029	553	

¹ Excludes Wafi-Golpu.

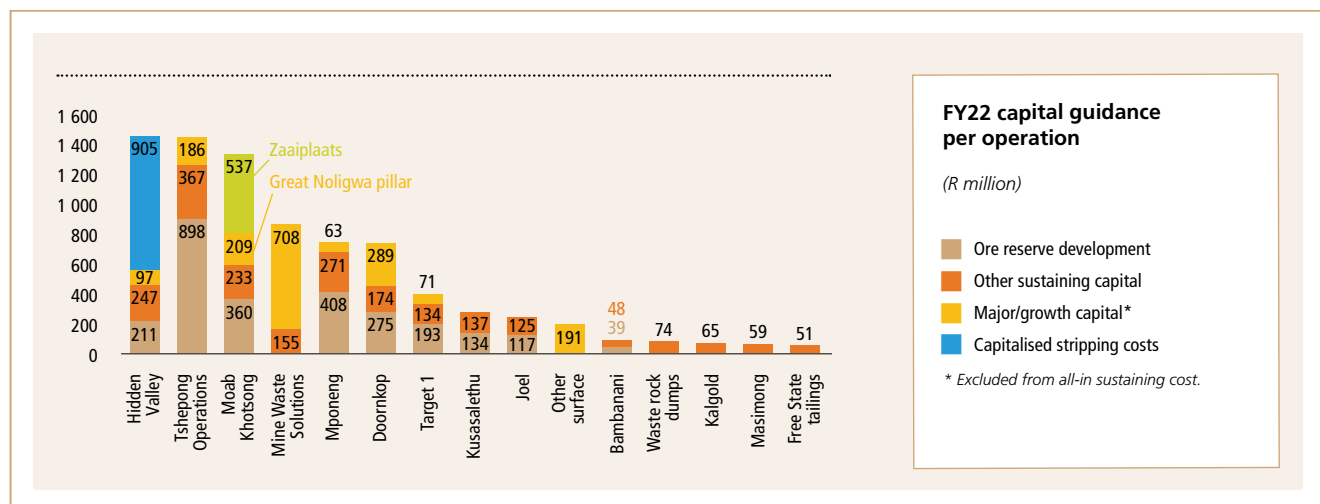
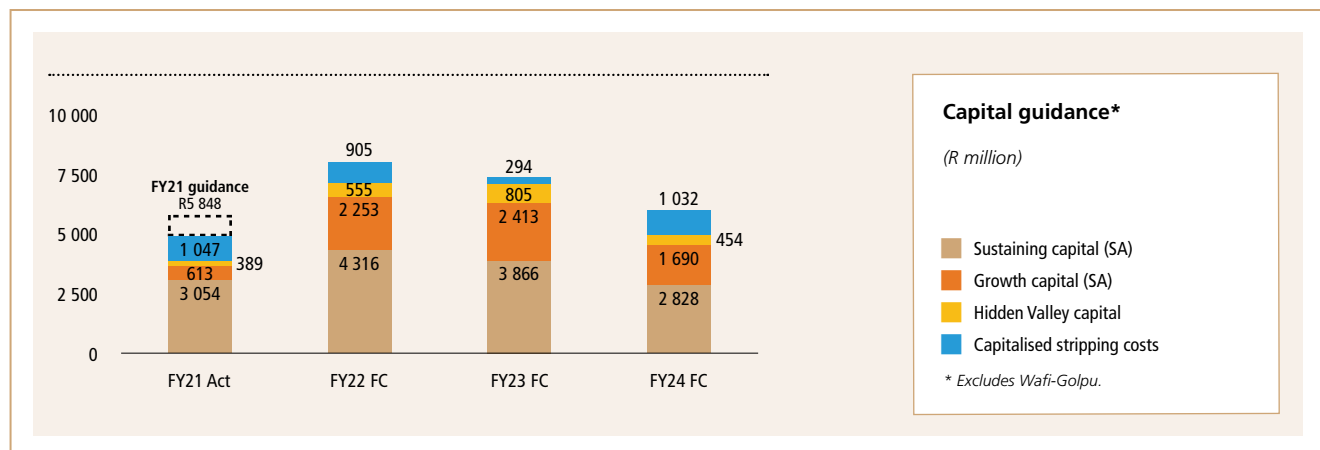
² At an exchange rate of R14.51/US\$.

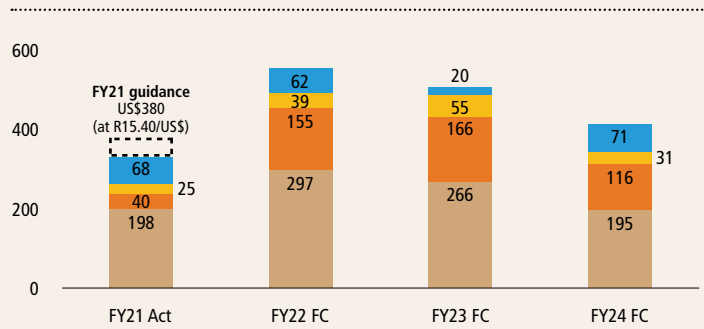
³ Includes Zaaipiaats life-of-mine and capital expenditure of R537 million (US\$37 million).

⁴ At an underground recovered grade of ~5.40g/t to 5.57g/t.

⁵ Includes capitalised stripping costs.

Forecast capital expenditure to FY24 and capital expenditure by operation for FY22



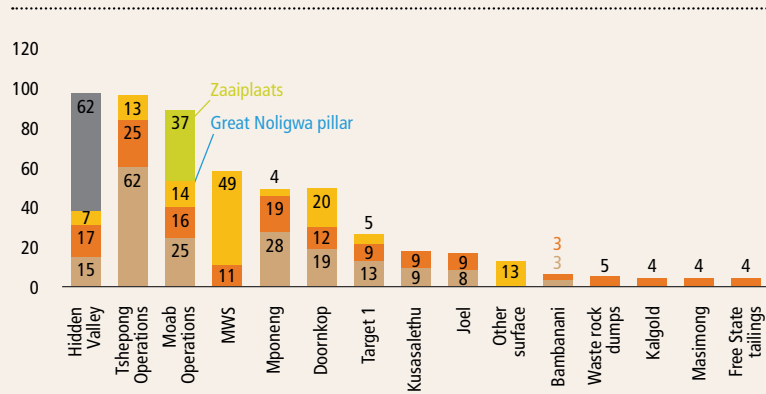


Capital guidance*

(US\$ million)

- Sustaining capital (SA)
- Growth capital (SA)
- Hidden Valley capital
- Capitalised stripping costs

* Excludes Wafi-Golpu.
The exchange rate used for the US\$ conversion for FY22 to FY24 is US\$ = R14.51.
Hidden Valley capital expenditure guidance based on exchange rate from FY22: 1PGK = R4.1472 or 1US\$ = R14.51.



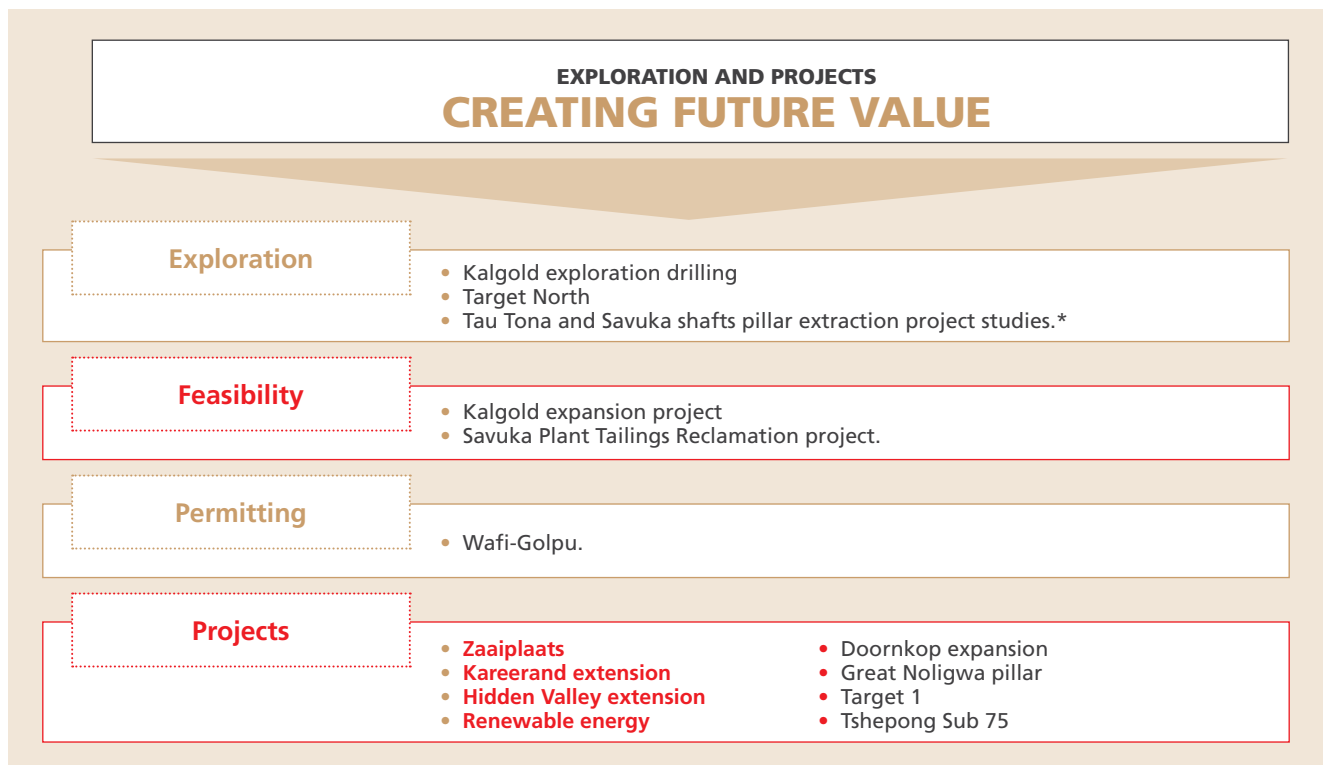
FY22 capital guidance per operation

(US\$ million)

- Ore reserve development
- Other sustaining capital
- Major/growth capital*
- Great Noligwa pillar
- Zaaipplaats
- Capitalised stripping costs

* Excluded from all-in sustaining cost.
The exchange rate used for the US\$ conversion for FY22 is R14.51/US\$.

EXPLORATION AND PROJECTS



* Study work to commence during FY22.

Exploration

Our exploration strategy is to predominantly pursue brownfields exploration targets close to existing infrastructure. This will drive short to medium-term organic Mineral Reserve replacement and growth to support our current strategy of increasing quality ounces and to mitigate the risk of a depleting Mineral Reserve base.

Key work streams underpinning the FY21 exploration programme include:

- Brownfield exploration at Hidden Valley and Kalgold to optimise existing open-pit operations and extend mine life
- Brownfield exploration at our underground operations in South Africa
- Greenfield exploration at Target North
- Reviewing exploration opportunities as part of our new business strategy.

During the year, these work streams continued to be impacted as a result of the global Covid-19 pandemic, with some work programmes suspended in the interest of the health and safety of our employees and the host communities we work in, and to preserve capital during these challenging times.

A detailed report of exploration results appears in our **Mineral Resources and Mineral Reserves 2021 report**.

KALGOLD
<p>The brownfields drilling campaign focused on resource extension drilling for the Windmill Zone. A total of 30 boreholes were drilled which amounts to 4 745 metres of Reverse circulation drilling. Geotechnical, condemnation and water borehole drilling was also carried out to support various components of the Feasibility study and provide input to mine planning. All proposed sites have now been cleared for future development.</p> <p>The systematic geochemical soil sampling survey was completed over the selected anomalies identified by magnetic and electro-magnetic surveys. A total of 1 806 auger holes were drilled and 3 476 outcrop samples were obtained and analysed. Integration of these results with all historical geological information was concluded and identified excellent drilling targets associated with favourable cherty BIF sequence, the main host rock of Kalgold mineralisation.</p>
TARGET NORTH
<p>The exploration drilling programme from surface advanced well and a total of 3 744m was drilled. At MAL21A borehole the first long directional deflection targeting the VCR to the west of the original intersection was completed including a set of short grade variability deflections. Deflection drilling continues. The average grade of reef intersections obtained from the mother hole and short deflections is 10g/t over the 110cm stoping width. Drilling of the second borehole MAL22 began in January 2021 and the hole advanced to a depth of 1 547 metres. Drilling continues in the Ventersdorp Lava.</p>

Exploration continued

PAPUA NEW GUINEA

HIDDEN VALLEY BROWNFIELD EXPLORATION

Kerimenge prospect – The Kerimenge prospect is located some 8km to the west of the Hamata processing plant. Review of existing drill data commenced with the aim of developing a new resource estimate. Kerimenge is a historic gold deposit outlined by previous explorers that contains components of refractory and free milling oxide gold mineralisation.

Webiak prospect – Assay results were returned for drilling at the Webiak prospect, located approximately 7.5km north of Hidden Valley (one hole for 120.5m). While no significant gold assays were obtained, results highlighted several zones of coincident anomalous silver-arsenic-antimony-mercury element anomalism, consistent with the upper parts of a low sulphidation precious metal system.

WAFI-GOLPU JOINT VENTURE (Harmony 50%)

Buvu prospect – The Buvu prospect is located some approximately 2km north-west of the Golpu porphyry. A programme of soil sampling supported by geological reconnaissance mapping and rock-chip sampling was completed to develop a gold target in the hanging wall of the Buvu Fault. Results outlined a significant gold anomaly (open to the south) which sits in an envelope of anomalous silver, lead and zinc geochemistry. Work completed to date has confirmed the Buvu target area as having potential for an unrecognised centre of epithermal hydrothermal alteration and mineralisation.



Target North exploration site.

EXPLORATION AND PROJECTS continued

Projects

We have identified substantial opportunities in our existing portfolio through exploration and brownfield projects which will extend the life of some of our larger and higher-grade assets, adding lower-risk, higher-margin ounces to Harmony's portfolio. Each project brings multiple benefits to Harmony and exceeds all our minimum criteria for allocating capital. We will continue to focus on ensuring all our mines operate safely and optimally and will continue investing across all our operations to ensure optimal production.

The salient features of our key projects are:

SOUTH AFRICA

ZAAIPLAATS PROJECT

Zaaiplaats is located south-west of Moab Khotsong mine in South Africa and has significant resources of 3.5Moz below the last infrastructure level. This project is expected to produce over 200 000 ounces per annum and add 24 years' life-of-mine at a yield of approximately 9g/t and an estimated, real all-in sustaining cost of R512 300/kg. The major capital expenditure will be funded by Moab Khotsong. There are significant benefits to pursuing this project such as leveraging existing infrastructure, increasing ounces and sustaining jobs. Harmony has proven its ability to extract value and add life of mine time and again throughout its 71-year history.

KAREERAND EXTENSION

Mine Waste Solutions was acquired in October 2020 and is a reclamation operation in the Stilfontein/Orkney area in North West province, and treats 2.2 million tonnes per month from historical tailings facilities through the Mine Waste Solution plant. Residue is then deposited on the existing Kareerand Tailings Storage Facility. However, this facility is running out of tailings deposition capacity. The project will require major capital to extend the existing deposition site to enable the full development of our tailings resource in the region. This project will be funded out of group cash and will deliver excellent cash flow margins once this project is completed and the Franco-Nevada streaming agreement comes to an end. This project is expected to produce approximately 100 000 ounces of gold per annum and add 16 years' life of mine at an estimated all-in sustaining cost of R572 000/kg over the life of mine.

HIDDEN VALLEY EXTENSION

This project in Papua New Guinea will be self-funded and will extend the life-of-mine to 2027. We expect the project to deliver approximately 160 000-200 000oz of gold per annum and 2.1Moz to 3.1Moz of silver per annum at a life-of-mine all-in sustaining cost of \$1 017/oz.

OTHER PROJECTS ALREADY IN EXECUTION

These include the Doornkop levels 207 and 212 mining and engineering infrastructure upgrade, the Tshepong sub-75 development, the Target 1 recapitalisation and decline development as well as our renewable energy projects (which are expected to realise significant energy savings).



Mine Waste Solutions Kareerand Dam.

PAPUA NEW GUINEA

WAFI-GOLPU PROJECT

Harmony is committed to realising its aspiration of being a specialist emerging-market copper-gold producer. In December 2020, following a rigorous environmental impact assessment, the Environmental Permit for the Wafi-Golpu project was approved by the Papua New Guinean Conservation and Environment Protection Authority and issued by the Director of Environment.

The Environmental Permit is required under the Papua New Guinean Environment Act and is a prerequisite for granting a Special Mining Lease under the Mining Act. Harmony, together with its Wafi-Golpu Joint Venture partner Newcrest Mining Limited, is currently engaging with the State of Papua New Guinea to progress permitting of the Wafi-Golpu Project and has commenced discussions with the State in relation to the Special Mining Lease.

The Wafi-Golpu Joint Venture Social Licence to Operate is in good standing and continues to receive support from the Project Impact Area communities, including various coastal communities.

During FY21, several meetings took place between the Prime Minister, Deputy Prime Minister and the Wafi-Golpu Joint Venture proponents on the resumption of the permitting process, with the Prime Minister expressing his government's desire to have it expedited.

In July 2021, engagement on a revised draft term sheet occurred.



Target North exploration site.

MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

Securing a long-term pipeline of Mineral Resources and Mineral Reserves is essential to ensuring Harmony's long-term sustainability. Exploring for, finding and developing economically viable orebodies enables Harmony to deliver on its strategy.

Harmony's statement of Mineral Resources and Mineral Reserves (South Africa and Papua New Guinea) as at 30 June 2021 is produced in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC). It should be noted that Mineral Resources are reported inclusive of Mineral Reserves.

Harmony uses certain terms in the summary such as "measured", "indicated" and "inferred" resources, which the United States' Securities and Exchange Commission (SEC) guidelines strictly prohibit companies registered in the United States from including in their filings with the commission. United States investors are urged to consider the disclosure in this regard in our Form 20-F which will be available on our website at <https://www.harmony.co.za/invest/annual-reports> on 29 October 2021.



See **Mineral Resources and Mineral Reserves report 2021** on our website.

Independent review

Individual mines are independently reviewed on a three-year rotational basis. This year, the Mineral Resources and Mineral Reserves at Doornkop and Mponeng as well as the group SAMREC statement were independently reviewed by The Mineral Corporation for compliance with SAMREC.

Legal entitlement to minerals reported

Harmony's South African operations operate under new order mining rights in terms of the Mineral and Petroleum Resources Development Act (MPRDA) (Act 28 of 2002).

In Papua New Guinea, Harmony operates under the Independent State of Papua New Guinea Mining Act 1992. All required operating permits have been obtained and are in good standing.

The legal tenure of each operation and project has been verified to the satisfaction of the accountable competent person.

Environmental management and funding

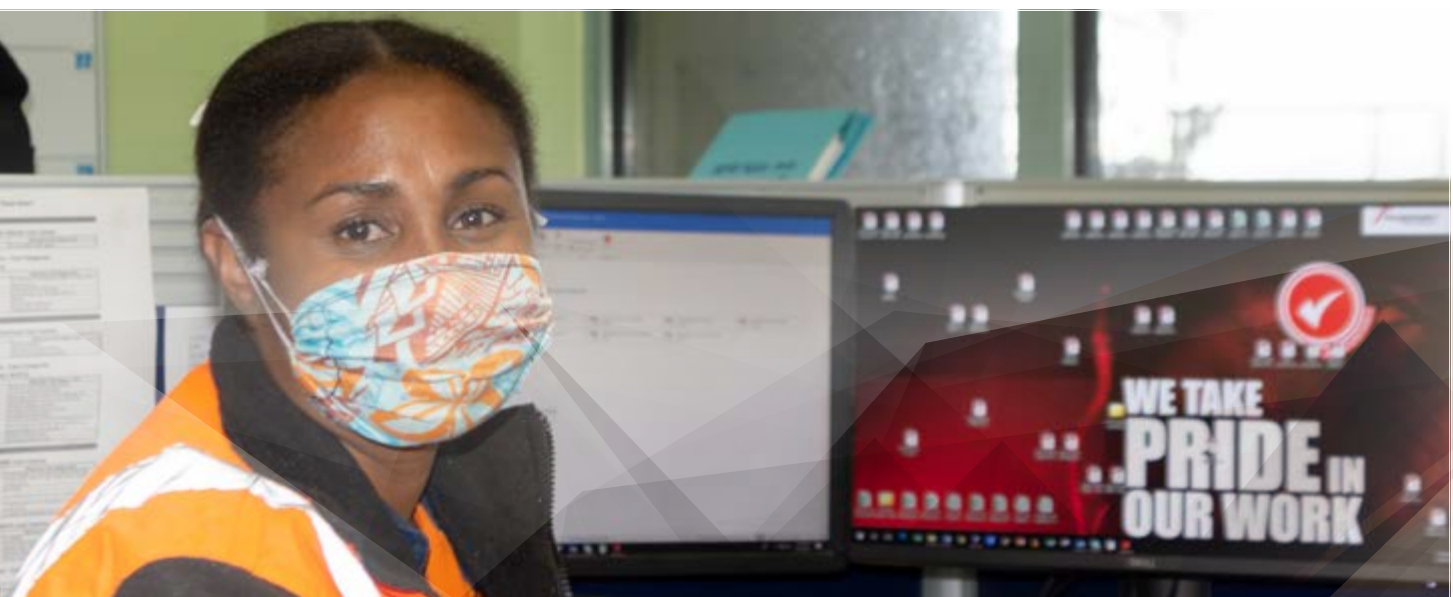
Harmony's environmental strategy aims to optimise our environmental performance by managing our impacts, focusing on effective risk controls, reducing environmental liabilities, ensuring responsible stewardship of our products within our scope of influence, complying with environmental legislation and regulations.



For more information regarding Harmony's approach to sustainability and environmental performance, refer to the **ESG report 2021** which is available at www.harmony.co.za.



Details relating to the provision for Environmental rehabilitation and funding can be found in note 26 to Harmony's audited annual financial statements that are presented in a separate report, the **Financial report 2021**. This is also available online at www.harmony.co.za.



Roselyn N'Drihin who is a part of Hidden Valley's mobile fleet maintenance team.

ASSUMPTIONS

In converting Mineral Resources to Mineral Reserves, the following commodity prices and exchange rates were applied:

- A gold price of US\$1 500/oz
- An exchange rate of R/US\$14.51
- The above parameters resulted in a rand gold price of R700 000/kg for the South African assets
- The Hidden Valley Mine and the Wafi-Golpu project used commodity prices of US\$1 500/oz Au, US\$20.70/oz Ag, US\$10.00/lb Mo and US\$3.00/lb Cu at an exchange rate of AUD1.39 per US\$
- Gold equivalent ounces are calculated assuming the following: US\$1 500/oz Au, US\$3.00/lb Cu and US\$20.70/oz Ag, and assuming a 100% recovery for all metals.

Note:

Au = gold **Cu** = copper **Ag** = silver

Mo = molybdenum **U₃O₈** = uranium

Mineral Resources and Mineral Reserves at 30 June 2021 – summary

Post the acquisition of Mponeng and related assets in October 2020, we have concluded our life-of-mine planning process for the operations. We have also concluded our reconciliation and assessment of the Mineral Reserves and Resources based on updated models and the new life-of-mine plan. As a result, we have excluded the below-infrastructure Reserves as previously published by AngloGold Ashanti Limited (AGA) while Harmony is in the process with an update of the project studies. The below-infrastructure areas are being reassessed and new project studies will be commissioned to evaluate the economic viability of these blocks of ground. As a result, we have made downward adjustments to the Reserves and Resources originally published by AngloGold Ashanti at the end of 2019. Despite these reconciliations, the company's attributable gold and gold equivalent Mineral Resources are now declared as 141.2Moz as at 30 June 2021, a 19% increase year on year from the 118.6Moz declared as at 30 June 2020. The total gold contained in the Mineral Resources at the South African operations represents 71% of the company total, with the Papua New Guinea operations representing 29% of Harmony's total gold and gold equivalent Mineral Resources as at 30 June 2021. Harmony's attributable gold and gold equivalent Mineral Reserves amounts to 42.5Moz, a 16% increase from the 36.5Moz declared at 30 June 2020. The gold Reserve ounces in South Africa represent 58% while the Papua New Guinea gold and gold equivalent Reserve ounces represent 42% of Harmony's total Mineral Reserves as at 30 June 2021.

SOUTH AFRICA

UNDERGROUND OPERATIONS

The company's Mineral Resources at the South African underground operations as at 30 June 2021 are 84.0Moz (262.1Mt at 9.96g/t), an increase of 33% year-on-year from the 62.9Moz (214.8Mt at 9.10g/t) declared as at 30 June 2020. This increase is mainly due to additional Mineral Resources from the Mponeng acquisition.

The company's Mineral Reserves at the South African underground operations as at 30 June 2021 are 14.3Moz (70.46Mt at 6.31g/t), an increase of 33% year-on-year from the 10.8Moz (56.95Mt at 5.87g/t) declared as at 30 June 2020. The increase in ounces is mainly due to the Reserves added from the Mponeng acquisition and inclusion of the Zaaiploots project at Moab Khotsong.

SURFACE OPERATIONS (INCLUDING KALGOLD)

The company's Mineral Resources at the South African surface operations as at 30 June 2021 are 16.0Moz (1 769.9Mt at 0.28g/t), an increase of 53% mainly due to the acquisition of AngloGold Ashanti South African surface sources.

The company's Mineral Reserves after normal depletion at the South African surface operations as at 30 June 2021 are 10.4Moz (1 236.6Mt at 0.26g/t), an increase of 57% due to the acquisition of AngloGold Ashanti South African surface sources.

PAPUA NEW GUINEA

OPERATIONS

The company's attributable gold and gold equivalent Mineral Resources at the Papua New Guinea operations as at 30 June 2021 are 41.3Moz, a decrease of 9% year-on-year from the 45.4Moz declared as at 30 June 2020. This decrease is mainly due to a new resource model at Hidden Valley (Kaveroi), commodity price ratio changes affecting the gold equivalent ounces negatively, and depletion.

The company's gold and gold equivalent Mineral Reserves at the Papua New Guinea operations as at 30 June 2021 are 17.7Moz, a decrease of 7.3% year-on-year from the 19.1Moz declared as at 30 June 2020. The decrease is mainly due to depletion and a change in the commodity price ratios. There was a year-on-year increase of 0.5Moz of gold Reserves at Hidden Valley due to the addition of stage 8 to the life-of-mine plan.

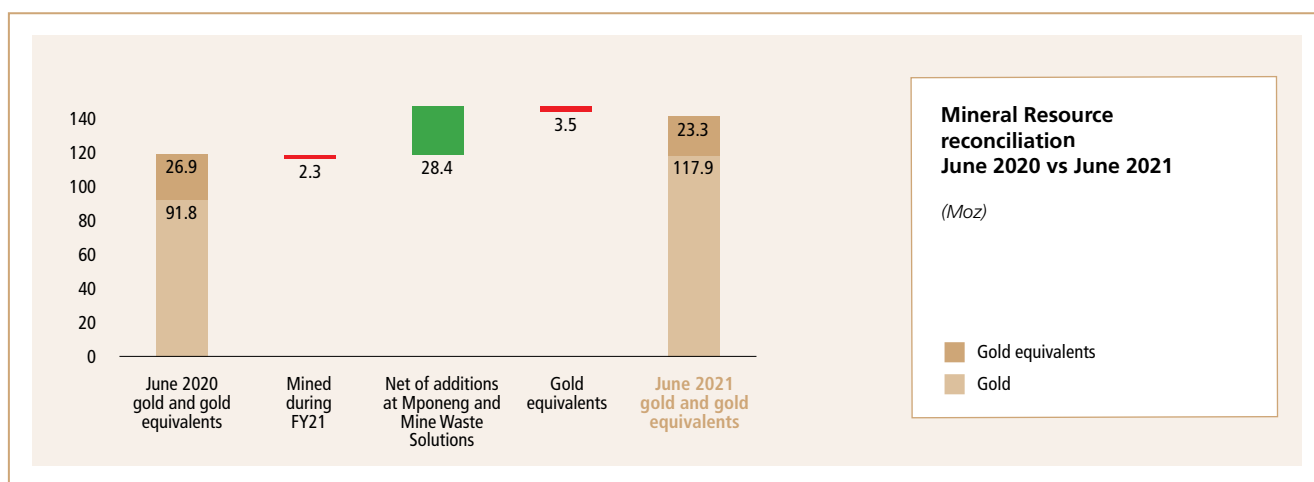
MINERAL RESOURCES AND RESERVES – A SUMMARY continued

Mineral Resources

As at 30 June 2021, attributable gold equivalent Mineral Resources were 141.2Moz, up from 118.6Moz in June 2020. The following tables show the year-on-year reconciliation of the Mineral Resources.

Mineral Resource reconciliation – gold and gold equivalents

	kg (000)	Moz
June 2020 – Gold and gold equivalents	3 690	118.6
Changes during FY21		
Mined	(72)	(2.3)
Net of additions at Mponeng and Mine Waste Solutions	884	28.4
Gold equivalents	(110)	(3.5)
June 2021 – Gold and gold equivalents	4 393	141.2

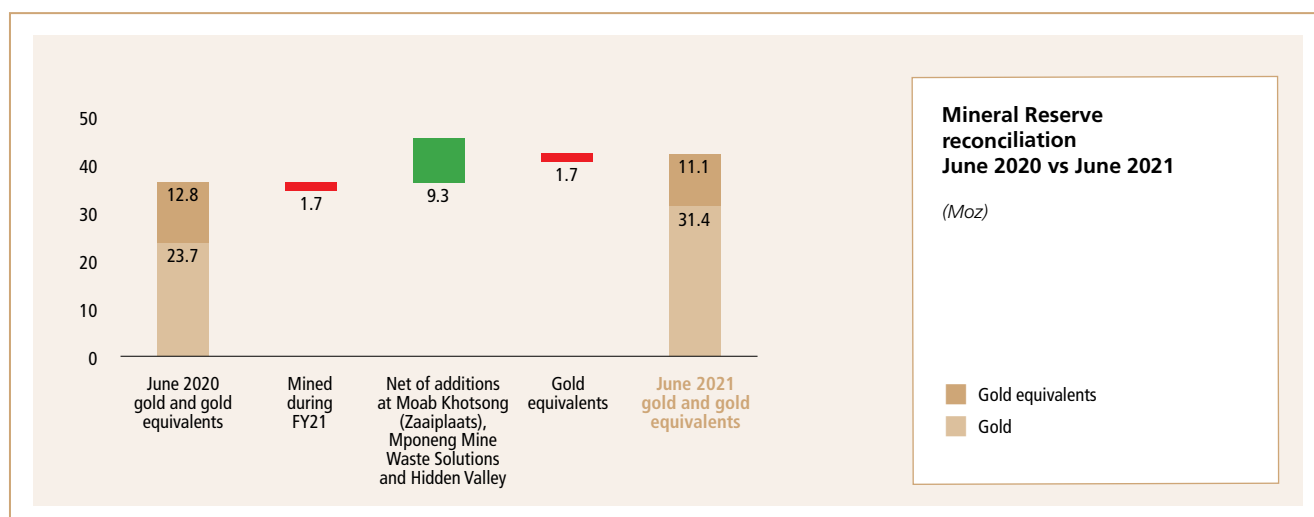


Mineral Reserves

As at 30 June 2021, Harmony's attributable gold equivalent Mineral Reserves were 42.5Moz, up from 36.5Moz. The year-on-year Mineral Reserve reconciliation is shown below.

Mineral Reserve reconciliation – gold and gold equivalents

	kg (000)	Moz
June 2020 – Gold and gold equivalents	1 135	36.5
Changes during FY21		
Mined	(52)	(1.7)
Net of additions at Tshepong Operations, Moab Khotso, Masimong, Kalgold, Target and Hidden Valley	289	9.3
Gold equivalents	(52)	(1.7)
June 2021 – Gold and gold equivalents	1 320	42.5



Competent persons' declaration

The Mineral Resources and Mineral Reserves estimates in this report are based on information compiled by the two competent persons whose details are presented below. Both these full-time employees of Harmony Gold Mining Company Limited consent to the inclusion of the information in this report in the form and context in which it appears. They are:

MINERAL RESOURCES AND MINERAL RESERVES, SOUTH AFRICA:

Jaco Boshoff, *BSc (hons), MSc, MBA*, has 26 years' relevant experience. He is registered with the South African Council for Natural Scientific Professions (SACNASP), and is a member of the South African Institute of Mining and Metallurgy (SAIMM) and the Geological Society of South Africa (GSSA).

Mr Boshoff is Harmony's Lead Competent Person.

Physical address

Randfontein Office Park
Corner Main Reef Road and Ward Avenue
Randfontein
South Africa

Postal address

PO Box 2
Randfontein 1760
South Africa

MINERAL RESOURCES AND MINERAL RESERVES, PAPUA NEW GUINEA:

Gregory Job, *BSc, MSc*, has 33 years' relevant experience and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Physical address

Level 2, 189 Coronation Drive
Milton, Queensland 4064, Australia

Postal address

PO Box 1562
Milton, Queensland 4064, Australia

In South Africa, Harmony employs an Ore Reserve manager at each of its operations who takes responsibility as competent person for the compilation and reporting of Mineral Resources and Mineral Reserves at their respective operation. In Papua New Guinea, competent persons are appointed for the Mineral Resources and Mineral Reserves for specific projects and operations.

📶 Details on these competent persons are presented in the respective operational Mineral Resource and Mineral Reserve statements in the **Mineral Resources and Mineral Reserves report**.

Administrative information for professional organisations

Australasian Institute of Mining and Metallurgy (AusIMM)

Postal address: PO Box 660, Carlton South, Vic 3053, Australia
Telephone: +61 3 9658 6100
Facsimile: +61 3 9662 3662
Website: www.ausimm.com.au

South African Council for Natural Scientific Professions (SACNASP)

Postal address: Private Bag X540, Silverton, 0127, Gauteng, South Africa
Telephone: +27 12 841 1075
Facsimile: +27 86 206 0427
Website: www.sacnasp.org.za

Southern African Institute of Mining and Metallurgy (SAIMM)

Postal address: PO Box 61127, Marshalltown, 2107, Gauteng, South Africa
Telephone: +27 11 834 1273/7
Facsimile: +27 11 838 5923/8156
Website: www.saimm.co.za

Geological Society of South Africa (GSSA)

CSIR Miningtek
Carlow and Rustenburg Roads
Melville, Johannesburg
South Africa
Website: www.gssa.org.za

📶 Details of the professional registrations of our competent persons can be obtained from the company secretary at: companysecretariat@harmony.co.za

MINERAL RESOURCES AND RESERVES – A SUMMARY continued

ESTIMATES AT 30 JUNE 2021 – SUMMARY

Operations	Measured Resources			Indicated Resources			Inferred Resources			Total Mineral Resources		
	Tonnes (Mt)	Grade (g/t)	Gold (000oz)	Tonnes (Mt)	Grade (g/t)	Gold (000oz)	Tonnes (Mt)	Grade (g/t)	Gold (000oz)	Tonnes (Mt)	Grade (g/t)	Gold (000oz)
GOLD												
SOUTH AFRICA UNDERGROUND												
Free State region												
Tshepong Operations	24.9	11.47	9 195	12.3	10.61	4 191	35.3	10.76	12 210	72.5	10.98	25 596
Bambanani	0.4	13.48	181	–	–	–	–	–	–	0.4	13.48	181
Joel	4.0	7.89	1 026	3.8	7.24	878	7.3	5.13	1 209	15.2	6.39	3 113
Masimong	2.5	8.98	710	0.2	7.35	42	0.02	6.48	5	2.7	8.85	757
Target 1	7.8	6.99	1 750	5.2	6.57	1 089	4.5	5.50	788	17.4	6.48	3 627
Target 3	0.6	9.19	178	2.9	10.17	965	1.2	8.66	340	4.8	9.66	1 483
Total Free State underground	40.2	10.08	13 040	24.3	9.15	7 164	48.3	9.36	14 553	112.9	9.57	34 756
West Rand region												
Doornkop South Reef	5.2	7.93	1 326	3.8	6.88	838	3.5	7.65	860	12.5	7.53	3 024
Doornkop Main Reef	0.1	5.38	14	0.05	5.51	8	0.02	5.32	3	0.1	5.41	25
Doornkop Kimberly Reef	18.1	3.36	1 957	12.1	3.15	1 226	10.1	3.28	1 066	40.3	3.28	4 249
Kusasaletu	3.4	11.15	1 226	12.6	9.05	3 668	3.7	8.63	1 026	19.7	9.33	5 919
Mponeng	2.9	15.61	1 464	21.7	14.11	9 851	28.1	13.60	12 266	52.7	13.92	23 581
Total West Rand region	29.7	6.26	5 987	50.3	9.65	15 591	45.4	10.43	15 221	125.4	9.13	36 798
Klerksdorp operation												
Moab Khotsoeng	4.2	16.75	2 274	14.0	15.95	7 155	5.6	16.42	2 973	23.8	16.20	12 402
Total North West region	4.2	16.75	2 274	14.0	15.95	7 155	5.6	16.42	2 973	23.8	16.20	12 402
TOTAL SOUTH AFRICA UNDERGROUND	74.2	8.93	21 301	88.6	10.50	29 909	99.3	10.25	32 746	262.1	9.96	83 957
SOUTH AFRICA SURFACE												
Kraaipan Greenstone Belt												
Kalgold open pit	9.4	0.88	268	67.8	0.89	1 942	4.4	0.63	89	81.6	0.88	2 299
Kalgold tailing dam	–	–	–	–	–	–	23.8	0.26	201	23.8	0.26	201
Kalgold	9.4	0.88	268	67.8	0.89	1 942	28.2	0.32	290	105.4	0.74	2 501
Free State region – Surface												
Tailings												
Other Free State tailings	–	–	–	571.7	0.22	4 106	15.5	0.19	94	587.1	0.22	4 200
Phoenix	42.6	0.28	385	–	–	–	–	–	–	42.6	0.28	385
St Helena	191.3	0.27	1 656	–	–	–	–	–	–	191.3	0.27	1 656
Central	–	–	–	52.0	0.27	450	–	–	–	52.0	0.27	450
Waste rock dumps												
Free State WRD	–	–	–	2.3	0.48	36	16.7	0.43	231	19.0	0.44	267
Total Free State	233.9	0.27	2 041	626.0	0.23	4 591	32.2	0.31	326	892.1	0.24	6 958
North West region – Surface												
Tailings												
Mispah	–	–	–	74.8	0.30	719	–	–	–	74.8	0.30	719
Kop Paydam	–	–	–	11.0	0.20	72	–	–	–	11.0	0.20	72
Vaal River tailings	10.8	0.20	70	369.7	0.26	3 070	–	–	–	380.6	0.26	3 140
Mine Waste Solutions	82.9	0.22	588	164.9	0.26	1 358	–	–	–	247.8	0.24	1 946
Waste rock dumps												
Moab MOD	–	–	–	3.4	0.41	45	–	–	–	3.4	0.41	45
Vaal River WRD	–	–	–	3.3	0.31	33	2.9	0.28	26	6.2	0.30	60
Total North West	93.8	0.22	659	627.1	0.26	5 296	2.9	0.28	26	723.7	0.26	5 981
West Rand region – Surface												
Tailings												
West Wits tailings	–	–	–	45.5	0.34	503	–	–	–	45.5	0.34	503
Waste rock dumps												
West Wits WRD	–	–	–	2.2	0.40	29	–	–	–	2.2	0.40	29
Total West Rand	–	–	–	47.8	0.35	532	–	–	–	47.8	0.35	532
TOTAL SOUTH AFRICA SURFACE (INCLUDING KALGOLD)	337.1	0.27	2 968	1 368.6	0.28	12 361	63.3	0.32	642	1 769.0	0.28	15 971
TOTAL SOUTH AFRICA	411.3		24 268	1 457.1		42 271	162.6		33 389	2 031.1		99 928
PAPUA NEW GUINEA¹												
Hidden Valley	3.4	0.95	103	54.1	1.42	2 471	1.4	1.06	48	58.9	1.39	2 622
Hamata	0.006	1.63	0.33	1.9	1.90	115	0.2	1.50	9	2.1	1.86	124
Wafi	–	–	–	54.0	1.65	2 800	20.0	1.37	800	74.0	1.58	3 600
Golpu	–	–	–	340.0	0.72	8 000	70.0	0.63	1 400	410.0	0.70	9 300
Nambonga	–	–	–	–	–	–	24.0	0.69	500	24.0	0.69	500
Killi Teke	–	–	–	–	–	–	237.0	0.24	1 810	237.0	0.24	1 810
Total Papua New Guinea	3.4	0.95	103	449.9	0.92	13 385	352.6	0.41	4 567	805.9	0.70	17 956
GRAND TOTAL	414.7		24 372	1 907.1		55 656	515.2		37 956	2 837.0		117 884

Operations	Measured Resources		Indicated Resources		Inferred Resources		Total Mineral Resources	
	Tonnes (Mt)	Au eq (000oz)	Tonnes (Mt)	Au eq (000oz)	Tonnes (Mt)	Au eq (000oz)	Tonnes (Mt)	Au eq (000oz)
GOLD EQUIVALENTS¹								
Silver								
Hidden Valley	3.4	26	54.1	534	1.4	13	58.9	573
Total	3.4	26	54.1	534	1.4	13	58.9	573
Copper								
Golpu	–	–	340.0	16 482	70.0	2 548	410.0	19 030
Nambonga	–	–	–	–	24.0	207	24.0	207
Killi Teke	–	–	–	–	237.0	3 538	237.0	3 538
Total	–	–	340.0	16 482	331.0	6 293	671.0	22 775
Total silver and copper as gold equivalents	3.4	26	394.1	17 016	332.4	6 306	729.8	23 347
Total PNG including gold equivalents	3.4	129	449.9	30 401	352.6	10 873	805.9	41 304
TOTAL HARMONY INCLUDING EQUIVALENTS	414.7	24 398	1 907.1	72 672	515.2	44 262	2 837.0	141 231

OTHER METALS

PAPUA NEW GUINEA ¹	Measured Resources			Indicated Resources			Inferred Resources			Total Mineral Resources		
	Tonnes (Mt)	Grade (g/t)	Ag (000oz)	Tonnes (Mt)	Grade (g/t)	Ag (000oz)	Tonnes (Mt)	Grade (g/t)	Ag (000oz)	Tonnes (Mt)	Grade (g/t)	Ag (000oz)
Silver												
Hidden Valley	3.4	17.31	1 886	54.1	22.26	38 682	1.4	20.63	941	58.9	21.93	41 508
Golpu	–	–	–	340.0	1.29	14 000	70.0	1.10	2 300	410.0	1.28	17 000
Total	3.4	17.31	1 886	394.1	4.19	52 682	71.4	1.49	3 241	468.9	3.88	58 508

	Tonnes (Mt)	Grade (%)	Cu (Mlb)	Tonnes (Mt)	Grade (%)	Cu (Mlb)	Tonnes (Mt)	Grade (%)	Cu (Mlb)	Tonnes (Mt)	Grade (%)	Cu (Mlb)
Copper												
Golpu	–	–	–	340.0	1.00	8 250	70.0	0.85	1 250	410.0	1.00	9 500
Nambonga	–	–	–	–	–	–	24.0	0.20	104	24.0	0.20	104
Killi Teke	–	–	–	–	–	–	237.0	0.34	1 767	237.0	0.34	1 767
Total	–	–	–	340.0	1.00	8 250	331.0	0.44	3 120	671.0	0.77	11 370

	Tonnes (Mt)	Grade (ppm)	Mo (Mlb)	Tonnes (Mt)	Grade (ppm)	Mo (Mlb)	Tonnes (Mt)	Grade (ppm)	Mo (Mlb)	Tonnes (Mt)	Grade (ppm)	Mo (Mlb)
Molybdenum												
Golpu	–	–	–	340.0	94	70	70.0	72	11	410.0	90	81
Killi Teke	–	–	–	–	–	–	237.0	168	88	237.0	168	88
Total	–	–	–	340.0	94	70	307.0	146	99	647.0	119	169

SOUTH AFRICA

	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ (Mlb)	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ (Mkg)	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ (Mkg)	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ (Mlb)
Uranium												
Free State surface	–	–	–	135.7	0.11	32	–	–	–	135.7	0.11	32
Mispah 1	–	–	–	74.8	0.12	20	–	–	–	74.8	0.12	20
Kop Paydam	–	–	–	11.0	0.13	3	–	–	–	11.0	0.13	3
Vaal River tailings	–	–	–	380.6	0.09	72	–	–	–	380.6	0.09	72
Mine Waste Solutions	82.9	0.07	12	164.9	0.08	30	–	–	–	247.8	0.08	42
North West surface	82.9	0.07	12	631.2	0.09	124	–	–	–	714.1	0.09	137
Moab Khotso underground	–	–	–	18.2	0.63	25	5.6	0.65	8	23.8	0.63	33
GRAND TOTAL	82.9	0.07	12	785.0	0.10	181	5.6	0.65	8	873.6	0.10	202

¹ Total attributable.

Gold equivalent ounces are calculated assuming a US\$1 500/oz Au, US\$3.00/lb Cu and US\$20.70/oz Ag with 100% recovery for all metals.

NB Rounding of numbers may result in slight computational discrepancies.

Note: 1 tonne = 1 000 kg = 2 204 lbs.

1 troy ounce = 31.10348 grams.

MINERAL RESOURCES AND RESERVES – A SUMMARY continued

ESTIMATES AT 30 JUNE 2021

Operations	Proved Reserves			Probable Reserves			Total Mineral Reserves		
	Tonnes (Mt)	Grade (g/t)	Gold ² (000oz)	Tonnes (Mt)	Grade (g/t)	Gold ² (000kg)	Tonnes (Mt)	Grade (g/t)	Gold ² (000oz)
GOLD									
SOUTH AFRICA UNDERGROUND									
Free State region									
Tshepong Operations	20.0	5.77	3 722	4.7	4.46	672	24.7	5.53	4 394
Joel	2.6	5.00	423	1.5	4.50	215	4.1	4.82	639
Bambanani	0.6	8.48	152	–	–	–	0.6	8.48	152
Masimong	0.7	4.37	105	0.03	3.08	3	0.8	4.32	108
Target 1	2.9	4.46	416	1.8	3.89	231	4.7	4.24	647
Total Free State underground	26.9	5.57	4 818	8.0	4.33	1 121	34.9	5.29	5 939
West Rand region									
Doornkop South Reef	6.0	4.73	918	4.4	4.17	596	10.5	4.49	1513
Kusalethu	1.9	7.51	455	0.3	4.76	43	2.2	7.15	498
Mponeng	1.9	8.72	535	5.8	8.47	1 569	7.7	8.53	2 104
Total West Rand region	9.8	6.04	1 907	10.5	6.55	2 208	20.3	6.30	4 115
North West region									
Moab Khotsong	2.9	7.77	727	12.3	8.89	3 518	15.2	8.68	4 245
Total North West region	2.9	7.77	727	12.3	8.89	3 518	15.2	8.68	4 245
TOTAL SOUTH AFRICA UNDERGROUND	39.6	5.85	7 453	30.8	6.91	6 846	70.5	6.31	14 299
SOUTH AFRICA SURFACE									
Kraaipan Greenstone Belt									
Kalgold	6.1	0.93	182	12.5	1.12	449	18.5	1.06	631
Free State region – Surface									
Tailings									
Other Free State tailings	–	–	–	571.7	0.22	4106	571.7	0.22	4106
Phoenix	42.6	0.28	385	–	–	–	42.6	0.28	385
St Helena	108.6	0.27	933	–	–	–	108.6	0.27	933
Central	–	–	–	52.0	0.27	450	52.0	0.27	450
Total Free State	151.1	0.27	1 318	623.7	0.23	4 555	774.8	0.24	5 873
North West region – Surface									
Tailings									
Vaal River tailings	–	–	–	190.3	0.29	1 789	190.3	0.29	1 789
Mine Waste Solutions	50.0	0.24	390	164.9	0.26	1 358	214.9	0.25	1 749
Total North West	50.0	0.24	390	355.2	0.28	3 148	405.1	0.27	3 538
West Rand – Surface									
West Wits tailings	–	–	–	38.2	0.32	398	38.2	0.32	398
Total West Rand	–	–	–	38.2	0.32	398	38.2	0.32	398
TOTAL SOUTH AFRICA SURFACE (including Kalgold)	207.2	0.28	1 890	1 029.4	0.26	8 550	1 236.6	0.26	10 440
TOTAL SOUTH AFRICA	246.8		9 343	1 060.3		15 397	1 307.1		24 739
PAPUA NEW GUINEA									
Hidden Valley	3.4	0.95	103	19.9	1.59	1 016	23.3	1.50	1 119
Hamata	0.006	1.63	0.33	0.2	1.82	14	0.2	1.82	15
Golpu ¹	–	–	–	200.0	0.86	5 500	200.0	0.86	5 500
Total Papua New Guinea	3.4	0.95	103	220.1	0.92	6 530	223.5	0.92	6 634
HV Hamata	3.4	0.95	103	20.1	1.59	1 030	23.5	1.50	1 134
GRAND TOTAL	250.2		9 446	1 280.4		21 927	1 530.6		31 373

Operations	Proved Reserves		Probable Reserves		Total Mineral Reserves	
	Tonnes (Mt)	Au eq ² (000oz)	Tonnes (Mt)	Au eq ² (000oz)	Tonnes (Mt)	Au eq ² (000oz)
GOLD EQUIVALENTS						
Silver						
Hidden Valley	3.4	26	19.9	240	23.3	266
Copper						
Golpu ¹	–	–	200.0	10 814	200.0	10 814
Total silver and copper as gold equivalents	3.4	26	219.9	11 054	223.3	11 080
Total PNG including gold equivalents	3.4	129	220.1	17 584	223.5	17 714
TOTAL HARMONY INCLUDING EQUIVALENTS	250.2	9 472	1 280.4	32 981	1 530.6	42 453

OTHER METALS

PAPUA NEW GUINEA	Proved Reserves			Probable Reserves			Total Mineral Reserves		
	Tonnes (Mt)	Grade (g/t)	Ag ² (000oz)	Tonnes (Mt)	Grade (g/t)	Ag ² (000oz)	Tonnes (Mt)	Grade (g/t)	Ag ² (000oz)
Silver									
Hidden Valley	3.4	17.31	1 886	19.9	27.18	17 363	23.3	25.75	19 249
Copper									
Golpu ¹	–	–	–	200.0	1.20	5 400	200.0	1.20	5 400

SOUTH AFRICA

Uranium	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ ² (Mlb)	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ ² (Mlb)	Tonnes (Mt)	Grade (kg/t)	U ₃ O ₈ ² (Mlb)
Moab Khotsonong underground	–	–	–	15.2	0.25	8	15.2	0.25	8

¹ Total attributable.

Gold equivalent ounces are calculated assuming a US\$1 500/oz Au, US\$3.00/lb Cu and US\$20.70/oz Ag with 100% recovery for all metals.

² Metal figures are fully inclusive of all mining dilutions and gold losses, and are reported as mill delivered tonnes and head grades. Metallurgical recovery factors have not been applied to the reserve figures.

NB Rounding of numbers may result in slight computational discrepancies.

Note: 1 tonne = 1 000 kg = 2 204 lbs.

1 troy ounce = 31.10348 grams.

SUSTAINABLE DEVELOPMENT

DELIVERING ON RESPONSIBLE STEWARDSHIP AND THE SDGS

Our responsibility as a corporate citizen extends beyond securing our social licence to operate. It is the foundation of our business and our values

Our purpose is to create value in the broadest sense and prevent its erosion as we contribute to society, protect the environment and mitigate our impacts to leave a positive legacy once mining has ceased in the most responsible manner possible.



The principles of sustainable development are covered by the first pillar of our business strategy – responsible stewardship. This pillar entails understanding the impacts of our business activities – on our employees, host communities and the environment – and having plans to manage and mitigate these impacts. Through constructive engagement and partnerships, we are able to continue the responsible and sustainable mining of gold in South Africa and Papua New Guinea, in full compliance with associated laws and regulations in each country.

ALIGNING WITH THE SDGS

Given our dependence on natural and human resources, and having operated in emerging markets for decades, we acknowledge our role in contributing to broader sustainable development issues such as taking action against climate change and fossil-fuel energy consumption, ending poverty, and efficiently managing our use of scarce natural resources such as water, land and biodiversity.

In South Africa, the SDGs are driven through the National Development Plan. As a private-sector company and a long-standing South African gold producer, we are committed to doing our part to support the governments in South Africa and Papua New Guinea in reaching these goals. Our core purpose also aligns our business objectives with the SDGs.

We have identified and prioritised six SDGs directly aligned with our core business strategy and its four pillars. We have also identified another four SDGs where we can meaningfully contribute through our sustainable development strategy and by delivering on our socio-economic development commitments. Many of the SDGs are interconnected.

TIER 1

- 3** Ensure good health and promote the wellbeing of all
- 5** Promote gender equality and empower women and girls
- 8** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work
- 12** Ensure sustainable, responsible consumption and production patterns
- 13** Take urgent action to combat climate change and its impacts
- 15** Protect, restore and promote the sustainable use of terrestrial ecosystems, halt and reverse land degradation, and halt biodiversity loss

TIER 2

- 1** End poverty in all its forms everywhere
- 2** End hunger, achieve food security and promote sustainable agriculture
- 4** Ensure inclusive and equitable quality education and promote lifelong learning opportunities
- 11** Make cities and human settlements inclusive, safe, resilient and sustainable

COLLABORATING FOR THE SDGS

- 17** Collaboration with various stakeholders

📶 Tier 1 and 2 SDGs are detailed in our **ESG report**.

Guidelines and frameworks applied

	<p>United Nations Sustainable Development Goals (SDGs): These 17 goals, adopted by member states in 2015, are aimed at creating a better world by 2030, by eliminating poverty, fighting inequality and ensuring that the world is safe from the worst effects of climate change. An important aspect of the SDGs is the role of the private sector, together with governments, civil society and the public, in achieving these targets. Harmony adopted the SDGs in 2018.</p>
	<p>World Gold Council Responsible Gold Mining Principles: These principles address key environmental, social and governance issues for the gold mining sector and set out clear expectations for consumers, investors and the downstream gold supply chain on what constitutes responsible gold mining. We are currently in year two of a three-year process for formal certification against these principles.</p>
	<p>Task Force on Climate-related Financial Disclosures (TCFD): We produced our second report in line with these disclosures for FY21.</p>

Although Harmony is not a member of the International Council on Minerals and Metals (ICMM), or a signatory to the United Nations Global Compact or Voluntary Principles on Security and Human Rights, we have adopted these principles to support our sustainable development framework, particularly those on managing tailings storage facilities. We also consider the Organization for Economic Co-operation and Development (OECD) guidelines for responsible investment.

As a member of the Minerals Council South Africa, we subscribe to its membership compact, a mandatory code of ethical business conduct, and its guiding principles.

Aligning with the SDGs



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

DELIVERING ON RESPONSIBLE STEWARDSHIP AND SDGS

We are making good progress on the different pillars of our commitment to responsible stewardship, which in turn support the ten SDGs most aligned to our core business. This is detailed in our ESG report on our website, with material issues summarised below.

📶 This is detailed in our **ESG report** on our website, with material issues summarised below.

ESG highlights for FY21

Environment	Social	Governance
Banked over R1bn in energy-saving initiatives since 2016	Achieved record 3.38m fatality-free shifts in final quarter	Ethical leadership = ethical mining
Recorded 32% improvement in electricity intensity year on year	R488 million (US\$32 million) spent on training and development for our employees	Executive remuneration set against ESG key performance indicators
34% reduction in carbon emissions intensity due to efficiency programmes and asset mix (including Mine Waste Solutions)	Effective Covid-19 management and vaccination roll-out strategy	Embrace diversity: 27% female board representation; women comprise 20% of management
4.4ha of impacted land rehabilitated	74% of SA discretionary spend or R7.9 billion (US\$0.5 billion) spent with BEE-compliant companies	
Robust and meticulous tailings management strategy		

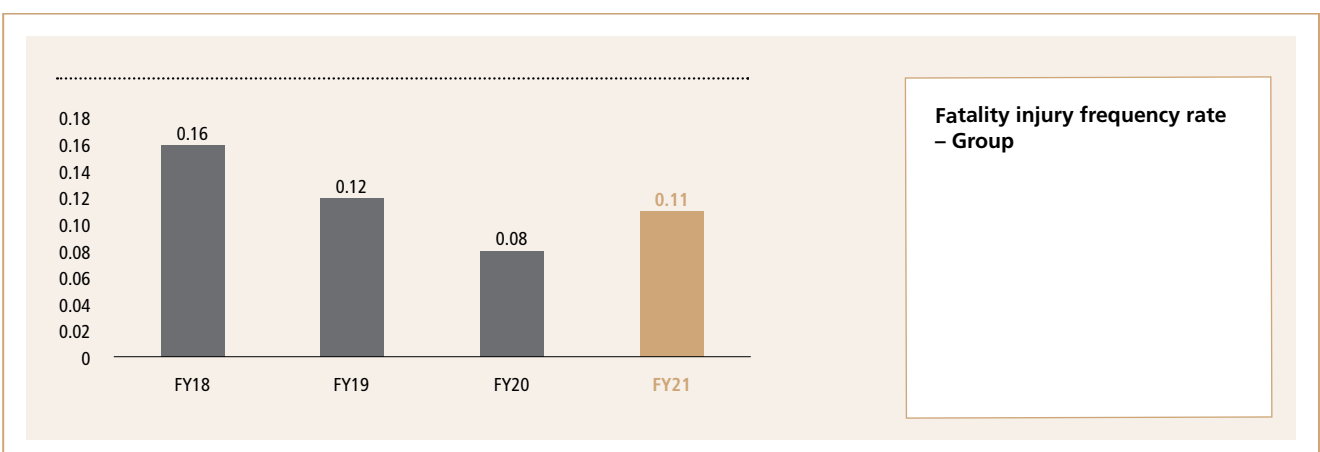
Safety

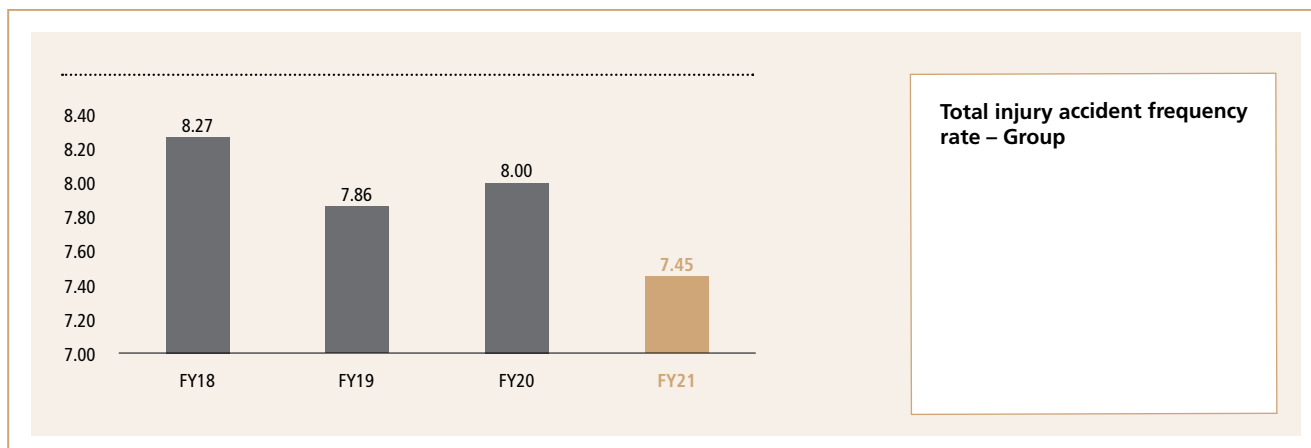
The safety of our employees is a non-negotiable imperative. We are making tangible progress on our road to zero loss of life and zero harm, as measured by leading indicators aimed at preventing incidents from occurring. These include our golden-controls monitoring, learning from incidents and visible felt leadership, where management members interact in workplaces to entrench safe behaviour.

While this progress makes the tragic loss of 11 colleagues in FY21 even more disheartening, we proved in the final quarter that we can operate without a loss of life – almost 3.4 million fatality-free shifts translates to well over 100 days.

Although it is still too early to ascribe this performance to the drive on safety-focused training implemented early in 2021 (see case study on pages 20 to 23), results are encouraging. Equally encouraging is that a deep-level underground mine like Mponeng recorded a fatality-free year for FY21, as did Masimong, Joel, Hidden Valley and our other surface operations, as well as our Free State plants. Other notable safety achievements include:

- 1 million fatality-free shifts: Tshepong Operations, Mponeng, Doornkop, Kusasalethu, Moab Khotsong
- 2 million fatality-free shifts: Masimong
- 3 million fatality-free shifts: Kalgold and Hidden Valley.



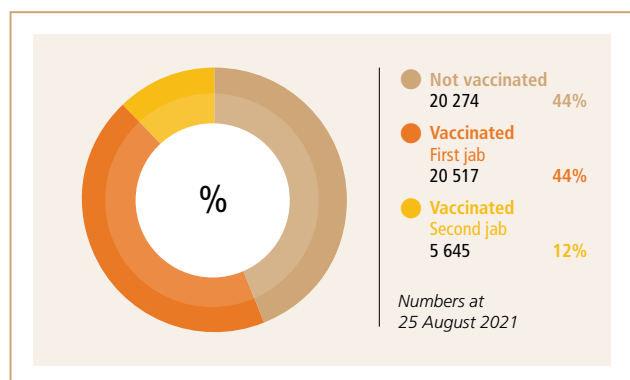


Health

Covid-19 remained a key focus in FY21, with robust hygiene protocols contributing to containing the spread of the virus. Importantly, by year end, four Harmony mass-vaccination sites had received regulatory permits to vaccinate, while two of our pharmacies were permitted to store vaccines. The sites below are officially registered on the government's master facility list and have capacity to vaccinate 400-700 people per day.

- Harmony Moab
- Harmony Mponeng
- Harmony Tshepong
- Harmony Brand 5/Unisel.

By end-August 2021, we were well on track to our target of vaccinating 80% of our workforce by October. By year end, we were leading the industry in rolling out Covid-19 vaccination programmes. We will then extend this to community members. Harmony has committed R86 million to the vaccination programme for employees, their families and the wider community in South Africa.

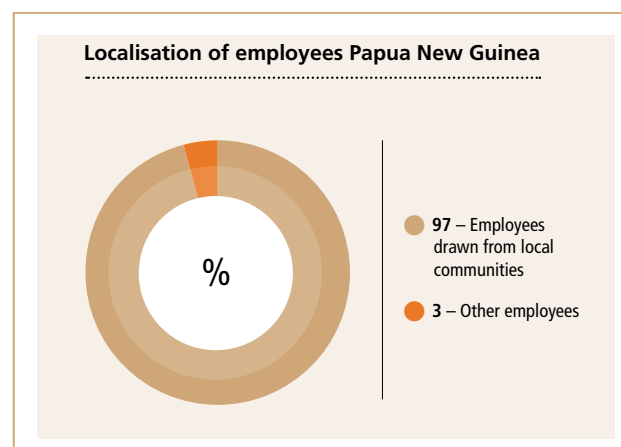
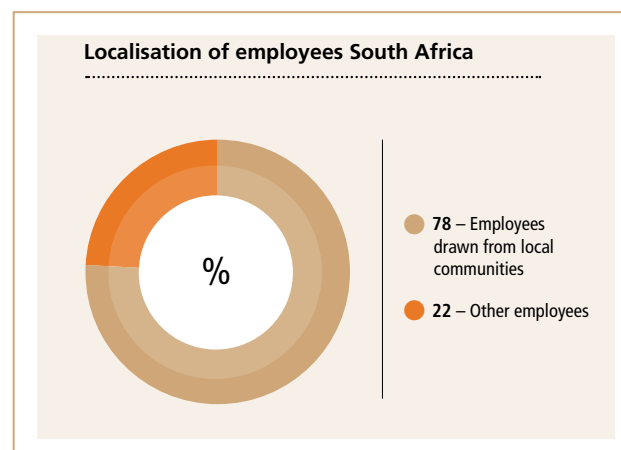


The additional workload to manage Covid-19 did not detract from the focus on other health issues. In addition to making good progress on managing HIV and Aids, tuberculosis and more mining-specific diseases, we also launched an integrated lifestyle programme. This will assist in addressing the rampant rise of non-communicable diseases (such as diabetes, hypertension and obesity) as well as mental-health matters. There are currently over 2 000 employees enrolled in the programme.

Caring for our people

Harmony employs over 48 000 people in South Africa and Papua New Guinea. During the year, we invested R488 million (US\$32 million) on training and development, in addition to a range of employee benefits that is key to attracting and retaining the calibre of employees we need for our operations.

Transformation is a key principle of our recruitment strategy, focused on achieving a demographically representative workforce in South Africa and complying with localisation regulations in Papua New Guinea. In South Africa, historically disadvantaged groups now make up 65% of management.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) continued

DELIVERING ON RESPONSIBLE STEWARDSHIP AND SDGS

The mining industry in South Africa is highly unionised (94%) and maintaining constructive, mutually beneficial relationships with representative unions is a priority. In Papua New Guinea, our workforce has low union representation, but we maintain the focus on employee engagement.

In July 2021, we began wage negotiations in South Africa for the next three-year cycle (to June 2024). For the first time, Harmony was negotiating directly with unions, or outside the traditional collective bargaining forum for our industry. This was a logical step given that there are only two remaining members in that forum. On 16 September 2021, the three-year wage agreement was signed by all representative unions, backdated to 1 July 2021 and effective to 30 June 2024. In addition to basic wage increases, the agreement included a housing allowance for eligible employees and improved employee benefits. We believe the constructive manner in which engagements were undertaken, and the leadership displayed by all parties, underscores that this agreement is in the best interests of our people and the long-term sustainability of Harmony.

A notable feature of FY21 was that it was a year with no strikes. There were 121 disputes referred in FY21, with 47 found in favour of Harmony.

Human rights

Respect for human rights is entrenched in our values, because, as a company, we believe in ethical conduct at all times. Our code of conduct has been developed to commit and respond to the challenges of unethical conduct in a business environment.

In addition, we acknowledge the constitutions of the countries in which we operate as the supreme laws of those countries, and commit to abiding by all applicable legislation in those territories. In Papua New Guinea, this includes the rights of indigenous peoples.

Our communities

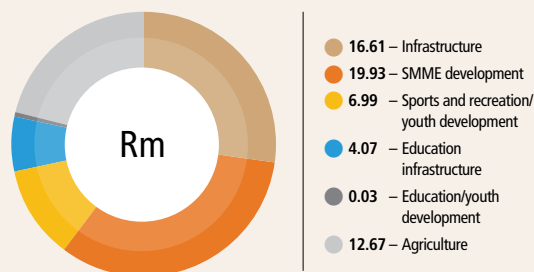
Creating shared value for the communities impacted by our mining operations is integral to our business strategy. This builds our social and relationship capital and ensures our social licence to operate. More importantly, it underpins our reputation as a responsible corporate citizen and a valued partner in host communities.

Our socio-economic development includes all activities and initiatives – using local resources, ideas and skills – that stimulate social and economic growth and upliftment, particularly for local communities. The desired outcome is to create employment, alleviate poverty and reduce inequality while attracting external investment to build sustainable local economies.

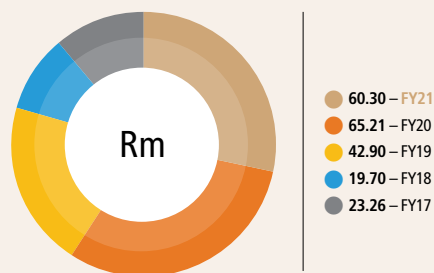
South Africa

We aim to improve quality of life through mine community development spend of at least 1% of net profit after tax. In FY21, total group spend on mine community development, preferential/local procurement, enterprise development and corporate social investment was R8.0 billion (FY20: R10.4 billion) – R70.8 million on community projects and social investment and R7.9 billion on procurement and enterprise development (FY20: R112 million, R10.3 billion, respectively).

Local economic development expenditure per focus area FY21



Five-year mine community development expenditure – South Africa



Papua New Guinea

Harmony has been a partner and commercial driver of socio-economic development in Papua New Guinea for 18 years. By FY21, the Hidden Valley Mine alone had directly and indirectly contributed over PGK5 billion (R19 billion; US\$1.9 billion) to the regional and national economy over the past 11 years, including PGK556 million (R2.2 billion; US\$204 million) in royalties and direct paid taxes. The mine has created around 2 000 jobs, with 73% of the workforce based in Morobe Province. To date, around PGK1.1 billion (R4.6 billion; US\$380 million) has been paid in salaries and wages over the mine's operating life.

Since the start of Hidden Valley operations, we have supported a range of community activities including via the mine's memorandum of agreement and our discretionary spend. These projects have focused on providing, repairing and upgrading vital infrastructure in our host communities and across Morobe Province including: roads, bridges, water supply and sanitation systems, educational facilities, healthcare services, and law and order facilities. Throughout FY21, our programmes and engagements continued, albeit with some modifications and schedule interruptions due to the pandemic.

As we approach mine closure at Hidden Valley, our focus for socio-economic support is on projects that will support the transition of our host communities post-mining.

Enterprise development and preferential procurement

To support the strong drive to create South African manufacturing capability, mining companies must comply with local-content requirements in procurement targets for mining goods. This is regulated under the mining charter.

While our revised procurement strategy enabled us to make significant progress last year, we did not fully comply with charter targets given the longer-term impacts of lockdowns and associated restrictions. Our performance improved in FY21:

- Of discretionary spend totalling R10.7 billion, 74% was preferential procurement
- Total procurement expenditure with BEE entities was R7.9 billion, of which R734 million was spent with black women-owned businesses and R5.5 billion with black-owned businesses.

By year end, we had achieved 74% compliance with mining charter. We expect to reach compliance levels for women and youth-owned businesses by 2025.

We are also focused on creating opportunities in our supply chain for host communities to participate. In FY21, this translated into contracts for small and medium black-owned host community vendors with a combined value of R2.0 billion.

In Papua New Guinea, we contract local companies in procuring goods wherever possible. We target major contracts that will have the most beneficial impact on local communities and landowner groups in the region of our operation. This approach also supports our social licence to operate.

Environment

With clear short to long-term targets in place, our environmental strategy is focused on:

Emissions reduction through energy efficiency	Emissions reduction through improved mix	Water conservation	Environmental leadership and disclosure
Pollution prevention and resource protection	Land restoration	Value creation	Environmental conservation

Group environmental targets

KPIs	Five-year target: FY18-22	Actual	FY21 Target	Achieved	10-year target: FY18-27
Energy					
Reduce absolute electricity consumption (% MWh)	5	(30)	1	✗	7%
Electricity intensity (% kWh/tonne treated)	5	33	1	✓	7%
Total carbon emission intensity reduction (% tCO ₂ /tonne treated)	5	34	1	✓	5%
Diesel intensity (% kl/tonne treated)	2	50	0.4	✓	
Petrol intensity (% kl/tonne treated)	2	39	0.4	✓	
Energy intensity (% GJ/tonne treated)	5	34	1	✓	7%
Water					
Reduce water used for primary activities (% kl)	7	(54)	1.4	✗	
Water intensity (% kl/tonne treated)	7	21	1.4	✓	
Water recycling (% increase)	6	38	1.2	✓	80% recycled and zero discharge
Waste					
Non-hazardous waste recycled (% increase) ¹	10	52	2	✓	Zero to landfill
Land and biodiversity					
Reduce impacted land footprint (%)	3	0.03	0.6	✗	
Environmental fines (#)	0	0	0	✓	
Implement biodiversity action plans (%)	100	70	20	✓	One offset project per region

¹ Timber, steel and plastic.

Annual expenditure on our environmental portfolio

	FY21		FY20	
	Rm	US\$m	Rm	US\$m
SOUTH AFRICA				
Implementation of environmental control	198	13	64	4.1
Mine rehabilitation projects	49	3	62	4.1
Total	247	16	126	8.2
PAPUA NEW GUINEA				
Implementation of environmental control	34	2	32	2.1
HARMONY – TOTAL	281	18	159	10.3

ANCILLARY INFORMATION



Moab Khotsong shaft and conveyor.

CREATING VALUE THROUGH TRANSPARENT DISCLOSURE

Harmony adheres to global best practice in reporting standards.

We believe that by presenting a balanced picture of our performance within our operating context and a reliable projection of our future performance, stakeholders are able to make informed decisions about our group.

Good governance lies at the heart of our performance, and our reporting. Guided by our policies and codes, we aim to do the right thing and tell our story honestly. Harmony is a business, but we operate in a broader, interlinked context. Considering every element of those links in our thinking and actions will make Harmony a sustainable business – poised for growth.



Additional disclosure appears in our **ESG report**.

SHAREHOLDER INFORMATION

Stock exchange listings and ticker codes

Harmony's primary listing is on the JSE. It is also quoted in the form of American depositary receipts on the New York Stock Exchange. Harmony's ticker codes on these exchanges are shown below:

JSE	HAR
New York Stock Exchange	HMY
Share information	
Sector	Resources
Sub-sector	Gold
Issued share capital at 30 June 2021	616 052 197
Market capitalisation	
at 30 June 2021	R32.5 billion or US\$2.3 billion
at 30 June 2020	R43.3 billion or US\$2.5 billion
Share price statistics – FY21	
JSE:	
12-month high	R124.95
12-month low	R51.88
Closing price as at 30 June 2021	R52.76
New York Stock Exchange:	
12-month high	US\$7.10
12-month low	US\$3.68
Closing price as at 30 June 2021	US\$3.74
Free float	100%
ADR ratio	1:1

Shareholder spread as at 30 June 2021

Shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
1 – 1 000 shares	12 988	85.20	1 729 013	0.28
1 001 – 10 000 shares	1 448	9.50	4 694 887	0.76
10 001 – 100 000 shares	572	3.75	19 878 922	3.23
100 001 – 1 000 000 shares	191	1.25	56 953 737	9.24
1 000 001 shares and above	46	0.30	532 795 638	86.49
Total	15 245	100.00	616 052 197	100.00

Analysis of ordinary shares as at 30 June 2021

Shareholder type	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
Public shareholders	15 237	99.95	534 590 904	86.78
Non-public shareholders*	8	0.05	81 461 293	13.22
Total	15 245	100.00	616 052 197	100.00

* Breakdown of non-public shareholders:

Share option schemes	2	0.01	5 941 127	0.96
Holdings of more than 10%	1	0.01	74 665 545	12.12
Directors [#]	4	0.03	854 286	0.14
Subsidiaries	1	0.01	335	0.00

[#] Held by Peter Steenkamp, Boipelo Lekubo, Mashego Mashego and André Wilkens.

Ownership summary as at 30 June 2021 – top 10 shareholders (by group)

Rank	Institution	% of total shares outstanding 30 June 2021
1	African Rainbow Minerals Ltd	12.12
2	VanEck Associates Corporation	9.16
3	Public Investment Corporation	7.77
4	Fairtree Capital	5.81
5	BlackRock Inc	4.56
6	Exor Investments UK LLP	4.08
7	AQR Capital management LLC (US)	3.32
8	The Vanguard Group Inc	3.06
9	Wellington Management Company	1.84
10	Ninety One plc	1.69

Shareholders' diary

Financial year end	30 June 2021
Integrated annual report issued	28 October 2021
Form 20-F issued	29 October 2021
Annual general meeting	7 December 2021
Results presentations FY22*	
Interim results	February 2022
Full-year results	August 2022

* See website for diary updates.

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 Telephone: +27 11 411 2314
 Website: www.harmony.co.za

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour provided by section 21E of the Exchange Act and section 27A of the Securities Act of 1933, as amended (the Securities Act), with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including among others, those relating to our business prospects, revenues, and the potential benefit of acquisitions (including statements on growth and cost savings) wherever they may occur in this report and the exhibits to this report, are necessarily estimates reflecting the best judgement of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- Overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere, and measures taken to address the Covid-19 pandemic, and other contagious diseases, such as HIV and tuberculosis
- Estimates of future earnings, and the sensitivity of earnings to gold and other metals prices
- Estimates of future gold and other metals production and sales
- Estimates of future cash costs
- Estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices
- Estimates of provision for silicosis settlement
- Estimates of future tax liabilities under the Carbon Tax Act (South Africa)
- Statements on future debt repayments
- Estimates of future capital expenditures
- The success of our business strategy, exploration and development activities and other initiatives
- Future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans
- Estimates of reserves statements regarding future exploration results and the replacement of reserves
- The ability to achieve anticipated efficiencies and other cost savings from past and future acquisitions, as well as at existing operations
- Fluctuations in the market price of gold
- The occurrence of hazards associated with underground and surface gold mining
- The occurrence of labour disruptions related to industrial action or health and safety incidents (both as a result of tariff increases from Eskom as well as possible future costs to introduce more sustainable decarbonised green power options)
- Power cost increases as well as power stoppages, fluctuations and usage constraints
- Supply chain shortages and increases in the prices of production imports and the availability, terms and deployment of capital
- Our ability to hire and retain senior management, sufficiently technically skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged persons in management positions
- Our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities
- Potential liabilities related to occupational health diseases and liabilities associated with safety incidents
- Changes in government regulation and the political environment, particularly tax and royalties, mining rights, health, safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the mining industry, including the interpretation of mining rights
- Our ability to protect our information technology and communication systems and the personal data we retain
- Risks related to the failure of internal controls
- The outcome of pending or future litigation or regulatory proceedings
- Fluctuations in exchange rates and currency devaluations and other macro-economic monetary policies
- The adequacy of the group's insurance coverage
- Any further downgrade of South Africa's credit rating
- Socio-economic or political instability in South Africa, Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the company's latest integrated annual report and Form 20-F which is on file with the Securities and Exchange Commission, as well as the company's other Securities and Exchange Commission filings. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law. The foregoing factors and others described under "Risk Factors" should not be construed as exhaustive. The forward-looking financial information has not been reviewed and reported on by the company's auditors.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Mineral Resources or Ore Reserves has been extracted from our Reserves and Resources statement published on 31 August 2021. Harmony confirms that it is not aware of any new information or data that materially affects the information included in the statement, in the case of Mineral Resources or Mineral Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Harmony confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original release.

GLOSSARY

Term	Definition
A\$	Australian dollar
ADRs	American depositary receipts
Ag	Silver
AMCU	Association of Mineworkers and Construction Union
Au	Gold
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
bn	Billion
By-products	Any products emanating from the core process of producing gold, including silver and uranium in South Africa and copper, silver and molybdenum in Papua New Guinea
Cash costs	Total cash costs include site costs for all mining, processing and administration, reduced by contributions from by-products and include royalties and production taxes. Depreciation, rehabilitation, corporate administration, retrenchment, capital and exploration costs are excluded. Total cash costs per ounce are attributable total cash costs divided by attributable ounces of gold produced
CDP	Carbon Disclosure Project: a not-for-profit entity that operates a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts, particularly in relation to climate change, water and forests
CEO	Chief executive officer
CO₂	Carbon dioxide: total emissions calculated as direct emissions generated from petrol and diesel consumption and indirect emissions generated from electricity consumption (expressed in tonnes)
CO₂e	Carbon dioxide equivalent: measurement of the impact of greenhouse gases in terms of the equivalent amount of carbon dioxide that would create global warming
COPA	Community of Practice for Adoption: a Mining Industry Occupational Safety and Health (MOSH) initiative that brings a group of volunteers together to solve challenges in implementing a Triggered Action Response Plan (TARP) as well as continuous performance improvements
Critical skills training	<p>The following disciplines are defined as core skills:</p> <ul style="list-style-type: none"> • Mining • Engineering • Ore Reserves • Metallurgy <p>The critical skills within these disciplines are:</p> <ul style="list-style-type: none"> • Mining – general manager, mine manager and mining manager • Engineering – engineers and junior engineers • Ore Reserves – Ore Reserve management; head of department – geology survey and planning; section geologist/senior geologist; section surveyor/mine surveyor/senior shaft surveyor; section geostatistician/senior geostatistician (geological technician); section planner/senior planner; surveyors/geotechs • Metallurgy – plant manager and senior metallurgist
Cu	Copper
Cyanide Code	International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold: aims to promote responsible management of cyanide used in gold mining, to protect human health and to reduce potential for environmental impacts
dB(A)	A-weighted decibel
Depletion	Decrease in quantity of ore in a deposit or property due to extraction or production
Development	Process of accessing an ore body through shafts or tunnelling in underground mining

GLOSSARY continued

Term	Definition
Discontinued operation	A component of an entity that has been disposed of or abandoned or classified as held for sale until conditions precedent to the sale have been fulfilled
EBITDA	Earnings before interest, tax, depreciation and amortisation
E-learning	Education using technology (computers, cell phones and the Internet)
Electricity purchased (kWh)	Electricity purchased from the supplier during the reporting period includes all electricity purchased by source (fossil fuel, nuclear, hydroelectric, wind and solar, among others, but excludes electricity generated by an operation as well as electricity supplied to third parties (such as mine hostels/accommodation where cost is recovered from employees, communities and businesses)
Employment equity	<p>Employment equity is reported as a number and percentage of the total number of historically disadvantaged South Africans employed per band. For historically disadvantaged South Africans we refer to black people (African and Indian males and females) and white women. White males and foreigners (including those naturalised after the Department of Trade and Industry code date on March 1994) are excluded.</p> <p>Employment equity is measured in the bands C, D, E and F where:</p> <ul style="list-style-type: none"> • Top management (F band) • Senior management (E band) • Professionally qualified and experienced specialists/middle management (D band) • Skilled technical and academic qualified/junior management/supervisors/foreman/superintendents (C band) • Core and critical (C-E management levels in core disciplines)
Energy consumption	Energy use calculated from electricity purchased and diesel and petrol consumed during the reporting period
Environmental incidents	Only category 3-5 environmental incidents are reported on in this integrated report. A level 3 incident may result in either mitigation costs of between R250 000 and R500 000 or serious medium-term environmental effects, breaches in legislation and serious adverse media attention. A level 4 incident has a mitigation cost of more than R1 million with the possibility of significant fines or prosecution. A level 5 incident carries mitigation costs exceeding R3 million and a very significant impact on highly valued species, habitat or ecosystem with potential for international condemnation and possible director liability
ESG	Environmental, social and governance
ESOP	Employee share ownership plan
FIFR	Fatal injury frequency rate: a work-related injury resulting in loss of life, calculated as actual fatal injuries x 1 million hours worked (calculation for hours throughout Harmony for consistency to assume every person works nine hours per shift: actual shifts worked x 9)
Form 20-F	Annual report filed with the United States Securities and Exchange Commission in compliance with the listing requirements of the New York Stock Exchange
FTSE Russell	The FTSE and Russell indices joined to provide global benchmarking, analytics and data solutions needed for investment decisions
FY	Financial year
g	Gram
Gold produced	Refined gold derived from the mining process, measured in ounces or kilograms in saleable form
Grade	Quantity of gold contained in a unit weight of gold-bearing material, generally expressed in ounces per short ton of ore (oz/t) or gram per metric tonne (g/t)
GRI	Global Reporting Initiative
GSSA	Geological Society of South Africa
GWh	Gigawatt hour
ha	Hectare

Term	Definition
HDPs	Historically disadvantaged persons: This refers to South African-born black people (African and Indian males and females) and white women. White males and foreigners (including those naturalised after the Department of Trade and Industry code date on March 1994) are excluded
HIV/Aids	Human immunodeficiency virus/Acquired immune deficiency syndrome
Housing and living conditions	<p>(a) Conversion of operational hostels from sharing to single occupancy rooms: The number of employees who share a room in Harmony's company accommodation at active mining operations, and the number of employees who have single rooms in Harmony's company accommodation at active mining operations is calculated by comparing the total physical hostel design capacity (room numbers) versus the total number of hostel occupants. This gives the total average occupancy rate per hostel – an average of greater than one person for an active mining operation confirms that the occupant is sharing accommodation</p> <p>(b) Conversion of non-operational hostels from single-sex units to family units known as community rental units (CRU): The number of family units is determined by the architectural design of the new structure, designed to create community rental units for both Harmony employees and members of the public</p> <p>(c) Promoting home ownership: Company houses are sold to individual employees at special prices and other housing development initiatives are promoted or facilitated by Harmony</p>
Hz	Hertz, being the measurement of the frequency of sound waves
ICMM	International Council on Mining and Metals
Indicated Mineral Resource	Part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information using appropriate techniques from outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but close enough for continuity to be assumed
Inferred Mineral Resource	Part of a Mineral Resource for which tonnage, grade resource and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability
Interest cover	Earnings before interest and tax divided by finance costs and unwinding of obligations
ISO	International Organisation for Standardisation
ISO 14001	International Organisation for Standardisation's environmental management system specification
ISO 27001	International Organisation for Standardisation's family of standards to help keep information assets secure
ISO 45001	International Organisation for Standardisation's standard for occupational health and safety management systems
ISO 9000	International Organisation for Standardisation's family of standards for quality management systems
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JSE	Johannesburg Stock Exchange
kg	Kilogram
King IV	King Report on Governance for South African, published in 2016
Km²	Square kilometre
KPIs	Key performance indicators
Ku-Riha	Project Ku-Riha (Tsonga for compensation), launched by government in May 2015, is being rolled out by the Department of Health to improve compensation for mineworkers who have occupational lung disease and to ensure that valid claims are paid speedily and efficiently

GLOSSARY continued

Term	Definition
Land disturbed and land available for rehabilitation	Total land footprint disturbed less the land footprint used for ongoing or future mining activities where the footprint of disturbed area includes all buildings, roads and mining area that needs to be rehabilitated according to the Environmental Management Programme Report (EMPR); the area rehabilitated meets the required standard of the EMPR, final land use plans and only maintenance and monitoring is needed; and the land available for rehabilitation is the area used for ongoing or future mining activities
LED spend/ community spend (in South African rand)	Local economic development project spend linked to the licence of each mine categorised in terms of: <ul style="list-style-type: none"> • bursary students • bursary graduates • training bridging school • training mining • training engineering • costs related to: <ul style="list-style-type: none"> – mine community projects – labour-sending area, projects in community not for mine employees – conversion of hostel into family units • procurement spend related to: <ul style="list-style-type: none"> – contractor compliance – black economic empowerment (BEE) procurement • corporate social responsibility
Live longer	Harmony's safety campaign – implemented as part of its comprehensive integrated safety risk management system and developed in terms of an exercise to benchmark best practice in the industry and an external audit of the company's safety performance and practice (a risk-based approach to safeguarding lives and saving mines, encompassing safety, health, the environment, communities and social risks, legal and regulatory risks, among others)
LTIFR	Lost-time injury frequency rate: a lost-time injury is a work-related injury that calls for medication, treatment, medical checks, reviews and subsequent days off work when injured employees cannot perform their assigned duties on the next scheduled work day or shift – calculated as actual lost-time injuries x 1 000 000/hours worked (calculation for hours throughout Harmony for consistency to assume every person works nine hours: actual shifts worked x 9)
m³	Cubic metre
M/m	Million or metre
Masoyise iTB	Launched by the government departments of Health and Mineral Resources, the four primary mining unions – Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM), Solidarity and UASA – as well as the Minerals Council South Africa (then the Chamber of Mines) in December 2015 as a major tuberculosis (TB) screening campaign within South Africa's mining sector
Measured Mineral Resource	Part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from outcrops, trenches, pits, workings and drill holes. Locations are spaced closely enough to confirm geological and grade continuity
MHSC	Mine Health and Safety Council
Mine call factor	The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with the amount estimated in the ore based on sampling
Mineral Reserve	The economically mineable material derived from a measured and/or indicated Mineral Resource. It includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a prefeasibility study for a project, and a life-of-mine plan for an operation, must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors). Such modifying factors must be disclosed. A probable mineral reserve is the economically mineable material derived from a measured and/or indicated mineral resource. A proved mineral reserve is the economically mineable material derived from a measured mineral resource. It is estimated with a high level of confidence

Term	Definition
Mineral Resource	A concentration or occurrence of material of intrinsic economic interest in/on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories
Mining Charter	Broad-based socio-economic empowerment charter for the South African mining industry which aims to promote the creation of an industry that reflects the promise of a non-racial South Africa. Mining Charter III was gazetted on 27 September 2018
MI	Megalitre
Mo	Molybdenum
MOSH	Mining Industry Occupational Safety and Health
MOU	Memorandum of understanding
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002
Moz	Million ounces
Mt	Million tonnes
MW	Megawatt
MWh	Megawatt hour
NERSA	National Energy Regulator of South Africa
NGOs	Non-governmental organisations
NUM	National Union of Mineworkers
NYSE	New York Stock Exchange
OHSAS 18001	Occupational Health and Safety Assessment Series' internationally applied standard for occupational health and safety management systems
Operating margin	Revenue less production costs expressed as a percentage of revenue
oz	Ounces
Pay limit	The grade of a unit of ore at which revenue from the recovered mineral content of the ore is equal to the total cash cost, including ore reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses)
PGK	Kina, currency of Papua New Guinea
PNG	Papua New Guinea
PoPI Act (or POPIA)	Protection of Personal Information Act (No 4 of 2013)
Preferential procurement – BEE total spend (rand)	Procurement spend collected from the Harmony enterprise resource planning system's payment register, which is only the discretionary spend value spent with suppliers that hold a valid black economic empowerment (BEE) certificate, and comply with the minimum historically disadvantaged South African (HDSA) ownership of 25% or more – the reporting period for this key performance indicator was the 2017 financial year, and includes spend throughout the reporting period regardless of invoice date, aligned with the requirement of the revised Mining Charter of September 2010
Probable Mineral Reserve	Economically mineable part of an indicated, and in some cases, a measured Mineral Resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate, at the time of reporting, that extraction could reasonably be justified

GLOSSARY continued

Term	Definition
Productivity	An expression of labour productivity based on the ratio of grams of gold produced per month to the total number of employees in underground mining operations
Project capital	Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially extend the productive life of an asset
Proved Mineral Reserve	Economically mineable part of a measured Mineral Resource. It includes diluting materials and allowances for losses that may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
R	Rand, currency of South Africa
RCF	Revolving credit facility
Reclamation	In South Africa, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure water cannons to form a slurry that is pumped back to metallurgical plants for processing
RECONNECT	An initiative, launched in collaboration with Teba and based on the Department of Health's Project Ku-Riha, to trace former employees and assist in addressing the backlog in claims for occupational lung disease at the Compensation Commission for Occupational Injuries and Diseases
Reef of gold	A gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels
SA	South Africa
SACNASP	South African Council for Natural Scientific Professions
SAIMM	South African Institute of Mining and Metallurgy
SAMREC	South African Code for Reporting Exploration Results, Mineral Resources and Mineral Reserves
SARs	Share appreciation rights
Scope 1 carbon emissions (tCO₂e)	Direct combustion of fuel by the Harmony group (explosives, diesel and petrol)
Scope 2 carbon emissions (tCO₂e)	Scope 2 emissions calculated from electricity purchased (from the power utility excluding use by third parties) multiplied by the appropriate factor as indicated by the electricity supplier
Scope 3 carbon emissions (tCO₂e)	Indirect combustion by the Harmony group in line with scope 3 emissions in the following categories as indicated by the Greenhouse Gas Protocol: <ul style="list-style-type: none"> • Purchased goods and services • Capital goods • Fuel- and energy-related emissions not included in scopes 1 and 2 • Upstream transportation and distribution • Waste generated in operations • Business travel • Employee commuting • Upstream leased assets • Downstream transportation and distribution • Processing of solid products • Use of sold products • Downstream leased assets • Franchises • End-of-life treatment • Investments
SDGs	Sustainable Development Goals. Developed by the United Nations, there are 17 such goals. They came into effect in January 2016 in support of the United Nations' 2030 Agenda which aims to: <ul style="list-style-type: none"> • end poverty and inequality • protect the planet • ensure that all people enjoy peace and prosperity

Term	Definition
Silicosis	The number of cases of pure silicosis confirmed by the Medical Bureau of Occupational Diseases in FY15 includes all cases received by Harmony, as confirmed during FY15, regardless of the date of the Medical Bureau of Occupational Diseases letter (cases including other conditions, specifically tuberculosis, are not included in this number)
Social and labour plans (SLPs)	Social and labour plans aimed at promoting employment and advancing the social and economic welfare of all South Africans while ensuring economic growth and socio-economic development as stipulated in the MPRDA
SOP	Standard operating procedure
Tailings/TSF	Tailings are finely ground rock of low residual value from which valuable minerals have been extracted. Discarded tailings are deposited and stored in tailings storage facilities (TSF)
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures. The task force, established in 2015 by the Financial Stability Board (FSB), will develop voluntary, consistent climate-related financial risk disclosures for use by companies to provide information to investors, banks, lenders and insurers. Increasing the amount of reliable information on financial institutions' exposure to climate-related risks and opportunities will strengthen the stability of the financial system, contribute to greater understanding of climate-related risks and facilitate financing the transition to a more stable and sustainable economy
Tonne/ton (t)	Metric = 1 000 kilograms/Imperial = 2 000 pounds (1 016 kilograms)
UASA	Formerly the United Association of South Africa, now known as UASA
US	United States of America
US\$	United States dollar
Volume of mineral waste disposed (tonnes)	Mineral waste consists of waste rock and slimes/tailings: <ul style="list-style-type: none"> Waste rock refers to the amount of waste rock produced and/or hoisted to surface and placed on a waste rock disposal site during the reporting year Slimes/tailings refers to the total amount of slimes/tailings produced by the processing plant during the reporting month
Waste	Material with insufficient mineralisation for future treatment and discarded
Water used for primary activity (kilolitres)	The total make-up or new water drawn into the boundaries of the operation from all sources (including surface water, groundwater and municipal water supply or water utilities) for use for mining and processing-related activities including use by contractors (excludes internally recycled water, affected fissure water, water discharged to receiving environment and supply to third parties such as communities and businesses)
Weighted average number of ordinary shares	Number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period in which they have participated in the income of the company, and increased by share options that are virtually certain to be exercised
Yield	Amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne

ADMINISTRATIVE AND CONTACT DETAILS

HARMONY GOLD MINING COMPANY LIMITED

Harmony was incorporated and registered as a public company in South Africa on 25 August 1950
Registration number: 1950/038232/06

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