



# MINING WITH PURPOSE

INTEGRATED ANNUAL REPORT  
**30 June 2023**

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## Metrics and currency

Our reporting currency is South African rand. However, we provide US dollar equivalents of significant financial metrics and percentage movements to aid sector and peer comparisons. Transactions taking place throughout FY23 are converted at an average exchange rate for the financial year of R17.76/US\$. Amounts incurred or reported on a specific date are converted at the relevant spot rate on that date, and the rate used will be appropriately disclosed. For 30 June 2023 this rate is R18.83/US\$.

The key metrics used in this report include:

- 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.

Refer to the full glossary.

## Quick reference

### Capitals

Human capital	Intellectual capital
Financial capital	Natural capital
Manufactured capital	Social and relationship capital

### Strategic pillars

Responsible stewardship	Cash certainty
Operational excellence	Effective capital allocation

### Report navigation

Icons in this report aid navigation and connectivity and include:

Cross-reference to information elsewhere in the report.		
Information online at <a href="http://www.harmony.co.za">www.harmony.co.za</a> .		
Print	Home page	Previous view
Previous page	Next page	

### Feedback

We welcome your feedback on these reports. If you have any comments or suggestions on this report, contact our reporting team at: [IARreports@harmony.co.za](mailto:IARreports@harmony.co.za)

# MINING WITH PURPOSE

Harmony is a company that mines with purpose – creating shared value for all stakeholders while leaving a lasting positive legacy in the countries where we operate. We demonstrate true sustainability by delivering on our sustainable development and Environmental, Social and Governance (ESG) commitments, which are woven into our strategy, ensuring that we consider and respond to our stakeholders’ needs and interests.

Mining with purpose, at Harmony, means that we care for, protect and empower our employees; we are stewards of the environment; and mine with social conscience, taking our host communities with us and contributing to the economic development of our host countries. In delivering on our purpose, we mine ethically while building corporate trust thus making us stronger and more resilient.

Our pursuit of positive impact and shared value beyond compliance is affected by dynamic internal and external factors. We are always guided by our values and our purpose, enabling us to navigate our complex operating environment.

This golden thread integrates our purpose with our strategy and business model. Harmony mines with purpose through:

Purpose	In Harmony	Impact
<p><b>Creating a profitable, sustainable company</b></p>	<p>In Harmony is a world-class specialist gold producer with a growing copper footprint. We have over 70 years’ experience as an emerging market specialist, operating in South Africa, Papua New Guinea and Australia. Our existing portfolio and pipeline of projects present substantial opportunities for us to leverage. We are investing in organic and acquisitive growth to ensure we continuously grow, adding higher-quality ounces and improving our margins while lowering our overall risk profile.</p> <p> Refer to <b>Our business</b> in this <b>report</b> for details.</p>	<p>Through mining with purpose, we contribute to the economic and social development of the countries in which we operate. This ensures that we run profitable, sustainable businesses, delivering returns to shareholders and leaving a lasting positive impact for society and our ecosystems.</p>
<p><b>Creating and preserving value for all stakeholders</b></p>	<p>We create and preserve shared value through delivering on our strategic objectives and managing the resources we use and impact through our business activities.</p> <p>Harmony’s stakeholder-centric approach means we balance stakeholder needs with those of the business. Meaningful and inclusive stakeholder engagement through partnerships and collaboration is how we operate and ensure we deliver on our strategy.</p> <p> Refer to <b>How we create value</b> in this <b>report</b> for details.</p>	<p>We have embedded sustainability in our business strategy and by delivering on our four strategic pillars, we will continue creating shared value for years to come.</p> <p>Creating and preserving value for all our stakeholders is demonstrated through the infinite opportunities we create from a finite resource.</p>
<p><b>Delivering on our sustainable development and ESG commitments</b></p>	<p>Mining with purpose underscores the inextricable link between profitability and sustainability. Sustainable development consideration is ingrained in our business strategy and decision-making processes. Careful consideration is applied to our capital allocation process, ensuring we balance the various trade-offs between the six capitals.</p> <p> Refer to <b>ESG in practice</b> for more information in the <b>ESG report</b>.</p> <p>Harmony takes an integrated approach to sustainable development and ESG, ensuring we conduct responsible, ethical and transparent mining practices. We aim to make a net positive impact on the environment, communities and broader society. To achieve this, we have clear ESG goals and measure our performance against these goals on a continuous basis.</p> <p>Our ESG goals include our commitment to:  <b>Environment:</b> Ecologically responsible mining and environmental stewardship, contributing to a low-carbon future and leaving a lasting positive legacy.  <b>Social:</b> Our duty of care, which begins with our employees who are at the heart of our business, and extends to our communities and broader society.  <b>Governance:</b> Building corporate trust, demonstrating transparency and being accountable at all times.</p>	<p>Our <b>sustainable development framework</b> ensures that we not only mine with purpose, but that we keep our ESG commitments top of mind. The framework keeps us accountable and guides our approach to contributing to meeting the <b>United Nations Sustainable Development Goals (UN SDGs)</b>.</p> <p>We meaningfully impact:</p> <p>Directly</p>  <p>Indirectly</p>  <p>Collaboration</p> 

# ABOUT THIS REPORT

Harmony's integrated report is the primary platform we use to provide our stakeholders with an overview of how integrated thinking and our approach to mining with purpose impact our value creation. It presents a balanced, holistic and transparent overview of our strategy, business model and performance. The report content is available for all our stakeholders, but primarily considers the information needs of our investors, financiers and other providers of financial capital.

We create, preserve or deplete value over time (being short term (12 months), medium term (one to three years) and long term (more than four years) through our primary business activities and ESG commitments.

## Scope and boundary

Harmony's 2023 integrated annual report includes financial and non-financial information about our operational and ESG performance and activities in South Africa and South-east Asia (Papua New Guinea and Australia) for the financial year ended 30 June 2023 (FY23). We include significant events between year end and the date of approving this report.

Harmony acquired full ownership of the Eva Copper Project in Queensland, Australia. As it is still a project, performance data will only be included in our reporting once the mine becomes operational within the next three years.

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.

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

### Our reporting boundary

- Strategy (page 20)
- Governance (page 74)
- Risk and opportunity profile (page 50)
- Material matters (page 68)
- Business model (page 24)
- Operational performance (page 93)

### Financial reporting boundary

- Wholly owned subsidiaries/entities
- Joint arrangements
- Investments where we have significant influence

### Stakeholders

- Investors and financiers
- Employees and unions
- Communities, traditional leaders and NGOs
- Government and regulators
- Suppliers

## Materiality

Harmony follows the principle of materiality to determine our report content. In 2023, we conducted a double materiality assessment to identify matters that impact our ability to create value (financial materiality) and our impact on society, communities and the environment (impact materiality). We consider these matters as key to our performance now and in future, and therefore our ability to deliver on our strategy.

Key to determining materiality is engaging with stakeholders to identify their primary concerns. For a better understanding, refer to **Stakeholder engagement**. Our materiality process and material matters are detailed on page 68, and risks and opportunities are discussed from page 50. These sections provide context for how we manage material matters.

## Reporting frameworks, guidelines and standards

In compiling our reporting suite, we are guided by:

	IAR	ESG	FR	MRR
Integrated Reporting Framework	✓	✓		
Companies Act 71 2008, as amended (Companies Act)	✓	✓	✓	
JSE Listings Requirements, www.jse.co.za	✓	✓	✓	✓
King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)*	✓	✓	✓	
International Financial Reporting Standards (IFRS)	✓	✓	✓	
CDP Water	✓	✓		
Task Force on Climate-related Financial Disclosures (TCFD)	✓	✓		
UN SDGs	✓	✓		
World Gold Council Responsible Mining Principles	✓	✓		
South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC)	✓			✓
South African Mineral Asset Valuation Code (SAMVAL)	✓			✓
Global Reporting Initiative (GRI) Standards for sustainability reporting	✓	✓		
International Council on Mining and Metals – 10 principles	✓	✓		
United Nations Global Compact (UNGC)	✓	✓		
Voluntary Principles on Security and Human Rights	✓	✓		

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We have also considered the Principles for Responsible Investment, a UN-supported international network of investors, which reflect the increasing prominence of ESG issues to investors.

About this report *continued*

**Our 2023 reporting suite**

This report is supplemented by and should be read with our full reporting suite, comprising:



**ESG report**

This report provides insight into our ESG performance for 2023 and over the past five years, along with our aspirations. It is intended as a useful guide to support analysis and provides information about our shared value.



**Climate-related financial disclosures (TCFD report)**

Harmony made a strategic decision to align its annual reporting with international best practice in terms of global climate reporting. We use this report to disclose our TCFD governance, risk management, strategy and metrics and targets.



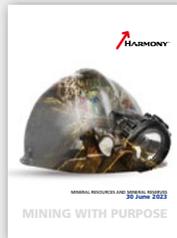
**Report to shareholders**

We outline our contributions to key stakeholders and recent developments impacting these relationships in this report. It also includes the summarised consolidated financial statements, notice of annual general meeting (AGM) and proxy form.



**Financial report**

The financial report is a comprehensive report of our 2023 financial performance. It includes the consolidated and separate parent company annual financial statements.



**Mineral Resources and Mineral Reserves**

We produce the statement of Harmony's Mineral Resources and Mineral Reserves in accordance with SAMREC and section 12.13 of the JSE Listings Requirements (as updated from time to time).



**Operational report**

We provide detailed technical and operational information about our operations in this report.



**Form 20-F**

This is an annual report filed with the United States Securities and Exchange Commission, in compliance with the listing requirements of the New York Stock Exchange.



Scan QR code to download our full suite of 2023 annual reports.

These reports and supporting documents are available at [www.harmony.co.za](http://www.harmony.co.za).

**Combined assurance**

We use a combined assurance model for assurance from management and internal and external providers. PricewaterhouseCoopers Inc. (PwC) audited our consolidated annual financial statements and subsequently gave an unmodified opinion thereon. Ernst & Young Inc. has been appointed as the company's external auditor for the 2024 financial year.

RSM South Africa Inc (The assurance engagement was previously performed by Ngubane (JHB) Inc, who merged with RSM South Africa on 1 August 2023) undertook an assurance engagement on selected elements of our ESG key performance indicators (KPIs), including scope 1 and 2 greenhouse gas (GHG) emissions. This is detailed in our **ESG report**.

The audit and risk committee provides assurance to the board and reports annually via an audit and risk committee report, in line with the combined assurance plan. The group's internal audit function assesses financial, operating, compliance and risk management controls. The audit and risk committee oversees the assessment.

**Directors' responsibility for the 2023 integrated annual report**

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 Integrated Reporting Framework. 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, performance in the past financial year, and future ability to create and preserve value. The remuneration report was reviewed and approved by the remuneration committee.

The board approved this report on 25 October 2023.

**Dr Patrice Motsepe**  
*Chairman*

**Peter Steenkamp**  
*Chief executive officer*

**Boipelo Lekubo**  
*Financial director*

**Dr Mavuso Msimang**  
*Lead independent non-executive director*

**John Wetton**  
*Chairperson: audit and risk committee*

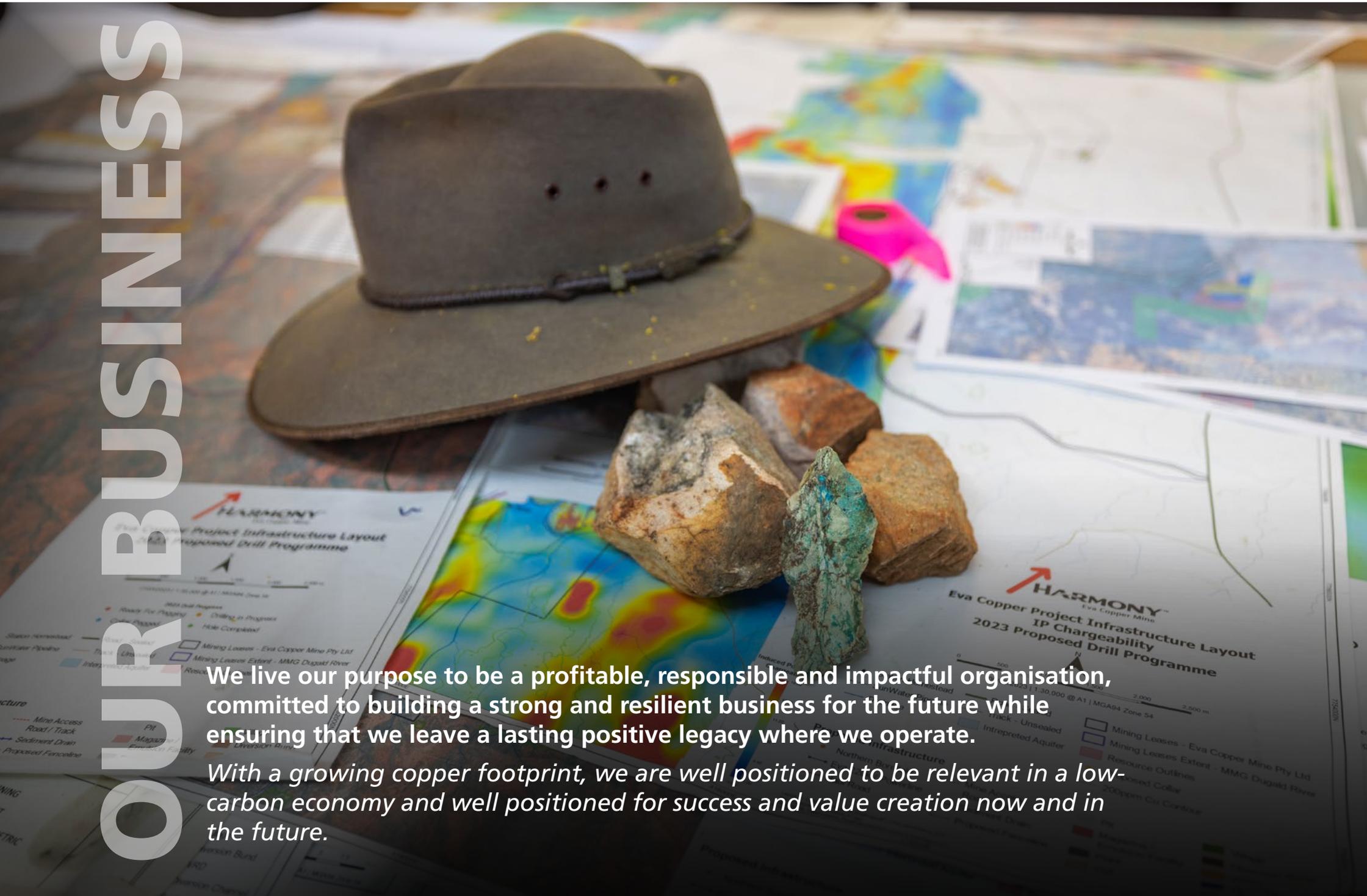
**Karabo Nondumo**  
*Chairperson: social and ethics committee*

**Vishnu Pillay**  
*Chairperson: remuneration committee*

# OUR BUSINESS

We live our purpose to be a profitable, responsible and impactful organisation, committed to building a strong and resilient business for the future while ensuring that we leave a lasting positive legacy where we operate.

*With a growing copper footprint, we are well positioned to be relevant in a low-carbon economy and well positioned for success and value creation now and in the future.*



## CHAIRMAN'S REVIEW



**Dr Patrice Motsepe**  
Chairman

**“Harmony continued to make significant progress towards transforming into a globally competitive gold-copper producer whilst delivering safe, profitable ounces and adhering to its sustainability commitments and good governance.”**

### Dear shareholders and stakeholders

#### Creating value for our shareholders and stakeholders

Harmony retained its position as South Africa's largest gold mining company by volume despite a challenging operating environment. Global supply chain disruptions and sharp input cost increases were exacerbated by the effects of the Russia-Ukraine conflict. In South Africa, the energy and water crises, accompanied by local community expectations and activism, continued amid rising inflation. Interest rates rose sharply as central banks moved decisively to curb inflation.

Against this backdrop, the gold price neared all-time highs at R1 249 714/kg (US\$2 011/oz). The combination of high gold prices and strong operational performances resulted in solid financial results for Harmony.

I am pleased to report that Harmony met its production guidance of 1.4Moz – 1.5Moz. This was achieved through allocating growth capital to high-margin and long life assets, allowing Harmony to beat its underground recovered grade guidance of 5.6g/t, and contain costs below R900 000/kg, resulting in total production of 1.47Moz.

Harmony's management took an important step in derisking the business and bolstering its position as a gold-copper miner, with a growing international footprint through the successful acquisition of the Eva Copper Project in the mining district of Queensland, Australia.

Copper is one of the critical minerals for the global transition to a clean energy future. The large, near-term, low-cost, and long-life Eva Copper Project complements our tier 1 Wafi-Golpu copper-gold project in Papua New Guinea.

#### Safety is at the heart of Harmony's culture

Zero harm remains Harmony's top priority. Safety, preventing illness and nurturing mental wellbeing are essential for the long-term success, sustainability and competitiveness of the company.

Although we have advanced in embedding a proactive culture of safety and care in everyday behaviour at work and encouraging employees to embody these values in their personal lives; regrettably, we lost six employees in mine-related incidents during the financial year. Our heartfelt condolences to their families, colleagues and people affected by these tragedies.

Our board and management remain committed to achieving zero harm through safe production programmes discussed in the [ESG report](#).

A dedicated team is driving business improvement initiatives across the group through research into technologies and processes that will improve safety and production.

Harmony has developed an integrated digital platform to support its safety strategy and improvement plan. This platform facilitates the flow of information to and from workplaces. It incorporates production planning, booking and reporting, supporting audit and inspection services, continuous risk assessment, critical control monitoring and reporting, action management and measurement of key processing indicators against required performance.

#### Demonstrating responsible stewardship through embedded sustainability practices

Harmony is demonstrating responsible stewardship by embedding sustainability practices in our core processes through:

- A proactive culture to achieve zero harm
- Integrated risk management
- Mitigating electricity costs through energy efficiencies

## Chairman's review *continued*

- Driving decarbonisation through renewable energy programme and a green energy mix (the strategy guiding Harmony's transition pathway to net zero GHG emissions is discussed in the [ESG report](#))
- Growing our investment in copper (now over 20% of Harmony's Mineral Resources)
- Supporting the circular economy through tailings retreatment and water recycling (inextricably linked to Harmony's social compact)
- Sharing value with all stakeholders.

Positive external recognition of our sustainability efforts is on Harmony's [website](#).

### Commitment to action on climate change

In addressing climate change, Harmony is decarbonising through energy efficiencies, a renewable energy programme and a green energy mix to achieve net zero emissions by 2045. The group is committed to a 63% reduction in absolute scope 1 and 2 greenhouse gas emissions by FY36 from a FY21 base. This target has been approved by the Science Based Targets Initiative.

Phase 1 of the renewable energy programme (30MW of solar power) was commissioned during FY23 and the build of the second phase (137MW) will commence in December 2023, funded from the R1.5 billion green loan.

Electricity accounts for approximately 18% of Harmony's operating costs. To reduce the impact of escalating tariffs and drive decarbonisation, we have implemented more than 240 energy-saving initiatives. These initiatives have yielded a cumulative cost-saving of more than R1.7 billion (US\$114 million) since 2016, and a reduction of more than 1.8 million tonnes of CO<sub>2</sub> equivalent emissions.

In recognition of this and other sustainability initiatives, Harmony has been included in the FTSE Russell's FTSE4Good/Gold Index Series for the sixth consecutive year. The index measures the performance of companies demonstrating strong ESG practices and evaluates a variety of ESG criteria, including performance in corporate governance, health and safety, anti-corruption and climate change. Harmony earned a 95th percentile rank in the FTSE Russell industry classification benchmark super-sector, exceeding the mining industry and sub-sector average scores in all ESG pillars.

Harmony is also included in the Bloomberg Gender-Equality Index for the fifth consecutive year. This modified market capitalisation-weighted index, tracks the performance of public companies committed to transparency in gender data reporting across 70 metrics.

Read more about Harmony's ESG approach in the [Social and Ethics Committee: chairperson's report](#) in the [ESG report](#).

### Delivering on our social compact by sharing value created by our mining operations

Through effective capital allocation, the board and management determines the most effective and efficient way to deploy our financial and other resources to the various projects and investments. As a result, we are able to deliver continued positive shareholder returns and create long-term financial and social value for our stakeholders.

Harmony contributes to the resilience and prosperity of our employees and host communities by sharing the value we create through our mining operations with them. We invest in meaningful socio-economic development projects that improves their living conditions and standards of living. The company goes beyond compliance to deliver shared value to employees, suppliers, host communities and government.

As a partner of choice, Harmony's impact is based on building relationships of trust and collaboration with our stakeholders. We contribute meaningfully to the upliftment of our host communities by creating employment, promoting diversity and inclusion, maintaining sound labour relations and facilitating high-quality education.

We are committed to supporting governments' socio-economic development endeavours through initiatives that empower people, particularly youth and women, to become self-sufficient with the necessary physical and social infrastructure.

In FY23 Harmony paid R1.0 billion (US\$56.6 million) in taxes and royalties to the South African government, R128 million (US\$7.2 million) to the State of Papua New Guinea, R17.5 billion (US\$986.0 million) in salaries and spent R16.1 billion (US\$905.3 million) on local and preferential procurement.

Read more about Harmony's social investments in the [ESG report](#).

### Good governance

Guided by the King IV principles, our board and management apply the highest standards of corporate governance and global good practices.

We bid farewell to two of Harmony's long-serving board members, Mr Andre Wilkens and Mr Joaquim Chissano, who retired at the 2022 annual general meeting. Our gratitude to both Mr Wilkens and Mr Chissano for their contributions to the Harmony board over the years.

Our board has a diversity of skills and expertise and the directors make significant contributions to the competitiveness and growth of Harmony.

### Conclusion

Our CEO, Peter Steenkamp, and I met with the prime minister of Papua New Guinea, James Marape, in July 2023 to continue discussions on permitting the Wafi-Golpu Project. We are grateful to the prime minister and the government of Papua New Guinea for their ongoing support and for signing the Wafi-Golpu Framework Memorandum of Understanding in April of this year.

Harmony is committed to proceeding with this project, subject to finalisation of the permitting process and approvals by the Harmony and Newmont boards.

I am grateful for the board's counsel and advise during the financial year under review.

I am also grateful to Harmony's CEO, the executives, managers and employees for their hard work and contributions to making Harmony a globally competitive gold-copper producer.

**Dr Patrice Motsepe**  
*Chairman*

25 October 2023

# ABOUT HARMONY

## Who we are

Harmony is a global, sustainable gold mining and exploration company with a growing copper footprint in our Tier 1 Wafi-Golpu Project as well as Eva Copper Project. We are also the largest producer of gold from the retreatment of old tailings dams, making us a major player in the circular economy of gold.

Headquartered in Randfontein, South Africa, Harmony has a primary listing on Johannesburg's stock exchange, the JSE Limited (HAR) and an American depository receipt programme listed on the New York Stock Exchange (HMY). Our shareholder base is geographically diverse and includes some of the largest fund managers globally. The largest shareholder base is in the United States (42%), followed by South Africa (37%).

 Refer to [Shareholder information](#) in this report.

## What we do



### Exploration and acquisitions

Exploring for and evaluating economically viable gold-bearing orebodies and/or value-accretive acquisitions in gold and copper.



### Mining and processing

Establishing, developing and operating mines, reclamation sites and related processing infrastructure. Ore mined is milled and processed by our gold plants to produce gold doré bar.



### Sales and financial management

Generating revenue through the sale of gold produced and optimising efficiencies to maximise financial returns.



### Stewardship and responsible mine closure

Empowering communities and employees throughout and beyond the life of our mines. Being responsible to our environment during operations. Restoring mining-impacted land for alternative economic use post-mining and approving mine closure commitments.

## How we do it

### Mining with purpose

Our purpose is to be a global, sustainable gold and copper producer, creating shared value for all stakeholders while leaving a lasting positive legacy through:

- Creating longevity, profitability and sustainability
- Committing 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 to grow 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

## Delivering impact

At Harmony, we understand that our activities and the way we conduct our business affects the lives of the people we employ, the communities surrounding our mines and the environment. This impact has economic and social implications for our stakeholders and the countries where we operate.

In line with our purpose, we commit to ensuring that our overall contribution is positive and felt and that our positive legacy endures once mining stops.

**70+ years'** gold mining experience in South Africa and almost two decades operating in Papua New Guinea

**1.47Moz** produced (2022: 1.49Moz) with 10.5% (154 550oz) being from reclamation activities.

Market capitalisation of **R49.0 billion** (US\$2.6 billion) at 30 June 2023 (2022: R32.0 billion (US\$2.0 billion))

**39.3Moz** gold and gold equivalent Mineral Reserves (2022: 39.8Moz)

About Harmony *continued*

Our investment case

Doing what we **KNOW BEST**



Our embedded sustainability practices will create lasting legacies and ensure a sustainable future for all stakeholders



- Safety – a core value that always precedes production
- Focus – quality ounces and cost reduction aimed at lowering all-in sustaining costs
- Digitisation – driving further improvements in our safety journey
- Decarbonisation – greener energy mix, focusing on renewables
- Collaboration – partnership are key to enabling our communities and allow us to maximise impact.



Quality ounces and long reserve life through organic growth and value-accretive acquisitions



- Meaningful value-enhancing improvement in South African recovered grade through acquisition and development
- Acquisition synergies and other investments have potential to reduce all-in sustaining costs
- Growing surface reclamation – safer, lower cost, energy efficient and higher margin operations.



We are geared to the rand gold price, with rand costs and US dollar revenue



- Positioned to benefit from gold price and foreign exchange (operating free cash flow highly geared to current gold price environment).



Significant copper exposure through two international projects



- Transition to a low-cost gold-copper miner – Wafi-Golpu, a tier 1 copper-gold asset in Papua New Guinea as well as Eva Copper in Australia.



Gold mining specialists with strong technical and exploration capabilities



- Emerging-market specialist (South Africa and Papua New Guinea)
- Wealth of mining expertise – combined, senior executive management have decades of industry experience
- Proven track record – investing in, sustaining and prolonging operating lives of deep-level mines.



Flexible balance sheet with good cash generation enables our growth strategy



- Strengthened balance sheet supports future growth and capital returns
- Capital allocation towards high-grade underground assets and high-margin surface operations to deliver superior returns and improved cash flow generation
- Locking in high margin for future returns
- Positive shareholder returns through sustainable.

## About Harmony *continued*

### Salient features for 2023

To produce safe, profitable ounces and improve margins through operational excellence and value-accretive acquisitions.



#### Responsible stewardship



- Group LTIFR at 5.49, below 6.00 for the second consecutive financial year as we continue to embed a proactive safety culture
- Decarbonisation through renewable energy with Phase 1 of 30MW renewable solar power now commissioned
- Growing our investment in copper, a future-facing metal, now over 20% of Mineral Resources
- Supporting the circular economy through the retreatment of tailings dams and recycling our water
- SBTi targets agreed
- Completed our five-year social and labour plans for South African operations
- Partner of choice, sharing the benefits with all our stakeholders.



#### Cash certainty



- **↑ Revenue** increased by 15.5% to **R49.3 billion** (US\$2.8 billion) (2022: R42.6 billion (US\$2.8 billion))
- **↑ 107.6% increase in group operating free cash flow** to R6.0 billion (US\$339 million) from R2.9 billion (US\$191 million).



#### Operational excellence



##### Financial indicators

- **↑ 46.4% increase in production profit to R14.0 billion** (US\$787 million) (2022: R9.5 billion (US\$628 million))
- **↑ Average gold price** received increased by 15.4% to **R1 032 646/kg** (US\$1 808/oz)
- **↑ Group all-in sustaining cost** increased by 6.4% to **R889 766/kg** (US\$1 558/oz).

##### Operational indicators

- **↓ 1.3% decrease in production to 45 651kg** (1 467 715oz) (2022: 46 236kg (1 486 517oz))
- **↑ 7.6% increase in underground recovered grade to 5.78g/t.**



#### Effective capital allocation



- Approved **capital of R8.5 billion** (US\$526 million) and **spent R7.6 billion** (US\$428 million)
- Progressing Eva Copper feasibility study update in Queensland, Australia
- **Total dividend** of 75 SA cents (4.03 US cents) per share declared (2022: 62 SA cents (4.0 US cents))
- Repaid R2.1 billion (US\$118 million) in debt to maintain balance sheet flexibility
- **Total dividend yield** of 1.1%# (2022: 1.1%).

# As at 25 August 2023.



The honey project, Eastern Cape, South Africa

# OUR OPERATIONS

With operations in South Africa and Papua New Guinea, Harmony is a profitable, sustainable gold producer creating shared value for all stakeholders and leaving a lasting positive legacy – delivering high-impact and low-carbon gold through embedding sustainability in everything we do. With an abundance of opportunities to deploy capital across the world, we carefully determine which projects will deliver optimal shareholder returns on the basis of where we operate, how we manage risk and what skills we can leverage.

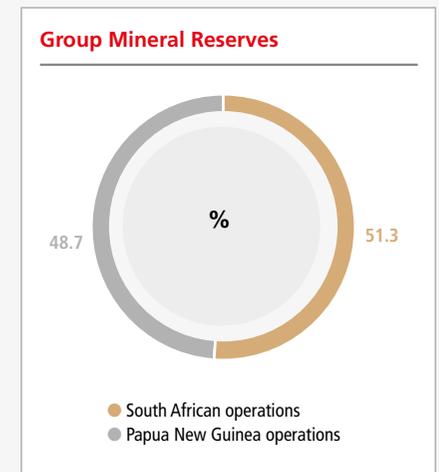
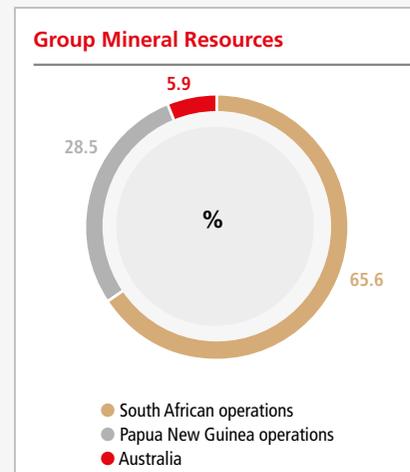
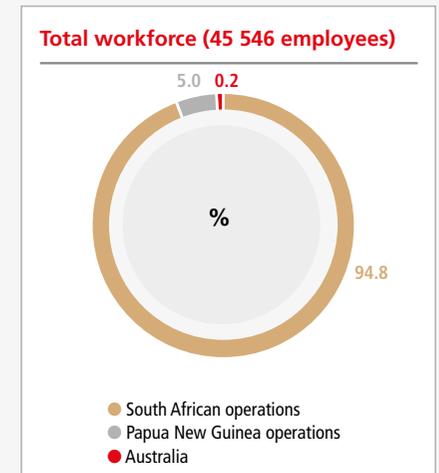
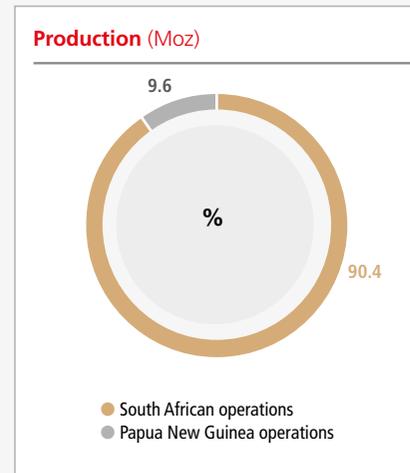
We have actively pursued opportunities to extend the life of some of our larger and higher-grade assets, adding lower-risk, higher-margin ounces to our portfolio. This included re-engineering our portfolio between 2017 and 2023 through the Hidden Valley, Moab Khotsong, Mponeng and Eva Copper acquisitions and identifying substantial opportunities in our existing portfolio through exploration and brownfield projects.

Acquired in December 2022, Eva Copper strengthens our strategic exposure to copper, a critical mineral for the net zero transition, and the Tier 1 Queensland mining jurisdiction, which is poised to become a leading critical minerals province. The project positions Harmony as a positive contributor to a carbon-neutral future and augments our existing copper exposure afforded by the Wafi-Golpu Project in Papua New Guinea. Recognising our responsibility to ensure economic benefits accrue locally to the extent possible, we undertook significant outreach after the acquisition to understand the capacity and aspirations of local businesses and the long-term objectives of policymakers.

Major capital has been allocated to our high-margin surface retreatment facility at Mine Waste Solutions for the Kareerand tailings extension as well as the high-grade Zaaiplaats project at Moab Khotsong. These projects are in line with our strategy of optimal shareholder return through assets already in our portfolio. They extend the life of these operations and drive future shareholder value.

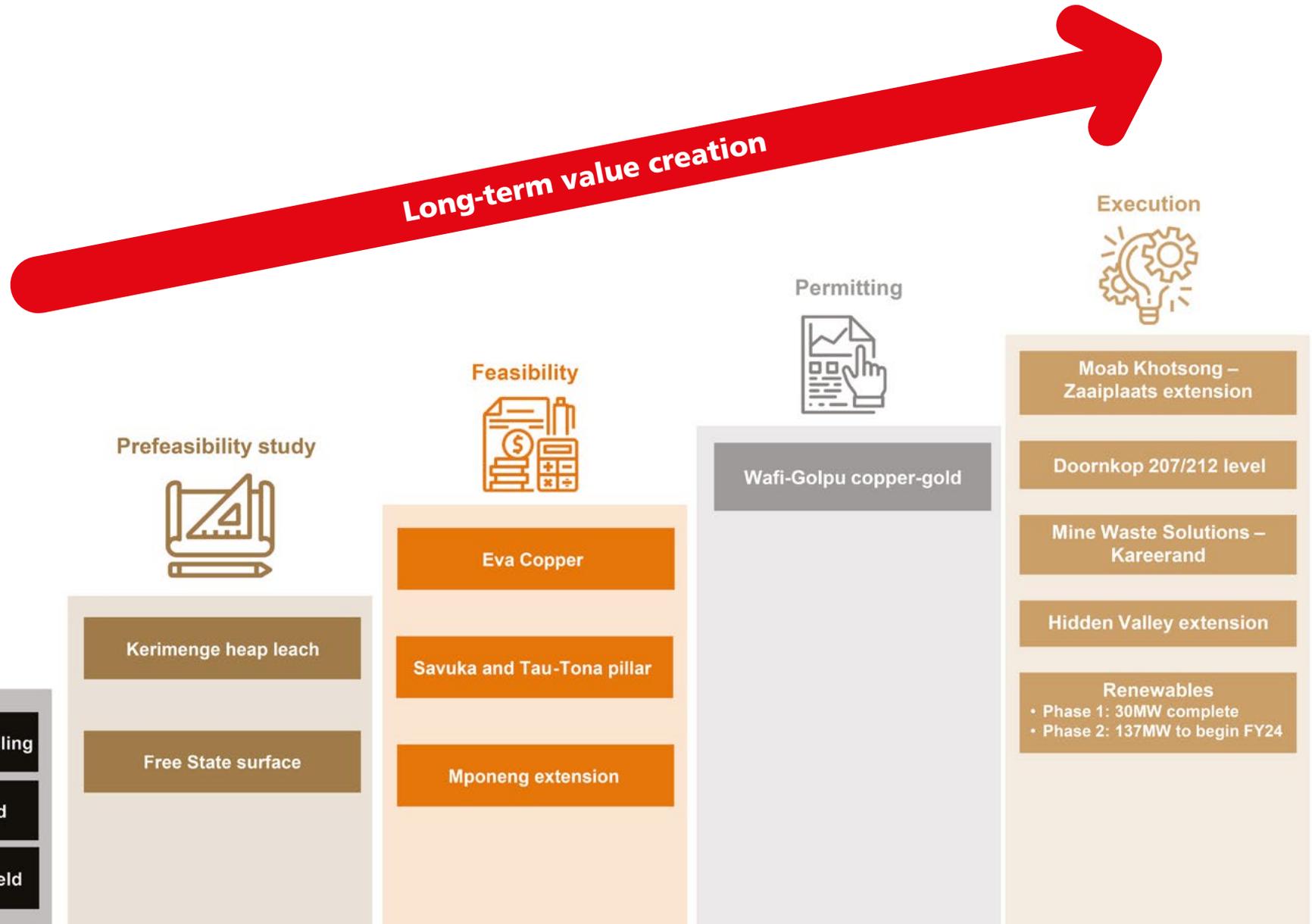
🚀 To demonstrate our commitment to good ESG practices and achieving a low-carbon future, we are accelerating the expansion and roll-out of numerous renewable energy projects. Refer to **Environment** in the **ESG report**.

📄 A summary of our operations is presented below and detailed information can be found in the **Operational report**.

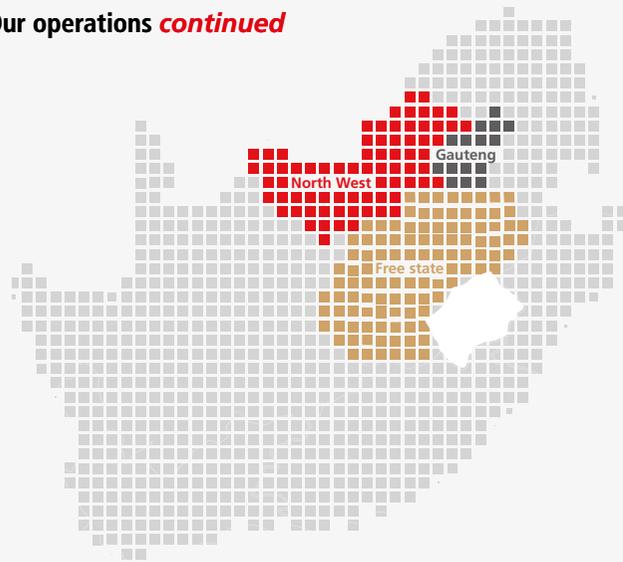


Our operations *continued*

Quality growth pipeline



Our operations *continued*



South Africa

**Location:** Witwatersrand Basin and Kraaipan Greenstone Belt  
**Production:** 1.33Moz (90.4%) (FY22: 1.37Moz (92.0%))  
**Total workforce:** 43 175

- Assets:**
- **Eight** underground operations
  - **One** open-pit mine
  - **Several** surface source operations.

We have grouped our assets based on grade and life-of-mine (LoM) as per our equity strategy:

- High-grade underground operations: Moab Khotsoeng and Mponeng
- Underground optimised operations with a focus on free-cash generation: Tshepong North, Tshepong South, Doornkop, Joel, Target 1, Kusasaletu and Masimong.

Major capital allocation for our underground assets is determined by grade and returns.

Our high-margin surface assets comprise Mine Waste Solutions, Phoenix, Central Plant Reclamation, Savuka and dumps.

At 30 June 2023, our South African operations accounted for 65.6% of group Mineral Resources and 51.3% of group Mineral Reserves, both inclusive of gold and gold equivalent ounces.

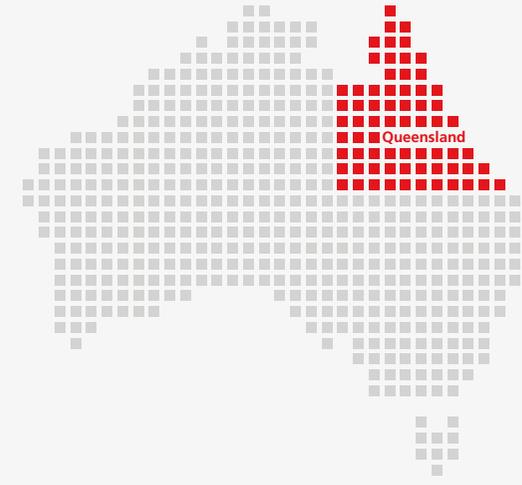


Papua New Guinea

**Location:** New Guinea Mobile Belt in Morobe  
**Production:** 0.14Moz (9.6%) (FY22: 0.12Moz (8.0%))  
**Total workforce:** 2 267

- Assets:**
- **Hidden Valley** (open-pit gold and silver mine)
  - **Wafi-Golpu** Project (significant copper-gold portfolio)
  - **Multiple** exploration areas.

At 30 June 2023, our Papua New Guinea operation accounted for 27.5% of group Mineral Resources and 48.7% of group Mineral Reserves, both inclusive of gold and gold equivalent ounces.



Australia

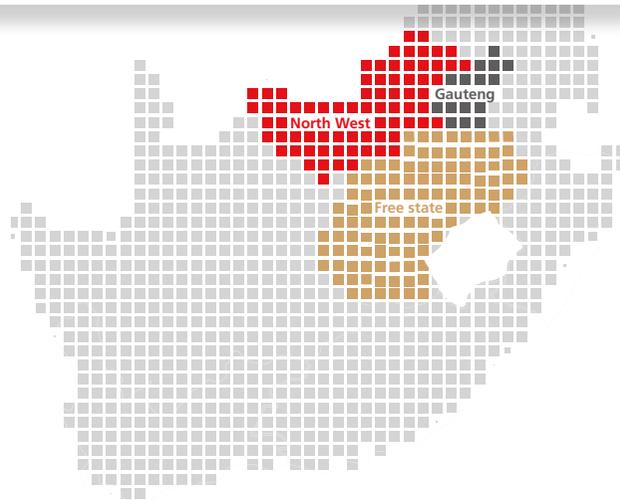
**Location:** Mt Isa Inlier, Queensland, Australia  
**Production:** Project feasibility stage and exploration  
**Total workforce:** 104\*

- Assets:**
- Eva Copper Project
  - Rosby exploration tenements

Harmony announced the inaugural Resource estimate for the Eva Copper Project, unveiling a significant Resource of 1.5 million tonnes of copper and 431 000 ounces of gold. This accounts for 5.9% of group Mineral Resources. Since the acquisition of the project, Harmony has commenced an extensive drilling campaign and undertaken comprehensive studies to enhance the project's data profile. These initiatives are geared towards facilitating an informed update of the feasibility study, with anticipated release of results slated for FY24.

\* Includes Australia head office.

Our operations *continued*



<b>WORKFORCE</b> At 30 June 2023 (includes permanent employees and contractors)	<b>PRODUCTION</b> <b>FY23</b>	<b>LOM PER</b> <b>FY24 PLAN</b>
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Moab Khotsong

North West	West Rand <sup>1</sup>		
	Moab Khotsong	Doornkop	Kusasaletu
<b>6 713</b>	<b>4 358</b>	<b>3 970</b>	<b>5 156</b>
214 381oz 7.25g/t grade	135 451oz 4.69g/t grade	111 242oz 6.10g/t grade	239 490oz 8.43g/t grade
<b>21 years<sup>2</sup></b> 9.5Moz Resources 3.7Moz Reserves	<b>15 years</b> 7.2Moz Resources 1.9Moz Reserves	<b>3 years</b> 3.5Moz Resources 0.4Moz Reserves	<b>7 years</b> 24.0Moz Resources 1.8Moz Reserves



Target 1

Free State				
Tshepong North <sup>3</sup>	Tshepong South <sup>3</sup>	Target 1	Joel	Masimong
<b>3 706</b>	<b>3 386</b>	<b>2 001</b>	<b>2 062</b>	<b>2 064</b>
107 834oz 4.22g/t grade	110 310oz 6.78g/t grade	40 992oz 3.49g/t grade	62 598oz 4.48g/t grade	63 047oz 4.17g/t grade
<b>7 years</b> 9.8Moz Resources 0.6Moz Reserves	<b>7 years</b> 14.5Moz Resources 0.9Moz Reserves	<b>6 years</b> 3.5Moz Resources 0.5Moz Reserves	<b>7 years</b> 1.9Moz Resources 0.5Moz Reserves	<b>2 years</b> 0.9Moz Resources 0.2Moz Reserves

<sup>1</sup> Border between Gauteng and North West.

<sup>2</sup> Includes Zaaipplaats.

<sup>3</sup> From FY23, Tshepong Operations has been reported on separately as Tshepong North and Tshepong South.

Our operations *continued*

 **South Africa**  
Surface



Surface	Waste Rock		
Kalgold	Free State	North West	West Rand
725	841*	759*	808*
37 778oz 0.85g/t grade	29 257oz 0.44g/t grade	5 176oz 0.36g/t grade	15 111oz 0.33g/t grade
<b>9 years</b> 1.8Moz Resources 0.4Moz Reserves	<b>±1 year</b> 0.25Moz Resources	<b>±1 year</b> 0.04Moz Resources	<b>±1 year</b> 0.003Moz Resources

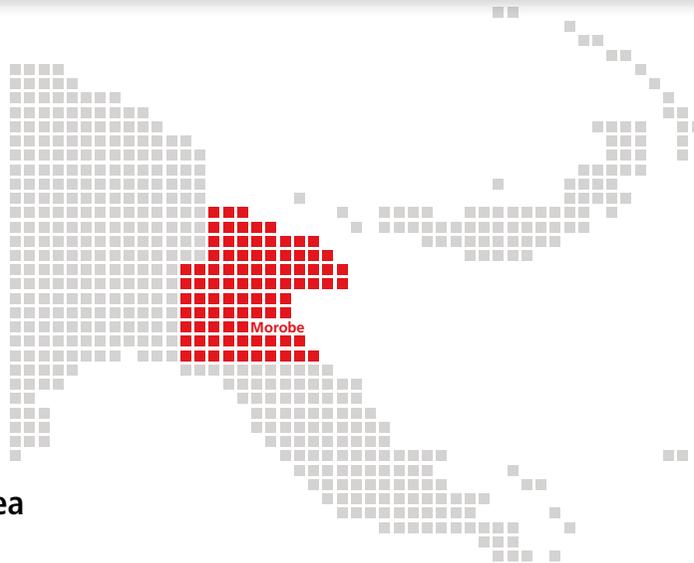
 **South Africa**  
Tailings



North West	Free State		West Rand
Mine Waste Solutions (MWS)	Phoenix	Central Plant Reclamation (CPR)	Savuka
2 185	350	265	203
90 150oz 0.122g/t grade	26 782oz 0.134g/t grade	18 552oz 0.145g/t grade	19 066oz 0.153g/t grade
<b>16 years</b> 2.5Moz Resources 2.1Moz Reserves	<b>5 years</b> 0.4Moz Resources 0.3Moz Reserves	<b>12 years</b> 0.4Moz Resources 0.4Moz Reserves	<b>13 years</b> 0.4Moz Resources 0.2Moz Reserves

\* The numbers for the Free State, North West and West Rand facilities above exclude MWS, Phoenix, CPR, Savuka and Kalgold.

Our operations *continued*



Papua New Guinea



Hidden Valley



Surface

Hidden Valley

2 189



140 498oz  
1.14g/t grade



5 years

2.9Moz Resources  
1.3Moz Reserves



Wafi-Golpu Project



Project

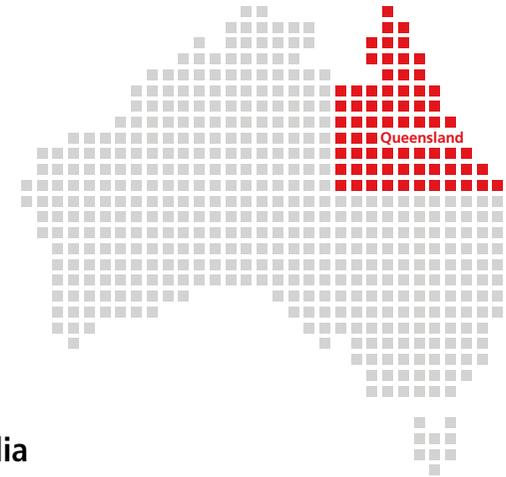
Wafi-Golpu

61



27 years

39.4Moz Resources  
17.9Moz Reserves



Australia



Eva Community hub



Project

Eva Copper

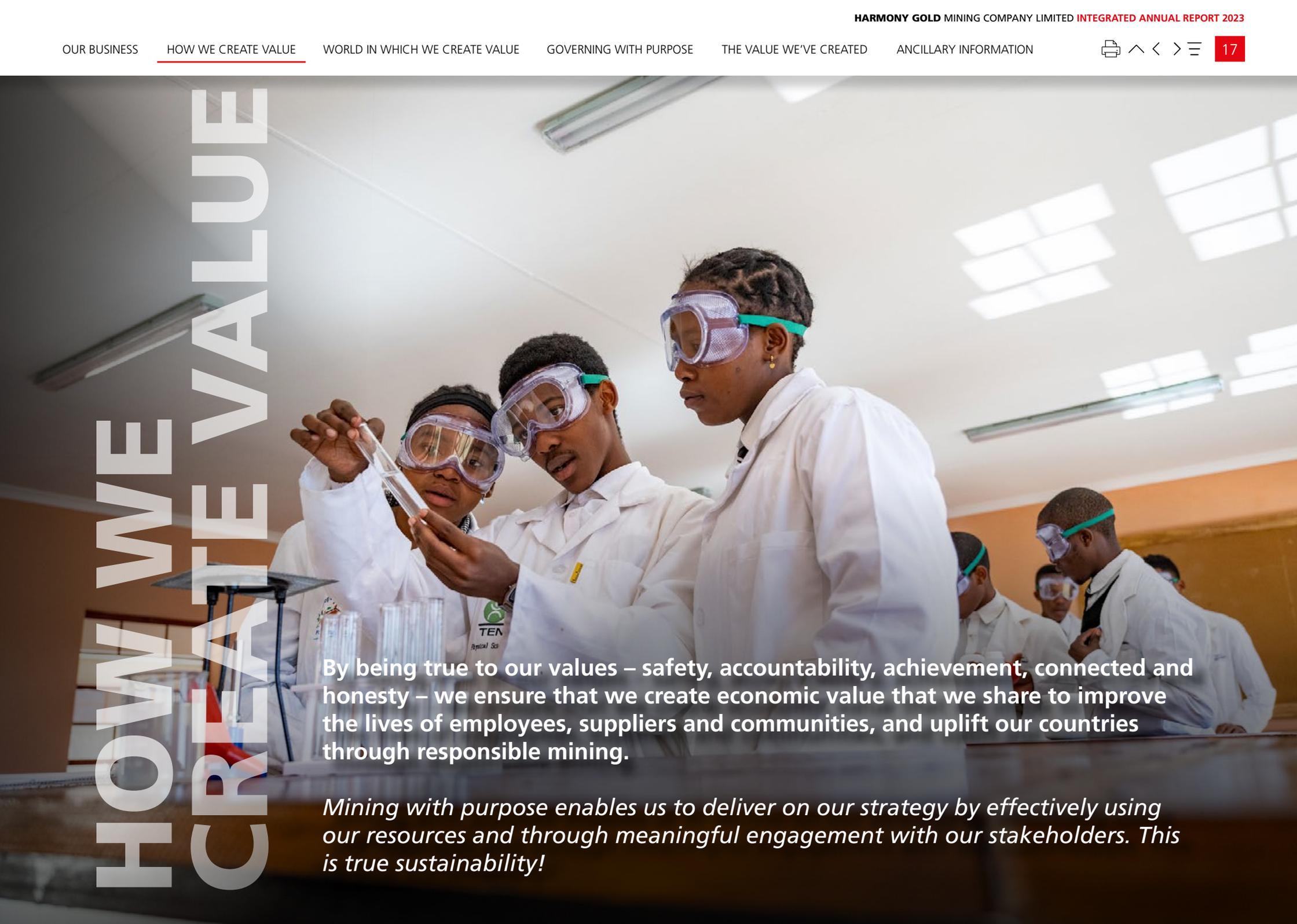
70



18 years

8.1Moz Resources

# HOW WE CREATE VALUE

A photograph of a chemistry laboratory. In the foreground, three students wearing white lab coats and safety goggles are focused on a test tube held by one of them. They are looking at the contents of the test tube. In the background, other students in lab coats and goggles are working at lab benches. The lab is well-lit with overhead fluorescent lights. The overall atmosphere is one of scientific inquiry and safety.

By being true to our values – safety, accountability, achievement, connected and honesty – we ensure that we create economic value that we share to improve the lives of employees, suppliers and communities, and uplift our countries through responsible mining.

*Mining with purpose enables us to deliver on our strategy by effectively using our resources and through meaningful engagement with our stakeholders. This is true sustainability!*

# OUR APPROACH TO MINING WITH **PURPOSE**

Mining with purpose is how we create the shared value that drives our pursuit of operational excellence, ensures an inclusive approach to stakeholders and guides the way we manage our capitals. Our integrated approach to sustainable mining practices combined with meaningful investments in organic and inorganic growth will ensure we continue delivering long-term value creation for all our stakeholders.

## Harmony's value creation and preservation is driven by:

Our purpose	Our strategy	Our values
<p>We are a global, sustainable gold producer with a growing copper footprint, creating shared value for all stakeholders while leaving a lasting positive legacy where we operate</p> <p> <b>Mining with purpose</b></p>	<ul style="list-style-type: none"> <li> Responsible stewardship</li> <li> Operational excellence</li> <li> Cash certainty</li> <li> Effective capital allocation</li> </ul> <p> <b>Guided by our strategy</b></p>	<ul style="list-style-type: none"> <li> Safety</li> <li> Achievement</li> <li> Honesty</li> <li> Accountable</li> <li> Connected</li> </ul> <p> <b>Who we are</b></p>

## Our value creation and preservation is influenced by:

<b>Our external operating environment</b>	<b>Risk and opportunity profile</b>	<b>Stakeholders' needs and concerns</b>	<b>Material matters</b>
<p>The external factors influencing our business.</p> <p><b>+</b></p>	<p>Identifying, understanding and managing factors that can limit our ability to deliver on our strategy, or factors that present opportunities to enable our growth.</p> <p><b>+</b></p>	<p>Stakeholder needs and concerns directly relate to understanding and delivering shared value.</p> <p><b>+</b></p>	<p>Our operating context, risks and opportunities, and stakeholder needs and concerns inform the material matters that Harmony impacts or could affect our ability to create value over time.</p> <p><b>=</b></p>

## We create and preserve value through our business activities:

Exploration and acquisitions	Mining and processing	Sales and financial management	Stewardship and responsible mine closure
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## We use and affect resources to do business:

<b>Human capital</b>	<b>Financial capital</b>	<b>Manufactured capital</b>	<b>Intellectual capital</b>	<b>Natural capital</b>	<b>Social and relationship capital</b>
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## Leading to shared value creation:

### Our key stakeholders

- Investors and financiers
- Employees and unions
- Communities, traditional leaders and non-governmental organisations (NGOs)
- Governments and regulators
- Suppliers.

### Our broader impact

Our integrated approach to ESG commitments ensures we consider and make a positive impact on the environment, communities and broader society wherever we operate.

Refer to our **ESG in practice** in the **ESG report**.

Refer to our **Impact analysis** in this report.

**Our approach to mining with purpose *continued***

**Demonstrating long-term value creation through sustainability**

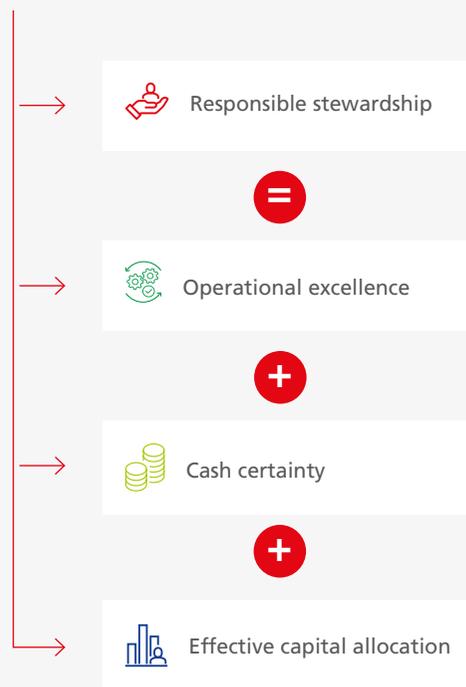
Harmony has demonstrated true sustainability for over seven decades – arguably better than any other gold mining company in South Africa. As envisaged in our sustainable development framework, we have proven time and again that sustainability is the driving force of our business – from how and what we mine to the care we take to preserve the environment and the support we provide to our communities.

<p><b>Growth</b></p>	<p>With our quality ounces and meaningful copper footprint, we are positioning ourselves for the future</p>	<p>Copper is a future-facing metal offering counter-cyclical diversification to our existing gold portfolio. While gold will remain core to Harmony, the transition to a green economy is a tailwind for copper, presenting good opportunities given our portfolio mix. Combining Wafi-Golpu (acquired in 2002) and Eva Copper (acquired in 2023), copper now constitutes 20% of our Mineral Resources.</p> <p>Over the past five years, we have bolstered the development of our portfolio through strategic investments in and acquisitions of higher-grade and higher-margin projects. This is demonstrated by bold investments in assets such as Moab Khotsong’s Zaaiplaats project and the Kareerand Extension project at Mine Waste Solutions. Mponeng and the recent Eva Copper acquisition demonstrates how we are investing in acquisitive growth to build a pipeline of projects that we can take up the value curve.</p> <p>By investing in organic and acquisitive growth, Harmony can continue creating shared value for years to come.</p> <p> Refer to our <a href="#">growth pipeline</a> in this report for more on our future growth roadmap.</p>
<p><b>Our pathway to net zero</b></p>	<p>We have set clear targets that align with the Science Based Targets Initiative (SBTi)</p>	<p>Climate change remains the defining challenge of our time. As such, we recognise the importance of Harmony’s role in contributing to the transition to a low-carbon economy in the context of the mining and minerals industry.</p> <p>Since 2008, Harmony has proactively positioned the business to address climate change and reduce our impact by transforming our portfolio with low-carbon assets. We have taken significant strides in lowering our emissions and managing energy use across our operations, guided and supported by our decarbonisation strategy and renewable energy programme. Harmony’s goal is to be net carbon zero by 2045.</p> <p> Read more about our environmental performance and decarbonisation strategy in our <a href="#">ESG report</a> and <a href="#">Climate-related financial disclosures (TCFD report)</a>.</p>
<p><b>Products</b></p>	<p>The enduring value of the gold we mine is undisputed, and investing in future-facing metals further entrenches the value we strive to create and preserve</p>	<p>Harmony has been operating as an emerging market gold mining specialist for 73 years and the demand for gold is as sustainable as its characteristics. Similarly, copper is a low-cost green metal in high demand globally, and reduces our overall portfolio risk. It has been part of our portfolio for over two decades.</p> <p>For as long as these precious and essential metals remain a coveted commodity, we will continue to supply the market and sustain our value creation.</p>
<p><b>Care</b></p>	<p>Our duty of care begins with our employees and extends to our communities and the environment impacted by our operations</p>	<p>We have a moral and legal obligation to ensure our people’s safety and wellbeing. We demonstrate our duty of care through targeted programmes and initiatives that go beyond compliance.</p> <p>Supported by our understanding that environmental and social value creation and preservation are linked, what we do to mitigate our negative impact on the environment in turn contributes to uplifting, supporting and developing our people and host communities.</p> <p> Read more about our social and governance performance in our <a href="#">ESG report</a>.</p>
<p><b>Time</b></p>	<p>Harmony has grown from a single-lease mine to a multinational entity with the resources, skills and resilience to endure all conditions</p>	<p>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. 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.</p>

# GUIDED BY OUR STRATEGY

Harmony's strategy is to produce safe, profitable ounces and improve margins through operational excellence and value-accretive acquisitions.

We execute our strategy through four strategic pillars:



These pillars and our strategy underpin our approach to mining with purpose.

We unpack our progress against our strategic pillars below and the **Chief executive officer's report** (page 82) provides further details.

Leveraging substantial opportunities presented by our existing portfolio and recent acquisition, we are investing in organic and acquisitive growth – directing major capital towards higher-quality assets and transformational projects. This allows us to continue optimising our portfolio while building optionality, and ensuring positive shareholder returns and continued value creation.

Capital allocation is prioritised according to our investment criteria and aligned with our growth pipeline, which will ensure value realisation across the business now and into the future.

### Creating shared value through effective capital allocation

#### Capital prioritisation

##### Safety and production optimisation

ZERO loss-of-life and 5300

##### Debt repayment

<1x net debt/EBITDA

##### Organic growth and investment

Focus on increasing grade and margins

##### Inorganic growth

Value-accretive mergers and acquisitions

##### Returning capital to shareholders

Paying a dividend consistent with policy and overall growth strategy

#### Value realisation

##### Lower risk profile

All ESG factors considered especially safety and climate change

##### Improving margins

Targeting acquisitions with all in sustaining cost of less than US\$1 400/oz

##### Generating returns

Targeting an internal rate of return of 15% and higher

##### Improve production profile

10-year LoM at 100koz to 200koz per year in gold or gold equivalents

##### Affordability

Capital intensity versus cash flows to be manageable

Having divided our operations into four business areas, we are guided by our four strategic pillars to inform our capital allocation decisions (as illustrated below) in a sequenced and manageable manner. In this way, we ensure each mine or project positively contributes to our overall success, enabling us to continue creating shared value for years to come.



Moab Khotsong, North-West, South Africa

**Guided by our strategy *continued***

To inform capital allocation decisions, we have divided our operations into four strategic quadrants. In this way, we ensure each mine or project positively contributes to our overall success. Harmony's equity story ensures we deliver on our four strategic pillars, enabling us to continue creating shared value for years to come.

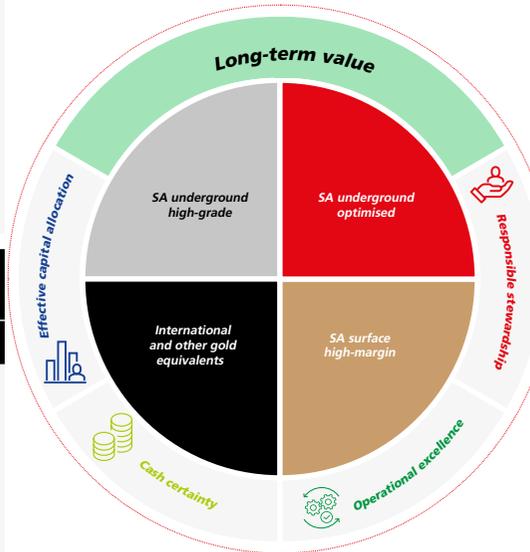
**Capital investment in higher-quality assets and projects are transforming Harmony into a higher-quality, international gold and copper producer.**

*South African underground high-grade assets have transformed the Harmony portfolio by adding high-quality ounces and LoM.*

Assets	Value realisation
<ul style="list-style-type: none"> <li>Moab Khotsong</li> <li>Mponeng.</li> </ul>	<ul style="list-style-type: none"> <li>Produce over 30% of group production</li> <li>Moab Khotsong is Harmony's longest life mine and Zaaiplaats project extended Moab Khotsong's LoM to 21 years</li> <li>The quality of ounces from Mponeng, the world's deepest gold mine, present significant upside potential.</li> </ul>

*Harmony's growing international portfolio and our diversified footprint contributes to de-risking the business and drives expansion of our margins.*

Assets	Value realisation
<b>Papua New Guinea</b> <ul style="list-style-type: none"> <li>Hidden Valley</li> <li>Kerimenge.</li> </ul>	<ul style="list-style-type: none"> <li>Future-facing metals such as copper offer counter-cyclical diversification to our existing gold portfolio</li> <li>Opportunities to further extend Hidden Valley's LoM</li> <li>Eva Copper will add over 200 000 ounces of low-cost gold equivalents to production a year over a 15-year LoM.</li> </ul>
<b>Australia</b> <ul style="list-style-type: none"> <li>Eva Copper.</li> </ul>	



*South African optimised underground assets enable Harmony to pursue and fund key projects through positive free cash flow generation to support our growth aspirations.*

Assets	Value realisation
<ul style="list-style-type: none"> <li>Doornkop</li> <li>Kusasaletu</li> <li>Joel</li> <li>Target 1: optimisation project will be completed by FY24</li> <li>Tshepong North</li> <li>Tshepong South</li> <li>Masimong.</li> </ul>	<ul style="list-style-type: none"> <li>Generate roughly 43.0% of group production</li> <li>Can be highly profitable due to their operating leverage</li> <li>Play a critical role in funding our growth aspirations.</li> </ul>

*South African surface source operations are important generators of cash due to their good operating free cash flow margins and low risk of mining.*

Assets	Value realisation
<ul style="list-style-type: none"> <li>Kalgold</li> <li>Mine Waste Solutions</li> <li>Savuka</li> <li>Central Plant</li> <li>Rock dumps.</li> </ul>	<ul style="list-style-type: none"> <li>Mine Waste Solutions scaled our retreatment operations, adding 100 000 ounces to production each year</li> <li>Legacy streaming agreement with Franco-Nevada ends in FY25, and additional 25 000 ounces from Mine Waste Solutions will be available to sell at spot gold prices, increasing revenue by approximately R600 million each year</li> <li>Kareerand TSF extension will allow us to extend the LoM by over 14 years</li> <li>Feasibility studies are being conducted to determine if we can extract 5.7 million ounces in Mineral Resources from old Free State tailings dams.</li> </ul>

Our strategy remains responsive and adaptive to the risks we face, our complex operating environment and the material matters we impact, or that impact our business. To deliver on our strategy, we use the capitals available to us and have a duty to:

- Prioritise our employees' safety, health and wellbeing while cultivating talent and developing the skills required for the future
- Keep sustainability at the centre of all strategic decisions – delivering returns to our shareholders while effecting positive change and maintaining our stakeholders' trust
- Preserve and protect the environment to leave a cleaner, healthier planet for future generations

- Contribute to the socio-economic development of the countries in which we operate and uplift our host communities
- Adhere to sound corporate governance principles, enabling strong, experienced management teams and promoting a culture of shared value for all stakeholders.

Long-term value creation, combined with a deep understanding of our broader impact, forms part of our strategic decision making. We also understand our strategy must recognise and balance the inherent trade-offs. We therefore continuously review our approach to resource allocation to ensure it is effective, and ultimately leads to sustained value creation. Refer to page 26 for details of our trade-offs and resource allocation.

## Guided by our strategy *continued*

### Performance against our strategy

Intent	What we achieved against our intent	Future focus
 <p><b>Responsible stewardship</b> To be mindful of, manage and limit the impacts of our activities on our employees, host communities and the environment by:</p> <ul style="list-style-type: none"> <li>• Embedding a proactive safety and health culture</li> <li>• Decarbonising Harmony</li> <li>• Delivering on our social compact</li> <li>• Continue our responsible ESG practices.</li> </ul> <p> For more information on our ESG performance, refer to the relevant sections in the <a href="#">ESG report</a>.</p>	<p><b>Embedding a proactive safety and health culture</b></p> <ul style="list-style-type: none"> <li>• Moved to the final phase of Thibakotsi humanistic safety culture transformation programme, focusing on reinforcing sustainability and integration of Thibakotsi</li> <li>• Established the Harmony Gold Tripartite</li> <li>• Adopted a zero harm benchmark</li> <li>• Ongoing comprehensive safety initiatives and robust risk management framework, supported by our culture of learning and visible felt leadership, continue to yield results: <ul style="list-style-type: none"> <li>– LTIFR below 6.00 (FY22: below 6.00)</li> <li>– Celebrated 3.6 million loss-of-life-free shifts (LLFS) at South African surface operations</li> <li>– Significantly increased white flag (accident-free) days due to the safety risk management strategy</li> <li>– Reduced fall-of-ground loss of life incidents due to increasing risk monitoring with golden controls and addressing inadequate control performance</li> <li>– Maintained Hidden Valley's world-class safety record of 3.6 million LLFS.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Improving our safety performance by further embedding the Thibakotsi humanistic safety culture transformation programme to achieve the goal of zero loss of life.</li> </ul>
	<p><b>Decarbonising Harmony</b></p> <ul style="list-style-type: none"> <li>• Aligned our decarbonisation strategy, and near-term and longer-term carbon reduction targets with SBTi targets and continued on our journey to net zero</li> <li>• Commissioned Phase 1 (30MW) of the renewable energy programme this year, and funding for Phase 2 (137MW) was secured through a ring-fenced R1.5 billion green loan.</li> </ul>	<ul style="list-style-type: none"> <li>• Greener energy mix, focusing on renewables and journey to net zero carbon by 2045</li> <li>• Delivering an additional 137MW of renewable energy by FY25 with Phase 2 of our renewable energy programme.</li> </ul>
	<p><b>Delivering on our social compact</b></p> <ul style="list-style-type: none"> <li>• Included in the Bloomberg Gender-Equality Index 2023 for the fifth consecutive year, demonstrating our commitment to diversity, equity and inclusion</li> <li>• Submitted fourth-generation SLPs (1 January 2023 to 31 December 2027) to the DMRE; planned investments will focus on infrastructure development for meaningful social impact</li> <li>• Ongoing recruitment at Eva Copper to support all stages of the project</li> <li>• Framework MoU between Harmony and its joint venture partner and the Papua New Guinea government as we continue to progress permitting.</li> </ul>	<ul style="list-style-type: none"> <li>• Investing in our people for competent, capable workforce, ensuring inclusivity and promoting their wellbeing</li> <li>• Ensuring our communities are taken care of, benefiting by our presence where we operate</li> <li>• Ensuring we espouse our values of honesty through maintaining the highest level of corporate ethics, holding our employees, suppliers and contractors accountable to our code of ethics.</li> </ul>
	<p><b>Continue our responsible ESG practices</b></p> <ul style="list-style-type: none"> <li>• Performance-linked remuneration against meaningful KPIs</li> <li>• Linked debt facilities to sustainability KPIs</li> <li>• ESG-linked balanced scorecard</li> <li>• Achieved a CDP score of 'A' for water management</li> <li>• Improved Sustainalytics rating to 35.87 in FY23 (FY22: 37.6), demonstrating strong management of risk exposures</li> <li>• Achieved FTSE Russell ESG rating of 4.1 out of 5.0, a significant improvement placing Harmony in 95th percentile in the Industry Classification Benchmark Supersector.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue balanced reporting and where necessary enhance our disclosures to align with best practices</li> <li>• Looking at opportunities to further maximise our resource utilisation, eg further water treatment plants.</li> </ul>

Guided by our strategy *continued*

Intent	What we achieved against our intent	Future focus
 <p><b>Operational excellence</b> To prioritise safety, strict cost control and management of grades mined, together with disciplined mining, to improve productivity and efficiencies.</p> <p> Refer to <b>Operational performance</b> for more information.</p>	<ul style="list-style-type: none"> <li>Continued shifting our safety approach from reactive to proactive, with risk management transforming the way we operate</li> <li>Improved access to real-time data through modernisation and digitisation, ensuring that decision makers and employees can make proactive decisions to mitigate risks</li> <li>Ongoing, proactive engineering and mining practices ensured that operations were not significantly impacted by South Africa's energy shortages</li> <li>Met revised annual production guidance of between 1.40Moz and 1.50Moz</li> <li>R14.0 billion (US\$787 million) production profit</li> <li>R1 032 646/kg rand gold price received</li> <li>137.8Moz Mineral Resources</li> <li>39.3Moz Mineral Reserves.</li> </ul>	<ul style="list-style-type: none"> <li>Further embedding Harmony's integrated risk management across the business</li> <li>Reducing group all-in sustaining costs through quality ounces</li> <li>Improving conversions through higher-quality Reserves and Resources</li> <li>Investing in our high-grade assets and surface retreatment business</li> <li>Geographically diversifying into Africa and South-east Asia</li> <li>Developing our copper production</li> <li>Replacing ounces: Greenfield and brownfield expansion</li> <li>Continue business improvement initiatives focused on productivity: S300.</li> </ul>
 <p><b>Cash certainty</b> To achieve operational plans, supported by current hedging strategy, contributes to cash flow certainty.</p> <p> Refer to the <b>Financial director's report</b> for more information.</p>	<ul style="list-style-type: none"> <li>Increased debt by R2 490 million (US\$140.2 million) to acquire Eva Copper on 16 December 2022</li> <li>Optimised South African underground assets to generate positive operating free cash flow</li> <li>Mponeng delivered a 313.7% increase in operating free cash flow for FY23 from R517 million (US\$34.0 million) to R2.1 billion (US\$120 million), showing a return on investment in this asset.</li> </ul>	<ul style="list-style-type: none"> <li>Return on investment of the Mponeng and related assets realised during the current year, being our best performing asset</li> <li>Continue to find opportunities to lock in at higher prices when available as part of our derivative programme</li> <li>Higher returns due to development of high-margin low-cost surface assets.</li> </ul>
 <p><b>Effective capital allocation</b> To evaluate and prioritise organic growth opportunities and safe, value-accretive acquisitions to ensure positive stakeholder returns and increase margins.</p> <p> Refer to the <b>Financial director's report, Operational performance</b> and <b>Exploration and projects</b> for more information.</p>	<ul style="list-style-type: none"> <li>Operations grouped into four categories to ensure we direct major capital towards lower-risk and higher-margin assets and projects</li> <li>Investments in quality ounces, grade, LoM and future-facing metals include the Kareerand tailings storage facility (TSF) extension, Eva Copper Project acquisition and Zaaiplaats development</li> <li>Net debt to EBITDA increased from 0.1x to 0.2x at 30 June 2023 mainly as a result of increased debt taken on for the Eva Copper acquisition</li> <li>Maintaining a robust and flexible balance sheet with strong liquidity to allow international expansion.</li> <li>Final dividend of 75 SA cents (4.03 US cents) per share has been declared in line with our dividend policy.</li> </ul>	<ul style="list-style-type: none"> <li>Clear roadmap to drive margin expansion over the next few years</li> <li>Strong pipeline of organic projects to drive production profile and margin expansion</li> <li>Value-accretive mergers and acquisitions</li> <li>Strive to pay consistent dividends subject to our dividend policy and board approval</li> <li>Maintain a net debt to EBITDA ratio at less than 1x.</li> </ul>

 For information on the risks associated with each strategic pillar, refer to page 55.

# OUR BUSINESS MODEL

Designed to help us manage our capitals and deliver on our strategy, our business model enables us to reduce our negative impacts, sustain or create positive impacts, mitigate risks and leverage opportunities. This ensures we can meaningfully engage with our stakeholders to further entrench sustainability and value creation in our business.

## Inputs

### Human capital

Workforce skills, knowledge, know-how and experience

- Continued embedding our proactive safety culture (Thibakotsi journey) overseen by leadership and guided by our roadmap
- Permanent and contract employees: 45 546 (FY22: 47 345)
- Wages and salaries spend: R17.5 billion (US\$1 billion) (FY22: R17.0 billion (US\$1 billion))
- Skills development and training investment: R817 million (US\$46.0 million) (FY22: R661 million (US\$43.0 million))
- Transformation to create a more diverse and representative workforce, focused on recruiting from local communities:
  - South Africa: 83.0%
  - Papua New Guinea: 97.5%.

### Financial capital

Includes funds from investors, financing or internally generated

- Total equity: R34.9 billion (US\$2 billion) (FY22: R30.1 billion (US\$2 billion))
- Cash generated by operating activities: R9.9 billion (US\$560 million) (FY22: R6.9 billion (US\$456 million))
- Net debt: R2.8 billion (US\$150 million) (FY22: R757 million (US\$47.0 million)), including sustainability-linked facilities
- Production costs: R34.9 billion (US\$2 billion) (FY22: R33.1 billion (US\$2 billion)).

### Manufactured capital

Physical infrastructure or technology we use

- Operational and associated infrastructure, equipment and technology
- Maintaining and monitoring ageing infrastructure through modernisation and digitisation
- South Africa:
  - Underground optimised assets: seven
  - Surface high-margin assets: four, as well as waste rock dumps
  - Underground high-grade assets: two
- International:
  - Papua New Guinea: one
- Solar PV plants: Five completed with R1.7 billion committed for phase 2
- Capital expenditure: R7.6 billion (US\$428 million) (FY22: R6.2 billion (US\$407 million))
- Exploration spend: R506 million (US\$28 million) (FY22: R214 million (US\$14 million)).

### Intellectual capital

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

- Intellectual capital intangibles associated with our brand and reputation, organisational systems and related procedures
- Organisational expertise as global leader in deep-level gold mining and surface reclamation
- Governance and corporate responsibilities
- Mining rights and leases for each operation
- Modernisation and business improvement programme, including information services and digital transformation
- Unique systems and processes, including our electronic health management system.

### Natural capital

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

- Mineral Reserves: 39.34Moz gold and gold equivalents (FY22: 39.80Moz)
- Land under management: 88 157ha (FY22: 92 255ha)
- Ore milled: 52.14Mt (FY22: 53.80Mt)
- Resources consumed:
  - Water for primary activities: 29 349 686m<sup>3</sup> (FY22: 33 417 000m<sup>3</sup>)
  - Electricity: 4 111 000MWh (FY22: 4 254 000MWh)
- Projects in Papua New Guinea and Australia.

### Social and relationship capital

Relationships with all stakeholders

- Effective stakeholder engagement
- Values and code of ethics guiding engagement
- CSI project investment: R27 million (US\$1.5 million) (FY22: R18 million (US\$1.2 million))
- Mine community development investment:
  - South Africa: R164 million (US\$9 million) (FY22: R122 million (US\$8 million))
  - Papua New Guinea: R9 million (US\$0.5 million) (FY22: R7 million (US\$0.5 million))
- Preferential/local procurement spend:
  - South Africa (discretionary): R14.0 billion (US\$788 million) (FY22: R11.2 billion (US\$736 million))
  - Papua New Guinea: R2.1 billion (US\$117 million) (FY22: R2.3 billion (US\$153 million))
  - Taxes and royalties paid: R1 062 million (US\$60 million) (FY22: R578 million (US\$38 million)).

## How our business converts value

### Delivering on our strategy

To produce safe, profitable ounces and improve margins through responsible stewardship and value-accretive acquisitions. We have split our operations into four business areas to ensure sustained value creation.

### Through our business activities

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.

### Harmony's diversified portfolio creates value through:



Exploration and acquisitions



Mining and processing



Sales and financial management



Stewardship and responsible mine closure



page 8, [About Harmony](#)

### Using our competitive advantage

We are a world leader in surface and deep-level mature asset mining, with a growing copper footprint. 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.

### Maintaining our social licence to operate

We prioritise stakeholder engagement and create shared value, leaving a lasting positive legacy and going beyond compliance.

### Our future commitment

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

### Factors impacting our value creation

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.

Outputs

Our primary product is the gold we produce and sell to the market.

Our services include processing and sales.

**Gold produced**  
**1.47Moz**  
(FY22: 1.49Moz)

Our activities result in by-products and waste, linked to our production volumes, that we aim to reduce and mitigate:

**Total CO<sub>2</sub> emissions**  
**5 455 621t**  
(FY22: 5 813 436t)

**Total tonnes milled**  
**52.14Mt**  
(FY22: 53.80Mt)

**Hazardous waste to landfill**  
**1 501t**  
(FY22: 803t)

Outcomes



Human capital

- ❌ Tragically, six lives lost at our South African operations (FY22: 13)
- ✅ LTIFR improved to 5.49 (FY22: 5.65) per million hours worked
- ➡️ Another year of no strikes indicates a strong and mature relationship with unions
- ➡️ Three-year wage agreements are valid until 30 June 2024
- ✅ Employees trained: 42 744 (94% of the workforce) (FY22: 43 337; 92%)
- ❌ Tertiary bursaries: 108 (FY22: 126)
- ✅ Transformed workforce in South Africa, with 68.0% of management from designated groups in South Africa (FY22: 56.0%) and 6 789 female employees (FY22: 6 668).



Financial capital

- ✅ Revenue generated: R49.3 billion (US\$3 billion) (FY22: R42.6 billion (US\$3 billion))
- ✅ Headline earnings: R4.9 billion (US\$277 million) (FY22: R3.1 billion (US\$199 million))
- ✅ Share price: up by 52.5%, increasing market capitalisation to R49.0 billion (US\$3 billion)
- ✅ Production profit: R14.0 billion (US\$787 million) (FY22: R9.5 billion (US\$628 million))
- ✅ Eva Copper acquisition contributes to our growing copper footprint and diversifying our portfolio.



Manufactured capital

- ✅ Upgraded operational infrastructure (distribution, access and Wi-Fi networks)
- ✅ Zaaiplaats and Kareerand extension projects underway
- ✅ Target 1 optimisation project underway
- ➡️ Phase 2 (137MW) solar PV plant to be constructed in FY24
- ✅ Largest tailing reclamation company in the world, contributing to our circular economy through low-cost, high-margin assets.



Intellectual capital

- ✅ Wafi-Golpu project permitting in progress and the Framework MoU signed
- ➡️ Continued Harmony's digital transformation journey to become a change enabler, and embedded the information services operating model across the business
- ➡️ Continued on our Thibakotsi journey to zero harm and the elimination of loss of life incidents seen in our improved safety performance.



Natural capital

- ✅ Rehabilitation and environmental stewardship: spent R462 million (US\$26 million) on rehabilitating 72.17ha (FY22: R328 million (US\$22 million)\*; 31.8ha)
- ✅ 30MW solar energy farm, delivering green electrons to our shafts and reducing dependency on and use of fossil fuel generated electricity
- ✅ Reduction of 295GWh electricity at an investment of R394 million with cumulative savings of R1.7 billion and 1.8Mt of CO<sub>2</sub> (FY22: 1.3TWh electricity; R181 million; R1.3 billion; 1.5Mt of CO<sub>2</sub>).

\* Restated as discounted data was provided in the 2022 ESG report



Social and relationship capital

- ✅ Tripartite stakeholder engagement approach adopted and Harmony Gold Tripartite established
- ➡️ Maintained our social licence to operate
- ✅ Over 58 000 people benefited from our CSI projects, including women and youth
- ✅ Total economic value distributed: R37.6 billion (US\$2.1 billion) (FY22: R34.8 billion (US\$2.2 billion))
- ✅ Job creation, training, skills development and economic empowerment in our host communities
- ✅ 63 women and youth-owned companies were approved to participate in our entrepreneur incubation programme.

➡️ Unchanged    ✅ Positive increase    ❌ Positive decrease    ❌ Negative increase    ❌ Negative decrease

SDG key deliverables



- Investing in our people and their families, communities, businesses and municipalities
- Contributing to our people's safety and health
- Respecting and creating diversity, inclusion, empowerment and equality
- Investing in training, education, skills and development
- Building partnerships and relationships in the organisation.



- Contributing to our host countries' GDP
- Support local economic development
- Creating value for our shareholders
- Building longevity for our operations.



- Convert liabilities into assets
- Optimum land use
- Integrate renewable and water treatment into local infrastructure
- Invest in infrastructure through local economic development.



- Pollution prevention
- Efficient resource consumption
- Environmental footprint reduction
- Reduce dependency on natural resources
- Collaborate with peers, suppliers and communities.



- Create alternative economies
- Sustainable livelihoods
- Healthy relationships and partnerships with communities
- Support upliftment and wellbeing.

**Our business model *continued***

**Our trade-off considerations and disciplined capital/resource allocation**

Our business strategy aims to efficiently convert our natural capital into value across the other five capitals. Creating and optimising that value inevitably requires resource allocation and trade-offs in how and when resources are allocated. The result is an overall creation, transformation or erosion of value across the various capitals.

Achieving zero harm	Derisking our business and bolstering our position as a gold-copper specialist with a growing international footprint	Decarbonising Harmony while continuing to create shared value for all our stakeholders	Purposefully allocating capital to organic growth and value-accretive acquisitions while considering sustainability
<p>Mining is an inherently dangerous industry. However, safety is our top priority and we believe zero harm is possible. We understand that any loss of life is an unacceptable trade-off, which is why we need to increase our efforts to achieve our goal of zero harm.</p> <p>To do this proactively, we have embarked on a journey of safety and digital transformation that includes updating infrastructure, installing new systems and implementing processes that offer data-driven insights through lead indicators. We are also changing behaviour in a complex and high-risk mining environment through an integrated approach to shared responsibility, ensuring our people return home safely every day.</p> <p> <a href="#">ESG report, Safety</a></p>	<p>A global profile split between gold and copper, underground and surface mining, and our world-class projects will continue to derisk the portfolio, improve margins and drive an increase in profitability.</p> <p>As part of this process, we made the decision to acquire Eva Copper. While this offers diversification, it requires capital allocation that includes financial, human, social and relationship, and intellectual capital.</p> <p> <a href="#">Our business, Our operations</a></p>	<p>Guided by our decarbonisation journey, our transition pathway includes energy efficiency, portfolio re-engineering, improving our electricity mix, and adapting and decarbonising our transportation and value chain.</p> <p>While this requires significant investments in the short term, we believe that the longer-term goals remain paramount.</p> <p> <a href="#">ESG report, Climate change, energy and emissions management</a></p>	<p>Harmony is allocating significant capital towards quality ounces as we continue transitioning to a higher-margin, lower-risk gold producer with a meaningful copper footprint.</p> <p>This capital allocation process also balances sustainability and how we improve our ESG credentials.</p> <p> <a href="#">Our business, Our operations</a></p>
Resources allocated			
			
Outcomes and net impact on the capitals			
<ul style="list-style-type: none"> <li> Despite our continued efforts, six lives were lost – an unacceptable outcome for us.</li> <li> Shifted from a reactive to proactive safety culture through our humanistic Thibakotsi programme</li> <li> 2 155 281 hours of human capital invested in safety, skills development and training.</li> <li> Adopted safety and zero harm industry benchmarks</li> <li> Continued to improve access to real-time data through modernisation and digitisation strategy, enabling proactive decision making to mitigate risks</li> <li> Ensured fewer unplanned stoppages by maintaining infrastructure.</li> <li> R817 million (US\$46.0 million) invested in training and development</li> <li> R1.8 billion (US\$101.4 million) invested in mining infrastructure maintenance.</li> </ul>	<ul style="list-style-type: none"> <li> Acquisition of Eva Copper and the associated underlying natural resources.</li> <li> R2 996 million (US\$170.0 million) spent on Eva Copper acquisition.</li> <li> Started the recruitment process for each stage of the Eva Copper Project.</li> <li> Started the review of the feasibility study for Eva Copper.</li> <li> Engagements with key stakeholders around the Eva Copper Project acquisition, project planning and execution to ensure stakeholders are on board and aligned.</li> </ul>	<ul style="list-style-type: none"> <li> Commissioned the first phase of our solar power programme supplying 30MW of solar power.</li> <li> R10 million (US\$0.6 million) spent on our solar PV investments.</li> <li> Aligned net zero emissions targets with SBTi</li> <li> Sustainability-linked and green loans aligned to three environmental KPIs that are available until May 2026 and November 2028 respectively.</li> <li> Implemented more than 240 energy-saving initiatives, yielding a cumulative cost-saving of R1.7 billion (US\$114.0 million) since 2016.</li> <li> Improved credibility with stakeholders by starting to deliver on decarbonisation goals.</li> </ul>	<ul style="list-style-type: none"> <li> R2.1 billion (US\$118 million) invested in organic growth projects</li> <li> 108.0% increase in group operating free cash flow to R6 031 million (US\$339.0 million) from R2 905 million (US\$191.0 million)</li> <li> Final dividend of 75 SA cents (4.03 US cents) per share declared.</li> <li> Taking our key projects up the value curve</li> <li> Invested in organic growth with Zaaiplaats and Kareerand extension projects, and Target 1 optimisation project underway.</li> <li> Split our operations into four business areas, creating Harmony's equity story in four parts (page 21).</li> </ul>
Strategic pillars			
			

+ Value created - Value eroded = Value preserved

**Capitals:**  Human capital  Financial capital  Manufactured capital  Intellectual capital  Natural capital  Social and relationship capital

**Strategic pillars:**  Responsible stewardship  Operational excellence  Cash certainty  Effective capital allocation

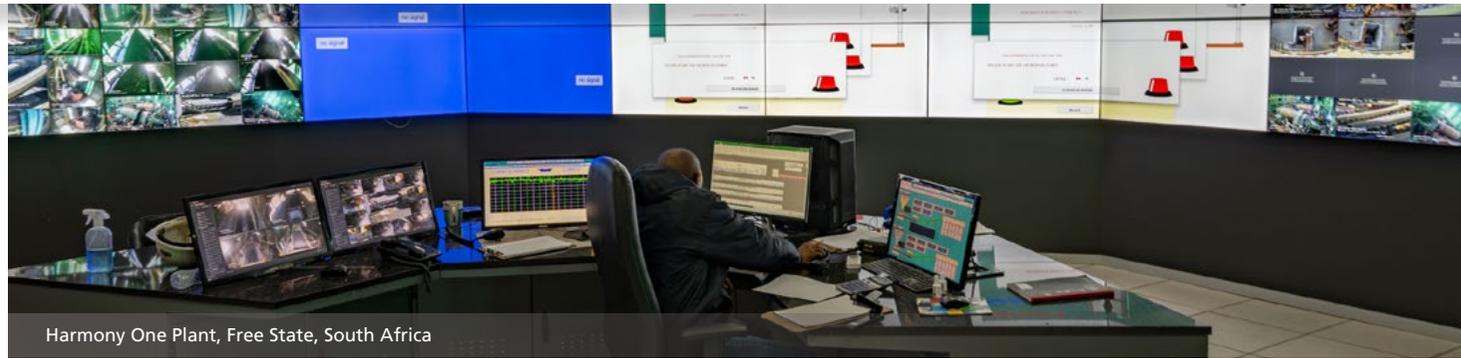
# MODERNISING MINING

For Harmony, modernisation means transforming our business through industry-leading innovation, technology and digitalisation – all of which are critical for business resilience, better informed decision making and proactive, data-driven risk management. In collaboration with our employees and other key stakeholders, we also play our part in transitioning and transforming the mining industry and ensuring our people are equipped for the future of mining.

Modernisation is driven by, among other factors, increasing mining depths, ageing mines and the need to adapt and respond to mining associated risks such as safety, health and environmental impacts. Harmony recognises the need for our operations to evolve and modernise so that we are better equipped to respond to these risks and impacts, and leverage the opportunities presented by digital transformation and improved technological capabilities.

Our modernisation work involves using technology and innovation to improve our operations, deliver on our strategy and be an industry leader. At Harmony, modernisation is strongly supported by our digitalisation journey, which is driven by our information services department. Together, modernisation and digitalisation drive business improvement and help embed a safety culture, supporting Harmony to sustain performance and build our intellectual and manufactured capital.

Over the years, we have collaborated with several external partners and built internal systems to modernise and digitally transform our operations. Together with the Harmony risk management team, the information services department has been driving our digital transformation strategy since its establishment in 2021. We also established a business improvement programme team, which has significantly progressed in driving and developing projects that will improve Harmony's efficiency and positively contribute to our growth.



Our industry-leading digital platform, developed in 2019, contributes to modernisation by transforming the way we mine through digitising our safety, health and risk approach, improving the flow of information and the pace at which it is made available to relevant stakeholders. This bespoke solution enables proactive decision making by ensuring critical information is provided in real time.

HARMONY'S DIGITAL PLATFORM				
<b>Process</b>	<b>Optimal character recognition</b>	<b>Integrated action manager</b>	<b>Work note (daily reports to teams)</b>	<b>Performance measurement reporting</b>
<b>Benefits</b>	Enables improved information flow through automated data capturing during planning and inspections	Enables automated tracking of identified actions and efficient action allocation	Enables automated critical control identification and management	Detailed data points allow proactive analysis of performance against leading indicators
<b>Overall positive impact</b>	By tapping into crucial data and automating control management, our digital platform helps us achieve our production targets and keep our people safe.			

Modernisation directly supports two of Harmony's strategic pillars:



### Responsible stewardship

Modernisation supports our efforts to manage and limit the impacts of our activities on our employees, host communities and the environment. Innovation and technology play a big role in supporting our safety culture: we can tap into available data to make decisions that keep our people safe. Similarly, we are exploring ways to use technology to reduce our environmental impact and better communicate with our host communities.



### Operational excellence

Modernisation supports operational excellence by ensuring safe, consistent, predictable and profitable production. It also helps 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.

Other notable modernisation initiatives include:

- Convergence of operational technology with IT environments with a specific focus on cybersecurity (the focus will be on licensing, rationalisation, and cost optimisation)
- Finalise the Ore Reserve management digitisation programme
- Connect the unconnected, by furthering our digitisation initiatives including the automation of manual processes and reducing paper utilisation.

## Modernising mining *continued*

### Our digitalisation journey: a decade of transformation and growth

#### 2016 to 2018: Shift from information technology to information services

Our digitalisation journey started with a strategic shift from information technology (IT) – which is centred on the nuts and bolts details of hardware, software and network components – to information services (IS) – which works as the bridge between technology and people.

Our IS department became a strategic partner to Harmony to provide a controlled yet flexible environment of systems and technologies, kickstarting the journey to provide real-time data for business to enable informed decision making. We also worked to augment and expand Harmony's IS footprint and embed good IS governance.

#### 2019 to 2020: Establish, enable and expand

The next phase in our journey saw Harmony establishing key IS business capabilities, enabled by strategic recruitment. Now well established, the IS department worked to provide crucial solutions, most notably our industry-leading digital platform to decrease safety incidents through proactive decision making.

In 2019, the IS department was appointed custodian of the central point reclamation initiative, enabling a sustainable model that has led to substantial savings in reclamation costs.

In 2020, the Covid-19 pandemic necessitated a significant change in the world of work. Harmony leveraged our IS progress up to that point to enable remote working and an efficient hybrid working model to accommodate the various levels of lockdown.

#### 2021 to 2022: Define and realign

We partnered with EY to redefine our IS operating model based on interviews with the executives and key stakeholders. We established our strategy and the enterprise architecture office, digitised key business processes and expanded and realigned the information services leadership structure.

We then focused on bringing together and rolling out the elements of the redefined IS operating model in line with our digital transformation strategy.

2016	2017	2018	2019	2020	2021	2022
Highlights			Highlights		Highlights	
<p><b>2016</b></p> <ul style="list-style-type: none"> <li>Reprioritised IT budget and structures to align with organisational vision</li> <li>Built and deployed the missing person locator system.</li> </ul>	<p><b>2017</b></p> <ul style="list-style-type: none"> <li>Completed IS department roadmap</li> <li>Redefined a comprehensive risk and control matrix Sarbanes-Oxley Act (SOX) compliance</li> <li>Addressed skills and capabilities through insourcing and outsourcing models.</li> </ul>	<p><b>2018</b></p> <ul style="list-style-type: none"> <li>Established our mining digitalisation programme</li> <li>Spearheaded the Moab Khotsoeng acquisition</li> <li>Formed a change management and business modelling capability.</li> </ul>	<p><b>2019</b></p> <ul style="list-style-type: none"> <li>Recruited several key business subject matter experts</li> <li>Partnered to deliver risk modernisation, an integrated digital platform, people tracking and centralised blasting.</li> </ul>	<p><b>2020</b></p> <ul style="list-style-type: none"> <li>Established efficient hybrid work model and Covid-19 screening methods</li> <li>Established the transformational project management office.</li> </ul>	<p><b>2021</b></p> <ul style="list-style-type: none"> <li>Established a business improvement programme</li> <li>Established a digital transformation strategy and delivered several projects</li> <li>Ensured SOX compliance is aligned with the bigger organisation and allied with new Head of SOX</li> <li>Increased our focus on cybersecurity.</li> </ul>	<p><b>2022</b></p> <ul style="list-style-type: none"> <li>Furthered our systems integration, enterprise data management and operational reporting capabilities</li> <li>Investigated robotics process automation</li> <li>Automated SOX compliance and enterprise risk management</li> <li>Established a business continuity management capability</li> <li>Initiated the opportunity to converge IT with operational technology</li> <li>Enhanced workplace visibility.</li> </ul>

Modernising mining *continued*

**2023: Entrench and embed**

This year saw our IS department entrenching information partnership and becoming the information broker, supported by the foundational work we have done since 2016. We worked to embed our redefined IS operating model across the group.

**Looking ahead: Become a business**

The next two years will bring us full circle to review, revisit and refresh digital transformation strategy once again. This period will ensure that Harmony's digital transformation has reached a period of stabilisation and matured in its partnership with business.

2023 Highlights	2024 Highlights	2025 Highlights
<p><b>2023</b></p> <ul style="list-style-type: none"> <li>Consolidated bonus solution</li> <li>Closed digital maturity assessment gaps</li> <li>Optimising operational logistics</li> <li>Furthered equipment monitoring and tracking</li> <li>Worked to connect the unconnected</li> <li>Supported the business improvement programme team to deliver operational excellence through S300.</li> </ul>	<p><b>Our future focus areas:</b></p> <ul style="list-style-type: none"> <li>Internet of Things and machine learning</li> <li>Automation of valves and controls</li> <li>Advanced analytics and simulation modelling</li> <li>Business process optimisation</li> <li>Robotics and artificial intelligence</li> <li>Wire-the-mine</li> <li>Centre of Excellence becoming an insight-driven organisation.</li> </ul>	

# CASE STUDY

## HARNESSING NEW EMULSIONS TECHNOLOGY TO IMPROVE SHAFT CALL FACTOR



*Between the underground blasting of ore, its transport and eventual processing, ore losses often occur, which ultimately lead to loss of gold. Shaft call factor is the ratio between the gold hoisted to surface and the gold called for, and it is one of the key indicators Harmony uses to measure our gold mining efficiency. Driven by our modernisation journey, we are leveraging new technologies to improve our shaft call factor and increase operational efficiency.*

Since 2017, Harmony's business improvement programme team has been developing a project to introduce a suite of underground emulsion technologies to improve shaft call factor at our operations. As part of this project, we also re-evaluated how we blast ore underground and how our blasting processes could be more efficient to increase value to the business.

To determine the optimal solution tailored to the unique conditions of each operation, we underwent a thorough evaluation process. In June 2023, to validate and refine our selected approach, we launched a pilot training programme at Moab Khotsong. This pilot phase provided us with invaluable insights and confirmed the viability of our chosen methodology. Upon confirming the readiness of Masimong, Tshepong North and South, we are now ready to expand the project to these operations. Our objective is to ensure that by the end of calendar 2023, all operations will have completed the necessary training and be fully equipped to implement our underground emulsion technology.

The successful rollout of this innovative project is not only a highlight in terms of safety, cost, gold loss, face time and fatigue, but also positively affects the way we drill, charge up, blast, clean and recover gold material in our operations. By ensuring our modernisation projects continue to align with Harmony's vision, values and strategic objectives, we are creating a sustainable future for the business and its stakeholders through innovation.

# STAKEHOLDER **ENGAGEMENT**

## Why stakeholder engagement matters

We engage with our stakeholders – principally employees, host communities, governments, traditional authorities and suppliers – as part of our strategic pillar of responsible stewardship in support of our social purpose. This is particularly important as the geographically fixed nature of mineral deposits can pose unique socio-economic, environmental and political challenges. Structured proactive stakeholder engagements allow us to better understand our stakeholders’ aspirations, concerns, needs and expectations, building trust, creating shared value, and fostering sustainable partnerships.

We have established stakeholder forums to engage in dialogue with our various stakeholders. By being honest and transparent and delivering on commitments, we build credibility. We work closely with our host governments through various structures to ensure that we are identifying opportunities to support our communities that align with broader development goals. Through ethical and responsible mining, we aim to drive ethical business practices, meet or exceed regulatory requirements and continue effectively partnering with key stakeholders.

## Our approach

**Our proactive stakeholder engagement approach aims to build and maintain trust through sustainable relationships and partnerships with our stakeholders, and manage potential risks and opportunities to enhance our social purpose.**

Our stakeholder engagement framework affirms our commitment to responsible stewardship as a strategic pillar. When engaging, we are guided by our values and strategic intent to:

- Develop and maintain relationships founded on integrity, transparency and trust
- Co-create with government and communities through collaborative partnerships
- Balance and align our goals and stakeholder expectations
- Establish accountability
- Manage stakeholders’ concerns, complaints and grievances
- Support shared value creation and awareness of broader economic and ESG issues.

We have tailored and adopted a tripartite engagement approach that enables us to stay connected and attuned to and have broad-based engagements with all stakeholders including government, landowners and communities, who form part of our key stakeholder groupings. This tripartite approach applies a three-tiered stakeholders engagement model:

- Tier 1 – includes engagements with the host government that focus on licensing and regulatory matters, and include alignment with and contribution to the national/state, provincial and local government developmental agenda to ensure that our social performance contributes to government’s imperatives
- Tier 2 – constitutes engagements with landowners and traditional authorities mainly focused on socio-economic development of the host areas
- Tier 3 – includes broad-based engagements with all other stakeholders affected by our mining and production activities, including NGOs and pressure groups, to discuss and manage expectations and concerns. These engagements are facilitated through established structures and forums.

The model is steered by a cross-functional stakeholder relations committee that provides oversight and guidance on key stakeholder relations matters.

The Harmony stakeholder map and engagement approach is summarised with a diagram below.

## Levels of engagement and quality of relationship



**Stakeholder engagement *continued***

**Managing stakeholder relationships**

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 enhances our social purpose and creates shared value for all our stakeholders.

A stakeholder management strategy in place guides a proactive and collaborative approach in managing internal and external stakeholders, including a process of managing stakeholders concerns, complaints, and grievances.

**Governance**

Our stakeholder engagement processes are informed by relevant legislation and industry standards on Stakeholder Engagement. They also consider King IV and related recommendations on inclusive stakeholder engagement and the importance of addressing legitimate stakeholder concerns.

The social and ethics committee is responsible for governance and oversight of stakeholder relations with the board having ultimate accountability.

**Our key stakeholders**

Harmony has a broad stakeholder network. For the purpose of this report, we identify the most material stakeholders – those with whom we engage more frequently – based on their role in:

- Delivering our strategic goals
- Contributing to our social performance
- Addressing risks, for example, highlighting issues that could lead to significant project or business risk

Including stakeholders whose lives our business impacts either positively or negatively and with whom we have mutual dependency.

Details of engagements with each key stakeholder are presented on the following pages.

**Distributing economic value created in FY23**

		%	R billion	US\$ million
FY23 total economic value distributed* to our stakeholders		R37.6 billion (US\$2.1 billion) (FY22: R34.8 billion (US\$2.2 billion))		
	<b>Dividends</b>	0.5%	0.2	9
	<b>Sustaining the business</b>	21.5%	8.1	459
	<b>Employees and unions</b>	46.5%	17.5	986
	<b>Communities, traditional leaders and NGOs</b>	0.8%	0.3	14
	<b>Governments and regulators</b>	2.9%	1.1	63
	<b>Suppliers</b>	27.8%	10.4	585
		100%	37.6	2 116

\* Includes financial and economic value distributed to our employee, investor, supplier, community and government stakeholders.



Mponeng, Gauteng, South Africa

## Stakeholder engagement *continued*

### Investors and financiers

Includes capital providers, current and future shareholders and, indirectly, investment analysts and financial media.

Capitals impacted



### Why we engage

- Maintain the confidence of existing investors and financiers, and attract investments in our business
- Continue to deliver shareholder returns, generating positive earnings and share price growth
- Manage expectation of financial, operational and ESG performance
- Communicate our progress on delivering on strategic objectives including ESG commitments.

### 2023 engagement topics

- Safety performance
- Improved ESG disclosure
- Power security in South Africa and renewable energy strategy
- Capital allocation – projects, specifically Eva Copper and Wafi-Golpu, and dividend expectations
- Delivering on commitments to diversify Harmony's geographic presence and commodity mix, and integrating new acquisitions
- Meeting production targets and controlling operational costs in the face of inflation pressure and the impact of greater ESG expectations
- Exchange rate volatility impact on margins and cash generation.

### How we create value

- Embedding ESG in the business – responsible stewardship underpins mining with purpose
- Strengthening delivery on sustainable KPIs and the UN SDGs that apply to our business
- Generating positive margins and cash flow
- Maintaining balance sheet flexibility
- Delivering on production guidance
- Investing in organic growth
- Unlocking value from synergies after integrating acquired assets.

### Related material matters

- Ensuring employee safety
- Stakeholder engagement and partnerships for sustainable communities
- Navigating commodity price and currency/forex fluctuations
- Managing capital access and allocation for profitability
- Re-engineering our portfolio and growing our profitable ounces (diversifying from a depleting Ore Reserve base)
- Pursuing technology and innovation for environmental, operational and safety improvements
- Ensuring legal, regulatory and compliance excellence.

### Overall economic value created

Dividends paid to shareholders: R154 million (US\$9.0 million) (FY22: R430 million (US\$28.0 million))

Future value creation and stay-in-business (total capital and exploration expenditure): R8.1 billion (US\$459 million) (FY22: R6.4 billion (US\$423 million))\*

#### South Africa

R6.0 billion (US\$338 million) (FY22: R5.1 billion (US\$333 million))

#### Papua New Guinea

R2.1 billion (US\$120 million) (FY22: R1.4 billion (US\$90 million))

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

## Stakeholder engagement *continued*

### Employees and unions

Provide human capital, including skills and experience.

Capitals impacted



### Why we engage

- To gain an understanding of employees' needs and concerns
- Maintain stable, constructive and peaceful labour relations
- By reporting on our performance against our strategic objectives, commitments and targets, we are held to account in line with our core values.

### 2023 engagement topics

- Safety at Harmony and across the mining industry – eliminating injuries and preventing loss of life
- Health and mental wellbeing, including treatment
- Transformation and employment opportunities
  - Wage agreements (including shift systems) and union disputes
  - Training, upskilling and diversifying our workforce
  - Protecting human rights.

### Related material matters

- Ensuring employee safety
- Protecting employee health and mental wellbeing
- Maintaining sound labour relations
- Driving equity, inclusion and diversity
- Attracting and retaining an engaged workforce with the right skills and experience
- Stakeholder engagement and partnering for sustainable communities
- Fair and responsible remuneration
- Upholding human rights and driving responsible procurement
- Ensuring legal, regulatory and compliance excellence
- Transparent and ethical business (anti-bribery and anti-corruption).

### How we create value

- Ensuring a positive, safe working environment
- Empowering employees by investing in training and development
- Employing people from host communities
- Promoting transformation and female representation
- Attracting and retaining the skills and expertise required
- Motivating and rewarding employees for value-added performance
- Promoting harmonious, cooperative relations with employees and unions. No active wage negotiations took place as our current wage agreement covers 1 July 2021 to 30 June 2024
- Making impactful social and environmental contributions that our workforce can be proud of.

### Overall economic value created

Wages and salaries paid: R17.5 billion (US\$1.0 billion) to 45 546 employees (FY22: R17.0 billion (US\$1.1 billion) and 47 345 employees)

Skills development and training investment: R817 million (US\$46.0 million) (FY22: R665 million (US\$43.7 million))

#### South Africa

R16.6 billion (US\$932 million) (FY22: R16.1 billion (US\$1.1 billion))

#### Papua New Guinea

R958 million (US\$53.9 million) (FY22: R829 million (US\$54.5 million))

## Stakeholder engagement *continued*

### Communities, traditional authorities and NGOs

An aspect of social and relationship capital that represents responsible corporate citizenship and impacts our social licence to operate.

Capitals impacted



### Why we engage

- Establish and maintain collaborative partnerships with host communities for shared value
- Identify, understand and manage our impacts and community expectations
- Proactively identify and address stakeholder concerns, complaints and grievances
- Keep host communities informed of the company's activities and performance, including progress on commitments made to our stakeholders
- Seek input and support for future projects and initiatives
- Co-create solutions to generate lasting socio-economic development and growth in host communities
- Build capacity of NGOs to address social needs that are not catered for in government services
- Build an understanding of the risks associated with mining and the efforts to promote public health and wellbeing.

### 2023 engagement topics

#### South Africa

- Procurement opportunities and incubation and development of SMMEs
- Perceived increased unemployment as a result of mine closures
- The impact of illegal mining.

#### Papua New Guinea

- Delayed permitting of the Wafi-Golpu Joint Venture project, translating into delayed benefits of the project to the host communities.

#### Australia

- Employers competing with the mining sector for employees.

### How we create value

- Investing in local economic development and corporate social investment initiatives
- Maintaining constructive relationships with communities
- Understanding, managing and addressing stakeholder expectations and concerns
- Contributing to socio-economic upliftment
- Promoting self-sustaining activities to create jobs and alleviate poverty
- Embracing safe and sustainable mining to make a positive socio-economic contribution.

### Related material matters

- Stakeholder engagement and patterning for sustainable communities
- Supply chain transformation and preferential procurement
- Circular economy
- Upholding human rights and responsible procurement
- Ensuring legal, regulatory and compliance excellence.

### Overall economic value created

Investments in CSI and socio-economic development initiatives: R254 million (US\$14.3 million)  
(FY22: R193 million (US\$13.0 million))

#### South Africa

R179 million (US\$10.1 million) (FY22: R138 million (US\$9.1 million))

#### Papua New Guinea

R75 million (US\$4.2 million) (FY22: R55 million (US\$3.6 million))

## Stakeholder engagement *continued*

### Governments and regulators

Enact legislation and related regulations that Harmony must comply with to earn or retain its regulatory licence to operate, aligning and managing interests, needs and expectations.

Capitals impacted



### Why we engage

- Maintain government stakeholders' confidence in Harmony and positive relations at all government levels to promote a conducive environment for investing in Harmony's long-term growth
- Meet or exceed regulatory requirements and ensure compliance reporting on operations/projects performance
- Understand, develop and implement plans to address issues and manage risks
- Understand and provide feedback on proposed regulatory changes and their potential impact on the Support governments by contributing to national revenue
- Collaborate with government on strategic initiatives
- Align our socio-economic interventions to contribute to the implementation of national, provincial and local growth and development plans
- Policy reform.

### 2023 engagement topics

- Safety performance
- Greater focus on ESG funds' disclosures following the increase in greenwashing and other ESG-related issues
- Stable and investor friendly regulatory environment
- Crime, illegal mining, corruption, and grey listing
- Relevant regulatory changes
- Job creation
- Energy security and privatisation
- Economic development through procurement.

#### South Africa

- Delays in prospecting rights for Kalgold.

#### Papua New Guinea

- Permitting of the Wafi-Golpu Project
- Undertake scheduled review of all parties, performance against commitments in the Hidden Valley MoA.

#### Australia

- Contribute to critical (new economy) minerals development while supporting Queensland's decarbonisation goals
- Maximise local economic benefits
- Project operates to high standards of ESG.

Refer to the [Social](#) chapter in the [ESG report](#)

### Related material matters

- Stakeholder engagement and partnering for sustainable communities
- Supply chain transformation and preferential procurement
- Ensuring legal, regulatory and compliance excellence.

### How we create value

- Contributing to national income by paying taxes and royalties on profits and earnings
- Maintaining constructive relationships with governments and regulators
- Maintaining our mining and related permits and licences in good standing.

### Overall economic value created

Taxes and royalties paid: R1.0 billion (US\$56.6 million)  
(FY22: R669 million (US\$44.0 million))

Personal income tax on employee salaries and wages paid:  
R3.3 billion (US\$184.5 million) (FY22: R3.2 billion (US\$210 million))

#### South Africa

R1.0 billion (US\$57 million) (FY22: R578 million (US\$38.0 million))

#### Papua New Guinea

R128 million (US\$7.2 million) (FY22: R91 million (US\$6.0 million))

## Stakeholder engagement *continued*

### Suppliers

Provide raw materials, inputs and services essential to our business.

Capitals impacted



### Why we engage

- Manage costs and align with our key policies to support delivery of our strategic objectives and long-term viability
- In South Africa, this engagement is essential in meeting procurement targets for our mining rights
- In Papua New Guinea, engagement is essential to meeting our commitments under mining-related agreements
- In Australia, engagement is essential to fulfilling legislative requirements for an Australian Industry Participation Plan and addressing stakeholders' expectations to maximise local benefits.

### 2023 engagement topics

- Ensuring products and services are locally sourced following Mining Charter III verification requirements
- Preferential procurement
- Unethical conduct, bribery and corruption
- Carbon emissions footprint and scope 3.

### Related material matters

- Stakeholder engagement and partnering for sustainable communities
- Driving equity, diversity and inclusion
- Supply chain transformation and preferential procurement
- Circular economy
- Transparent and ethical business.

### How we create value

- Focusing on local preferential procurement to support local economies
- Engaging with suppliers and contractors to build cooperative, trust-based relationships and manage costs
- Ensuring services are delivered as agreed and align with our values and strategic objectives
- Honest and timely communication
- Indirectly contributing to the broader economy.

### Overall economic value created

Procuring goods and services: R29.1 billion (US\$1.6 billion) (FY22: R24.4 billion (US\$1.6 billion))

#### South Africa

Total procurement (discretionary) spend: R16.5 billion (US\$929 million) (FY22: R14.3 billion (US\$940 million)). Of this, 85.1% (R14.0 billion (US\$788 million)) was preferential procurement with BEE\* entities (FY22: 78.3% or R11.2 billion (US\$736 million))

#### Papua New Guinea

Total procurement spend: R2.1 billion (US\$117 million) (FY22: R2.3 billion (R153 million)): In-country: 39.5% (R821 million (US\$46.2 million)) (FY22: 47.6% or R1.1 billion (US\$72.8 million)) Morobe: 49.1% (R574 million (US\$32.3 million)) (FY22: 24.1% or R559 million (US\$36.7 million))

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

## CASE STUDY BUILDING MUTUAL UNDERSTANDING WITH EVA COPPER STAKEHOLDERS



Since acquiring the Eva Copper Project, we have been engaging with local stakeholders (landholders, traditional owners, communities, businesses and all levels of government) to build mutual understanding through dialogue. Our engagements have focused on appreciating local issues and the project's potential impacts.

Although Harmony has been in Australia since 2001 with assets in the Western Australian goldfields until 2010 and a South-east Asia regional office in Brisbane, we are new to the Eva Copper's host communities in north-west Queensland.

Acquired in December 2022, Eva Copper strengthens our strategic exposure to copper, a critical mineral for the net zero transition, and the Tier 1 Queensland mining jurisdiction, which is poised to become a leading critical minerals province. The project positions Harmony as a positive contributor to a carbon-neutral future and augments our existing copper exposure afforded by the Wafi-Golpu Project in Papua New Guinea.

Eva Copper is located around 75km north east of Cloncurry in north-west Queensland. The project is located on the traditional lands of the Kalkadoon people who hold native title over the area. Harmony's comprehensive agreement with the Kalkadoon people covers, among others, cultural heritage, land access, employment, business aspirations and community development. The Eva Copper mining lease area is subject to systematic indigenous cultural heritage clearance, protection and management programmes. We work closely with both native title holders and the landholders to ensure our plans understand and incorporate the risks, concerns and opportunities for these key stakeholders.

Recognising our responsibility to ensure economic benefits accrue locally to the extent possible, we undertook significant outreach after the acquisition to understand the capacity and aspirations of local businesses and the long-term objectives of policymakers.



Eva Copper Project, Queensland, Australia

Our stakeholder engagement efforts dovetail with a strong focus on environmental stewardship, particularly opportunities for decarbonisation, energy efficiency, water, waste and tailings management, biodiversity and rehabilitation.

Find details in the **Environment** chapter of our **ESG report**.

# WORLD IN WHICH WE CREATE VALUE

Harmony operates predominantly in developing countries that place a high moral obligation on us as a business to contribute to the development and economic health of their people. Harmony deeply respects our host countries and communities, and is highly committed to their progress and success, which we enable through shared value.

Mining with purpose enables us to be agile and responsive to external factors that influence our business or our ability to create and preserve value.

*By embedding sustainable development principles into everything we do, we are well positioned to navigate an ever-changing operating context*

# OUR EXTERNAL OPERATING ENVIRONMENT

We are committed to ensuring the resilience and sustainability of our business in a challenging external operating environment. Through mining with purpose, we can plan and respond to an ever-changing context influenced by economic, social, political and environmental pressures at a macro-economic and national level.

## Legend



South Africa



Papua New Guinea



Australia

## Economic and political uncertainty

### Context

#### Global macro-environment

Globally, the economic and political environment remains uncertain, driven by the widespread consequences of Russia's invasion of Ukraine and the lingering aftermath of Covid-19. These factors resulted in slow global growth, rising inflation, mounting sovereign debt levels, and surging energy and food prices. Continuing tensions between the United States and China further added to geopolitical uncertainty.

The aforementioned factors are impacting various elements of supply chains, resulting in increased prices, shortages in consumables as well as increasing lead times.



The mining industry is a noteworthy contributor to South Africa's economy. The industry is impacted by, among others, policy and regulatory uncertainty, global competition, infrastructure decay, electricity disruptions and changing exploration strategies.



Papua New Guinea's minerals play an important role in its economy, which is affected by a rapidly changing external environment. Some of these challenges include balancing the government's development aspirations in time of geopolitical uncertainty.



Australia's economy is resilient, and the political environment remains stable. However, the country is impacted by the volatile international context – including increased inflation and the slowdown in China. Australia has considerable reserves of natural resources, including copper, which generate significant economic and social benefits.

### Impact on Harmony

Geopolitical uncertainty affects the commodity market and gold price, which in turn, impacts our financial capital. Rising global inflation substantially increased transport, food and energy prices, affecting vulnerable people in our communities. Borrowing costs and economic growth were also affected by increased interest rates to mitigate rising inflation.

A potential positive impact on our business is likely to arise from investors using gold as a hedge against geopolitical uncertainty. Additionally, copper offers counter-cyclical diversification to our portfolio and contributes to derisking the business.

### Our response

We analyse potential outcomes to ensure we respond proactively and appropriately. These responses are guided by our derivative and hedging strategies, appropriate capital allocation and restructuring underperforming assets, among others.

Our derisked and diversified portfolio continues to perform well. We have various business improvement initiatives and capital projects that futureproof our business.

We remain committed to Papua New Guinea through our Hidden Valley expansion and various exploration programmes. Negotiations with the Papua New Guinea government to secure the Wafi-Golpu special mining lease continue.

[Chairman's review, Chief executive officer's review, Financial director's report](#) and [Our risk and opportunity profile](#)

Refer to the electricity supply, reliability and cost discussion in this section

## Our external operating environment *continued*

### Market volatility

#### Context

##### Global demand

Global demand for gold and copper remained robust. The gold market is particularly driven by continued demand for investment by central banks and other institutions. The copper market is driven by a global need to reduce environmental impacts, including advancing the energy transition. The increasing demand for copper is expected to lead to a supply shortage.

##### Gold price

As inflation continues to rise, so too does the uncertainty around gold, compounded by low economic growth, the increasing risk of political conflict and further supply chain disruptions. The higher US dollar gold price amid global geopolitical uncertainty and inflation concerns contributed to a higher rand gold price received. The gold price continued to rise as the world recovered from the Covid-19 aftermath.

Prices peaked at US\$2 051/oz on 4 May 2023. The gold price was significantly higher than the US\$1 810/oz at the beginning of FY23, increasing to US\$1 920/oz at year end.

##### Copper price

The copper price remained volatile during the year due to global economic uncertainty and China's slower-than expected demand. Prices peaked at US\$9 364/t on 26 January 2023. The copper price was higher than the US\$8 055/t at the beginning of FY23, increasing/decreasing to US\$8 320/t at year end. Based on trends in the market our internal planning processes have determined a future copper price of US\$8 157/t, which is in line with current market prices seen.

##### Currency volatility

The rand is affected by global market factors such as inflation, interest rate increases and commodity prices. In South Africa, central banking policies, domestic political uncertainty and investor sentiment around the country's energy reliability challenges impact the rand.

#### Impact on Harmony

The higher gold price positively contributed to our revenue. However, despite our stringent controls and leaner operating model, we are not immune to the effects of rising costs. As such, it is imperative for us to continue scrutinising our costs while adapting to increasing inflation with protracted supply chain disruptions. This means we can continue producing and initiating plans to invest in future projects and production.

The average of the rand depreciated against the US dollar in FY23, with an average exchange rate of R17.76/US\$1 (FY22: R15.21/US\$1). The depreciation of the rand, combined with the increase in the US\$ gold price, positively impacted on revenue for the year as sales are US dollar denominated and the weaker exchange rate positively impacts on the translation of sales.

A foreign exchange translation loss of R634 million (US\$35.7 million) compared to a R327 million loss (US\$21.5 million) in FY22. This was predominantly as a result of the weakening of the rand and the impact this had on US dollar loan balances. The rand weakened against the US dollar as evidenced by a closing exchange rate of 18.83/US\$1 at 30 June 2023 compared to R16.27/US\$1 in the previous reporting period.

Since the Eva Copper Project is not yet operational, and Wafi-Golpu Project permitting still in progress, the demand for copper and its volatile trading did not impact Harmony during the year.

#### Our response

Our selective hedging approach supports stronger margins and cash flows. We will only hedge if we are certain that we can achieve a minimum margin of 25% above all-in sustaining costs and inflation. Additionally, we continue using conservative price assumptions to maintain a reasonable margin.

We achieved our revised annual total production guidance of between 1.40Moz and 1.50Moz, meeting global demand.

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. We will await further opportunities to cover up to 25% of Harmony's foreign exchange revenue exposure.

[Chairman's review](#), [Chief executive officer's review](#), [Financial director's report](#) and [Our risk and opportunity profile](#)

## Our external operating environment *continued*

### Sovereign rating

#### Context



South Africa's credit rating outlook was revised from positive to stable, affirming long-term foreign (BB-) and local currency (BB) sovereign credit ratings.



Papua New Guinea's credit rating outlook remains stable with long-term foreign (B-) and local currency (B) sovereign credit ratings.



Australia's credit rating outlook is stable, affirming long-term foreign currency (AAA) and local currency (F1+) sovereign credit ratings.

#### Impact on Harmony

Adverse credit ratings deter some investors, threatening our long-term value and affecting our market capitalisation.

#### Our response

We regularly engage with investors to provide a realistic understanding of our potential operating and financial performance.



[Financial director's report](#)

## Our external operating environment *continued*

### Electricity supply, reliability and cost

#### Context



Harmony's primary energy source is electricity purchased from the state-owned power utility, Eskom, generated by coal-fired power stations. Electricity is expensive and supply inconsistent due to load shedding and curtailment.



As an open pit mine, the Hidden Valley operation is less energy intensive and draws its power from the country's Ramu grid, a reliable source predominately generated by hydropower (some 70%).



In Queensland, most of the electricity generated is fed into the interconnected grid powering most of eastern and southern Australia, managed through the National Electricity Market (NEM) by the Australian Energy Market Operator (AEMO). Some areas in Queensland rely on generators within isolated networks that are not connected to the NEM.

#### Impact on Harmony

Due to South Africa's unstable power grid, Harmony is required to diversify our energy mix and rely on alternative and renewable energy sources. Electricity tariff increases result in additional operating costs, impacting our financial capital.

In Papua New Guinea, the drought constrained Hidden Valley mine's hydropower capacity, which resulted in an increase in diesel-generated electricity. Water in Yonki Dam, serving the Ramu hydropower station, was critically low for most of the year.

#### Our response

Tactically, we have put in place operational mechanism to contain the impact of load curtailment as far as practical ensuring minimal disruption and impact to business. Our decarbonisation strategy for South Africa aims to improve efficiencies and reduce our reliance on electricity suppliers through a substitution programme while we continue lobbying regulators to contain electricity tariff increases. We also help electricity suppliers secure power through load curtailment and provide available land for renewable energy plants.

We are pursuing opportunities to isolate Hidden Valley from the Ramu grid and receive power directly from the nearby Bauine hydropower station on account of broader provincial and community energy needs.

The May 2020 Eva Copper feasibility study and December 2021 update, prepared before we acquired the asset, proposed gas-fired power as the LoM solution for the project. We are revisiting our power source and energy mix as part of our detailed review and optimisation study.

Transforming our business and diversifying our energy mix present financial and stewardship benefits with opportunities for funding through sustainability-linked loans.



#### Chief executive officer's review

Our external operating environment *continued*

ESG factors

Environment

Context			
			
<b>Global trends</b>			
<p><b>Failure of climate change adaptation and mitigation</b> Despite many countries committing to net zero emissions, there is still a significant gap between targets and the actions needed to achieve them. In 2023, the UN Intergovernmental Panel on Climate Change's sixth assessment report found that, if member countries meet their commitments by 2030, global warming could exceed 1.5°C. This means current commitments and actions needed to meet the Paris Agreement goals could be lacking.</p>	<p>South Africa is an energy and emissions-intensive developing country, recognising the need to play its part in the global move towards net zero carbon emissions.</p> <p>Reaching net zero emissions by 2050 will require a major shift in South Africa's economy, infrastructure and energy source.</p>	<p>The deforestation in Papua New Guinea is a contributing factor to climate change. In turn, the impacts of climate change could exacerbate the country's existing susceptibility to natural disasters such as landslides and soil erosion.</p> <p>To achieve its target to be 50% carbon-neutral by 2030 and fully carbon-neutral by 2050, Papua New Guinea has embraced a shift towards inclusive economic growth through sustainable development.</p>	<p>Australia is a significant contributor to CO<sub>2</sub> pollution compared to the rest of the world.</p> <p>Australia committed to reducing its GHG emissions to 43% below 2005 levels by 2030 and set a target to achieve net zero emissions by 2050. To achieve this, Australia believes climate change needs to be top of mind in all government decision making, and requires rapid deployment of the emissions reduction technologies currently available.</p>
<p><b>Natural resource crisis (including biodiversity loss and ecosystem collapse)</b> The mismanagement and overexploitation of critical natural resources such as food, minerals and water lead to severe commodity and natural resource supply shortages globally.</p> <p>Additionally, human and economic activity have significant consequences for the environment due to destruction of natural capital caused by a reduction in or extinction of species in terrestrial and marine ecosystems.</p>	<p>South Africa's natural resources are being depleted and mismanaged due to, among others, overwhelming development needs, and society's dependence on natural resources and ecosystems to survive. This further exacerbates South Africa's water scarcity.</p> <p>The country's mining activities cause significant damage to ecosystems and biodiversity loss if not properly managed.</p>	<p>Agricultural expansion, mining activities and urban development, among others, cause deforestation and forest degradation in Papua New Guinea's forests, which pose a threat to the local indigenous people who live there.</p>	<p>Australia's natural resources are significantly impacted by agriculture, mining activities and urban development, contributing to deforestation and declining land and sea ecosystems. According to Australia's 2022 State of Environment report, Australia's animal species are continuing to decline, with the continent having lost more mammal species than any other OECD country.</p>
<p><b>Natural disasters, extreme weather and large-scale environmental incidents</b> Globally, extreme weather events such as floods and wildfires lead to loss of life, damage to ecosystems, destruction of property and/or financial loss.</p> <p>Human activity, or the failure to co-exist with animal ecosystems cause loss of life, financial loss and damage through deregulation of industrial accidents, oil spills and radioactive contamination.</p>	<p>South Africa frequently experiences drought and floods, with the most significant impact on its environment, economy, infrastructure and people.</p> <p>In the 2022 calendar year, South Africa experienced one of the worst floods in its recent history, which caused significant damage to properties, infrastructure and the environment. Many people lost their lives, homes, and sources of income. Untreated sewage seeped into rivers, harbours and the ocean after the floods, which affected people's livelihoods, and damaged land and water ecosystems.</p>	<p>Papua New Guinea is vulnerable to floods, droughts, earthquakes, volcanic activity, tsunamis, and sea-level rise, among others.</p> <p>Extreme weather events in calendar 2022 included flash floods, earthquakes and drought, which led to loss of life, damaged infrastructure and water shortages.</p>	<p>Australia's climate is increasingly impacted by global warming. Australia is prone to wildfires due to the hot climate. However, Australia experienced record-breaking extreme weather events in calendar 2022, including tropical cyclones and flooding, exacerbated by La Niña events.</p>

## Our external operating environment *continued*

### Impact on Harmony

Climate change impacts the gold mining sector through physical changes to the environment and the societal and economic mobilisation necessary to achieve net zero. TSF failure causes significant damage to the environment and communities surrounding our operations.

Inadequate water supply or flooding could disrupt our mining operations and mineral processing, and damage property or equipment.

Positively, climate change adaptation and mitigation allow us to diversify our energy mix while reducing consumption, driving our goal towards net zero.

### Our response

Our environmental strategy enables us to manage, mitigate and offset environmental risks associated with our activities. To realise a sustainable future for our operations, host communities and future generations, we aim to responsibly manage natural resources and ecosystems through:

- Reducing emissions by decarbonising Harmony's energy profile through an orderly yet urgent transition to a low-carbon future (or economy)
- Efficiently and effectively using natural resources while managing and protecting the quality and quantity of water resources, and the health of the watershed ecosystem
- Minimising our impacted footprint by consolidating our mining footprints, especially minerals waste, to manage the physical and chemical stability of our landforms
- Protecting and restoring biodiversity and ecosystems wherever we operate to deliver associated services.

Harmony's commitment to mitigate and manage our impact on the environment, communities and broader society is embedded in our business strategy and decision making.

 Refer to the **Environment chapter** in the **ESG report** for details on how we mitigate and manage our impact on the environment. Refer to the **Social chapter** in the **ESG report** for details on how we are collaborating with our stakeholders to mitigate the environmental impacts on our host communities.

## Our external operating environment *continued*

### Social

#### Context

##### Societal needs and expectations, and social licence to operate

Globally, organisations are navigating a tight and fast-moving labour market with a shrinking pool of talent. Society is also increasingly expecting businesses and government to step up and solve systemic issues.

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 maintain a social licence to operate, companies must navigate complex social, economic and political dynamics over time to avoid conflicts with host communities.



Issues such as poor service delivery, poverty and inequality, high unemployment, and unprecedented political corruption drive private and public organisations to play their part in contributing to South Africa's social upliftment.

Organisations see this as a moral imperative, and society's expectations go beyond regulatory and legal compliance.

Poverty in the country leads to an unskilled and unemployed population, and in turn, a shrinking talent pool.



Papua New Guinea has made significant progress in developing skilled workers, but most of the labour force is low-skilled and uneducated with grade 10 being the highest education certification completed.

Conversely, the country has an abundance of specialised technical skills and a strong foundation of soft skills. Other societal issues include crime, gender-based violence and inequality.



Australia's social issues include inequality and gender-based violence, among others.

Society's expectations of organisations and governments in Australia are rooted in a desire for positive change, equality and social progress.

#### Impact on Harmony

National legislative requirements and needs communicated to us by our host communities influence the implementation of our socio-economic strategy. Failing to engage with stakeholders jeopardises our social licence to operate and could reduce opportunities in the market.

Our socio-economic strategy is largely dictated by requirements under the MPRDA in South Africa, and governed by the Hidden Valley MoA in Papua New Guinea. For the Eva Copper Project, we are formalising internal processes and strategies to support our delivery of obligations to the Kalkadoon native title holders through agreements under Australia's Native Title Act 1993

#### Our response

Addressing systemic issues requires a collaborative effort between Harmony and government, along with civil society and other stakeholders. Harmony aims to go beyond regulated compliance to assist government with community upliftment. We take our role as a responsible corporate citizen seriously and continuously strive to preserve our social licence to operate. Harmony's host communities have relevant needs and expectations that we aim to understand and address through meaningful contributions, including labour and job creation, socio-economic development and economic empowerment with the SDGs in mind.

We constructively engage with stakeholders to share value, better understand and manage expectations, and secure and maintain our social licence to operate.

 **Stakeholder engagement**

 **Caring for our employees, Empowering communities** in the **ESG report**

## Our external operating environment *continued*

### Governance

#### Context

##### ESG data quality and disclosure

ESG is evolving with increasing stakeholder expectations of transparent, outcome-based measurement and assurance. Rigorous reporting will become critical if companies are to meet growing stakeholder expectations and avoid accusations of “greenwashing”. Shareholders are putting pressure on companies to reposition or accelerate their business strategies, and holding them accountable to their ESG commitments.

##### Digital innovation and cybersecurity

The digitisation of critical national and mining infrastructure increases the risk of cyberattacks. A successful cyberattack can have severe consequences, including loss of life and economic damage. Cyberattacks are becoming more frequent and severe, with the human and financial impact of attacks rising in line with the increasing digitisation of critical infrastructure.

#### Impact on Harmony

If we do not deliver on ESG commitments or report transparently, we will fail to create sustainable value for our stakeholders, and lose trust and credibility. This will ultimately impact our profitability and sustainability. Non-compliance with increasing ESG requirements or failing to meet ESG targets could impact our market capitalisation and reputation.

Our South African operations continually undergo modernisation to prevent ageing infrastructure and to remain up to date. The associated digitalisation of technology makes our systems and processes vulnerable to information security compromises, which could lead to the accidental or unlawful use, destruction, loss, alteration or disclosure of data.

#### Our response

We are enhancing our ESG commitments by including sustainability metrics in our funding agreements. We are guided by our sustainable development framework to ensure we deliver on ESG commitments and that our disclosure is credible, transparent and robust.

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. We have considered our most material ESG impacts and matters impacting our financial sustainability through a double materiality process, which informs our interrogation of these matters and ensures the integrity of our external reporting.

We continue enhancing our cybersecurity abilities by implementing state-of-the-art technologies and processes to identify threats, protect our environment and respond to cyber incidents. We have also introduced cybersecurity training interventions and regular communications to raise cybersecurity awareness across Harmony.



Our material matters



**ESG in practice, Our material matters, Governance** in the **ESG report**

## CASE STUDY FROM WASTE TO VALUE, THE CIRCULAR ECONOMY IN ACTION



*Rather than “take and make waste” Harmony continues to look for opportunities to “recycle waste”.*

Harmony has integrated circular economy concepts into our South African based mining practices to help reduce and better manage our environmental footprint and improve resource efficiency to support more sustainable practices in the mining industry. We have a number of tailings retreatment facilities in operation through which we are able to improve our energy efficiencies while looking to either reduce or alternately better manage our environmental impact.

Mine Waste Solutions is a tailings retreatment operation near Klerksdorp in the North West province. It reprocesses low-grade material from tailing storage facilities scattered across the Vaal River and Stilfontein area to reduce the tailings footprint.

Phoenix is a tailings retreatment operation in Virginia, Free State. It retreats tailings from Harmony's tailings storage facilities in the Free State region to extract any residual gold, using the Saaiplaas plant.

Central Plant Reclamation is a tailings retreatment operation near Welkom in the Free State. Originally built to process waste-rock dumps, it was converted into a tailings retreatment facility in FY17.

Finally, Savuka plant, situated near the town of Carletonville originally treated both waste rock and tailings but was converted to a tailings treatment facility in October 2021.

Together they produced over 6 000 kg of gold in FY23 providing employment opportunities to over 1 500 personnel during the year.

While there are numerous benefits we are able to take advantage of, there are some unique challenges that we face in this regard, specific to the regions we mine in.

### Benefits

Utilising existing plant infrastructure, we:

- Avoid new above surface and underground facilities that would extend our environmental footprint and require rehabilitation efforts at a later date
- Have no need to build new roads and related infrastructure including electricity and water
- Enjoy the associated cost savings.

Reprocessing gold tailings is not just cheaper than deep level mining, but also requires significantly less energy as the costly energy-intensive steps of drilling, blasting, transportation and initial processing is not required.

Remining old tailings facilities (some of them can be as old as 80 to 100 years) and consolidating our tailings footprint, utilising both advanced construction materials and water management systems means our tailings facilities are more stable and safer when compared with old tailings facilities, while freeing up land for other uses.

Finally, our tailings are known resources which eliminates the need for extensive exploration.

### Drawbacks

While reprocessing gold tailings facilities offer the environmental and economic advantages mentioned, there are risks specific to tailings facilities that we must manage. Tailings reprocessing also requires significant water for processing and dust control, which is a concern in the water-scarce regions we operate in. As much as possible water is treated to the degree necessary and recirculated into the remining process. This helps reduce the need for potable water intake, again reducing the impact on the environment.



Mine Waste Solutions, North-West, South Africa

# SUSTAINABLE **DEVELOPMENT** – DELIVERING ON RESPONSIBLE STEWARDSHIP AND SDGS

Key drivers of sustainability within Harmony are reducing risk, maximising opportunities and leaving a positive impact and shared value – this is why we mine with purpose.

Guided by our sustainable development framework, delivering on our ESG commitments continues to inform our strategic direction and decision making. The framework enables us to maximise our positive impact and mitigate or manage our negative impact with clear, measurable goals while keeping our stakeholders’ needs and interests top of mind.

Details of our sustainable development approach are unpacked in the [ESG report](#). Our sustainable development framework can be found [online](#).

Our integrated, risk-based approach to sustainability ensures that we are geared to respond to a multitude of local and global ESG drivers while going beyond compliance. We have identified sustainability-related risks and opportunities described in our [ESG report](#) that are most important to us and our stakeholders that will enable us to prioritise and focus our efforts.

The framework comprises four pillars and 13 priorities:

Sustainability strategic pillars	 Environmental stewardship	 Social stewardship	 Governance stewardship	 Business and operational excellence
Priorities	<ul style="list-style-type: none"> <li>• Climate action</li> <li>• Climate resilience</li> <li>• Biodiversity</li> <li>• Water.</li> </ul>	<ul style="list-style-type: none"> <li>• Safety, health and wellbeing</li> <li>• Supporting our people</li> <li>• Partnering for thriving, sustainable communities and our social licence to operate.</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent and ethical mining</li> <li>• Ethical and accountable leadership</li> <li>• Governance excellence.</li> </ul>	<ul style="list-style-type: none"> <li>• Managing business resilience</li> <li>• Pursuing technology and innovation for environmental, operational and safety improvements</li> <li>• Managing capital access and allocation for safe profitable ounces.</li> </ul>

 A summary of our ESG performance can be found on page 110.

We measure our sustainable development performance by group aggregate targets. We have set targets in accordance with the SBTi. The SBTi has confirmed Harmony’s action plan to achieve the Paris Agreement’s goal of limiting global warming to 1.5°C and our goal of achieving net zero by 2045. Over the next four years, we will continue to strengthen our delivery on sustainable development KPIs and the SDG targets most relevant to our business.

Harmony contributes to broader sustainable development issues as demonstrated by our commitment to helping achieve the SDGs and equally supporting our host governments to do the same.



We partner and collaborate with various stakeholders to strengthen our impact on the SDGs

Harmony considers collaboration a critical factor in delivering on our ESG commitments because mutually beneficial relationships enable SDG achievement and are key to leaving a lasting positive legacy and value creation.

We partner with, among others, communities, municipalities, tertiary institutions, small businesses and governments, locally and nationally, for sustainable development. In our pursuit of delivering positive impact and lessening our negative impact, Harmony collaborates with our stakeholders and makes a targeted effort to:

- Take action against climate change and fossil-fuelled energy consumption
- End poverty
- Efficiently manage our use of scarce natural resources such as water and land
- Protect biodiversity
- Observe human rights.

We continue strengthening current partnerships and building new partnerships by having constructive engagements and addressing our stakeholders’ needs and concerns.

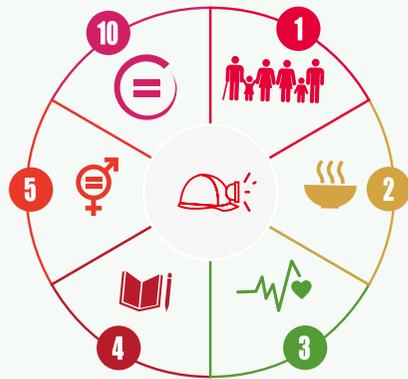
 Refer to [Stakeholder engagement](#) for more information.

## Sustainable development – delivering on responsible stewardship and SDGs *continued*

Harmony identified and prioritised 16 SDGs that we can meaningfully impact, and these are aligned to how we use and affect our resources.

### How our resources support the SDGs

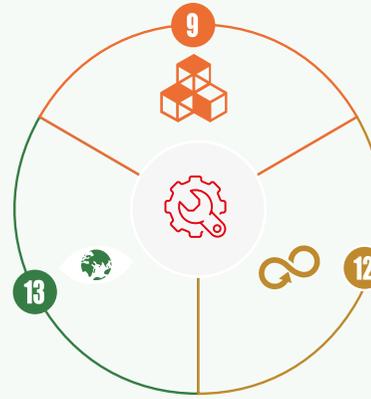
**Human capital:** Addresses poverty and aims to improve the wellbeing of individuals and communities



**Financial capital:** Involves investments in agricultural development and food security programmes



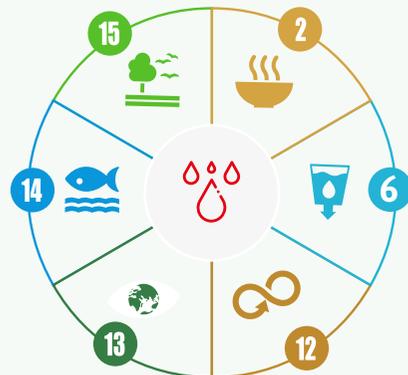
**Manufactured capital:** Focuses on improving agricultural infrastructure and farming methods



**Intellectual capital:** Encourages innovation in agriculture and food production



**Natural capital:** Promotes sustainable agriculture and responsible land and water use



**Social capital:** Food security and access to food are critical for community wellbeing



Reporting and disclosure are important components of our framework. Harmony largely aligns reporting with global leading practice. We consider feedback received from investors and ratings agencies to improve the consistency, transparency and granularity of our disclosure.

We continuously monitor the regulatory environment to ensure Harmony remains aligned and complies with international and local ESG disclosure requirements. We therefore:

- Voluntarily report in accordance with guidelines issued by the GRI. Harmony has a self-declared compliance to the core level of the **GRI Standards**
- Report on environmental information aligned with **CDP Water**
- Align our reporting with **TCFD**
- Aim to align with the **World Gold Council's Responsible Gold Mining Principles** that address key ESG issues for the gold mining sector and set out clear expectations for consumers, investors and the downstream supply chain on what constitutes responsible gold mining (Harmony has concluded its third year of alignment to the World Gold Council's Responsible Gold Mining Principles (RGMPs). Subsequent to our third year on-site verification audit, Harmony can demonstrate that our operations conform to the RGMPs. The conformance was independently assured by RSM South Africa Inc as per the assurance report on page 182 of our ESG report)
- Subscribe to the **Minerals Council South Africa's** membership compact, a mandatory code of ethical business conduct, and its guiding principles
- Adopt the principles of the **International Council on Mining and Metals (ICMM), the UNGC and UN Voluntary Principles on Security and Human Rights** in various sustainable development policies and position statements (Harmony is not a member or signatory to these organisations)
- Consider the **Organisation for Economic Co-operation and Development's (OECD)** guidelines for responsible investment
- Strive to ensure compliance with local and international guidelines by adopting **tailings management best practice**.

📈 We monitor our ESG scores closely, particularly any areas where we may be underperforming against our industry peers. Our ESG performance is annually assessed by global ratings agencies. Refer to our **ESG report** for details of how we scored.

We are mindful of our responsibilities as a corporate citizen, environmental stewards and in truly living our values. Delivering on our strategy and mining with purpose, supported by meaningful stakeholder relationships, engagement and collaboration, are key to creating and preserving value over time, while preventing the erosion thereof.

## OUR RISK AND OPPORTUNITY PROFILE

Harmony follows an integrated risk-based approach to business that is fully aligned with global best practice. Our exposure to risks and opportunities is inherent to mining and includes our external environment. We identify and analyse these risks and opportunities to understand their potential impact on our ability to achieve our strategy and deliver sustainable returns over time.

By identifying and understanding our material risk drivers and their interrelated dynamics, we can improve how we manage their impacts and position Harmony to capitalise on opportunities, meet future challenges and deliver on our growth prospects. This approach also creates value by enabling employees to make risk-based decisions considering Harmony's strategy, risks and resilience through established risk management practices.

Effective governance and active management underpin our systems and processes and enable us to evaluate, manage and mitigate risks proactively. We built our expertise operating in emerging environments and have over seven decades of experience in managing socio-political challenges. This includes our ability to navigate the challenges of our stakeholders, especially at our deep-level, labour-intensive and unionised gold mines in South Africa.

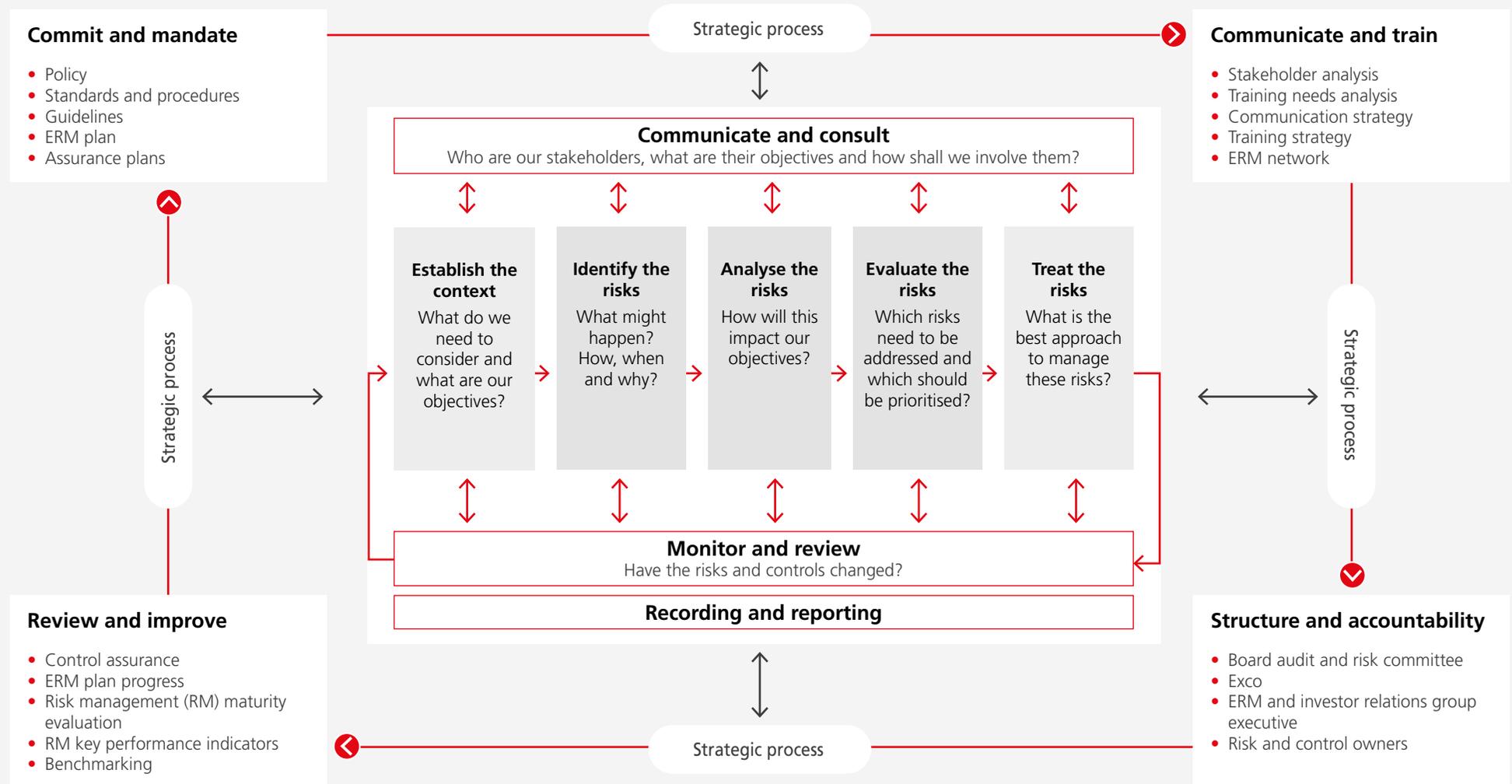
### Our enterprise risk management (ERM) process

Our approach is to implement and maintain an integrated risk and resilience management framework, methodology and system that enables us to apply an integrated risk-based approach to our strategy, business planning and business management, which ensures sustainability and resilience. Our process aligns with the ISO 31000:2018 risk management guidelines and our ERM framework.



**Our risk and opportunity profile *continued***

Our risk management approach informs our business strategy and related objectives. To achieve our goals, it is vital to identify and understand the factors that could limit our ability to deliver on our strategy. Equally, we need to understand which factors present opportunities. The following visual depicts the strategic process the group follows to make risk-based decisions:

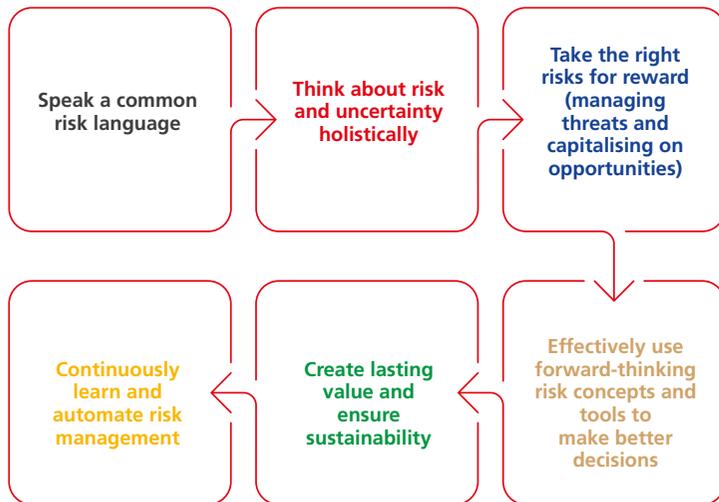


## Our risk and opportunity profile *continued*

### Our journey to becoming a risk intelligent organisation

Harmony is moving away from having risk competent risk management practices to becoming a risk intelligent organisation. We started this journey with a maturity project guided by the Institute of Risk Management South Africa. The four-year maturity project started in 2020 and will be completed by the end of 2023. Our annual independent risk maturity assessment tracks our performance. In 2022 we scored 4.5 out of 5, which re-affirms that our implementation is on track and our ERM plan is effective. In December 2022, the Institute of Risk Management South Africa recognised Harmony as the best risk management organisation in the mining industry.

#### A risk intelligent Harmony means the ability to:



## Summary of the risk management process

### Oversight of risk governance process



#### Board

The Board is ultimately responsible for risk management aligned with the King IV requirements. The board oversees the risk management programme and our top strategic, operational and safety-specific risks. It also monitors risk treatment actions and the effectiveness of the actions in addressing significant risks, guided by our risk appetite and tolerance framework. Oversight of the risk governance process was delegated to the audit and risk committee and a quarterly report is sent to the technical risk committee and the board.

### Executive management



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 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 the resulting residual risk ranking.

### Implementation and daily management



#### Executive committee

Executive managers are accountable for effective risk management in their areas of responsibility, including functional and operational risk management, emergency response structures, incident command systems and situational awareness capabilities.

#### Governance and risk committee

The governance and risk committee oversees governance, risk and regulatory compliance, including the responsibility for executing on business principles, policies, procedures and priorities.

#### ERM team

This team is responsible for shaping, safeguarding and specialised servicing of risk management across Harmony by implementing and maintaining an integrated risk and resilience management framework, methodology and system that supports Harmony's strategic pillars.

#### Safety

We have a four-layered, risk-based approach to manage safety in South Africa and Papua New Guinea, led by our safety team and the Harmony risk management team.

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

#### Operations

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

**Our risk and opportunity profile *continued***

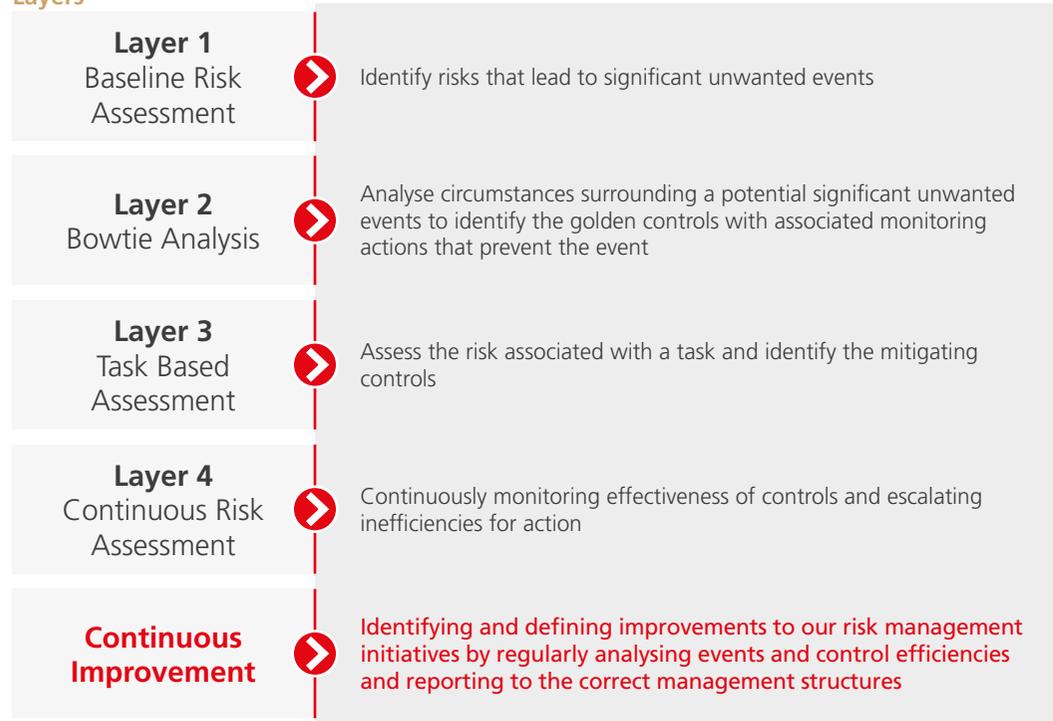
**Harmony's risk management strategy**

In 2018, we adopted the Harmony risk management strategy to achieve safe, profitable production at all our operations. The strategy is through active leadership and a proactive culture we will stop significant unwanted events. This strategy focuses 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. Modernising and digitising systems and processes across the group are key to rolling out this strategy effectively.

➤ Refer to **Safety** in our **ESG report** for more on the roll-out of this strategy in the safety sphere.

Our risk management strategy is supported by a four-layered risk management approach to identify, assess and control all hazards and risks that could impact our ability to achieve safe and profitable production.

**Layers**



Our ongoing ERM journey includes a focus on safety and creating risk awareness throughout the group.

📄 Refer to **Modernising mining** for more on how we are utilising IT to enable a focus on both safety and risk.

**Determining our most significant risks and opportunities**

The ERM team, senior management and the executive steering committee properly assessed the global risks and the risks that Harmony is exposed to in its operating countries. We confirm that the risks in Harmony's risk landscape are valid, accurate, complete and evaluated properly. It is important not to look at each risk in isolation. Designing and implementing risk response strategies to address these interacting risks will require trade-offs that address some risks and exacerbate others.

**Group risk exposure**

- Our business is gold, with a copper footprint – a high-risk/high-reward business
- We operate across the gold mining value chain – from exploration, to feasibility studies, to building and buying mines, to 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 investing 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.



Joel, Free State, South Africa

**Our risk and opportunity profile *continued***

**Risk appetite and tolerance**

**Purpose**

The risk appetite and tolerance framework (RAFT) aims to define the boundaries of risk that Harmony accepts when setting targets and making business decisions, ensuring we meet strategic objectives and the company remains resilient and sustainable.

**Approach**

The RAFT was revised in FY23 and approved in August 2023. This aligns with the Harmony strategic pillars to allow decision-makers to make risk based decisions that will achieve Harmony's strategic objectives. Each strategic pillar is supported by:

- An overarching risk statement
- Supporting risk categories
- Targets.

**Risk statements in support of each strategic pillar**

Note: Reputational risk is implied in all of the risk categories.



Joel, Free State, South Africa

Our risk and opportunity profile *continued*

Harmony's strategic pillars



Responsible stewardship

Risk category	Appetite	Tolerance	Targets <i>(measures to track company performance aligned with our strategy and risk appetite and tolerance levels)</i>
 <p><b>Safety and health</b></p>	<ul style="list-style-type: none"> <li>• Zero harm</li> <li>• Zero loss of life.</li> </ul>	<ul style="list-style-type: none"> <li>• Minor injuries require first aid/acute care only</li> <li>• Temporary, minor impairment, first aid treatment or minor medical treatment</li> <li>• Illnesses with short duration; acute illness requiring &lt;2 days' absence from work.</li> </ul>	<ul style="list-style-type: none"> <li>• LTIFR within approved annual budget levels</li> <li>• Increase in HIV &amp; TB treatments (90-90-90 principle based on the disease management programme)</li> <li>• Increase in wellness and occupational health matters based on the disease management programme.</li> </ul>
 <p><b>Legal and compliance</b></p>	<ul style="list-style-type: none"> <li>• Minor regulatory breaches that can be resolved within three months.</li> </ul>	<ul style="list-style-type: none"> <li>• Breach of regulation with investigation or report to authority with prosecution and/or punitive fine up to R10 million</li> <li>• Regulatory delays in the issuing of mining rights and water use licences should not exceed three months</li> <li>• Regulatory universe – compliance within six months.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in regulatory administration findings and suspensions</li> <li>• Pro-actively managing legal risks – regular update of the risk register, emerging risks and comparison with global risk reports</li> <li>• Zero material SOX findings</li> <li>• Zero material stock exchange findings (JSE, NYSE).</li> </ul>
 <p><b>Stakeholder management</b> (including employees, communities, suppliers, media, investors, banks, assurance providers, etc.)</p>	<ul style="list-style-type: none"> <li>• No deviation from approved stakeholder management plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Negative media coverage and shareholder activism up to five working days</li> <li>• Business interruption for up to three days.</li> </ul>	<ul style="list-style-type: none"> <li>• Close out resolutions of complaints within a three month period</li> <li>• Embed proactive safety culture with specific Thibakotsi thresholds up to 2024</li> <li>• Meeting mining charter requirements</li> <li>• Succession planning for critical skills and clear career planning for employees by 2024</li> <li>• 15% negative deviation in Harmony's share price in comparison to peers</li> <li>• Limiting negative media coverage</li> <li>• Optimising positive media coverage.</li> </ul>
 <p><b>Environment</b> (water &amp; electricity, carbon reduction, rehabilitation, climate change and biodiversity)</p>	<ul style="list-style-type: none"> <li>• Damage to the environment should be reversible and remedied within six months and limited to the mining right area.</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to the environment should be reversible and remedied within 12 months and is not associated with public health and the ecological environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting environmental plan targets:*</li> <li>• Sustainable water management – recycling</li> <li>• Reduction in emissions usage by 7%</li> <li>• Increase in renewable energy – 20% by 2026</li> <li>• Reduce impacted land footprint – 1% by 2027</li> <li>• 20% Carbon reduction by 2026</li> <li>• Zero impact on public health</li> <li>• Meet requirements of sustainability-linked loan.</li> </ul> <p>* Excludes Eva Copper Project and Wafi-Golpu Project.</p>

Our risk and opportunity profile *continued*



Operational excellence

Risk category	Appetite	Tolerance	Targets <i>(measures to track company performance aligned with our strategy and risk appetite and tolerance levels)</i>
<p><b>Infrastructure</b> (physical infrastructure, information systems and networks)</p>	<ul style="list-style-type: none"> <li>All facilities (mining, technology, systems) to be available 100% of the time, taking into account planned maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>Unplanned downtime on specific equipment limited to 20% to 25% of the planned time.</li> </ul>	<ul style="list-style-type: none"> <li>5% reduction in category 2 and 3 events</li> <li>5% increase in the availability of network, and critical applications and issues solved within the agreed time frame.</li> </ul>
<p><b>Productivity</b> (volumes, availability with a safety focus)</p>	<ul style="list-style-type: none"> <li>Production targets at budgeted levels to be met.</li> </ul>	<ul style="list-style-type: none"> <li>A breakdown of key information services should not exceed 24 hours</li> <li>5% variation from production budget.</li> </ul>	<ul style="list-style-type: none"> <li>Meeting budget levels and business improvement programme to get to S300 requirements                             <ul style="list-style-type: none"> <li>Meeting Iceberg targets to sustain flexibility</li> <li>Shaft call factor to be achieved in line with plans</li> </ul> </li> <li>Asset management and maintenance                             <ul style="list-style-type: none"> <li>95% planned downtime.</li> </ul> </li> </ul>



Cash certainty

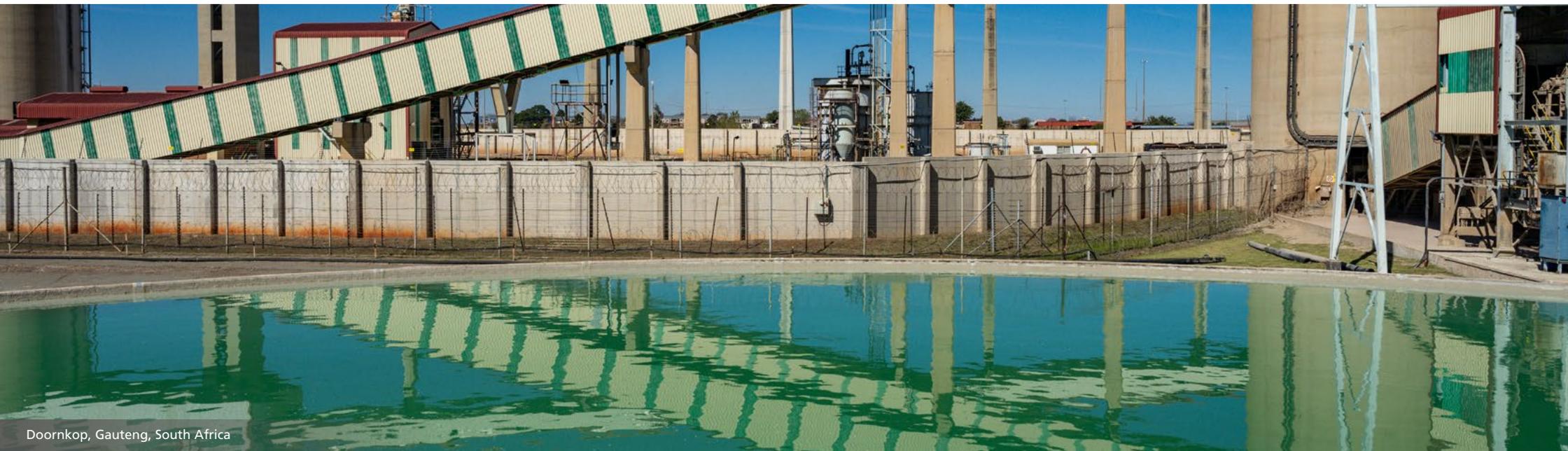
Risk category	Appetite	Tolerance	Targets <i>(measures to track company performance aligned with our strategy and risk appetite and tolerance levels)</i>
<p><b>Financial sustainability</b> (including operational budget performance and exploration)</p>	<ul style="list-style-type: none"> <li>Meeting the approved operational, capital and funding plans</li> <li>Responsible hedging in line with approved hedging policy.</li> </ul>	<ul style="list-style-type: none"> <li>Negative variance of 5% against group plans for one quarter.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly assessment using cash flow sensitivity</li> <li>Creating shareholder returns through regular monitoring of cash flows</li> <li>Implementing changes in a proactive, agile manner if cash certainty is threatened</li> <li>Meeting guidance in line with Board Plan                             <ul style="list-style-type: none"> <li>Gold production</li> <li>All-in sustaining cost.</li> </ul> </li> </ul>

Our risk and opportunity profile *continued*



Effective capital allocation

Risk category	Appetite	Tolerance	Targets <i>(measures to track company performance aligned with our strategy and risk appetite and tolerance levels)</i>
<p><b>Project execution</b></p>	<ul style="list-style-type: none"> <li>All projects to be delivered on time and within budget in line with approved plans.</li> </ul>	<ul style="list-style-type: none"> <li>All capital projects not to exceed 5% in terms of budget</li> <li>Regulatory delays not to exceed 90 days.</li> </ul>	<ul style="list-style-type: none"> <li>Meeting the approved project plans</li> <li>Schedule Performance Index and Cost Performance Index, respectively, to be close to 1.</li> </ul>
<p><b>Capital allocation</b> (including planning and acquisitions)</p>	<ul style="list-style-type: none"> <li>Capital allocation should be aimed at producing safe, profitable ounces and increasing margins through meeting approved capital allocation parameters</li> <li>Balance sheet to remain below 1x times net debt/ EBITDA.</li> </ul>	<ul style="list-style-type: none"> <li>For purposes of value-accretive acquisitions, net debt/ EBITDA may not exceed 1.5x and should meet all debt covenants.</li> </ul>	<p>Meeting safety, production, capital and project targets; including internal rates of return as per annual budget</p> <ul style="list-style-type: none"> <li>Debt covenant:                             <ul style="list-style-type: none"> <li>Interest cover ratio (EBITDA/Total interest paid) 5x</li> <li>Net debt/EBITDA to be below 2.5x</li> </ul> </li> <li>Value-accretive acquisition                             <ul style="list-style-type: none"> <li>Net debt/EBITDA should not exceed 1.5x.</li> </ul> </li> </ul>



**Our risk and opportunity profile *continued***

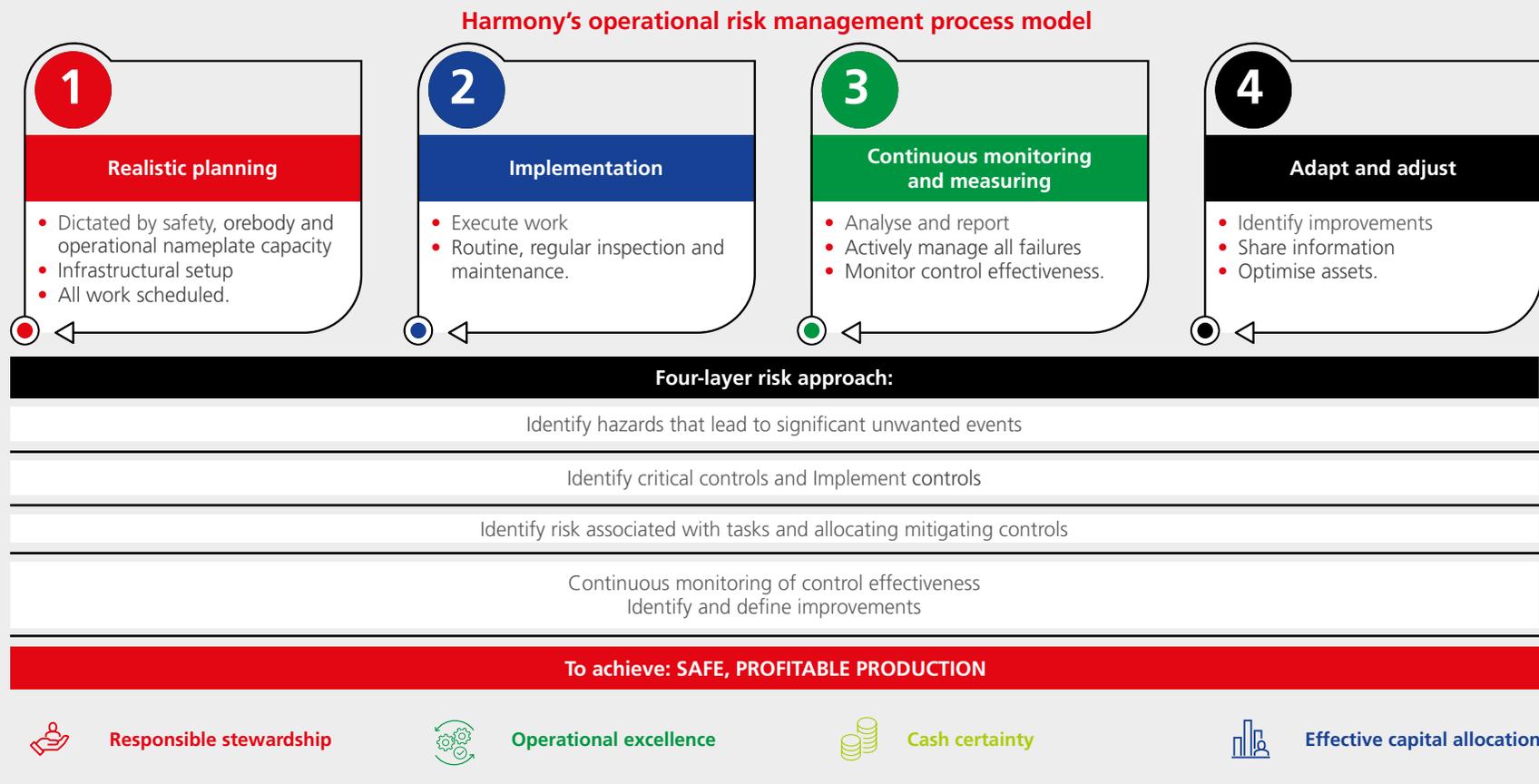
**Our top strategic risks and opportunities**

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

The risks and opportunities are properly reported, the risk treatment options are decided based on considering the extent of the breach and the urgency of getting the risk back within the risk appetite (which includes whether to further treat the risk, transfer, tolerate, terminate, or increase the risk exposure); and that the necessary controls are in place for all the strategic risks.

Harmony will continue to monitor the risk landscape and ensure that appropriate response strategies and risk control measures are in place to modify the risk. The ERM team is further supported by the governance and risk committee, which includes most heads of department, and serves as a platform to self-assess controls for key strategic risks.

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



**Continuous improvement**

Golden controls are the main controls identified to mitigate or treat a specific risk.

**Our risk and opportunity profile *continued***

**Group risk and opportunity profiles**

**Strategic risk profile – top risks**

The below list contains risks that were reported to the audit and risk committee in the fourth quarter of FY23. The risks highlighted in red are the top strategic risks that fall outside our risk appetite and tolerance levels, and we effectively mitigate and manage these.

**Top strategic risks**

**a Safety and health**

**b Security of electricity/power supply and the impact of higher electricity costs**

**c Not achieving operational objectives at our critical operations**

**d Political tensions (geo-political and local)**

**e Unsuccessful project execution**

**f Supply chain disruptions (including supply of goods and increasing costs)**

**g Gold price and forex fluctuations (varying from planned levels)**

**h Systemic failure of public infrastructure**

**Risk response options**

We terminate a risk when the risk exposure is outside appetite and tolerance and risk response strategies are not able to reduce the impact of the risk (to within our appetite and tolerance) should it materialise.

Harmony makes an informed decision to withdraw or not to be involved in an activity so that we are not exposed to a particular risk.

Harmony makes an informed decision on a particular risk, and this is mostly associated with upside risk or benefit.

Risk transfer and risk sharing are forms of risk treatments involving the agreed-upon distribution of risk with other parties.

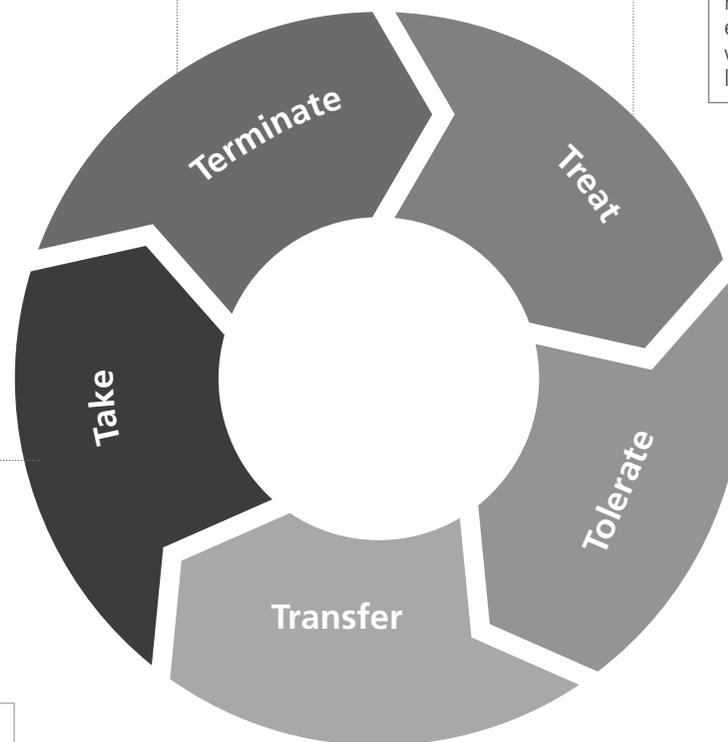
It could be a complete transfer, such as insurance or an agreement to share the risk exposure, for example, partnerships, cooperative agreements and mergers and acquisitions.

Treating is a measure we take to modify a risk to remedy it.

Treating a risk is the process of selecting and executing actions and making decisions to reduce the risk exposure and bring the risk in line with our risk appetite and tolerance levels.

We tolerate a level of risk when we are willing to accept the potential benefit of gain or burden of loss from the risk.

*Note: There is often a level of tolerance associated with any risk outside of appetite and tolerance, because of the time it will take to implement the risk response strategies in bringing the risk in line with our appetite and tolerance levels.*



**Our risk and opportunity profile *continued***

**Top strategic risks**

**a. Safety and health**

Safety is our top value and we believe that a safe mine is a profitable mine. Safety risks are inherent in deep-level mining and could result in loss of life and other related incidents. Our safety performance directly impacts our ability to deliver safe, profitable ounces and attract capital. Our aim is zero harm.

<p><b>Cause</b></p> <ul style="list-style-type: none"> <li>• Inherent high-risk mining environment resulting in incidents</li> <li>• Fall of ground from hanging wall causing injury or loss of life</li> <li>• Person coming into uncontrolled contact with machinery, attachments, rigging installations causing injury or loss of life.</li> </ul>	<p><b>Potential impacts</b></p> <p>Continued loss-of-life incidents may have a catastrophic implication for Harmony. Safety breaches could stop production, affect our stakeholder relationships and reputation, lead to litigation and decrease Harmony's overall value.</p> <p>Poor safety results in:</p> <ul style="list-style-type: none"> <li>• Investors exiting Harmony</li> <li>• Loss of production</li> <li>• Difficulty in attracting new capital</li> <li>• Increase insurance premiums and/or a limit in the number of underwriters prepared to take on Harmony's risk exposure</li> <li>• Loss of licence to operate</li> <li>• Reputational damage.</li> </ul>
<p><b>Risk treatment actions</b></p> <p>Incorporating safety into everything we do:</p> <ul style="list-style-type: none"> <li>• We follow a systemic and humanistic transformation programme called Thibakotsi to drive the safety culture within the group, through which we monitor LTIFR, S300 and absenteeism</li> <li>• Regular reviews and specific updates (when an event occurs) on compliance protocols</li> <li>• Mining Occupational Safety and Health adoption and leading practices within the group</li> <li>• Rock engineering support strategy, seismic management and approved standards and monitoring procedures are in place</li> <li>• Our business continuity management covers safety emergency management and incidents</li> <li>• Prompt, automated risk and hazard identification and golden control monitoring through upgraded software</li> <li>• Improvement to processes through visible felt leadership sessions</li> <li>• Harmony's executive management regularly reviews safety risks.</li> </ul>	<p><b>Strategic safety priorities</b></p> <ul style="list-style-type: none"> <li>• Passionate and active leadership</li> <li>• Safety strategy now embedded in Harmony at all operations, focusing on the humanistic component</li> <li>• Industry-leading safety practices</li> <li>• Effective risk and critical control management</li> <li>• Effective safety management systems</li> <li>• Ongoing organisational learning</li> <li>• Proactive culture and engaged workforce</li> <li>• Modernised safety systems</li> <li>• Enhanced second-level safety audits by multidisciplinary team</li> <li>• Loss of life risk management programme</li> <li>• Dedicated operational safety days when production is suspended and all employees participate in safety-focused discussions.</li> </ul>

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Technical committee</li> <li>• Board</li> </ul>	<p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• Group COO</li> </ul>	<p><b>Movement in risk exposure</b></p> <ul style="list-style-type: none"> <li>• Increased</li> </ul>	<p><b>Overall risk exposure</b></p> <ul style="list-style-type: none"> <li>• Above risk appetite</li> </ul>	<p><b>Risk response strategy</b></p> <ul style="list-style-type: none"> <li>• Treat</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals impacted</b></p> 
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**Our risk and opportunity profile *continued***

**b. Security of electricity/power supply and the impact of higher electricity costs**

Electricity supply has been constrained over the past decade with multiple power disruptions. The cost of electricity continues to rise by double digits – burdening the economics and viability of some marginal operations in South Africa. An unstable and increasingly costly power supply impacts our ability to produce safe and profitable production and affects the sustainability of our business.

In addition, there is growing pressure for decarbonisation by climate activists and investors, and for companies to acknowledge, disclose and reduce their carbon emissions.

<p><b>Cause</b> In South Africa, our mining operations depend on coal-fired power generated by Eskom. The state utility's electricity supply is unreliable due to insufficient plant maintenance and pressure on outdated infrastructure. Repairing infrastructure and carbon tax contribute to the rising cost of electricity as consumers are expected to cover these costs from the electricity they use and pay for.</p> <p>There is a worldwide uptake of reducing carbon emissions (coal-fired power being a major contributor in South Africa) and achieving net zero. This is supported by increasing pressure from investors and shareholder activism holding companies accountable to their ESG targets and timelines. Companies must adopt clear plans to mitigate their negative impact.</p>	<p><b>Potential impacts</b> The unreliable power supply may negatively impact our overall costs, project budgets and ultimately our margins as operations and/or projects would not be feasible to operate anymore. It also affects the LoM of some of our operations and can impact our carbon pricing.</p> <p>Continued power interruptions may result in:</p> <ul style="list-style-type: none"> <li>• Harmony's life-of-mines being shortened</li> <li>• Planned production targets may not be met and some projects may be impacted.</li> </ul> <p>Coal-fired power impacts our carbon footprint and, in turn, our decarbonisation journey. Mitigating the environmental impact of our operations reduces operating costs and our exposure to risk while supporting the long-term objective of leaving a positive post-mining legacy.</p>
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**Risk treatment actions**

- A clear strategy to improve efficiencies and to reduce reliance on Eskom through a substitution programme and reduce efficiencies and wastage from operations
- Continued involvement and efforts to influence and lobby at industry level to impact power cost increases and assist Eskom in securing power supply (through load curtailment if required) and providing available land for renewable energy plants, including lobbying and influencing regulators on regulatory reform and support interventions to the industry
- All cost and energy indicators and controls are reviewed by management and assured by RSM South Africa Inc
- Operational backup preparation plan
- Continued use of diesel generators to supply Hidden Valley operations with sufficient power
- Free State solar plant Phase 1 generates about 70GWh
- Up to 60% hydro and diesel backup energy at Hidden Valley
- Business continuity plan in development
- Phase 2 for the 137MW solar plants has been approved by the board.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Social and ethics committee</li> <li>• Technical committee</li> </ul>	<p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>• Group COO</li> <li>• Senior group executive: sustainable development</li> </ul>	<p><b>Movement in risk exposure</b></p> <ul style="list-style-type: none"> <li>• Increased</li> </ul>	<p><b>Overall risk exposure</b></p> <ul style="list-style-type: none"> <li>• Above risk appetite</li> </ul>	<p><b>Risk response strategy</b></p> <ul style="list-style-type: none"> <li>• Treat</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals impacted</b></p> 
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**Our risk and opportunity profile *continued***

**c. Not achieving operational plans at our critical operations**

Our critical operations are mainly those that generate the highest returns, for example, Mponeng and Moab Khotsong operations. They play a critical role for Harmony's ability to fund growth projects and a healthy cash flow within the group. If these operations do not meet their production targets, this could have a major impact throughout the business.

<p><b>Cause</b> There are numerous potential causes that may impact our production targets whereas a loss of life being the cause with the largest impact. Other causes also includes supply chain disruptions, load curtailment, average grade recovered and care and maintenance schedules.</p> <p>Inflation also plays a major role in cost management.</p>	<p><b>Potential impacts</b> If the group's critical operations do not meet their targets it may place undue pressure on operating margins and reduce earnings. Harmony's credibility will be impacted, resulting in a decrease in our share price and our market capitalisation.</p> <p>Not achieving our plans will impact our ability to fund our growth aspirations or pay dividends, resulting in a non-competitive equity story.</p> <p>Production targets not being met may result in higher costs and cross subsidisation of assets (lower-risk assets subsidising higher-risk assets).</p>
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- Risk treatment actions**
- Manage labour complement for equipping, constructing, rigging and vamping
  - Monthly rolling three-month plan assessment to maintain effective mining mix
  - Critical raise line scrutiny to optimise flexibility in face length (iceberg management)
  - Achieve/exceed reef and waste development plan (creating flexibility)
  - Weekly forecast review meetings
  - Monthly review by the senior management team and quarterly review by the Group CEO's office.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Technical committee</li> </ul>	<p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>• Group COO</li> </ul>	<p><b>Movement in risk exposure</b></p> <ul style="list-style-type: none"> <li>• Remained the same</li> </ul>	<p><b>Overall risk exposure</b></p> <ul style="list-style-type: none"> <li>• Above risk appetite</li> </ul>	<p><b>Risk response strategy</b></p> <ul style="list-style-type: none"> <li>• Tolerate</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals impacted</b></p> 
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**Our risk and opportunity profile *continued***

**d. Political tensions (geo-political and local)**

Geopolitical risks will be challenging to treat in the highly interconnected global ecosystems, as it remains difficult to forecast the exact impact these risks are having or may have. Supply chain disruptions, global inflation, interest rates and political risks are material risks to monitor and treat to reduce Harmony's overall risk exposure while local socio-political uncertainty results in increasing community unrest and expectations.

<p><b>Cause</b> The Ukraine and Russia war is causing disruptions that lead to inflation, supply chain disruption and global conflicts.</p>	<p><b>Potential impacts</b> Rising inflation could impact input prices and Harmony's all-in sustaining cost, resulting in unsustainable mines (the margin may be too low to continue investing in it).  Higher interest rates may affect the cost of funding capital, which could impact Harmony's cash flow, project returns and earnings.  Cost of living is continuously increasing because of high interest rates and inflation, and impacts Harmony's employees and other stakeholders.</p>
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**Risk treatment actions**

- Reducing reliance on single suppliers by adding additional suppliers
- Continued stakeholder engagement through various forums
- Harmony's hedging policy is aimed at locking in higher gold prices and suitable exchange rates to protect margins
- Harmony follows an inclusive approach with its unions, to ensure that wage expectations are managed.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Social and ethics committee</li> <li>• Technical committee</li> </ul>	<p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• Group COO</li> <li>• Executive director: stakeholder relations</li> </ul>	<p><b>Movement in risk exposure</b></p> <ul style="list-style-type: none"> <li>• Increased</li> </ul>	<p><b>Overall risk exposure</b></p> <ul style="list-style-type: none"> <li>• Above risk appetite</li> </ul>	<p><b>Risk response strategy</b></p> <ul style="list-style-type: none"> <li>• Treat</li> </ul>	<p><b>Strategic pillar</b></p> 	<p><b>Capitals impacted</b></p> 
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**Our risk and opportunity profile *continued***

**e. Unsuccessful project execution and funding ability**

While maximum returns on capital are demanded by shareholders, Harmony takes into account all of its stakeholders when deciding how to effectively allocate capital. As such, Harmony weighs up the following capitals: natural, manufactured, human, financial, intellectual and social. It is critical that these projects are executed on time and within budget.

<p><b>Cause</b> Major changes in the gold price, regulatory changes/approvals, production performance and political tensions are some major factors impacting our project execution.</p>	<p><b>Potential impacts</b> Not meeting project deadlines and agreed budgets may result in increased costs, which will impact overall profitability (net present value) and reduce investors' confidence in investing in Harmony.  Major projects running concurrently may have a cost impact on cash flow and funding plans.</p>
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<p><b>Risk treatment actions</b></p> <ul style="list-style-type: none"> <li>• Project governance</li> <li>• Monthly reviews of major capital projects by the central projects team</li> <li>• Each project is supported by a detailed schedule, budget and project manager</li> <li>• Review of major capital projects quarterly by the Group CEO's office</li> <li>• Strategic discussion are being held to best position Harmony to respond to risks and opportunities that may arise from the Newmont/Newcrest transaction.</li> </ul>
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<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Technical committee</li> <li>• Investment committee</li> </ul>	<p><b>Responsibility</b></p> <ul style="list-style-type: none"> <li>• Group COO</li> </ul>	<p><b>Movement in risk exposure</b></p> <ul style="list-style-type: none"> <li>• No movement</li> </ul>	<p><b>Overall risk exposure</b></p> <ul style="list-style-type: none"> <li>• Above risk appetite, within risk tolerance levels</li> </ul>	<p><b>Risk response strategy</b></p> <ul style="list-style-type: none"> <li>• Treat</li> <li>• Tolerate</li> </ul>	<p><b>Strategic pillar</b></p> 	<p><b>Capitals impacted</b></p> 
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 For more information on Harmony's risk factors and potential impacts, see the **Form 20-F**, as filed with the United States Securities Exchange Commission, at [www.harmony.co.za/invest/annual-reports](http://www.harmony.co.za/invest/annual-reports).

**Emerging risks**

We identify emerging risks through external environmental scanning, matters reported in the media and specific events. The purpose of this type of risk intelligence gathering is to identify 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.

**Our risk and opportunity profile *continued***

**Top group opportunities**

**Strategic opportunity profile**

The below list contains seven grouped opportunities that were reported in the fourth quarter of FY23 to the audit and risk committee. Opportunities go hand in hand with our strategic risks and are very important for our future growth and sustainability aspirations.

**Top strategic opportunities**

**a Organic growth opportunities to increase the quality of our ounces and drive down costs**

**b Including copper in the Harmony share price**

**c Productivity improvement projects**

**d Exploring value-accretive merger and acquisition and divestment opportunities**

**e Unlocking the full potential of our surface source ounces, lower-risk, higher-cash-margin opportunities**

**f Reducing our reliability on Eskom and the potential impact of carbon taxes by exploring alternative ways to generate power**

**g Exploring Harmony water resources and supply to surrounding communities**

**a. Organic growth opportunities to increase the quality of our ounces and drive down costs**

There are opportunities to expand and capitalise on our surface sources, mainly tailings storage facilities in the Free State region and the extension of the Hidden Valley ore body, including Kerimenge.

We also have an opportunity to extend life-of-mine of Mponeng, also known as the Mponeng deepening project.

**Potential contribution to delivering on our strategy**

- Continue to invest in assets in countries that we are familiar with
- Leveraging off current infrastructure and applying the skills of our experienced mining teams, create shared long-term value for all the stakeholders of Harmony
- Some investors argue that higher value is attributable to lower-risk surface projects which deliver returns (short payback, high margins)
- Project metrics to be carefully considered to prioritise capital.

**Oversight**

- Investment committee
- Audit and risk committee
- Board

**Strategic pillars**



**Capitals to be impacted**



**b. Including copper in the Harmony share price**

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 our business's sustainability. Harmony introduced a new asset this year through acquiring the Eva Copper Project in Australia, which plays a crucial role in the longevity of our production profile and investing in safer and more sustainable assets for the future.

**Potential contribution to delivering on our strategy**

- Copper is a green metal. Introducing copper into Harmony's production portfolio meets various ESG requirements, drives down costs and serves as counter-cyclical protection against gold
- Wafi-Golpu: The special mining lease and funding solution are critical focus areas. Once the special mining lease for Wafi-Golpu has been secured, the project has the potential to re-position Harmony in the lower-cost quartile within the mining industry
- Eva Copper's feasibility study to be completed and board approval to be obtained before it will be regarded as value accretive
- A solid financing plan is required to convert the value of Wafi-Golpu and the Eva Copper Project into our share price.

**Oversight**

- Investment committee
- Technical committee
- Board

**Strategic pillars**



**Capitals to be impacted**



**Our risk and opportunity profile *continued***

**c. Productivity improvement projects**

Operational excellence is key to creating an enabling environment and achieving our operational plans. Proactively managing safety and health, combined with incentives to improve technology and our workforce's productivity, increasing flexibility and reducing unplanned stoppages are key aspects of our operational excellence approach. We aim to increase the focus on business improvement opportunities to optimise available resources.

**Potential contribution to delivering on our strategy**

- Increase focus on business improvement opportunities to optimise available resources
- Pursuing several efficiency enhancements aimed at safer mining and increasing productivity
- We are exploring possible partnerships in developing new technologies to improve safety and efficiency of our mines.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Technical committee</li> <li>• Board</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals to be impacted</b></p> 
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**d. Exploring value-accretive merger and acquisition and divestment opportunities**

We continue assessing the quality of our assets to ensure they meet investment criteria. We update the list of potential merger and acquisition opportunities regularly and pursue these at the right time.

**Potential contribution to delivering on our strategy**

- Investing in safer, more profitable mines, increasing market capitalisation and unlocking value.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Investment committee</li> <li>• Audit and risk committee</li> <li>• Board</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals to be impacted</b></p> 
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**e. Unlocking the full potential of our surface source ounces, lower-risk, higher-cash-margin opportunities**

With meaningful surface sources available, supported by available plants, there may be an opportunity to expand our reclamation activities to ensure optimal utilisation of our assets. Acquiring additional surface sources may also be an opportunity.

**Potential contribution to delivering on our strategy**

- Proper balancing of plant productivity with nearby resources to ensure optimal throughput.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Investment committee</li> <li>• Audit and risk committee</li> <li>• Board</li> </ul>	<p><b>Strategic pillar</b></p> 	<p><b>Capitals to be impacted</b></p> 
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**Our risk and opportunity profile *continued***

**f. Reducing our reliability on Eskom and the potential impact of carbon taxes by exploring alternative ways to generate power**

There is a great need to reduce our reliance on one electricity supplier. As such, we have to consider investing in various alternative sources of energy, similar to the solar projects that were approved. Most of our projects consists of solar farms, but also considering alternative energy solutions including photovoltaic systems, wind and Syngas (hydrogen-rich gas).

**Potential contribution to delivering on our strategy**  
 There is a great need to reduce our reliance on one supplier of electricity. As such, we must consider investing in various sources of energy, similar to the solar projects that were approved. Our project and environmental teams continue to assess possible solution.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Investment committee</li> <li>• Audit and risk committee</li> <li>• Board</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals to be impacted</b></p> 
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**g. Exploring Harmony's water resources and supply to surrounding communities**

The local government does not have a proactive plan to maintain water supply to operations and surrounding communities. Water is becoming a competing resource for mining vs consumption vs ecosystem health.

**Potential contribution to delivering on our strategy**  
 As a result, water restrictions are being imposed in some areas of South Africa, which provides Harmony with an opportunity to use excess de-mineralised water for the supply to surrounding communities for consumption and vegetation.

<p><b>Oversight</b></p> <ul style="list-style-type: none"> <li>• Investment committee</li> <li>• Board</li> </ul>	<p><b>Strategic pillars</b></p> 	<p><b>Capitals to be impacted</b></p> 
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# OUR MATERIAL MATTERS

Integrated thinking is embedded in our approach to mining with purpose, and supports our process for identifying material matters that we impact, and matters that could affect our ability to create and preserve value over time. Each year, we assess and review these matters and consider internal and external stakeholder input.

We identify material matters using a robust materiality determination process that includes our broader impact through a double materiality lens, ie how a material matter impacts the economy, society and the environment, or how they impact our ability to create value over time. Harmony contracted Deloitte to facilitate a top-down, bottom-up and stakeholder-centric approach to determining materiality for our business. The gap analysis informed the roadmap, which has been approved by our social and ethics committee and will be rolled out in the next financial year.

The matters identified below inform the content of the integrated report, and align with the capitals we impact, our risks, opportunities and strategy, and are prioritised and grouped into material and broader themes (social, environmental, governance and business-related).



Mponeng, Gauteng, South Africa

## Materiality determination process

<p><b>External review</b></p>	<p>The external review identified and prioritised:</p> <ul style="list-style-type: none"> <li>• Macro and sector sustainability trends</li> <li>• Investor priorities</li> <li>• External factors identified by ratings agencies</li> <li>• Industry peer material matters and themes.</li> </ul>
<p><b>Internal review</b></p>	<p>The internal review considered:</p> <ul style="list-style-type: none"> <li>• Internal factors identified in our risk register and strategy</li> <li>• Organisation-wide survey</li> <li>• Focus group discussions</li> <li>• Stakeholder interviews.</li> </ul>
<p><b>Consolidation of matters</b></p>	<ul style="list-style-type: none"> <li>• The results of the internal and external reviews were interrogated, analysed and compared to previously identified material matters</li> <li>• Additional matters to be analysed were also identified</li> <li>• Resulting in a list of potential matters for approval by executives and senior management.</li> </ul>
<p><b>Prioritisation and approval</b></p>	<ul style="list-style-type: none"> <li>• The identified matters were confirmed and ranked through a materiality survey</li> <li>• Social and ethics committee review</li> <li>• Board approval.</li> </ul>
<p><b>Output</b></p>	<p>25 material matters and five material themes were identified, grouped into four broader themes and used in the Integrated and ESG reports.</p>

Our material matters *continued*

Materiality matrix

Harmony's 2023 material matters did not change significantly from the prior year, and certain key issues remain critical for the business.

Material themes	Material matters	Impact on business cash flows		Impact on economy, society and environment	
		0	5	0	5
<b>Social</b>					
Employee health and safety	1 Ensuring employee safety 2 Protecting employee health and mental wellbeing				
Supporting our people	3 Maintaining sound labour relations 4 Driving equity, inclusion and diversity 5 Attracting and retaining an engaged, enabled and empowered workforce 8 Respecting cultural heritage				
Partnering for thriving, sustainable communities and our social licence to operate	6 Stakeholder engagement and partnerships for sustainable communities 7 Supply chain transformation and preferential procurement				
<b>Environmental</b>					
Environmental stewardship	9 Climate change and extreme weather susceptibility and responsibility (including physical and transitional risks) 10 Addressing energy use 11 Water management 12 Circular economy (maximising resource efficiency and reuse/recycling) and pollution prevention 13 Tailings storage facility (TSF) management and safety 14 Ensuring biodiversity and post-closure sustainability 17 Pursuing zero emissions and renewable alternatives				
<b>Business-related/financial performance and operational resilience</b>					
Pursuing operational sustainability	15 Navigating commodity price and currency/forex fluctuations 16 Managing capital access and allocation for profitability 18 Re-engineering our portfolio and growing our profitable ounces (diversifying commodities, jurisdictions and a mix of ultra-deep level and surface sources) 19 Pursuing technology and innovation for environmental, operational and safety improvements				
<b>Governance</b>					
Governance, ethics and accountable leadership	20 Crisis response and operational resilience 21 Fair and responsible remuneration 22 Upholding human rights and driving responsible procurement 23 Ensuring legal, regulatory and compliance excellence 24 Cybersecurity 25 Transparent and ethical business (anti-bribery and anti-corruption)				

**Our material matters *continued***

**Our material themes and matters**

📌 We unpack each material theme below and the material matters are detailed in the [2023 ESG report](#).

**Social**

**Employee health and safety**

Mining and extractive processes pose significant health and safety risks to our people and could negatively impact their wellbeing. Safety, health and wellbeing are a core value and key focus areas for Harmony.

Moving Harmony towards zero harm with care, collaboration, conservation and action ensures a safe, healthy and resilient workforce.

**Material matters**

- Ensuring employee safety
- Protecting employee health and mental wellbeing.

**Linked risks**

- Safety and health.

📌 Refer to our ESG strategic risks in the [ESG report](#).

**Linked capitals**



**Linked strategic pillars**



**Linked SDGs**



**Supporting our people**

A meaningful employee value proposition is critical to our success as a business because it reduces potential labour-related disruptions, among other people-related risks, and ensures employee retention.

We create and maintain an engaged and empowered workforce through sound labour relations, supporting diversity, inclusivity and equality, and investing in and caring for our people. Harmony's social initiatives positively impact employees and communities by enabling them to improve their living conditions and have better access to social services, healthcare, education and training.

Harmony is mindful of and respects the different cultures and their cultural heritage in the regions where we operate. As part of our impact assessment approach for exploration activities, new projects and expansion activities, we conduct cultural heritage investigations, and work with relevant stakeholders to create appropriate heritage management measures.

**Material matters**

- Maintaining sound labour relations
- Driving equity, inclusion and diversity
- Attracting and retaining an engaged, enabled and empowered workforce
- Respecting cultural heritage.

**Linked risks**

- Political tensions (geopolitical and local).

📌 Refer to our ESG strategic risks in the [ESG report](#).

**Linked capitals**



**Linked strategic pillars**



**Linked SDGs**



**Our material matters *continued***

**Partnering for thriving, sustainable communities and our social licence to operate**

Local and indigenous people have a deep understanding of the social and environmental challenges facing their communities. Acknowledging and being respectful of traditions, norms and values are key to building deep and meaningful relationships and as such, meaningful engagements and partnerships with our communities builds trust and earns our social licence to operate.

Harmony partners with communities, local municipalities, small businesses and various levels of government to ensure progress against meeting our social commitments and creating impact, including reducing inequality, supporting job creation and creating sustainable socio-economic development.

We also believe that meaningful stakeholder engagement is key to sustainable value creation and preservation.

 Refer to **Stakeholder engagement** for details.

**Material matters**

- Stakeholder engagement and partnerships for sustainable communities
- Supply chain transformation and preferential procurement.

**Linked risks**

- Political tensions (geopolitical and local)
- Supply chain disruptions
- Systemic failure of public infrastructure.

 Refer to our ESG strategic risks in the **ESG report**.

**Linked capitals**



**Linked strategic pillars**



**Linked SDGs**



**Environmental**

**Environmental stewardship**

We use and affect natural resources while conducting our business activities:

- Mining and extractive processes create pollution, deplete natural resources and disrupt land use and management
- Our operations require natural resource inputs such as energy from renewable and non-renewable sources, water and the land we mine.

Harmony must manage these finite, shared and fragile resources responsibly as an ethical, social and business imperative. Mismanagement could result in financial and environmental costs, and business risk and liability.

We are committed to ecologically responsible mining, contributing to a low-carbon future, minimising and mitigating our footprint, and leaving a positive legacy in partnership with our stakeholders. Our responsible practices are embedded in everything we do and extend beyond our mine boundary to our supplier partners and market.

**Material matters**

- Climate change and extreme weather susceptibility and responsibility (including physical and transitional risks)
- Addressing energy use
- Water management
- Circular economy (maximising resource efficiency and reuse/recycling) and pollution prevention
- TSF management and safety
- Ensuring biodiversity and post-closure sustainability
- Pursuing zero emissions and renewable alternatives.

**Linked risks**

- Safety and health
- Security of electricity/power supply and the impact of higher electricity costs
- Not achieving operational objectives at our operations
- Supply chain disruptions (including supply of goods and increasing costs).

 Refer to our ESG strategic risks in the **ESG report**.

**Linked capitals**



**Linked strategic pillars**



**Linked SDGs**



Our material matters *continued*

**Business-related/financial performance and operational resilience**

Factors in our external environment and the risks and opportunities inherent to mining can affect our ability to achieve strategic objectives and generate broad sustainable value:

- **Mining is a cyclical business:** as commodity prices fluctuate, so too does available funding for exploration and project development. 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 a business imperative and reflects management's ability to navigate a changing context
- **Zero emissions:** Our portfolio of assets is characterised by high energy use and will remain so, given our future deepening projects. This poses an environmental impact and cost implication linked to carbon tax. We are diversifying commodities, jurisdictions and mix of ultra-deep and surface sources to ensure a future production pipeline of quality reserves that will enable us to operate sustainably and profitably.
- **New technology:** We pursue related opportunities to improve safety and enhance our ability to improve cost and productivity efficiencies, as well as overall financial management. However, failure to adopt digital technologies may influence the upskilling or reskilling of existing employees and retaining talent.

It is vital for our sustainability that we anticipate, identify and understand all external influences that affect our business, and develop appropriate responses. This will ensure that we can continue investing in our business and people while rewarding investors and, as a responsible corporate citizen, honouring our socio-economic commitments.

**Material matters**

- Navigating commodity price and currency/forex fluctuations
- Managing capital access and allocation for profitability
- Re-engineering our portfolio and growing our profitable ounces (diversifying commodities, jurisdictions and a mix of ultra-deep level and surface sources)
- Pursuing technology and innovation for environmental, operational and safety improvements.

**Linked risks**

- Safety and health
- Security of electricity/power supply and the impact of higher electricity costs
- Not achieving operational objectives at our operations
- Unsuccessful project execution
- Supply chain disruptions (including supply of goods and increasing costs)
- Gold price and forex fluctuations
- Systemic failure of public infrastructure.

**Linked capitals**



**Linked strategic pillars**



**Linked SDGs**



**Our material matters *continued***

**Governance**

**Governance, ethics and accountable leadership**

Changing regulatory landscapes in our operating territories create uncertainty, delay key decisions, could affect investor sentiment towards Harmony and could impact our sustainability and licence to operate.

Business continuity management (BCM) has been introduced and is in development across all South African operations. BCM contributes to operational resilience by identifying and understanding potential threats and their impact on Harmony's business operations.

Harmony continues enhancing its cybersecurity abilities by implementing state-of-the-art technologies and processes to identify threats, protect our environment and respond to cyber incidents.

Good governance is overarching and embodies everything we do as a business. Our board has a responsibility and commitment to Harmony's responsible corporate citizenship, ethical leadership and robust governance standards in line with global good governance practice. 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.

As a responsible employer, we adhere to corporate policies, comply with applicable laws and regulations, engage with our stakeholders regularly and contribute, directly or indirectly, to the general wellbeing of communities where we operate.

Risk management is a critical part of our journey and a significant component of governance, and as such, integrated into our daily operations and corporate culture.

**Material matters**

- Crisis response and operational resilience
- Fair and responsible remuneration
- Upholding human rights and driving responsible procurement
- Ensuring legal, regulatory and compliance excellence
- Cybersecurity
- Transparent and ethical business (anti-bribery and anti-corruption).

**Linked risks**

Political tensions (geopolitical and local).

➤ Refer to our ESG strategic risks in the [ESG report](#).

**Linked capitals**



**Linked strategic pillars**



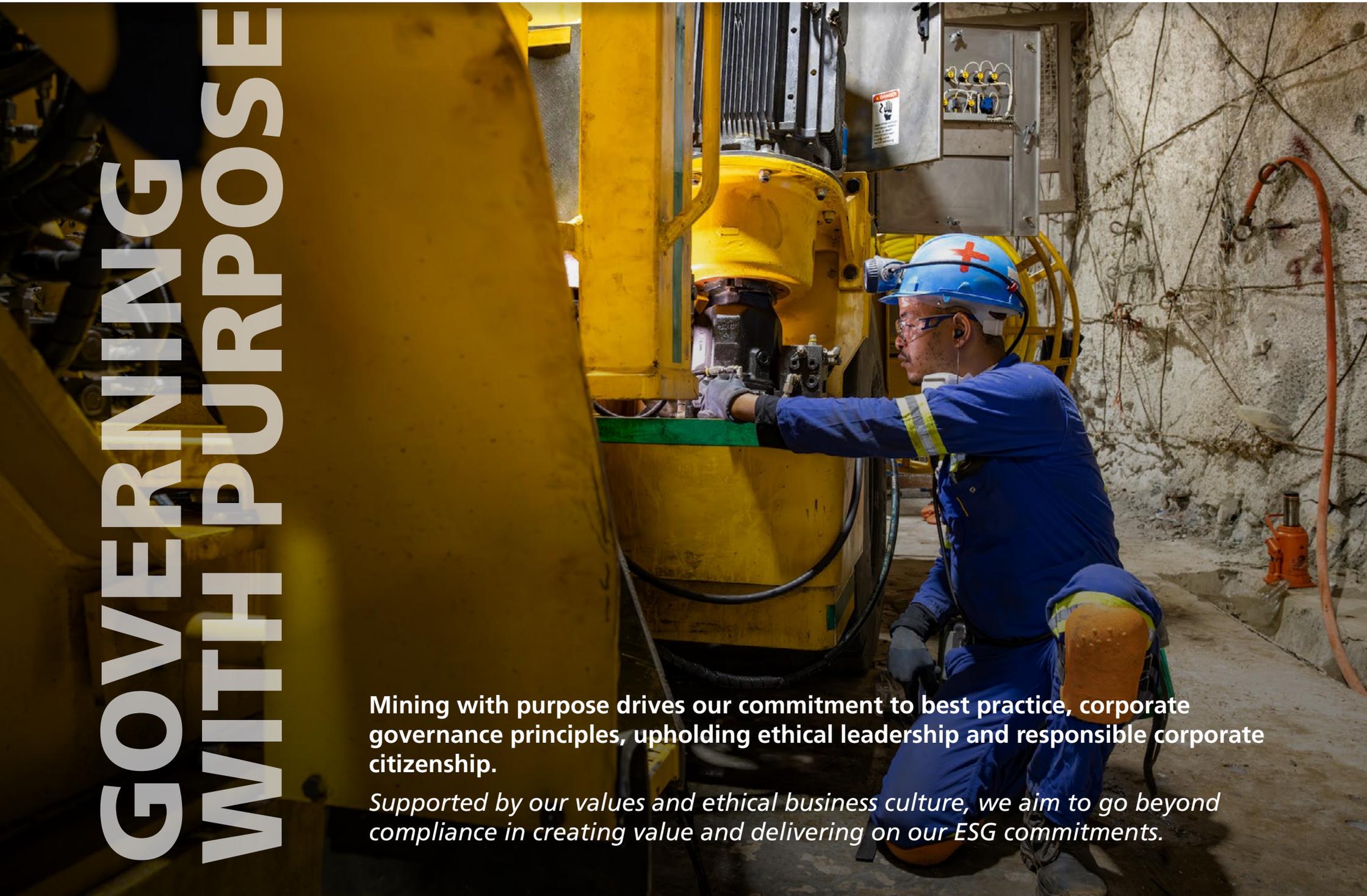
**Linked SDGs**



# GOVERNING WITH PURPOSE

Mining with purpose drives our commitment to best practice, corporate governance principles, upholding ethical leadership and responsible corporate citizenship.

*Supported by our values and ethical business culture, we aim to go beyond compliance in creating value and delivering on our ESG commitments.*



# 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.

### Board of directors

The board exercises its leadership role over the group by:

- Steering its strategic direction
- Approving policy and planning that gives effect to the strategy
- Overseeing and monitoring implementation and execution by management
- Ensuring accountability for performance through reporting and disclosure.

### Board committees

The board has delegated particular roles and responsibilities to standing committees, but remains ultimately accountable.

The board committees' primary functions include the consideration, oversight and monitoring of strategies, policies, practices, performance and recommendations to the board for final approval related to:

Audit and risk	Social and ethics	Remuneration	Nomination	Investment	Technical
<ul style="list-style-type: none"> <li>• Operating an adequate system of internal control and control processes</li> <li>• Accurate and appropriate reporting of financial statements</li> <li>• Governance of information technology</li> <li>• Risk management and overall risk governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and employee wellbeing, environmental management, corporate social responsibility, human resources, public safety and ethics management</li> <li>• Compliance with relevant regulations</li> <li>• Sustainability-related key performance indicators and levels of assurance, including ESG.</li> </ul>	<ul style="list-style-type: none"> <li>• Fair reward of directors and executive management for their contribution to Harmony's performance</li> <li>• Harmony's compensation policies and practices; administration of its share incentive schemes</li> <li>• Group remuneration policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Formal and transparent procedures on board appointments</li> <li>• Succession planning for directors and members of executive management</li> <li>• Board self-assessment process.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential projects, acquisitions and disposals in line with Harmony's strategy; ensures due-diligence procedures are followed.</li> </ul>	<ul style="list-style-type: none"> <li>• Safety, strategy and operational performance</li> <li>• Review of strategic plans</li> <li>• Technical guidance and support to management.</li> </ul>

### Group executive committee

Led by the chief executive officer, in charge of executing board approved strategy as well as the day-to-day management of all operations.

# OUR LEADERSHIP

## Board of directors

### Board leadership



#### Non-executive chairman

**Dr Patrice Motsepe (61)**  
*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: ■



#### Independent non-executive deputy chairperson

**Karabo Nondumo (45)**  
*BAcc, HDip (ACC), CA(SA)*

Appointed 3 May 2013  
 Chairperson: ■ ■ ■ ■  
 Member: ■ ■ ■ ■



#### Lead independent non-executive director

**Dr Mavuso Msimang (82)**  
*MBA (Project Management), Bsc*

Appointed 26 March 2011  
 Chairperson: ■ ■ ■ ■  
 Member: ■ ■ ■ ■

### Executive directors



#### Chief executive officer

**Peter Steenkamp (63)**  
*BEng (Mining), Mine Manager's Certificates Metal Mines, Fiery Mines, CPIR, MDP, BLDP)*

Appointed chief executive officer on 1 January 2016



#### Financial director

**Boipelo Lekubo (40)**  
*BCom (Hons), CA(SA)*  
 Joined Harmony in June 2017 and appointed financial director on 3 March 2020

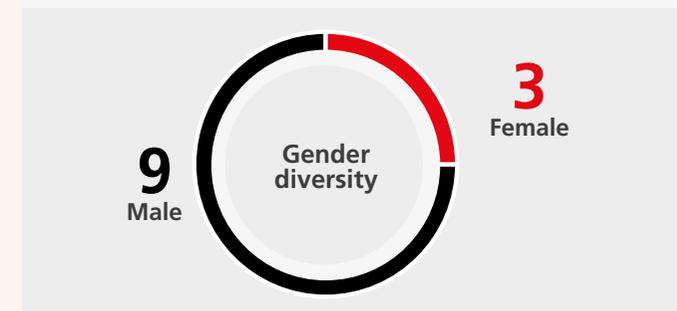
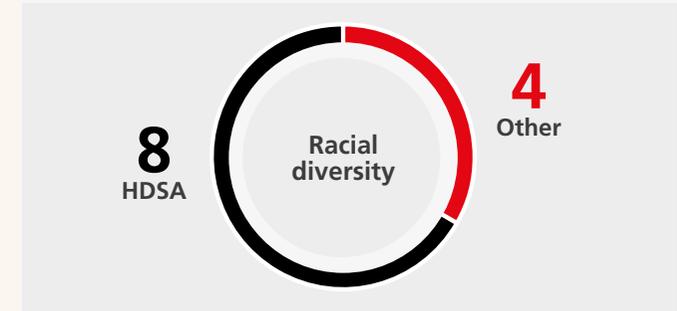


#### Executive director: stakeholder relations and corporate affairs

**Dr Mashego Mashego (59)**  
*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

# OUR DIRECTORS AT A GLANCE



### Committee

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

Our leadership *continued*

Independent non-executive directors



**Bongani Nqwababa (57)**

*BAcc (Hons), FCA, MBA*  
Appointed 18 May 2022

Chairperson: ■  
Member: ■ ■



**Given Sibiya (55)**

*BCom, BAcc, CA(SA)*  
Appointed 13 May 2019

Member: ■ ■



**Vishnu Pillay (66)**

*BSc (Hons), MSc*  
Appointed 8 May 2013

Chairperson: ■  
Member: ■ ■ ■



**Peter Turner (67)**

*NHD Mechanical Engineering*

Chairperson: ■  
Appointed 19 February 2021  
Member: ■



**Martin Prinsloo (54)**

*CA(SA)*  
Appointed 18 May 2022

Member: ■ ■ ■

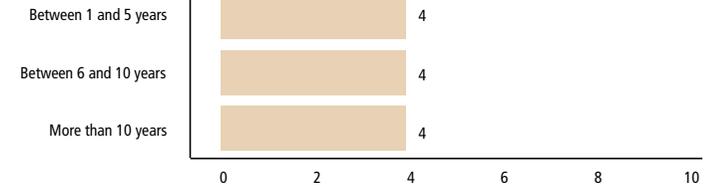


**John Wetton (74)**

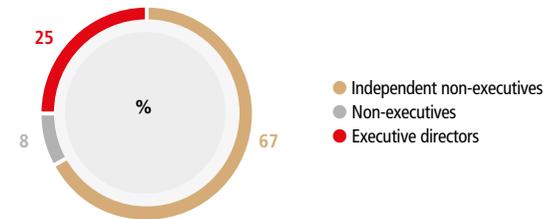
*CA(SA), FCA*  
Appointed 1 July 2011

Chairperson: ■  
Member: ■ ■ ■

Tenure of directors



Independence



Core skills and experience



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

## Our leadership *continued*

### Executive management

Harmony's executive management team comprises the chief executive officer, financial director and an executive director (see page 76). Together with five senior group executives, they serve as the group executive committee. This committee is supported by three corporate executives, who make up the group chief executive's office and report to either the chief executive officer or financial director.

There are also regional executive committees for South Africa and South-east Asia (Papua New Guinea and Australia).

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

#### Senior group executives



##### Group chief operating officer, operations

**Beyers Nel (46)**  
BEng (Mining Engineering),  
MBA, Pr Eng, Mine  
Manager's Certificate  
of Competency



##### Group chief operating officer, business development and growth

**Johannes van Heerden (50)**  
BCompt (HONS), CA(SA)



##### Enterprise risk and investor relations

**Marian van der Walt (50)**  
MBA (Oxford) (cum Laude),  
BCom (Law), LLB, Higher  
Diploma in Tax, Diplomas in  
Corporate Governance and  
Insolvency Law, Certificate  
in Business Leadership and  
Investor Relations (UK)



##### Sustainable development

**Melanie Naidoo-Vermaak (49)**  
BSc (Hons), MSc  
(Sustainable  
Development), MBA



##### Human capital

**Anton Buthelezi (58)**  
National Diploma (Human  
Resources Management),  
Btech (Labour Relations)  
Management, Advanced  
Diploma in Labour Law,  
Certificate in Business  
Leadership

#### Corporate executives: reporting to the group chief executive's office



##### Chief audit executive

**Besky Maluleka-Ngunjiri (47)**  
BCompt (Hons), CTA, CIA, CCSA



##### Chief financial officer: treasury

**Herman Perry (51)**  
Bcom (Hons), CA(SA)

#### Group company secretary



##### Shela Mohatla (38)

MBA, FCG (CGISA), BAdmin IR, PGDip  
Corporate Law, PMD

# 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.

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 their race or any other arbitrary factor, are paid equally for equivalent roles.

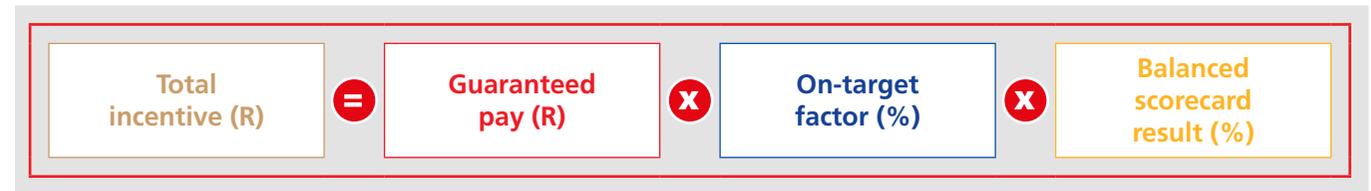
## Fair and responsible pay

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 employees](#) in our [ESG report](#).

## Total incentive plan

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



The formula above has been updated so that the outcome is based on the "On-target" factor (%), rather than the maximum Participation Factor, where the On-target factor is equal to 60% of the maximum Participation Factor, and the Balanced Scorecard outcome is recalibrated to 100% for On-target performance, 67% for Threshold performance and to 167% for Stretch performance. This has no mathematical impact on the outcomes of the total incentive awards but enables more realistic communication of expected outcomes. The maximum Participation outcome is unlikely due to the low probability of reaching stretch performance for all measures simultaneously, whereas the On-target factor correctly expresses the appropriate reward for target performance. For FY23, the total On-target factor for the CEO is therefore 60% of 250%, equalling 150% for Guaranteed pay, with 40% of this settled in cash (60% of guaranteed package) and 60% in deferred shares (90% of guaranteed package).

For FY23 the total On-target factor for the Financial director, other executive directors and prescribed officers is therefore 60% of 230%, equalling 138% for Guaranteed pay, with 40% of this settled in cash (55.2% of guaranteed package) and 60% in deferred shares (82.8% of guaranteed package).

For the reasons explained in the background statement to this report, for FY24 a moderate increase in the On-target total incentive factors has been implemented, with the CEO's total On-target factor increasing from 150% to 180% of Guaranteed

package (72% in cash and 108% in deferred shares) and the total On-target factor for the Financial director, other executive directors and prescribed officers increasing from 138% to 150% of Guaranteed package (60% in cash and 90% in deferred shares).

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 FY24 is detailed in the [Remuneration report](#) in the [Report to shareholders](#).

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 executive directors and prescribed officers, and 33.3% 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.

A provision for no fault terminations has been approved. This means that the awards of executives and management employees who leave the company in good standing, 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.

## Managing performance through remuneration *continued*

### Incentive payments attributable to FY23

#### Total incentive plan

Actual performance outcomes based on the FY23 balanced scorecard for the period 1 July 2022 to 30 June 2023 is as follows:

Performance drivers	Description	Target	Actual	% Achieved	Qlfy	Weighting	Scorecard line result	Final outcome
<b>Shareholder value</b>	Total shareholder return (TSR)							
	– TSR absolute	56.00%	(13.00)%	(13.00)%	NO	8.34	—	—
	– TSR versus SA JSE-listed gold-mining comparators	10.00%	(15.00)%	(15.10)%	NO	8.33	—	—
	– TSR versus FTSE Gold Mines	10.00%	2.00%	2.50%	YES	8.33	45.00%	3.75%
<b>Operational and financial</b>	Kilograms total Harmony	46 326	45 651	98.50%	YES	20.00	54.20%	10.83%
	Total production cost (SA)(Rm)	36 341	36 738	98.90%	YES	12.00	55.60%	6.68%
	Total production cost (SEA) (US\$/m)	253	212	116.10%	YES	3.00	100.00%	3.00%
	Net free cash flow	5 262	6 614	125.70%	YES	10.00	94.20%	9.42%
<b>Growth</b>	Reserve addition (Moz)		0.728		NO	10.00	—	—
<b>Sustainability</b>	LTIFR total SA ops	6.03	5.74	104.80%	YES	15.00	98.50%	14.77%
	ESG				YES	5.00	100.00%	5.00%
						100.00		53.45%
		<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>Three-year average</b>	<b>FY23</b>	<b>% variation</b>	<b>% of LTIFR awarded</b>
Loss of life incidents versus actual*		6	10	9	8	6	28.00%	100.00%
						<b>Final LTIFR %</b>		<b>14.77%</b>
						<b>Final scorecard result</b>		<b>53.45%</b>

\* Final LTIFR % after any adjustment for loss of life incidents as more fully described below.

\*\* Note that the scorecard outcome will be expressed as a percentage of target from FY24 onwards, so the equivalent score in FY24 will be  $53.45/60 = 89.08\%$ .

### Transitional arrangements

These arrangements will be effective from 1 July 2023 for FY24 going forward.

- For the remainder of FY23, the Group COO – Operations will remain on the current arrangements, ie. 40% Group and 60% SA Ops
- New Business Dev and Growth COO and Managers – as from 1 February 2023, these participants will have a split of 7/12 months SEA and 5/12 months Group performance vesting % outcome only for FY23.

- The newly appointed Executive Operating Officer SEA will be paid as follows:
  - 9/12 and 3/12 principle – 1 July 2022 to March 2023 pro-rated as a SA Ops Executive and from April 2023 onwards as a SEA Ops Executive
- SEA Shared Services managers – the participation percentage split for these managers will be determined and recommended by the two Chief Operating Officers – Operations and New Business and Growth for approval by the Group CEO and FD during the yearly performance valuation and incentive vesting time.

### Discretion to be applied based on the number of loss-of-life incidents in the financial year

- The LTIFR award percentage will be adjusted as follows:
  - The actual number of lives lost compared to average loss-of-life 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.

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

# THE VALUE WE'VE CREATED

Mining with purpose is at the heart of who we are and what we do. At the core of creating and preserving shared value is the sustainability of our business, society and the environment while considering our stakeholders' needs and interests.

*To achieve this, Harmony:*

- Has a portfolio of assets that demonstrates our commitment to be a key player in the future-facing metals market*
- Is further optimising operations to produce safe, profitable ounces and improve margins through our four strategic pillars*
- Making meaningful investments and strategic capital allocations that align with our sustainable development, ESG and business goals*
- Protecting our social and ecological licence to operate by delivering social and economic benefits, and being a responsible corporate citizen and environmental stewards wherever we operate.*

# CHIEF EXECUTIVE OFFICER'S REVIEW



**Peter Steenkamp**  
Chief executive officer

**“Harmony truly demonstrated resilience and dedication to mining with purpose this year despite a challenging operating landscape – building incredible momentum and successfully delivering on our strategy.”**

Improve safety performance	Total gold produced	Underground recovered grade	AISC <sup>2</sup>
 <ul style="list-style-type: none"> <li>Group LTIFR<sup>1</sup> at 5.49 from 5.65 in FY22</li> </ul>	 <ul style="list-style-type: none"> <li>45 651kg</li> <li>1 467 715/oz</li> </ul> <p><b>Met upper end of guidance</b></p>	 <ul style="list-style-type: none"> <li>+8% to 5.78g/t</li> <li>Exceeded guidance of 5.45 – 5.65g/t</li> </ul>	 <ul style="list-style-type: none"> <li>R889 766kg</li> <li>US\$1 558/oz</li> </ul> <p><b>Within guidance</b></p>

Growth capital spent	Operating free cash flow	Strong balance sheet	Final dividend
 <ul style="list-style-type: none"> <li>R2 billion allocated towards high-margin growth projects</li> </ul>	 <ul style="list-style-type: none"> <li>&gt;100% to R6.0 billion</li> <li>13% OFCF<sup>3</sup> margin</li> </ul>	 <ul style="list-style-type: none"> <li>Net debt/EBITDA<sup>4</sup> 0.2X</li> </ul>	 <ul style="list-style-type: none"> <li>75 SA cents</li> <li>~4 US cents<sup>5</sup></li> </ul>

<sup>1</sup> LTIFR lost time injury frequency rate.

<sup>2</sup> AISC all-in sustaining cost.

<sup>3</sup> OFCF: operating free cash flow.

<sup>4</sup> EBITDA: earnings before interest, taxes, depreciation and amortisation.

<sup>5</sup> Illustrative equivalent based on the closing exchange rate of R18.63/US\$1 as at 25 August 2023.

**This financial year was a landmark year for Harmony. We achieved what we promised – improving our safety performance, delivering against all guidance metrics, expanding into near-term copper and investing in our organic growth. Overall, Harmony achieved an excellent operational and financial performance.**

Our commitment to operational excellence ensured that we achieved an improved safety performance and an outstanding full-year operational performance with strong cash flows. The group's LTIFR remained below six per million hours worked for the second consecutive year, a major achievement for us as a business.

Our operational performance was boosted by high recovered grades at our South African underground mines with good momentum across the portfolio. This, coupled with a 14.9% increase in average gold price, resulted in a 14.1% increase in gold revenue and 60.3% increase in headline earnings per share. On the back of our strong performance and solid free cash flows, we are pleased to declare a full-year dividend for this reporting period.

The excellent performance this year was mostly driven and supported by our dedicated management teams, disciplined mining and operational flexibility. We are consistently meeting production, cost and grade guidance. We have maintained a stable and predictable cost base in a high inflationary environment as result of the strong grades and good cost controls. We have a well-sequenced capital profile to ensure we can execute each project affordably, which will ultimately lead to higher quality ounces and improved margins.

Our existing portfolio and pipeline of projects present substantial opportunities to convert our Resources into quality Reserves. These projects will ensure our long-term sustainability and profitability. We are allocating growth capital towards high-margin, long-life operating assets, adding higher-quality ounces and improving our margins while lowering our overall risk profile. We are also growing internationally by investing in copper – a key future-facing metal in the transition to a low-carbon economy. In addition our projects currently in execution, our two key international projects, namely Eva Copper in Queensland, Australia and the Tier 1 Wafi-Golpu copper-gold project in

**Chief executive officer's review *continued***

Papua New Guinea, will transform Harmony into a global gold-copper producer once operational.

Using our strong technical skills and extensive institutional knowledge (built up during our 73 years in operation), we continue to create long-term value by extending the operating lives of our mining assets and taking our comprehensive growth pipeline up the value curve.

With 39.3Moz Mineral Reserves (31.0% copper) and over 137.8Moz in Mineral Resources, Harmony offers an attractive investment case. As South Africa's largest gold producer by volume, we offer geared exposure to gold and early entry into two prospective copper projects which will transform Harmony into a low-cost global gold-copper producer in the long term.

Key to Harmony's success this year has been transforming the business into a higher-quality gold and copper producer by carefully considering the capital we allocated across our four business areas.

 Our trade-offs and disciplined capital allocation **Guided by our strategy**

Through well-considered capital allocation decisions, we will achieve our growth objectives and ensure each mine or project positively contributes to our overall success. These decisions are guided and informed by our four interlinked strategic pillars – we cannot deliver sustained value creation without:



**Responsible stewardship**

Demonstrating true sustainability



**Cash certainty**

Consistently delivering positive operating free cash flow



**Operational excellence**

Delivering on our operational plans



**Effective capital allocation**

Continually improving the quality of our portfolio

**Responsible stewardship**

At Harmony, we believe in actions over words. True sustainability is embedded in all our decisions that are informed by our sustainable development framework, which balances environmental, social and governance matters. Taking care of the Harmony family requires a holistic approach to safety and health. Our people's safety is paramount, so too is the health and wellbeing of each of our employees and our host communities. Protecting and preserving the natural ecosystems surrounding our operations and the environment ensures we leave a lasting positive legacy wherever we operate. Harmony's leadership team and strong governance structures support every effort we make to ensure every Harmonite is a responsible steward of the environment and society at large.

This financial year marks seven years since we embarked on our safety transformation journey to embed a proactive safety culture. We have seen a marked improvement in our overall safety performance through continuous risk management, regular visible felt leadership engagements and other safety awareness initiatives across our operations. We also continue to equip our teams with ongoing leadership development and training.

Group LTIFR per million hours worked improved to 5.49, which has remained below 6 for two consecutive financial years, a first in our 73-year history. This is a significant achievement for deep-level mining in South Africa and affirms our commitment to improving safety. Our South African surface operations celebrated 3.6 million loss-of-life-free shifts and our Hidden Valley operation in Papua New Guinea had no loss of life for the sixth consecutive year.

Safety will always take precedence over production, so despite these achievements and Harmony's continued efforts, we are deeply saddened by the loss of our six colleagues. This is an unacceptable outcome for us, as one life lost is one too many. We extend our sincerest and heartfelt condolences to the families, friends and colleagues of the Harmonites who lost their lives.

 Further reading: **Safety** chapter in the **ESG report**.

**In memoriam**

• Juliao Antonio Macamo	Moab Khotsong, stope team leader
• Ernesto Euseblo Macuacua	Tshepong North, equipping team leader
• Bongile Mcuntula	Kusasaletu, driller
• Luyanda Nkwane	Tshepong North, underground assistant
• Tshimane Matabane	Kusasaletu, stope team member
• Matli Bernard Nyama	Kusasaletu, stope shift team leader

We lost three of our colleagues after year-end. Luvuyo Sangeni, a development team member (Kusasaletu), Amahle Nodangala, rock drill operator (Kusasaletu), Mlandelwa Zide, scrapper winch operator (Tshepong North).

I firmly believe that zero loss of life is possible. Having all of our stakeholders involved in every aspect of safety at Harmony demonstrates a unified commitment to prevent accidents through our ongoing humanistic transformation safety journey.

We remain diligently focused on embedding risk management to create a more engaged and proactive safety culture.

Harmony's decarbonisation strategy is guiding our operations to net zero GHG emissions by 2045 with a transition pathway. The pathway includes energy efficiency, portfolio re-engineering, improving our electricity mix, adaptation and decarbonising our transportation and value chain.

 Further reading: **Climate change, energy and emissions management** chapter in the **ESG report**.

We are committed to achieving net zero carbon emissions and reducing pressure on the South African grid through alternative energy sources and energy efficiency programmes. We took another big step to achieving this goal this year when we completed Phase 1 of our renewable energy programme, with Phase 2 to commence in FY24. We have also implemented over 200 energy efficiency initiatives at our operations to date. Additionally, our emission reduction targets have been approved by the SBTi.

I am pleased with our progress and how Harmony is effectively navigating the challenges and opportunities presented by the global shift to a low-carbon economy by decarbonising.

## Chief executive officer's review *continued*

Delivering on our social compact is inextricably linked to how we are supporting the circular economy as a business. Harmony is the largest producer of gold from the retreatment of old tailings dams, making us a major player in the circular economy.

We have a transformed board and executive team, which demonstrates the diversity of our management teams and the wealth of technical capabilities.

**Land rehabilitation and management** and **Empowering communities** chapters in the **ESG report**.

We understand that our activities and what we do to mitigate and manage our environmental impact have potential shared benefits for our host countries and communities. We are intentional in creating shared value opportunities, which makes Harmony a partner of choice. Harmony's waste management, such as our TSF projects, and water stewardship initiatives integrate environmental stewardship and socio-economic development imperatives in support of the circular economy.

We contribute to the resilience and prosperity of our host communities by sharing the benefits that our operations and activities create. In FY23, we invested R27 million (US\$1.5 million) (FY22: R18 million (US\$1.2 million)) in CSI projects with positive impacts on the lives of over 58 000 people in our host communities.

Our responsible ESG practices continue to inform our strategic direction and decision making. As guided by Harmony's sustainable development framework, we are successfully progressing in the delivery of our ESG commitments.

Further reading: **ESG in practice** chapter in the **ESG report**.

We received positive external recognition for our efforts in sustainability – a reflection of our dedication and commitment to keeping our promises. We were included in the FTSE4Good Index for the sixth consecutive year, placing us in the 95<sup>th</sup> percentile. Our inclusion in the Bloomberg Gender-Equality Index for the fifth consecutive year is testimony to how we foster gender diversity and inclusivity. We have also received a score of 'A' from the CDP for our best practice water management strategy.

## Operational excellence

Over the past few years, our disciplined mining and management teams have been key in implementing business improvement initiatives, managing costs and creating operational flexibility. This is demonstrated in our operational resilience, and our ability to consistently deliver on our operational plans while prioritising safety throughout Harmony.

Further reading: **Operational performance**

Further reading: **Modernising mining**

Further reading: **Safety**, in the **ESG report**

A safe mine is a profitable mine and constantly striving to make further safety and productivity improvements. We are driving this through our S300 programme, which aims to achieve an average safe blasting of 300m<sup>2</sup> per crew per month. This, along with our Thibakotsi programme, will improve our safety performance and significantly enhance margins through various productivity and cost-saving initiatives.

Digitisation, data analysis and modernisation of mining all drive efficiency. Real-time monitoring of over 9 million golden controls and 135 million data points enables better informed decision making that supports our shift from a reactive to a proactive safety culture. It also provides insight into business improvement initiatives needed to not only ensure safety, but also improve productivity and efficiency.

Through successful project execution and improved operational flexibility, we met our production, cost and grade guidance as we continue to manage those factors that are within our control. As a result, we achieved a solid operational performance, despite operational headwinds, such as load curtailment.

We remain committed to maintaining operational excellence, ensuring all of our operations deliver to plan.

## Cash certainty

Consistently delivering positive operating free cash flows enables Harmony to execute our growth objectives – investing in organic growth and value-accretive acquisitions – while delivering positive shareholder returns.

Further reading: **Financial director's report**.

Investing in higher quality ounces will reduce our all in sustaining costs, improve margins and ensure consistent positive operating free cash flows. Our responsible hedge strategy is aimed at locking in margins, ensuring we are well positioned to take our projects up the value curve while protecting against any adverse movements in the rand gold price.

To ensure we deliver superior returns and improve cash flow, we are investing in our high-grade underground assets, our low-risk high margin surface operations and our international copper-gold projects. Major capital allocation is prioritised in terms our capital allocation framework to ensure we mine safely and profitably.

While we are supported by a strong gold price, our stringent cost controls ensured that overall costs increases were aligned with what we had planned. Labour and electricity form the largest component of our cost base. Therefore, with planning foresight, our cost increases are predictable and controlled. On a per-unit basis, cash operating costs increased by 4.9% to R735 634/kg (US\$1 288/oz) from R701 024/kg (US\$1 434/oz) in FY22.

Key factors impacting our cash operating costs year on year include salary increases, electricity and water costs due to tariff increases, consumables due to the increased cyanide prices, and diesel usage at Hidden Valley. The closure of Bambanani at the end of FY22 reduced costs by R1 157 million (US\$76.1 million) year on year.

Maintaining a robust and flexible balance sheet with strong liquidity is prudent as we expand internationally. With the acquisition of Eva Copper, net debt/EBITDA increased to 0.6 times. This was reduced to 0.2 times by the end of the financial year due to strong cash generation and repayment of debt.

## Capital allocation

Since we embarked on our growth strategy in 2016, we have lowered the overall risk profile of our assets, improved the quality of our ounces and improved margins. Through effective capital allocation, we are continuously improving the quality of our portfolio, growing our Mineral Resources and improving the conversions of Mineral Reserves to free cash flows. We have demonstrated our ability to create value through value accretive acquisition. Our clear criteria ensures we continue creating shared value, extending not only the life of our mine, but ensuring the minerals we extract benefit the lives of our host communities and employee, demonstrated our ability to create shared value by continually improving the quality of our portfolio through effective capital allocation.

## Chief executive officer's review *continued*

We continue creating value by:

- Continuously improving our safety performance and lowering our overall risk profile
- Improving margins and lowering our all-in sustaining costs
- Maintaining a strong balance sheet
- Delivering organic and inorganic growth
- Growing our copper footprint
- Converting Mineral Resources to quality Mineral Reserves
- Generating meaningful returns
- Returning capital to shareholders in line with our dividend policy and overall growth strategy.

 Further reading: [Guided by our strategy](#).

Our capital is strategically allocated to our organic and inorganic growth prospects, which include our emerging copper footprint in Papua New Guinea and Australia while we advance various mine life-extension projects and exploration drilling programmes across our international base. It is important that we invest now to deliver strong and sustainable future returns.

We are directing significant capital towards high-quality assets and projects which include our South African high-grade and optimised underground mines (delivering strong operating free cash flows) and our low-risk, high-margin South African retreatment operations in the Free State, West Wits and Vaal River regions (contributing to the circular economy).

In turn, these operations generate the finances we need to support our international copper-gold growth aspirations. We have advanced our investment in copper by concluding the acquisition of the Eva Copper Project. At the same time, we have continued to progress the Tier 1 Wafi-Golpu Project, one of the largest copper-gold block cave projects globally, representing approximately 45.5% of our Mineral Reserves.

Eva Copper and Wafi-Golpu provide an enviable global copper growth platform to deliver meaningful copper production into the critical minerals supply chain for decades. We are progressing well with project permitting for Wafi-Golpu. Signing the Framework MoU with the government of Papua New Guinea was a major step towards securing the mining development contract and special mining lease for Wafi-Golpu. The Eva Copper feasibility study updates are well underway, with a view to complete these before the end of 2023.

## Future focus

We strive to become mine safety leaders, and as such, the group will continue to sustain the Thibakotsi programme as part of our DNA. Key to this will be further embedding integrated risk management across the business, effective engagements with our employees and behavioural risk awareness. Our leadership teams will continue driving Harmony's safety culture as we wholeheartedly believe that zero loss-of-life is possible.

We intend to operate for another seven decades by organically growing our Mineral Reserve base and pursuing acquisitions that enhance our value proposition. Harmony has a clear roadmap to drive margin expansion over the next few years and a strong growth pipeline to support this strategy. We are continuing discussions around Wafi-Golpu permitting and will announce the results of the Eva Copper and Mponeng extension feasibility studies in the next financial year.

## Conclusion

As we embark on the next phase of our growth journey, we will continue to focus on successfully executing our four strategic pillars of responsible stewardship, operational excellence, cash certainty and effective capital allocation.

Building trust and partnering with our stakeholders remains paramount for long-term shared value creation and I am confident that we will achieve new heights in the year ahead.

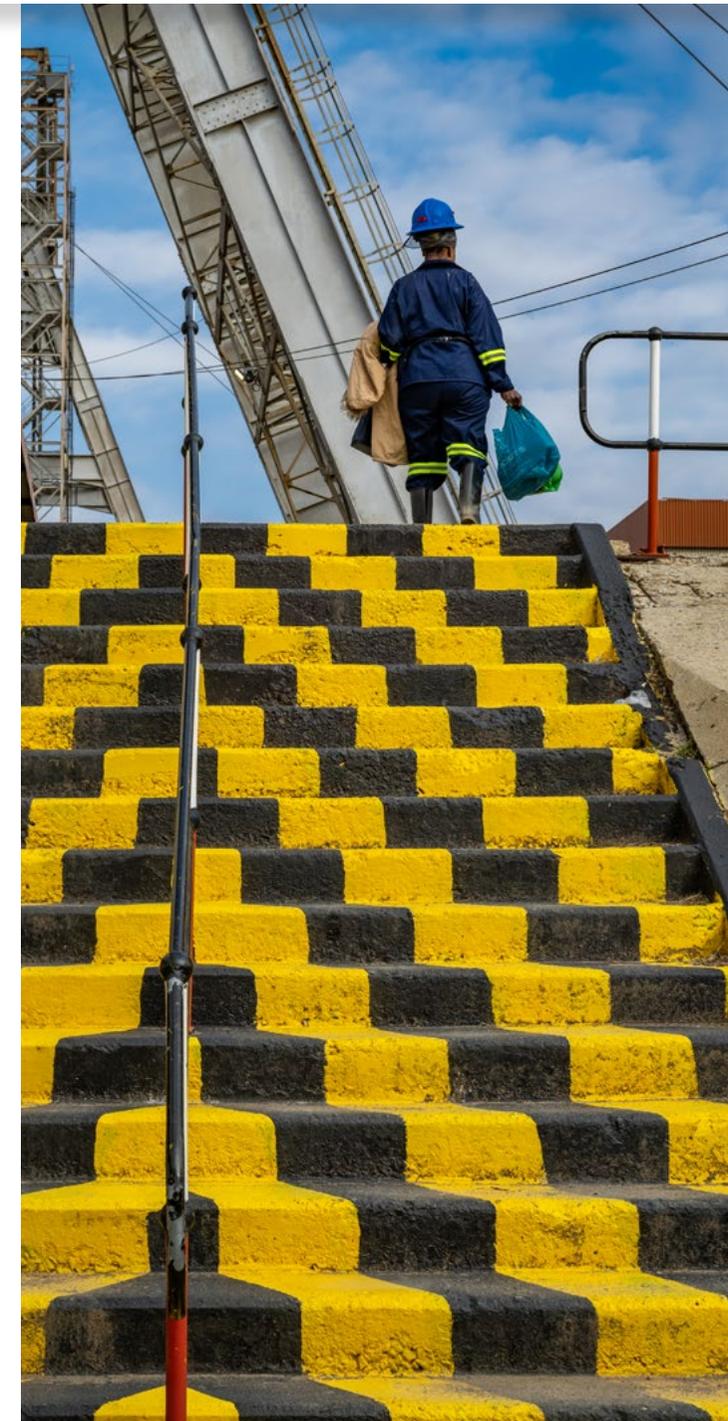
We will continue to invest in our mines and our people as we transform into a global gold-copper company.

We will continue mining with purpose – creating shared value for all our stakeholders as we transform into a global gold-copper company.

I am tremendously proud of these achievements and would like to thank each Harmonite for their contribution, and our shareholders and many other stakeholders for your support and sharing in the Harmony story.

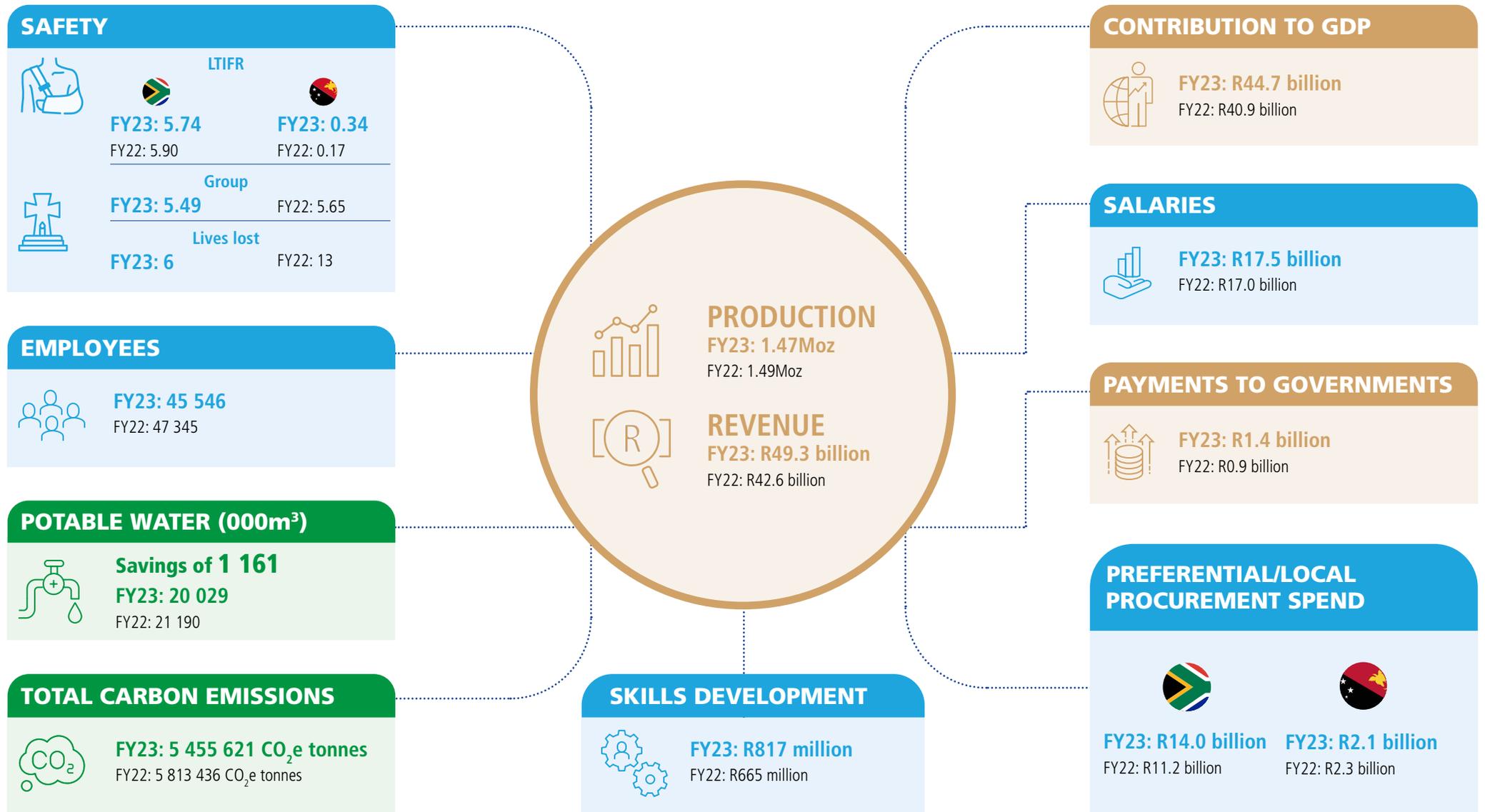
**Peter Steenkamp**  
*Chief executive officer*

25 October 2023



# GROUP IMPACT

Despite a challenging operating landscape, we delivered on our strategy of producing safe, profitable ounces whilst increasing margins and creating positive social and ecological impact.



# HOW WE PERFORMED

## FIVE-YEAR SUMMARY

		FY23	FY22	FY21 <sup>4</sup>	FY20	FY19
<b>Operating performance</b>						
Ore milled	000t	52 135	53 801	49 253	25 429	25 976
Gold produced	kg	45 651	46 236	47 755	37 863	44 734
	000oz	1 468	1 487	1 535	1 217	1 438
Operating costs	R/kg	735 634	701 024	600 592	553 513	439 722
	US\$/oz	1 288	1 434	1 213	1 099	965
All-in sustaining costs	R/kg	889 766	835 891	723 054	651 356	550 005
	US\$/oz	1 558	1 709	1 460	1 293	1 207
Underground grade	g/t	5.78	5.37	5.51	5.45	5.59
<b>Financial performance</b>						
Revenue	Rm	49 275	42 645	41 733	29 245	26 912
Production costs	Rm	34 866	33 099	29 774	22 048	20 324
Production profit	Rm	14 409	9 546	11 959	7 197	6 588
Operating margin	%	29.2	22.4	29.0	25.0	24.0
Net profit/(loss) for the year	Rm	4 883	(1 012)	5 124	(850)	(2 607)
Total headline earnings/(loss) per share	SA cents	800	499	987	(154)	204
Capital expenditure	Rm	7 640	6 214	5 142	3 610	5 036
Exploration spend <sup>1</sup>	Rm	506	214	177	205	148
Dividend paid	Rm	136	414	677	—	—
Net debt	Rm	(2 828)	(757)	(542)	(1 361)	(4 922)
<b>Market performance</b>						
Average gold price received	R/kg	1 032 646	894 218	851 045	735 569	586 653
	US\$/oz	1 808	1 829	1 719	1 461	1 287
Total market capitalisation	Rbn	49.0	32.0	32.5	43.3	17.1
	US\$bn	2.6	2.0	2.3	2.5	1.2
Average exchange rate	R/US\$	17.76	15.21	15.40	15.66	14.18
<b>Reserves</b>						
Gold and gold equivalents	Moz	39.3	39.8	42.5	36.5	36.5
Geographical distribution						
– South Africa	%	51.3	54.2	58.3	47.7	47.4
– Papua New Guinea	%	48.7	45.8	41.7	52.3	52.6
<b>Safety</b>						
Number of loss-of-life incidents		6	13	11	6	11
Group FIFR – fatal injury frequency rate	per million hours worked	0.06	0.13	0.11	0.08	0.12
Group LTIFR – lost-time injury frequency rate <sup>2</sup>	per million hours worked	5.49	5.65	6.18	6.33	6.16
<b>Health (South Africa)</b>						
– Shifts lost due to injury		25 058	26 761	28 943	25 205	25 388
– Silicosis cases certified <sup>3</sup>		62	184	54	67	58

<sup>1</sup> As per income statement.

<sup>2</sup> FY23 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](http://www.harmony.co.za). The assured indicators include the results of Mponeng for the period 1 October 2020 to 30 June 2021. The Mponeng results were not assured in FY21.

<sup>3</sup> The number of cases of pure silicosis confirmed by South Africa's Medical Bureau of Occupational Diseases.

<sup>4</sup> On 1 October 2020, Harmony acquired AngloGold Ashanti Limited's remaining South African operations (Mponeng operations and related assets). FY21 therefore only contains nine months of metrics and is not directly comparable to FY22 or FY20.

## How we performed *continued*

		FY23	FY22	FY21	FY20	FY19
<b>People</b>						
Total employees and contractors		45 546	47 345	48 112	39 582	39 773
South Africa: Permanent		33 341	35 989	36 873	31 502	31 201
South Africa: Contractors		9 834	9 013	8 860	5 841	6 159
Papua New Guinea: Permanent		1 472	1 527	1 536	1 434	1 675
Papua New Guinea: Contractors		795	751	778	748	738
Australia: Permanent		100	65	63	54	—
Australia: Contractors		4	—	2	3	—
Employment equity (historically disadvantaged South Africans in management) <sup>2</sup>	%	68	67	65	64	62
Number of people in single rooms <sup>2, 5</sup>		7 662	8 057	8 547	8 008	8 019
Number of people sharing accommodation <sup>2</sup>		—	—	—	—	—
Number attending critical skills training <sup>2</sup>		163	96	83	81	109
<b>Community</b>						
South Africa – local economic development <sup>2</sup>	Rm	179	138	102	150	115
Papua New Guinea – socio-economic investment	Rm	75	55	63	64	56
Total group community spend	Rm	254	193	165	214	171
<b>South Africa</b>						
Total discretionary spend	Rm	16 454	14 265	10 667	7 682	8 470
Preferential procurement (BEE-compliant spend) <sup>2</sup>	Rm	13 995	11 213	7 938	5 695	6 340
Preferential procurement spend	%	85.1	78.6	74.4	74.1	74.9
<b>Papua New Guinea</b>						
Total procurement spend	Rm	2 078	2 324	2 148	2 233	2 072
Procurement expenditure in rest of PNG	Rm	849	1 133	851	877	805
Procurement expenditure in Morobe Province	Rm	611	583	672	749	753
Procurement expenditure with Landowner companies	Rm	618	608	625	607	514
<b>Environment</b>						
Mineral waste (volume disposed) <sup>2</sup>	000t	79 000	76 989	71 000	52 100	53 200
Total electricity use (purchased) <sup>2</sup>	000MWh	4 111	4 254	4 123	3 171	3 326
CO <sub>2</sub> emissions						
– Scope 1 <sup>2</sup>	000t CO <sub>2</sub> e	200	180	136	126	133
– Scope 2 <sup>2</sup>	000t CO <sub>2</sub> e	4 252	4 568	4 251	3 316	3 193
– Scope 3 <sup>2</sup>	000t CO <sub>2</sub> e	1 003	1 065	871	570	533
Water used for primary activities <sup>2</sup>	000m <sup>3</sup>	29 350	33 417	30 306	19 692	23 158
Funding/guarantees for rehabilitation and closure	Rm	7 583	7 126	6 865	4 416	3 923

<sup>5</sup> The number of single rooms only represent hostels which are 100% converted.

# FINANCIAL DIRECTOR'S REPORT



**Boipelo Lekubo**  
Financial director

**“Strong FY23 financial performance and outstanding earnings growth.”**

## Financial highlights

- ↑ **15.5%** increase in revenue to **R49 275 million** (US\$2 773.7 million) mainly due to the higher rand gold price received resulting in a 13.0% increase in gold revenue to R47 182 million (US\$2 655.9 million) (FY22: R41 271 million (US\$2 713.4 million))
- ↑ Production profit of **R13 977 million** (US\$786.8 million), a 46.4% increase from the prior year's R9 546 million (US\$627.6 million)
- ↑ Operating free cash flow increased **107.6%** from **R2 905 million** (US\$191.0 million) to **R6 031 million** (US\$339.5 million)
- ↑ **60.3%** increase in headline earnings per share from **499 SA cents** (33 US cents) in the prior year to **800 SA cents** (45 US cents) in the current year
- ↓ Net debt to EBITDA increased from **0.1x** to **0.2x** at 30 June 2023 mainly as a result of increased debt taken on for the Eva Copper acquisition
- ↑ No interim dividend declared during FY23; final dividend declared of **75 SA cents** (4.03 US cents) per share (FY22: total dividend for the year of 62 SA cents (4.0 US cents))

### Strategic changes to the business

Harmony delivered a strong financial performance with outstanding earnings growth for FY23. We continue to consider our capital allocation between sustaining capital, to ensure we continue to produce safe, profitable ounces in our current operations, replacing ounces and increasing future production through value-accretive acquisitions and organic growth projects. Harmony's transition from a gold focused portfolio to a low-cost gold-copper mining company continued with further investment through the acquisition of Eva Copper in the current financial year.

Our **CEO**, Peter, delves deeper into these strategic decisions on pages 82 to 85.

### Financial performance against strategic objectives

The key features of our financial performance in FY23 are unpacked below in terms of our four strategic pillars.

### Responsible stewardship

On 16 December 2022 we acquired the Eva Copper Project as part of our transition to a gold-copper mining company. The purchase price of US\$170 million (R2 996 million) was paid using available debt facilities. Eva Copper introduces near-term copper to Harmony's production profile as well as potentially adding 10% to 15% in gold and gold equivalents over its 15-year life-of-mine. Updating of the final feasibility study is underway and we will provide a comprehensive update once complete.

As part of our decarbonisation strategy and reducing our reliance on electricity suppliers, we commissioned phase 1 of our renewables projects during FY23. This will generate 70 Gigawatt hours (GWh) of electricity per annum from a 30-Megawatt (MW) farm, with a cost saving of R340 million over 15 years. Phase 2 (137MW), 3 (56MW) and 4 (140MW) are planned for FY25 – FY26, FY26 and FY26 respectively. These projects will be an important step towards our target of net zero by 2045 along with providing significant cost savings in the future.

Read more about our **Climate change, energy and emissions management** in the **ESG report**.

## Financial director's report *continued*

### Operational excellence

In spite of challenges accessing high-grade areas at some operations as well as the closure of the Bambanani mine at the end of FY22, we were able to meet our production guidance for FY23. The group's gold production and gold sales decreased marginally from 46 236kg (1 486 517oz) and 46 153kg (1 483 853oz) to 45 651kg (1 467 715oz) and 45 690kg (1 468 966oz) respectively.

Underground grade improved by 7.6% to 5.78g/t (FY22: 5.37g/t) while surface grade (excluding Hidden Valley) stayed consistent year on year at 0.18g/t (FY22: 0.19g/t).

The group's all-in sustaining costs were well managed during a year of high inflationary pressure, increasing by only 6.4% to R889 766/kg (US\$1 558/oz), below the guided R900 000/kg.

### Cash certainty

Our operating free cash flow increased to R6 031 million (US\$339.4 million) from R2 905 million (US\$191.0 million), a 107.6% increase, mainly as a result of increased underground recovered grades and the higher gold price received. This drove a 60.5% increase in headline earnings per share from 499 SA cents (33 US cents) in the prior year to 800 SA cents (45 US cents) in the current year.

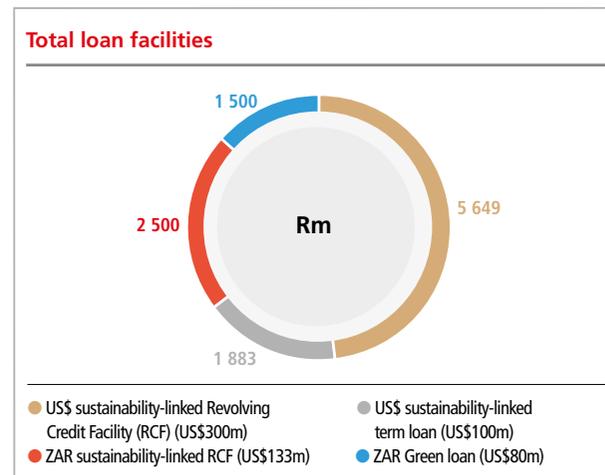
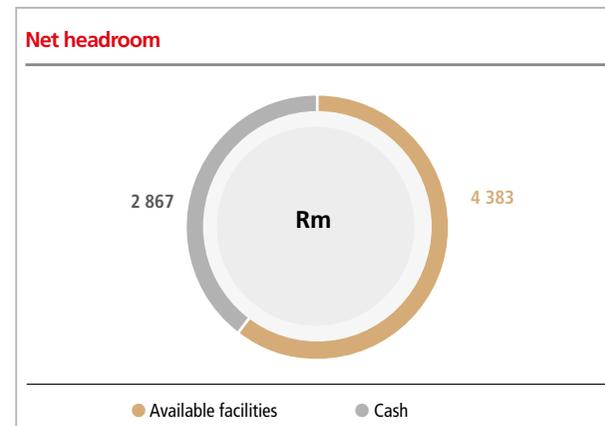
Even with the purchase of Eva Copper during the current year we maintained a healthy headroom of R7 250 million (US\$385.0 million) at year end in the form of cash and undrawn facilities. EBITDA increased by 53.1% from R7 951 million (US\$488.7 million) in FY22 to R12 170 million (US\$646.3 million) in FY23. Our total net debt to EBITDA increased from 0.1x to 0.2x at 30 June 2023. Our green loan, which will be used to fund the next planned phase of our renewables programme, is still undrawn.

The following significant repayments/drawdowns were made during the year:

- Repayment and drawdown of R700 million (US\$39.4 million) of the R2.5 billion sustainability-linked facility
- R2 919 million (US\$170 million) drawdown and R1 345 million (US\$70 million) repayment of the US\$400 million sustainability-linked facility.

Debt covenant tests were performed for the loan facilities for the 2023 and 2022 financial years and no breaches were noted. For the 2023 financial year, the group's interest cover ratio was 26x (2022: 43.4x) while the group's leverage was 0.2x (2022: 0.1x). Management believes that it is very likely that the covenant requirements will be met in the foreseeable future given the current earnings and interest levels.

### Harmony's headroom at 30 June 2023

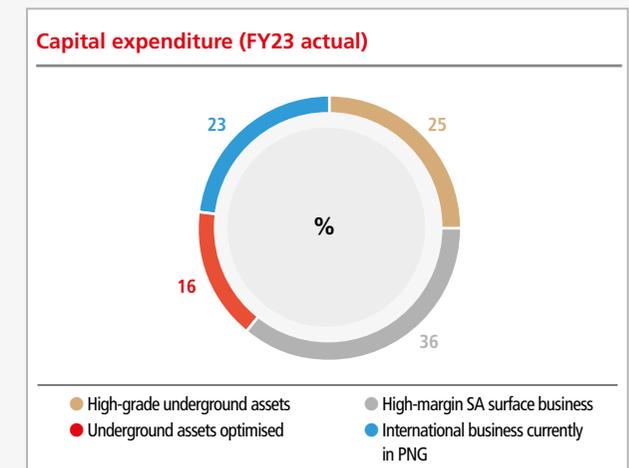


### Effective capital allocation

Our capital spend increased to R7 598 million (US\$427.7 million) from R6 192 million (US\$407.1 million) in FY22. The majority of this spend was on sustaining capital with the aim of creating operational flexibility at current operations. Key projects, including the Zaaiplaats project at Moab Khotsoeng, the Kareerand extension at Mine Waste Solutions and the Doornkop 207/212 project received the second largest allocation. The Hidden Valley extension project, which extends the life-of-mine to FY28, has commenced and stage 8 stripping activities are underway.

In considering our spend on exploration we have selected projects that we can drive up the value curve. Our exploration expenditure increased >100% (R506 million (US\$28.4 million)) during FY23 from R214 million (US\$14.1 million). The majority was spent on Eva Copper's feasibility study with additional expenditure at Kerimenge and other prospects in South-east Asia.

We consider our growth aspirations and how to balance this with investor expectations for returns. Our dividend policy is set at 20% of net free cash subject to future major capital expenditure and meeting solvency and liquidity requirements as well as current banking covenants. Therefore our board of directors declared a final dividend of 75 SA cents (4.03 US cents) per share for FY23, an increase from the interim and final dividends of 40 SA cents (2.7 US cents) per share and 22 SA cents (approximately 1.3 US cents) per share respectively for FY22.



## Financial director's report *continued*

### Derivatives and hedging

Harmony's favourable commodity and foreign exchange pricing on the unhedged portion of its exposure has continued into FY23, while we continue to find opportunities to lock in at higher prices when available as part of our derivative programme. Our hedging policy allows for a maximum of 20% and 50% of annual production to be hedged for gold and silver respectively over a maximum of 24 months. Harmony may execute the hedging strategy when we achieve a 25% margin above-inflation adjusted cost parameter.

Harmony's derivative programme had a net liability position of R1 152 million (US\$61.2 million) for FY23 compared to a net asset position of R645 million (US\$39.6 million) at 30 June 2022. This was mainly due to the increase in the spot gold price, weakening of the rand exchange rate and increased open positions of all derivative contracts held at 30 June 2023.

Revenue includes a realised hedging loss of R184 million (US\$10.4 million) in the current financial year and a realised gain of R497 million (US\$32.7 million) in FY22, relating to the realised effective portion of hedge-accounted gold derivatives.

### Key drivers of financial performance

		FY23	FY22	% Change
Gold produced	kg	45 651	46 236	(1)
	oz	1 467 715	1 486 517	(1)
Underground grade	g/t	5.78	5.37	8
	R/kg	1 032 646	894 218	15
Gold price received	US\$/oz	1 808	1 829	(1)
	R/kg	889 766	835 891	(6)
All-in sustaining costs	US\$/oz	1 558	1 709	9
	R million	13 977	9 546	46
Production profit	US\$ million	787	628	25
	R million	2 828	757	>100
Net debt	US\$ million	150	47	>100
	times	0.2	0.1	
Net debt to EBITDA ratio <sup>1</sup>				
Average exchange rate	R/US\$	17.76	15.21	17

<sup>1</sup> 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 R6 630 million or 15.5% to R49 275 million, predominantly due to an increased average gold price received in FY23 of R1 032 646/kg (FY22: R894 218/kg). In US dollar terms however, revenue decreased by US\$30 million or 1.1% to US\$2 774 million. Despite the fact that the average US\$ gold price received decreased by 1.1%, the weakening of the average rand/US\$ rate resulted in an overall rand gold price increase.

### Production costs

Production costs increased by 5.3% or R1 767 million to R34 866 million during FY23, due to inflationary price increases primarily on labour, consumables and electricity. In US dollar terms, production costs decreased by US\$213 million or 9.8% to US\$1 963 million.

### Accounting considerations for material transactions

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

For the year ended 30 June 2023, management performed an assessment of the property, plant and equipment with the audit and risk committee considering the following:

- Assessed whether an indicator of potential impairment existed at the reporting dates
- Assessed whether an indicator of reversal of previously recognised 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
- Incorporation of the estimated production cost and carbon tax savings arising from the rollout of Harmony's renewable energy programme in the discounted cash flow models used for determining recoverable amounts of the respective cash generating units
- Considered the excess of recoverable amount over the carrying value for each cash generating unit.

Management concluded no impairment loss or reversal of previously recognised impairment is required to be recognised.

## Financial director's report *continued*

### Amortisation and depreciation

Amortisation and depreciation decreased by R229 million or 6.2%, mainly due to impairments recognised in FY22, resulting in smaller depreciable values. In US dollar terms, amortisation and depreciation decreased by US\$48 million to US\$194 million.

### Impairment of assets

No impairment or reversal thereof was recognised in FY23 while an impairment loss of R4 433 million (US\$272.6 million) was recognised in FY22. The impairment test performed for FY23 resulted in headroom on the assets identified for testing.

 Refer to **Accounting considerations for material transactions.**

### Losses and expenses included in operating profit

Exploration expenditure increased from R214 million in the 2022 financial year to R506 million in the 2023 financial year predominantly due to the feasibility study for Eva Copper.

An increase in the foreign exchange translation loss of R307 million (US\$15.0 million) to R634 million (US\$35.7 million) in FY23 was predominantly caused by the weakening of the rand/US\$ exchange rate year on year (FY23: R18.83 versus FY22: R16.27), unfavourably affecting the translation of the US dollar loan balances.

### Taxation

The group recognised a taxation expense of R1 723 million (US\$97.0 million) compared to a credit of R46 million (US\$3.0 million) in FY22. Current tax expense increased primarily as a result of the impact of increased gold prices received on revenue. The deferred tax moved from a credit in the prior year to an expense for FY23, mainly due to deferred tax rate increases for certain companies as well as the impact of the utilisation of unredeemed capital expenditure and higher carrying values of property, plant and equipment.

### Net profit/(loss)

Harmony's financial performance reflects growth of >100% in FY23 with a profit of R4 883 million (US\$274.9 million) compared to a loss of R1 012 million (US\$48 million) in the previous year. Headline earnings increased by 60.3% to 800 SA cents per share (45 US cents) compared to a headline earnings of 499 SA cents (33 US cents) per share in FY22.

### Outlook

Capital expenditure in FY24 is expected to increase to R10 834 million (US\$585.9 million) mainly as a result of our investment in our major projects, necessary fleet replacement at Hidden Valley due to the life-of-mine extension project, and an increase in ongoing development capital. This also includes funds allocated to phase two of our renewables programme. These will be funded through our existing facilities and operating cash flows. We expect to make a decision on the way forward for Eva Copper in the second half of FY24 following the completion of the feasibility study.

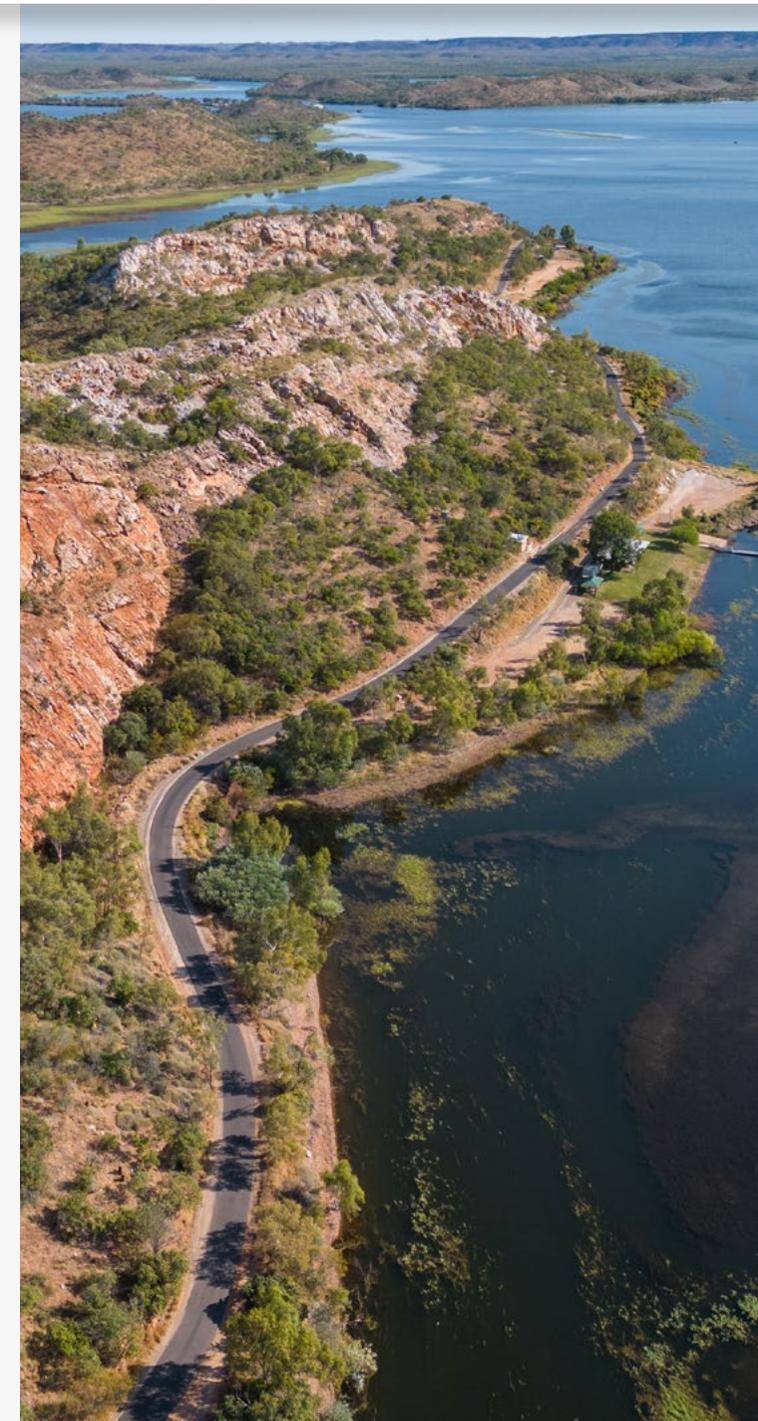
### Audit firm rotation

The appointment of Ernst & Young Inc. (EY) was approved at the AGM held 29 November 2022. We look forward to our collaboration with the EY team from FY24 onwards.

A heartfelt thanks to PricewaterhouseCoopers (PwC) for their service over the past 73 years.

### Boipelo Lekubo *Financial director*

25 October 2023



# OPERATIONAL PERFORMANCE

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 and management of grades mined and encourage disciplined mining to improve productivity and efficiencies.

## 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. Operational excellence is central to generating cash flow.

### Key focus areas of our operational excellence programme:

#### Safety and health

- Journey to proactive safety
- Risk management and focus on critical controls
- Bottom-up safety transformation interventions.

#### Grade management and mining flexibility

- Limit mining below cut-off grade
- Incorporate flexibility into our mining plans.

#### Capital allocation

- Prioritised and focused capital allocation for growth and to sustain the business.

#### Infrastructure maintenance

- Fewer unplanned stoppages.

#### Cost management

- Focused cost management and project delivery
- Improved productivity
- Higher grade assets will drive down costs in the long run.

#### Environmental and social management

- Sustainable and responsible environmental stewardship
- Community engagement and social upliftment.

#### Capitals affected

##### Directly

-  Human capital
-  Financial capital
-  Manufactured capital

##### Indirectly

-  Intellectual capital
-  Natural capital
-  Social and relationship capital

#### Stakeholders affected

- Employees and unions
- Investors and financiers
- Governments and regulators
- Communities, traditional leaders and NGOs
- Suppliers.

#### Responsible committees

- Technical
- Social and ethics.

#### Related risks

- Loss-of-life/safety
- Security of electricity power supply and the impact of higher electricity costs
- Depleting Ore Reserve base
- Supply chain disruptions (including supply of goods and increasing costs).
- Divergent gold price and foreign exchange fluctuations (from planned levels)
- Geopolitical risks
- Ore Reserve/mining inflexibility (Iceberg management model)
- Labour and community unrest
- Failure to achieve our operational objectives.

## Operational performance *continued*

### 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, implemented modernised safety systems, and 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** 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 operational risks are:

- Loss-of-life/safety
- Security of electricity power supply and the impact of higher electricity costs
- Depleting Ore Reserve base
- Supply chain disruptions (including supply of goods and increasing costs).

### Scope

This document has been prepared as part of Harmony's integrated annual reporting suite. For additional information on areas disclosed in this report, refer to the following individual reports:

- Mineral Resources and Mineral Reserves report
- ESG report
- Financial report.

These reports are on the Harmony website:

See <https://www.harmony.co.za/invest/annual-reports>

### Our performance FY23

The safety and health of our employees and their families remains our top priority. In FY23, we continued our safety journey to embed a proactive safety culture throughout the company. Group LTIFR for FY23 improved to 5.49 per million hours worked compared to 5.65 per million hours worked in FY22.

Group production for FY23 was flat at 1.47Moz of gold (FY22: 1.49Moz) and was at the upper end of our guidance of 1.4Moz to 1.5Moz for the year. Adjusting for the closure of Bambanani at the end of FY22, group production increased by 1.9% or 27 270oz year on year. Production was mainly driven by an excellent performance from our South African underground operations. The average underground recovered grade increased by 7.6% to 5.78g/t from 5.37g/t, mainly due to stand out performances by Mponeng, Tshepong South, Doornkop and Joel.

The average gold price received increased by 15.5% to R1 032 646/kg (FY22: R894 218/kg) for the financial year driven by a weaker rand to US dollar exchange rate of R17.76/US\$ (FY22: R15.21/US\$). Gold revenue increased 13.8% to R47 519 million (FY22: R41 742 million), driven by the higher gold price. Group all-in sustaining costs increased by 6.5% to R889 776/kg from R835 891/kg in FY22. Higher recovered grade and a stable cost base ensured all-in sustaining costs came in

below the guided R900 000/kg for the financial year. This resulted in a production profit of R13 977 million, 46.4% higher compared with R9 546 million in FY22.

Group capital expenditure for FY23 rose 22.7% to R7 598 million from R6 192 million in FY22. This was mainly due to the ramp-up in capital towards growth projects as well as deferred stripping activities at Hidden Valley. Capital expenditure related to growth projects increased 69.5% to R2 068 million compared with R1 220 million spent in FY22.

Group operating free cash flows increased by 107.6% to R6 031 million in FY23 from R2 905 million in FY22. This was mainly due to the higher underground recovered grades and the higher average gold price received. Mponeng and Moab Khotsong contributed 57.2% towards group operating free cash flows.

FY23 focus areas and actions	How we performed
Continue embedding a proactive safety culture.	South African lost-time injury frequency rate improved by 2.7% to 5.74 per million shifts from 5.90 in FY22.
Ensure we meet our operational plans and generate free cash flow.	Upper end of production guidance met, grade and all-in sustaining cost within guidance. Operational free cash grew 107.6% year on year to R6.0 billion.
Create synergies in the West Wits region that will unlock value.	Savuka plant started on the retreatment of slimes dams.
Pursue organic brownfields growth strategy.	Brownfield exploration at Hidden Valley and Kalgold to optimise existing open-pit operations, 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.	Group all-in sustaining cost increased by 6.5% year on year to R889 766/kg, well managed given the current high inflation environment being experienced globally.

## Operational performance *continued*

### Key operational metrics FY23 – year-on-year (YoY) comparison

	Unit	YoY move	YoY %	FY23	FY22	
Gold price	(R/kg)	↑	15.5	<b>1 032 646</b>	894 218	Average gold price received increased YoY, boosting revenue.
Underground yield	(g/t)	↑	7.6	<b>5.78</b>	5.37	Higher grades from most operations when compared to the previous year with notable improvements from Mponeng, Tshepong South, Doornkop and Joel.
Margin	(%)	↑	85.7	<b>13</b>	7	Boosted by a higher gold price and stable production with exceptional performances from Mponeng and Tshepong South recording margins of 27.0% and 20.0% respectively.
Gold produced	(kg)	↓	(1.3)	<b>45 651</b>	46 236	Production was steady, decreasing by only 1.3% despite the closure of Bambanani in June 2022.
– South Africa	(kg)	↓	(2.9)	<b>41 281</b>	42 529	The closure of Bambanani and a challenging year for Target 1 was offset by exceptional performances from Mponeng, Doornkop and Joel.
– Papua New Guinea	(kg)	↑	17.9	<b>4 370</b>	3 707	Improved performance for FY23 as the previous year was impacted by the overland conveyor failure.
All-in sustaining cost	(R/kg)	↑	6.4	<b>889 766</b>	835 891	Affected by annual salary and electricity tariff increases as well as above inflationary pressures on specific consumables such as chemicals.

### FY24 outlook

In the next financial year, gold production is estimated to be between 1.38Moz and 1.48Moz at an all-in sustaining cost of less than R975 000/kg. Underground recovered grade is planned to increase to between 5.60g/t to 5.75g/t.

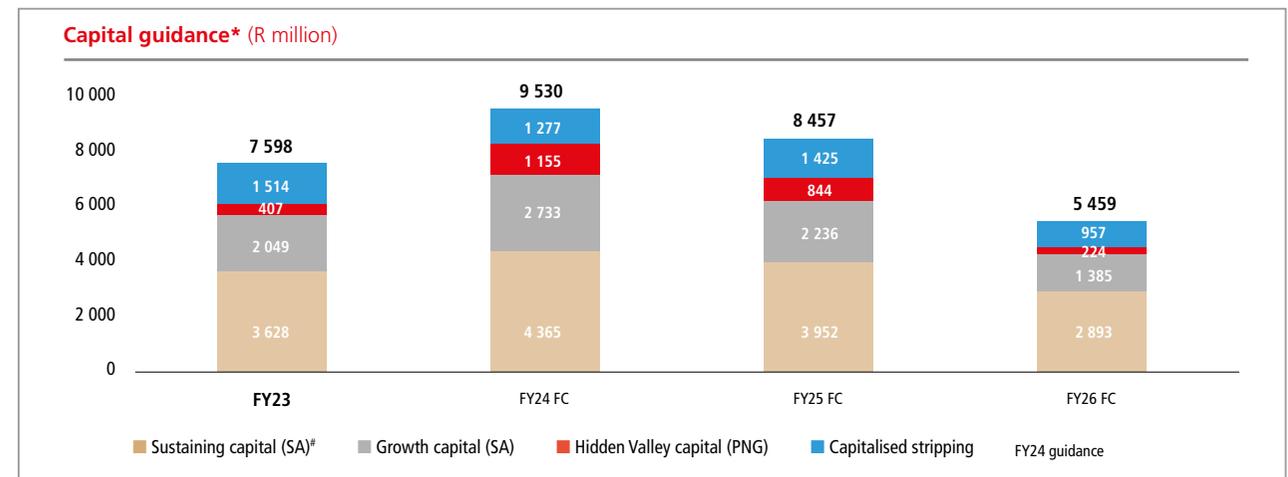
Looking ahead, we have a number of growth opportunities. The Kareerand extension is in full swing after some regulatory delays. The Zaaiplaats project will continue to be a focus area for Moab Khotsong in FY24 with the sinking of the decline expected to start in the second half of the year. Target mine is expected to complete the infrastructure relocation project with improved production results towards the second half of the financial year.

Exploration drilling at Kalgold has yielded favourable results, with the completion of the FY24 drilling programme the operation has the potential to be further expanded. We are also drilling in the vicinity of Target North, situated in the Witwatersrand Basin.

Key focus areas and actions in FY24:

- Continue to embed a proactive safety culture
- Ensure we meet our operational plans and generate free cash flow
- Pursue organic brownfields growth strategy
- Major project execution and capital spend aligned to plan
- Continue to drive down unit costs by improving our safety performance, delivering on our production plans, and increasing the productivity of our mining teams.

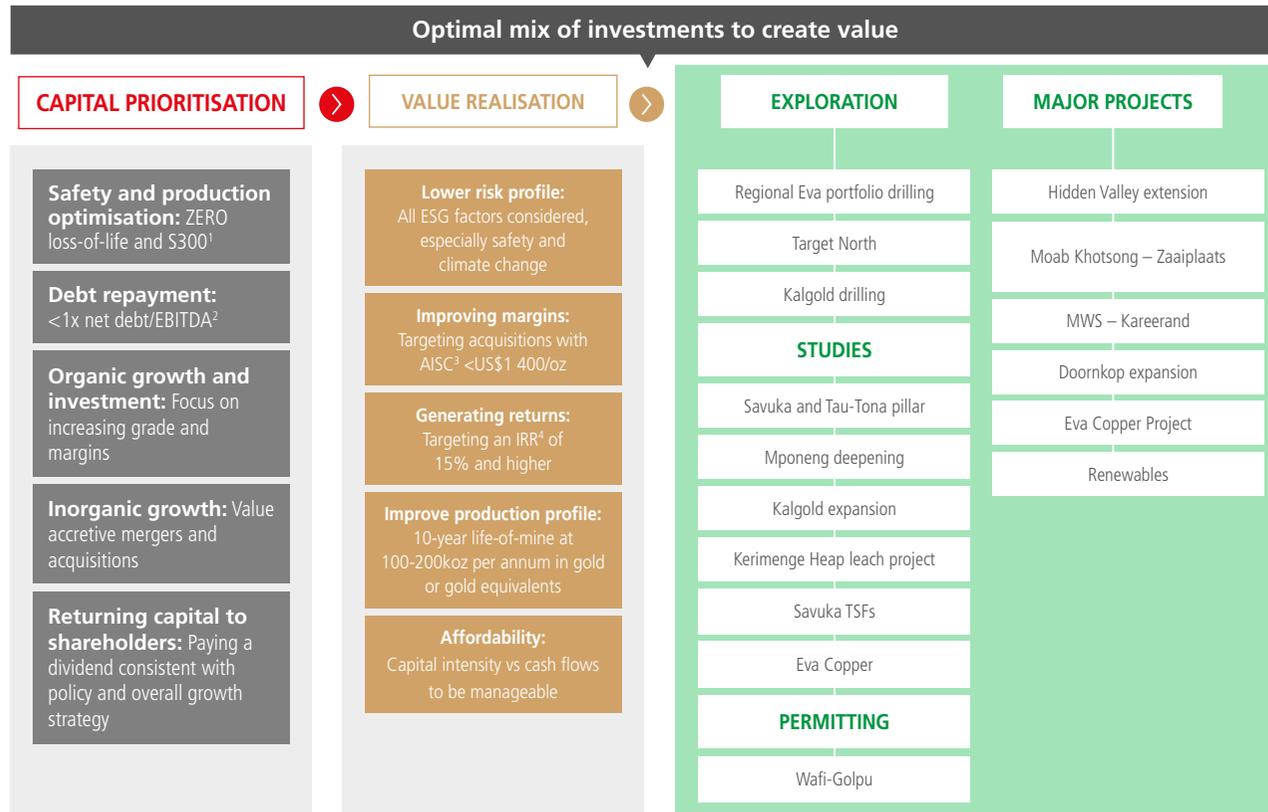
### Forecast capital expenditure to FY26



\* Excludes: renewables, Eva Copper and Wafi-Golpu.

# Includes: on-going capital development, shaft capital and plant capital.

# EXPLORATION AND PROJECTS



<sup>1</sup> S300: safety and productivity programme  
<sup>2</sup> EBITDA: earnings before interest, taxes, depreciation and amortisation  
<sup>3</sup> AISC: All-in sustaining cost.  
<sup>4</sup> IRR: Internal rate of return.

## 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 FY23 exploration programme include:

- Exploration at Eva Copper
- Brownfield exploration at Hidden Valley, Kerimenge 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.

### Eva Copper drilling

Since acquiring the project in December 2022, drilling has comprised 123 holes for 17 044m. The work programme forms part of major drill programme designed to validate or test various study elements including resource definition, infrastructure sterilisation, metallurgical, geotechnical aspects, construction material characterisation and water borefield exploration and development. Drilling continues.

### Target North

- The exploration drilling programme from surface advanced and a total of 5 823 metres was drilled
- MAL22 drill hole was completed and a deflection programme produced nine reef intersections
- At a second drill hole MAL23, two long directional deflections were completed, to produce 10 reef intersections
- Drilling continues. The Resource model of Target North will be updated once MAL23 is completed.

### Kalgold

Resource extension drilling was carried out at the Spanover and Windmill North. A total of 34 boreholes were drilled (3 590 metres of RC drilling). Drilling returned very encouraging initial results. A Spanover and Windmill North Resource model update is planned once all assay results are obtained and verified. Exploration aimed at improving understanding of the potential to develop the Kraaipan Greenstone Belt into a new mineralised province with multiple mining centres.

## Exploration and projects *continued*

### Major 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 to invest across all our operations to ensure optimal production.

### Well sequenced and manageable project capital<sup>1</sup>

#### FY25

##### Mine Waste Solutions

- Streaming contract ends adding ~R700m to gold revenue line
- Kareerand major capital complete

#### FY26

##### Hidden Valley

- Stage 8 stripping complete

#### FY28

##### Doornkop

- 207/212 development project complete

#### FY27

##### Eva Copper<sup>2</sup>

- First production and project completion

##### Moab Khotsong

- First gold from Zaaipplaats

#### FY30 onwards

##### Wafi-Golpu<sup>3</sup>

- First production subject to granting of special mining lease

<sup>1</sup> Based on FY24 planning.

<sup>2</sup> Subject to completion of Eva Copper feasibility studies, permitting and investment approval.

<sup>3</sup> Funding solutions to be considered once special mining lease in place.



Kareerand, North-West, South Africa

## Exploration and projects *continued*

The salient features of our key projects are:

### South-east Asia

#### Hidden Valley brownfield exploration



**Kerimenge prospect** – The Kerimenge prospect is located approximately 8km to the east of the Hidden Valley Mine. Drilling to support a prefeasibility study was completed during the year. 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.

#### Hidden Valley life-of-mine extension



The Hidden Valley life-of-mine (LoM) extension project concept study / prefeasibility study considers the potential to convert both the 0.6M Au oz Kerimenge Resource and the 1.6 M Au oz remaining in the Hidden Valley Mineral Resource outside the current LoM to convert to a viable, low risk, high-margin mining operation. The project will assess the application of conventional Carbon-In-Leach and Heap Leach technologies for the Mineral Resources and investigate technologies to increase the tailings storage capacity, which is the current mine life constraint at Hidden Valley.

An extension of the mining lease and the amendment to the environmental permit will be required to continue operations beyond 2030.

### South Africa

#### Moab – Zaaipplaats project



Implementation of the project commenced in October 2021 and the project progressed with limited detailed design requirements. Development and project construction have commenced in order to support project deliverables on the 101 level to 114 level. Three new declines and associated infrastructure must be developed, equipped and commissioned below 101 level to allow the safe and economic mining of the Zaaipplaats orebody.

Further implementation of productivity improvement initiatives and project controls systems for FY24 in order to facilitate project build up and meet FY24 requirements.

#### Doornkop expansion



Exploration drilling is set to continue in the coming financial year. Focus will be on targeting areas with limited geological information and those that are potentially high grade in order to increase the geological confidence and payable ounces.

#### MWS – Kareerand



Mine Waste Solutions (MWS) is a reclamation operation in the Stilfontein/Orkney area treating 2.2 million tonnes per month from historical tailings facilities through the MWS plant. The residue is deposited on the existing Kareerand TSF. Kareerand TSF is a cyclone facility on a 560ha footprint and based on the current production plan will reach its authorised height of 80 metres in 2025. The existing Kareerand TSF was sized to receive the reprocessed tailings from the MWS sources. The inclusion of additional sources into the MWS business in 2012 required additional deposition facilities. The study to select the suitable site for the replacement TSF was initiated in 2016. The prefeasibility study investigated seven options and the outcome was to extend the current footprint by 340ha while increasing the height of the combined complex. The project progressed through feasibility study and detailed design.

#### Renewables



In order to achieve the renewable energy targets as set out in the Harmony Energy Efficiency and Climate Change Strategy document, it became necessary to implement a number of renewable energy technologies, including built PV plants, wheeling of wind renewable energy, syngas (or LNG) generated electricity as well as small scale solar PV plants.

#### Eva Copper Project



The Eva Copper Project is in a feasibility update phase, project is located 75km north east of Cloncurry in the highly prospective Mt Isa Inlier region and will involve mining native copper and copper sulphide ore from six open pits and processing through a copper concentrator. The projected mine life is predicted to extend beyond 15 years, providing a stable platform for continued growth.

# MINERAL RESOURCES AND MINERAL RESERVES – A SUMMARY

Harmony is in the business of converting resources into shared value. Sustainability is at the centre of all strategic decisions. Delivering returns to our shareholders while at the same time effecting positive change and maintaining the trust of all of our stakeholders is what we call 'Mining with Purpose'.

Harmony's statement of Mineral Resources and Mineral Reserves as at 30 June 2023 is produced in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC), section 12.13 of the JSE Listings Requirements (as updated from time to time) and the requirements of the United States Securities and Exchange Commission (SEC) regulation S-K Subpart 1300. It should be noted that the Mineral Resources are reported inclusive of the Mineral Reserves.

Harmony's Mineral Resources and Mineral Reserves reporting for the financial year ended 30 June 2023, complies with the SAMREC and new SEC S-K 1300 modernisation rules for technical disclosure. These amendments rescind SEC Industry Guide 7 and consolidate the disclosure requirements for registrants in a new subpart of Regulation S-K.

In our Form 20-F the Mineral Resources are reported exclusive of Reserves. 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 [www.harmony.co.za/invest/annual-reports](http://www.harmony.co.za/invest/annual-reports) on 31 October 2023.

See [Mineral Resources and Mineral Reserves report 2023](#) 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 Tshepong North, Tshepong South and Mine Waste Solutions 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) 28 of 2002.

In Papua New Guinea, Harmony operates under the Independent State of Papua New Guinea Mining Act, 20 of 1992. All required operating permits have been obtained and are in good standing.

In Australia, Harmony operates under the Mineral Resources Act 1989 of the state of Queensland. All required mining tenures 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 environmental impacts, focusing on effective risk controls, reducing environmental liabilities, ensuring responsible stewardship of our products within our scope of influence, and complying with environmental legislation and regulations.

For further information regarding Harmony's approach to sustainability and environmental performance refer to the [ESG report](#), which is available at [www.harmony.co.za](http://www.harmony.co.za).

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

## ASSUMPTIONS

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

- A gold price of US\$1 582/oz
- An exchange rate of R16.22/US\$
- The above parameters resulted in a Rand/kg gold price of R825 000/kg for the South African assets
- The Hidden Valley Mine and the Wafi-Golpu Project used commodity prices of US\$1 582/oz Au, US\$22.35/oz Ag and US\$3.70/lb Cu at an exchange rate of AUD1.43 per US\$
- Gold equivalent ounces are calculated assuming US\$1 582/oz Au, US\$3.70/lb Cu and US\$22.35/oz Ag, and assuming a 100.0% recovery for all metals.

## Note

Au = gold Cu = copper Ag = silver U<sub>3</sub>O<sub>8</sub> = uranium

## Mineral Resources and Mineral Reserves – a summary *continued*

### Mineral Resources and Mineral Reserves – summary

The company's attributable gold and gold equivalent Mineral Resources are declared as 137.8Moz as at 30 June 2023, a 3.9% increase year on year from the 132.6Moz declared as at 30 June 2022. The total gold contained in the Mineral Resources at the South African operations represents 65.6% of the company total, with the Papua New Guinea operations representing 28.5% and Australian operations 5.9% of Harmony's total gold and gold equivalent Mineral Resources as at 30 June 2023.

Harmony's attributable gold and gold equivalent Mineral Reserves amount to 39.3Moz, a 1.3% decrease from the 39.8Moz declared at 30 June 2022. The gold reserve ounces in South Africa represent 51.0%, while the Papua New Guinea gold and gold equivalent ounces represent 49.0% of Harmony's total Mineral Reserves as at 30 June 2023. The Australian gold and gold equivalent ounces will be declared once the feasibility study is concluded.

South Africa

**Underground operations**

The company's Mineral Resources at the South African underground operations as at 30 June 2023 are 76.4Moz (237.4Mt at 10.01g/t), a decrease of 4.6% year on year from the 80.1Moz (249.4Mt at 9.99g/t) declared as at 30 June 2022. This decrease is mainly due to normal depletion and a reduction in Mineral Resources at the Joel, Tshepong South (Phakisa) and Moab Khotsong operations as result of geological model changes.

The company's Mineral Reserves at the South African underground operations as at 30 June 2023 are 10.4Moz (50.0Mt at 6.50g/t), a decrease of 6.3% year on year from the 11.1Moz (54.0Mt at 6.40g/t) declared as at 30 June 2022. The decrease in ounces is mainly due to normal depletion and the Mineral Reserves reduction as result of geological model changes.

**Surface operations (including Kalgold)**

The company's Mineral Resources at the South African surface operations as at 30 June 2023 are 14.0Moz (1 584.5Mt at 0.27g/t), a decrease of 5.2% mainly due to the reduction of Mineral Resources from the Kalgold operation.

The company's Mineral Reserves after normal depletion at the South African surface operations as at 30 June 2023 are 9.7Moz (1 174.1Mt at 0.26g/t) a decrease of 7.0% mainly due to the reduction of Mineral Reserves at the Kalgold operation as result of the change in the life-of-mine strategy.

Papua New Guinea

**Operations**

The company's attributable gold and gold equivalent Mineral Resources at the Papua New Guinea operations as at 30 June 2023 are 39.3Moz, an increase of 3.7% year on year from the 37.9Moz declared as at 30 June 2022. This increase is mainly as a result of the increase in gold equivalents due to commodity price changes.

The company's gold and gold equivalent Mineral Reserves at the Papua New Guinea operations as at 30 June 2023 are 19.2Moz, an increase of 5.5% year on year from the 18.2Moz declared as at 30 June 2022. The increase is mainly as a result of the increase in gold equivalents due to commodity price changes.

Australia

**Operations**

The company's gold and gold equivalent Mineral Resources at the Australian operations as at 30 June 2023 are 8.1Moz. The company's gold and gold equivalent Mineral Reserves at the Australian operations will be declared once the feasibility study is concluded.

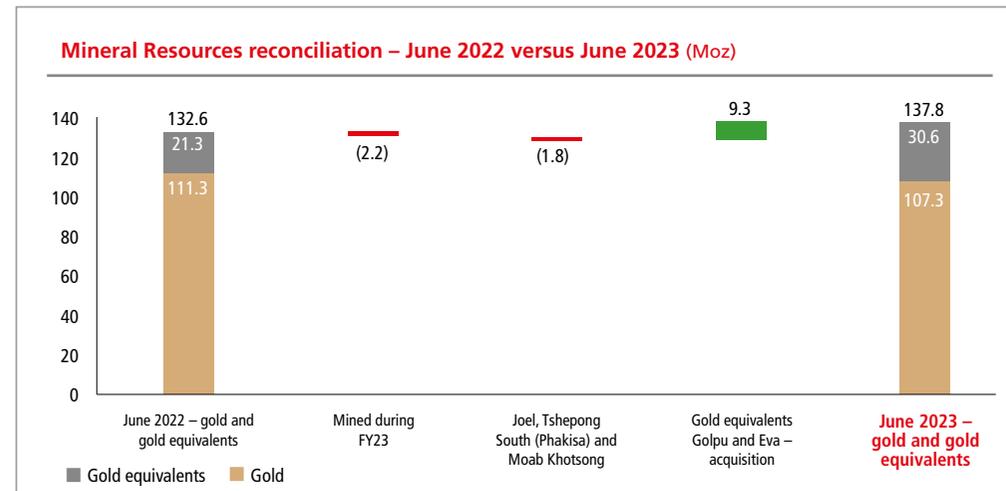
## Mineral Resources and Mineral Reserves – a summary *continued*

### Mineral Resources

As at 30 June 2023, attributable gold and gold equivalent Mineral Resources were 137.8Moz, up from 132.6Moz. The following tables show the year on year reconciliation of the Mineral Resources.

#### Mineral Resource reconciliation – gold and gold equivalents

	kg (000)	Moz
June 2022 – Gold and gold equivalents	4 125	132.6
<b>Changes during FY23:</b>		
Mined	(68)	(2.2)
Net of depletion variance excluding gold equivalents	(57)	(1.8)
Gold equivalents	290	9.3
<b>June 2023 – Gold and gold equivalents</b>	<b>4 290</b>	<b>137.8</b>

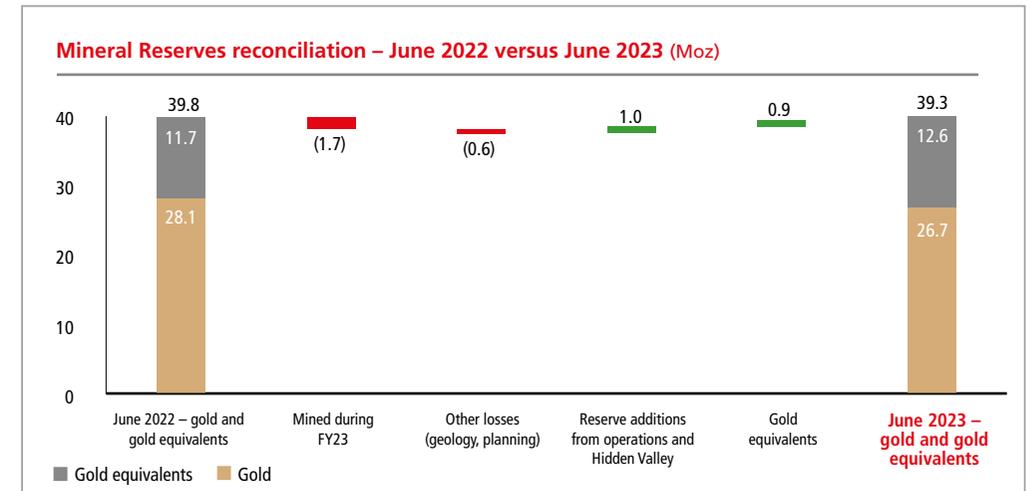


### Mineral Reserves

As at 30 June 2023, Harmony's attributable gold and gold equivalent Mineral Reserves were 39.3Moz, down from 39.8Moz. The year on year Mineral Reserve reconciliation is shown below.

#### Mineral Reserve reconciliation – gold and gold equivalents

	kg (000)	Moz
June 2022 – Gold and gold equivalents	1 238	39.8
<b>Changes during FY23:</b>		
Mined	(53)	(1.7)
Net of depletion variance excluding gold equivalents	11	0.4
Gold equivalents	27	0.9
<b>June 2023 – Gold and gold equivalents</b>	<b>1 224</b>	<b>39.3</b>



## Mineral Resources and Mineral Reserves – a summary *continued*

### 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

**Theo van Dyk**, *BSc (Hons), Pr.Sci.Nat, MGSSA*, who has 25 years' relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP) and a member of the Geological Society of South Africa (GSSA).

##### 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 AND AUSTRALIA

**Gregory Job**, *BSc (Geo), MSc (Min Econ), F AusIMM*: has 35 years' relevant experience and is a Fellow of the Australian Institute of Mining and Metallurgy (F AusIMM) South-east Asia.

##### 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 the competent person for the compilation and reporting of Mineral Resources and Mineral Reserves at their respective operation. In Papua New Guinea and Australia, 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 this report.

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

#### Administrative information for professional organisations Australasian Institute of Mining and Metallurgy (AusIMM)

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#### Geological Society of South Africa (GSSA)

CSIR Miningtek

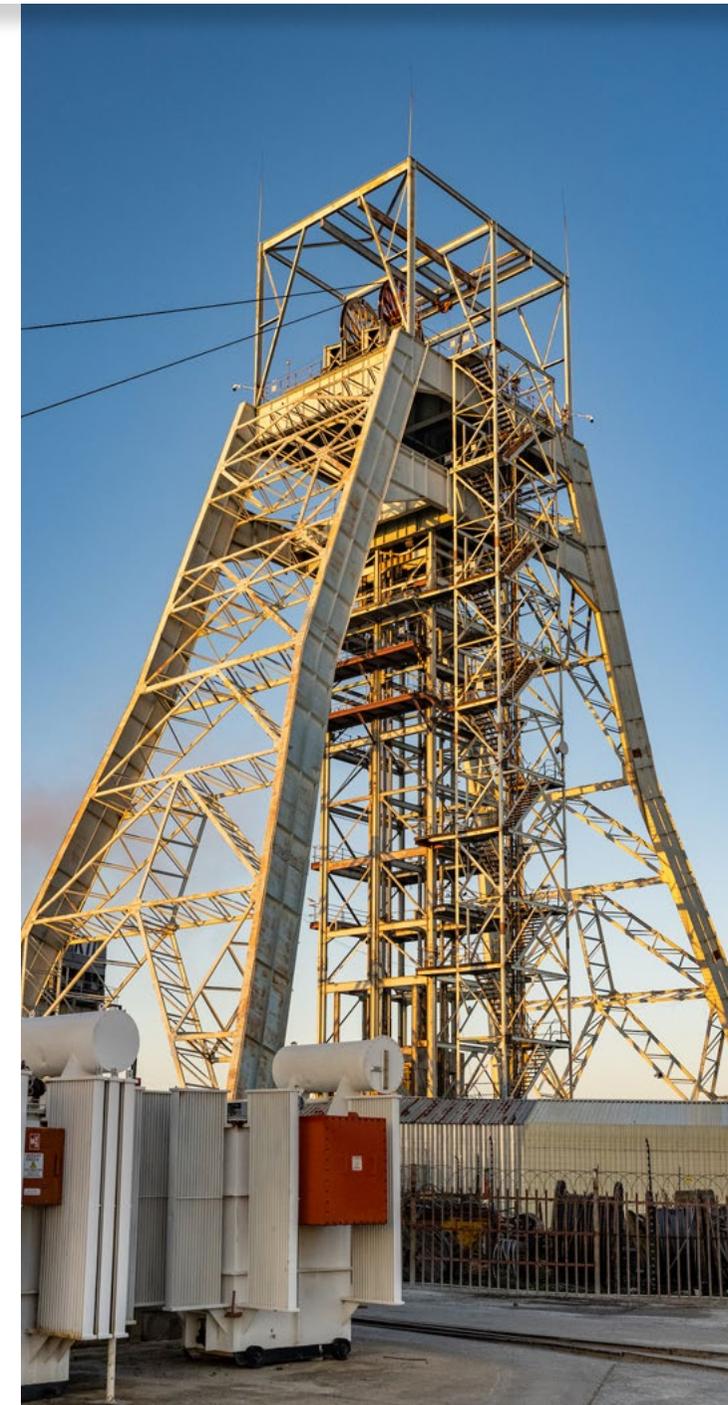
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Details of the professional registrations of our competent persons can be obtained from the company secretary at: [companysecretariat@harmony.co.za](mailto:companysecretariat@harmony.co.za)



Tshepong South (Phakisa), Free State, South Africa

## Mineral Resources and Mineral Reserves – a summary *continued*

### Estimates at 30 June 2023 – Summary – Mineral Resource metric

Operations	Measured Resources			Indicated Resources			Inferred Resources			Total Mineral Resources		
	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)
<b>Gold</b>												
<b>South Africa underground</b>												
<b>Free State region</b>												
Tshepong North	14.2	11.83	168	3.8	10.31	39	9.7	10.20	99	27.7	11.05	306
Tshepong South	8.0	12.69	101	7.1	11.61	83	25.1	10.67	268	40.2	11.24	452
Joel	4.1	7.48	31	3.4	6.85	24	0.8	7.87	6	8.3	7.26	61
Masimong	2.8	9.54	27	0.2	7.47	2	0.01	9.62	0.1	3.0	9.39	28
Target 1	7.4	7.13	53	5.1	6.41	33	4.0	5.68	23	16.6	6.55	109
Target 3	0.6	9.19	6	2.9	10.17	30	1.2	8.66	11	4.8	9.66	46
<b>Total Free State underground</b>	<b>37.1</b>	<b>10.38</b>	<b>385</b>	<b>22.6</b>	<b>9.26</b>	<b>210</b>	<b>40.9</b>	<b>9.95</b>	<b>407</b>	<b>100.6</b>	<b>9.95</b>	<b>1 002</b>
<b>West Rand region</b>												
Doornkop South Reef	3.3	8.01	26	4.8	7.63	37	3.1	8.53	27	11.2	7.99	90
Doornkop Main Reef	0.1	5.38	0.4	0.05	5.51	0.3	0.02	5.32	0.1	0.1	5.41	1
Doornkop Kimberly Reef	18.1	3.36	61	12.1	3.15	38	10.1	3.28	33	40.3	3.28	132
Kusasaletu	1.6	13.50	22	6.5	10.08	66	2.5	8.85	22	10.6	10.32	109
Mponeng	4.6	18.07	83	20.8	14.20	296	31.5	11.70	369	57.0	13.13	748
<b>Total West Rand region</b>	<b>27.7</b>	<b>6.95</b>	<b>193</b>	<b>44.3</b>	<b>9.85</b>	<b>436</b>	<b>47.2</b>	<b>9.54</b>	<b>451</b>	<b>119.3</b>	<b>9.05</b>	<b>1 080</b>
<b>Klerksdorp operation</b>												
Moab Khotsong	5.4	17.72	96	9.6	15.80	151	2.5	19.09	49	17.5	16.87	296
<b>Total North West region</b>	<b>5.4</b>	<b>17.72</b>	<b>96</b>	<b>9.6</b>	<b>15.80</b>	<b>151</b>	<b>2.5</b>	<b>19.09</b>	<b>49</b>	<b>17.5</b>	<b>16.87</b>	<b>296</b>
<b>Total South Africa underground</b>	<b>70.2</b>	<b>9.59</b>	<b>674</b>	<b>76.5</b>	<b>10.42</b>	<b>797</b>	<b>90.7</b>	<b>9.99</b>	<b>906</b>	<b>237.4</b>	<b>10.01</b>	<b>2 377</b>
<b>South Africa Surface</b>												
<b>Kraaipan Greenstone Belt</b>												
Kalgold open pit	8.5	1.02	9	39.7	1.14	45	1.6	1.45	2	49.8	1.13	56
Kalgold tailing dam	—	—	—	—	—	—	23.8	0.26	6	23.8	0.26	6
<b>Kalgold</b>	<b>8.5</b>	<b>1.02</b>	<b>9</b>	<b>39.7</b>	<b>1.14</b>	<b>45</b>	<b>25.4</b>	<b>0.34</b>	<b>9</b>	<b>73.6</b>	<b>0.85</b>	<b>63</b>
Free State region – Surface												
<b>Tailings</b>												
Other Free State tailings	169.3	0.27	46	585.5	0.22	131	15.5	0.19	3	770.3	0.23	180
Phoenix	49.9	0.28	14	—	—	—	—	—	—	49.9	0.28	14
Central	—	—	—	45.1	0.27	12	—	—	—	45.1	0.27	12
<b>Waste rock dumps</b>												
Free State WRD	—	—	—	0.8	0.34	0.3	17.1	0.43	7	17.9	0.43	8
<b>Total Free State</b>	<b>219.2</b>	<b>0.27</b>	<b>60</b>	<b>631.4</b>	<b>0.23</b>	<b>143</b>	<b>32.6</b>	<b>0.32</b>	<b>10</b>	<b>883.2</b>	<b>0.24</b>	<b>213</b>

Mineral Resources and Mineral Reserves – a summary *continued*

Operations	Measured Resources			Indicated Resources			Inferred Resources			Total Mineral Resources		
	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)	Tonnes (Mt)	Grade (g/t)	Gold (000kg)
<b>Gold</b>												
<b>North West region – Surface</b>												
<i>Tailings</i>												
Mispah	—	—	—	66.3	0.31	20	3.7	0.19	1	70.1	0.30	21
Kop Paydam	—	—	—	11.2	0.21	2	—	—	—	11.2	0.21	2
Vaal River tailings	—	—	—	191.4	0.29	55	74.0	0.13	9	265.3	0.24	64
Mine Waste Solutions	68.3	0.22	15	165.2	0.25	41	—	—	—	233.5	0.24	56
<i>Waste rock dumps</i>												
Moab MOD	—	—	—	2.1	0.30	1	—	—	—	2.1	0.30	1
Vaal River WRD	—	—	—	—	—	—	2.5	0.24	1	2.5	0.24	1
<b>Total North West</b>	<b>68.3</b>	<b>0.22</b>	<b>15</b>	<b>436.1</b>	<b>0.27</b>	<b>119</b>	<b>80.2</b>	<b>0.13</b>	<b>11</b>	<b>584.6</b>	<b>0.25</b>	<b>145</b>
<b>West Rand region – Surface</b>												
<i>Tailings</i>												
West Wits tailings	—	—	—	42.8	0.32	14	—	—	—	42.8	0.32	14
<i>Waste rock dumps</i>												
West Wits WRD	—	—	—	0.3	0.37	0.1	—	—	—	0.3	0.37	0.1
<b>Total West Rand</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>43.1</b>	<b>0.32</b>	<b>14</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>43.1</b>	<b>0.32</b>	<b>14</b>
<b>Total South Africa Surface (including Kalgold)</b>	<b>296.0</b>	<b>0.28</b>	<b>83</b>	<b>1 150.3</b>	<b>0.28</b>	<b>322</b>	<b>138.2</b>	<b>0.21</b>	<b>30</b>	<b>1 584.5</b>	<b>0.27</b>	<b>434</b>
<b>Total South Africa</b>	<b>366.2</b>		<b>757</b>	<b>1 226.8</b>		<b>1 119</b>	<b>228.9</b>		<b>935</b>	<b>1 821.9</b>		<b>2 811</b>
<b>Papua New Guinea<sup>1</sup></b>												
Hidden Valley	2.0	0.83	2	46.1	1.47	68	0.9	1.14	1	49.1	1.44	70
Hamata	—	—	—	2.1	1.80	4	0.2	1.40	0.3	2.3	1.76	4
Wafi	—	—	—	54.0	1.66	89	20.0	1.37	26	74.0	1.58	114
Golpu	—	—	—	345.0	0.72	249	70.0	0.62	44	415.0	0.70	292
Nambonga	—	—	—	—	—	—	24.0	0.69	16	24.0	0.69	16
Kerimenge	—	—	—	—	—	—	16.4	1.07	18	16.4	1.07	18
<b>Total Papua New Guinea</b>	<b>2.0</b>	<b>0.83</b>	<b>2</b>	<b>447.2</b>	<b>0.92</b>	<b>409</b>	<b>131.5</b>	<b>0.80</b>	<b>105</b>	<b>580.7</b>	<b>0.89</b>	<b>514</b>
<b>Australia</b>												
Little Eva	—	—	—	136.1	0.07	9	31.1	0.06	2	167.2	0.07	11
Bedford	—	—	—	2.7	0.19	0.5	1.5	0.14	0.2	4.2	0.17	1
Lady Clayre	—	—	—	5.1	0.15	1	1.1	0.08	0.1	6.2	0.14	1
Ivy Anne	—	—	—	5.2	0.07	0.4	1.2	0.07	0.1	6.4	0.07	0.5
<b>Total Australia</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>149.1</b>	<b>0.07</b>	<b>11</b>	<b>34.9</b>	<b>0.07</b>	<b>2</b>	<b>184.0</b>	<b>0.07</b>	<b>13</b>
<b>Grand total</b>	<b>368.2</b>		<b>758</b>	<b>1 823.1</b>		<b>1 540</b>	<b>395.3</b>		<b>1 043</b>	<b>2 586.6</b>		<b>3 339</b>

Mineral Resources and Mineral Reserves – a summary *continued*

Operations	Measured Resources		Indicated Resources		Inferred Resources		Total Mineral Resources	
	Tonnes (Mt)	Au eq (000kg)	Tonnes (Mt)	Au eq (000kg)	Tonnes (Mt)	Au eq (000kg)	Tonnes (Mt)	Au eq (000kg)
<b>Gold equivalents<sup>1</sup></b>								
<b>Silver</b>								
Hidden Valley	2.0	1	46.1	14	0.9	0.3	49.1	15
<b>Total</b>	<b>2.0</b>	<b>1</b>	<b>46.1</b>	<b>14</b>	<b>0.9</b>	<b>0.3</b>	<b>49.1</b>	<b>15</b>
<b>Copper</b>								
Golpu	—	—	345.0	593	70.0	96	415.0	689
Nambonga	—	—	—	—	24.0	8	24.0	8
<b>Total</b>	<b>—</b>	<b>—</b>	<b>345.0</b>	<b>593</b>	<b>94.0</b>	<b>104</b>	<b>439.0</b>	<b>697</b>
<b>Total silver and copper as gold equivalents</b>	<b>2.0</b>	<b>1</b>	<b>391.1</b>	<b>607</b>	<b>94.9</b>	<b>104</b>	<b>488.1</b>	<b>712</b>
<b>Total PNG including gold equivalents</b>	<b>2.0</b>	<b>2</b>	<b>447.2</b>	<b>1 017</b>	<b>131.5</b>	<b>209</b>	<b>580.7</b>	<b>1 226</b>
<b>Australia</b>								
<b>Copper</b>								
Little Eva	—	—	136.1	85	31.1	18	167.2	103
Turkey Creek	—	—	25.4	18	2.5	2	27.9	20
Blackard	—	—	82.5	60	33.6	23	116.1	83
Scanlan	—	—	18.2	16	8.5	6	26.7	22
Bedford	—	—	2.7	3	1.5	1	4.2	4
Lady Clayre	—	—	5.1	3	1.1	1	6.2	4
Ivy Anne	—	—	5.2	3	1.2	1	6.4	3
<b>Total Copper as gold Equivalents</b>	<b>—</b>	<b>—</b>	<b>275.3</b>	<b>188</b>	<b>79.5</b>	<b>51</b>	<b>354.7</b>	<b>239</b>
<b>Total Australia including Gold Equivalents</b>	<b>—</b>	<b>—</b>	<b>275.3</b>	<b>199</b>	<b>79.5</b>	<b>53</b>	<b>354.7</b>	<b>253</b>
<b>Total Harmony including equivalents</b>	<b>368.2</b>	<b>759</b>	<b>1 949.3</b>	<b>2 335</b>	<b>439.8</b>	<b>1 198</b>	<b>2 757.3</b>	<b>4 290</b>

**Other metals**

Papua New Guinea <sup>1</sup>	Measured Resources			Indicated Resources			Inferred Resources			Total Mineral Resources		
	Tonnes (Mt)	Grade (g/t)	Ag (000kg)	Tonnes (Mt)	Grade (g/t)	Ag (000kg)	Tonnes (Mt)	Grade (g/t)	Ag (000kg)	Tonnes (Mt)	Grade (g/t)	Ag (000kg)
<b>Silver</b>												
Hidden Valley	2.0	17.79	36	46.1	21.40	988	0.9	23.33	21	49.1	21.29	1 045
Golpu	—	—	—	345.0	1.30	435	70.0	1.10	72	415.0	1.30	507
<b>Total</b>	<b>2.0</b>	<b>17.79</b>	<b>36</b>	<b>391.1</b>	<b>3.64</b>	<b>1 423</b>	<b>70.9</b>	<b>1.32</b>	<b>93</b>	<b>464.1</b>	<b>3.34</b>	<b>1 552</b>
<b>Copper</b>												
Golpu	—	—	—	345	1.10	3 800	70.0	0.86	600	415.0	1.10	4 300
Nambonga	—	—	—	—	—	—	24.0	0.20	47	24.0	0.20	47
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>345</b>	<b>1.10</b>	<b>3 800</b>	<b>94.0</b>	<b>0.69</b>	<b>647</b>	<b>439.0</b>	<b>0.99</b>	<b>4 347</b>
<b>Molybdenum</b>												
Golpu	—	—	—	345.0	94	32	70.0	72	5	415.0	90	37
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>345.0</b>	<b>94</b>	<b>32</b>	<b>70.0</b>	<b>72</b>	<b>5</b>	<b>415.0</b>	<b>90</b>	<b>37</b>

## Mineral Resources and Mineral Reserves – a summary *continued*

Australia <sup>1</sup>	Measured Resources			Indicated Resources			Inferred Resources			Total Mineral Resources		
	Tonnes (Mt)	Grade (%)	Cu (000t)	Tonnes (Mt)	Grade (%)	Cu (000t)	Tonnes (Mt)	Grade (%)	Cu (000t)	Tonnes (Mt)	Grade (%)	Cu (000t)
<b>Copper</b>												
Little Eva	—	—	—	136.1	0.39	530	31.1	0.36	112	167.2	0.38	641
Turkey Creek	—	—	—	25.4	0.45	115	2.5	0.40	10	27.9	0.45	125
Blackard	—	—	—	82.5	0.45	374	33.6	0.43	146	116.1	0.45	520
Scanlan	—	—	—	18.2	0.38	102	8.5	0.37	36	26.7	0.52	138
Bedford	—	—	—	2.7	0.60	16	1.5	0.46	7	4.2	0.55	23
Lady Clayre	—	—	—	5.1	0.38	19	1.1	0.37	4	6.2	0.38	23
Ivy Anne	—	—	—	5.2	0.34	18	1.2	0.33	4	6.4	0.34	22
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>275.3</b>	<b>0.43</b>	<b>1 174</b>	<b>79.5</b>	<b>0.40</b>	<b>318</b>	<b>354.7</b>	<b>0.42</b>	<b>1 492</b>
<b>South Africa</b>												
	Tonnes (Mt)	Grade (kg/t)	U <sub>3</sub> O <sub>8</sub> (Mkg)	Tonnes (Mt)	Grade (kg/t)	U <sub>3</sub> O <sub>8</sub> (Mkg)	Tonnes (Mt)	Grade (kg/t)	U <sub>3</sub> O <sub>8</sub> (Mkg)	Tonnes (Mt)	Grade (kg/t)	U <sub>3</sub> O <sub>8</sub> (Mkg)
<b>Uranium</b>												
<b>Free State surface</b>	—	—	—	210.0	0.09	20	—	—	—	210.0	0.09	20
North West surface												
Mispah 1	—	—	—	66.3	0.14	9	3.7	—	—	70.1	0.13	9
Kop Paydam	—	—	—	11.2	0.12	1	—	—	—	11.2	0.12	1
Vaal River tailings	—	—	—	191.4	0.08	15	74.0	0.04	3	265.3	0.07	18
Mine Waste Solutions	68.3	0.07	5	165.2	0.08	13	—	—	—	233.5	0.08	18
<b>Total North West surface</b>	<b>68.3</b>	<b>0.07</b>	<b>5</b>	<b>434.0</b>	<b>0.09</b>	<b>39</b>	<b>77.7</b>	<b>0.04</b>	<b>3</b>	<b>580.0</b>	<b>0.08</b>	<b>47</b>
Moab Khotsong underground	—	—	—	15.0	0.68	10	2.5	0.73	2	17.5	0.69	12
<b>Grand total</b>	<b>68.3</b>	<b>0.07</b>	<b>5</b>	<b>659.1</b>	<b>0.10</b>	<b>69</b>	<b>80.3</b>	<b>0.06</b>	<b>5</b>	<b>807.6</b>	<b>0.10</b>	<b>78</b>

<sup>1</sup> Total attributable.

Gold equivalent ounces are calculated assuming a US\$1 582/oz Au, US\$3.70/lb Cu and US\$22.35/oz Ag with 100% recovery for all metals.

NB Rounding of numbers may result in slight computational discrepancies.

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

1 troy ounce = 31.10348 grams.

Mineral Resources and Mineral Reserves – a summary *continued*

Operations	Proved Reserves			Probable Reserves			Total Mineral Reserves		
	Tonnes (Mt)	Grade (g/t)	Gold <sup>2</sup> (000kg)	Tonnes (Mt)	Grade (g/t)	Gold <sup>2</sup> (000kg)	Tonnes (Mt)	Grade (g/t)	Gold <sup>2</sup> (000kg)
<b>Gold</b>									
<b>South Africa underground</b>									
<b>Free State region</b>									
Tshepong North	3.0	4.79	14	0.8	5.73	4	3.8	4.98	19
Tshepong south	2.9	7.79	22	0.6	7.06	4	3.4	7.67	26
Joel	2.9	4.87	14	0.5	4.33	2	3.5	4.79	17
Masimong	0.9	4.77	4	0.1	4.27	1	1.0	4.71	5
Target 1	2.6	4.38	11	1.2	4.46	6	3.8	4.40	17
<b>Total Free State underground</b>	<b>12.2</b>	<b>5.43</b>	<b>66</b>	<b>3.2</b>	<b>5.18</b>	<b>17</b>	<b>15.5</b>	<b>5.38</b>	<b>83</b>
<b>West Rand region</b>									
Doornkop South Reef	5.2	4.35	23	8.2	4.44	36	13.4	4.41	59
Kusasaletu	1.7	7.44	12	0.1	5.04	0.3	1.7	7.36	13
Mponeng	2.7	9.68	26	3.3	8.87	29	6.0	9.23	55
<b>Total West Rand region</b>	<b>9.6</b>	<b>6.39</b>	<b>61</b>	<b>11.6</b>	<b>5.71</b>	<b>66</b>	<b>21.1</b>	<b>6.02</b>	<b>127</b>
<b>North West region</b>									
Moab Khotsong	3.9	7.80	30	9.4	8.90	84	13.3	8.58	115
<b>Total North West region</b>	<b>3.9</b>	<b>7.80</b>	<b>30</b>	<b>9.4</b>	<b>8.90</b>	<b>84</b>	<b>13.3</b>	<b>8.58</b>	<b>115</b>
<b>Total South Africa underground</b>	<b>25.7</b>	<b>6.14</b>	<b>158</b>	<b>24.3</b>	<b>6.88</b>	<b>167</b>	<b>50.0</b>	<b>6.50</b>	<b>325</b>
<b>South Africa Surface</b>									
<b>Kraaipan Greenstone Belt</b>									
Kalgold	5.4	0.93	5	8.5	0.85	7	13.9	0.88	12
<b>Free State region – Surface</b>									
<b>Tailings</b>									
Other Free State tailings	86.5	0.27	23	585.5	0.22	131	672.0	0.23	154
Phoenix	30.4	0.28	9	—	—	—	30.4	0.28	9
Central	—	—	—	45.1	0.27	12	45.1	0.27	12
<b>Total Free State</b>	<b>116.9</b>	<b>0.27</b>	<b>32</b>	<b>630.6</b>	<b>0.23</b>	<b>143</b>	<b>747.5</b>	<b>0.23</b>	<b>175</b>
<b>North West region – Surface</b>									
<b>Tailings</b>									
Mispah	—	—	—	66.3	0.31	20	66.3	0.31	20
Vaal River tailings	—	—	—	149.7	0.30	45	149.7	0.30	45
Mine Waste Solutions	14.2	0.27	4	165.1	0.25	41	179.3	0.25	45
<b>Total North West</b>	<b>14.2</b>	<b>0.27</b>	<b>4</b>	<b>381.1</b>	<b>0.28</b>	<b>106</b>	<b>395.3</b>	<b>0.28</b>	<b>110</b>
<b>West Rand – Surface</b>									
West Wits tailings	—	—	—	17.4	0.32	5	17.4	0.32	5

Mineral Resources and Mineral Reserves – a summary *continued*

Operations	Proved Reserves			Probable Reserves			Total Mineral Reserves		
	Tonnes (Mt)	Grade (g/t)	Gold <sup>2</sup> (000kg)	Tonnes (Mt)	Grade (g/t)	Gold <sup>2</sup> (000kg)	Tonnes (Mt)	Grade (g/t)	Gold <sup>2</sup> (000kg)
<b>Gold</b>									
<b>Total West Rand</b>	—	—	—	17.4	0.32	5	17.4	0.32	5
<b>Total South Africa Surface (including Kalgold)</b>	136.5	0.30	41	1 037.6	0.25	261	1 174.1	0.26	302
<b>Total South Africa</b>	162.2		199	1 061.9		428	1 224.1		627
<b>Papua New Guinea</b>									
Hidden Valley	1.6	0.97	2	17.6	1.78	31	19.2	1.71	33
Hamata	—	—	—	0.2	1.77	0.3	0.2	1.77	0.3
Golpu <sup>1</sup>	—	—	—	200.0	0.86	171	200.0	0.86	171
<b>Total Papua New Guinea</b>	<b>1.6</b>	<b>0.97</b>	<b>2</b>	<b>217.8</b>	<b>0.93</b>	<b>203</b>	<b>219.4</b>	<b>0.93</b>	<b>204</b>
HV Hamata	1.6	0.97	2	17.8	1.78	32	19.4	1.71	33
<b>Grand total</b>	<b>163.8</b>		<b>200</b>	<b>1 279.7</b>		<b>631</b>	<b>1 443.5</b>		<b>831</b>

Operations	Proved Reserves		Probable Reserves		Total Mineral Reserves	
	Tonnes (Mt)	Au eq <sup>2</sup> (000kg)	Tonnes (Mt)	Au eq <sup>2</sup> (000kg)	Tonnes (Mt)	Au eq <sup>2</sup> (000kg)
<b>Gold equivalents</b>						
<b>Silver</b>						
Hidden Valley	1.6	0.5	17.6	7	19.2	7
<b>Copper</b>						
Golpu <sup>1</sup>	—	—	200.0	385	200.0	385
<b>Total silver and copper as gold equivalents</b>	<b>1.6</b>	<b>0.5</b>	<b>217.6</b>	<b>392</b>	<b>219.2</b>	<b>392</b>
<b>Total PNG including gold equivalents</b>	<b>1.6</b>	<b>2</b>	<b>217.8</b>	<b>594</b>	<b>219.4</b>	<b>596</b>
<b>Total Harmony including equivalents</b>	<b>163.8</b>	<b>201</b>	<b>1 279.7</b>	<b>1 023</b>	<b>1 443.5</b>	<b>1 224</b>



# ESG PERFORMANCE SUMMARY

Harmony's ESG performance during the year reflects our impact and the shared value we have created and preserved across the priorities of our sustainability strategic pillars.

	 <b>Environmental stewardship</b>	 <b>Social stewardship</b>	 <b>Governance stewardship</b>	 <b>Business and operational excellence</b>
<b>Sustainability strategic pillars</b>	<p>Harmony's commitment to protecting and regenerating the environment through ecologically responsible mining involves driving environmental sustainability and leadership. We strive for a greener, zero-emissions business with a lasting positive legacy. To coexist with the natural environment it is crucial that we understand and appreciate the negative effects of our operations.</p>	<p>Harmony is guided by our socio-economic strategy to deliver on our responsibility of:</p> <ul style="list-style-type: none"> <li>• Fostering relationships of trust with our employees, suppliers, host communities and government</li> <li>• Promoting shared value for all and delivering impact through going beyond compliance</li> <li>• Responsibly closing our operations to ensure we create and preserve value wherever we operate.</li> </ul>	<p>Good governance lies at the heart of our performance and reporting. Guided by our policies and codes, we aim to do the right thing and tell our story honestly.</p> <p>For Harmony, ethical mining equals ethical leadership that equals corporate trust.</p>	<p>We aim to ensure that Harmony is pursuing operational sustainability, creating economic benefit and managing business resilience.</p>
<b>Priorities</b>	<ul style="list-style-type: none"> <li>• <b>Climate action:</b> Decarbonise the business through energy efficiency and Harmony's renewable energy programme</li> <li>• <b>Climate resilience:</b> Ensure Harmony and its infrastructure, sites and operations are adapted to withstand and mitigate the effects of climate change</li> <li>• <b>Biodiversity:</b> Mitigate impacts to biodiversity and work towards offsetting through restoring sustainable value to land disturbed by our operations</li> <li>• <b>Water:</b> Prioritise security of supply, protection of resource and responsible utilisation and recycling of water resources.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Safety, health and wellbeing:</b> Prioritise a strong safety culture, ensuring employee safety, with zero of life, and health and wellbeing</li> <li>• <b>Supporting our people:</b> Providing and promoting strong leadership and an enabling culture that ensures we attract and retain an engaged, empowered, diverse and inclusive workforce; maintaining sound labour relations; and providing workforce training and education</li> <li>• <b>Partnering for thriving, sustainable communities and our social licence to operate:</b> Strengthen stakeholder engagement and partner for sustainable communities while driving responsible procurement and supply chain transformation.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Transparent and ethical mining:</b> Drive ethical business practices, meet or exceed regulatory requirements, and partner with key stakeholders</li> <li>• <b>Ethical and accountable leadership:</b> Internalise our commitment and accountability to Harmony's responsible corporate citizenship, ethical leadership and robust governance standards</li> <li>• <b>Governance excellence:</b> Follow a proactive, strategic approach to governance, building on existing strengths to ensure best-in-class governance approaches, embedding ESG into our core strategy and taking a proactive approach to go beyond compliance with ESG legislation.</li> </ul> <p> Refer to <b>Governing with purpose</b> (page 74) for details on how we performed against this pillar.</p>	<ul style="list-style-type: none"> <li>• <b>Managing business resilience:</b> Anticipate, identify and understand external influences and risks that affect our business, and develop appropriate responses to improve our economic impact and performance</li> <li>• <b>Pursuing technology and innovation for environmental, operational and safety improvements:</b> Advance innovation capabilities to unlock and improve our sustainability</li> <li>• <b>Managing capital access and allocation for safe profitable ounces:</b> Capital allocation is aimed at producing safe, profitable ounces and increasing margins through meeting approved capital allocation parameters.</li> </ul> <p> Refer to <b>How we performed</b> (page 87) for details on our performance against this pillar.</p>

ESG performance summary *continued*

 **Environment**

We are committed to being environmental stewardship advocates through pollution prevention, prudent use of natural resources, maximising the circular economy and a transition to a low-carbon future therefore remediating the impacts of our operations on the environment.

The tenets of our environmental philosophy support our stewardship priorities – enabling us to manage, mitigate and offset environmental risks associated with our activities.



**TENETS**

-  **Energy efficiency**
-  **Improved energy mix**
-  **Water conservation and recycling**
-  **Pollution prevention and resource protection**
-  **Land restoration and biodiversity protection**
-  **Value creation from mine-impacted land**
-  **Ecological conservation**
-  **Tailings and waste recycling**

**Material matters**

- Climate change and extreme weather susceptibility and responsibility (including physical and transitional risks)
- Addressing energy use
- Water management
- Circular economy (maximising resource efficiency and reuse/recycling) and pollution prevention
- Tailings storage facility (TSF) management and safety
- Ensuring biodiversity and post-closure sustainability
- Pursuing zero emissions and renewable alternatives.

**Capitals affected**  
**Directly**

 Natural capital

**Indirectly**

 Financial capital

 Social and relationship capital

**Stakeholders affected**

- Employees and unions
- Communities, traditional leaders and NGOs
- Governments and regulators
- Suppliers
- Investors and financiers.

**Link to strategy**

 **Responsible stewardship**

 **Cash certainty**

 **Effective capital allocation**

**FY23 focus areas and performance**

In FY23, we implemented our next set of five-year group environmental performance targets. These targets for FY23 to FY27 focus on our strategic imperatives and material risks (energy, water, waste, land and biodiversity) and are aligned with our adoption of science-based targets to achieve net zero emissions by 2045. We recorded 12 months for all our assets. While consumption increased, our intensities and efficiencies improved during FY23.

We also aligned sustainability-linked and green loans to three KPIs:

- Absolute reduction in greenhouse gas emissions
- Increase in renewable energy consumption as a percentage of total energy mix
- Absolute potable water consumption.

South Africa experienced more frequent water-related incidents due to exceptionally high rainfall in FY23. Harmony recorded five level 3 (moderate) reportable environmental incidents in South Africa and zero in Papua New Guinea. All incidents were short and corrected immediately with limited impact on the receiving environments, and we implemented appropriate remedial action in all instances.

**Climate change, energy and emissions management**



- Multiple phased renewable energy projects in implementation, with over 200 energy efficiency initiatives implemented at our operations to date
- Near-term decarbonisation targets validated and approved by SBTi
- Reduced absolute carbon emissions by 0.44Mt (9.0%) despite an 11.3% increase in scope 1 emissions due to greater reliance on diesel generators at drought-stricken Hidden Valley
- Scope 2 emissions decreased due to 6.9% lower energy consumption and the implementation of energy-efficiency projects as well as a 3.7% reduction in South Africa's coal-powered grid emission factor
- 41 energy optimisation projects saved an estimated 295GWh and a cost saving of R394 million (US\$22.2 million)
- Reduced electricity intensity by 46% over the past 10 years with our commitments to optimise energy efficiency and climate change mitigation
- Reduced GHG intensity by 42% and 1.8Mt CO<sub>2</sub>e with over R1.7 billion cumulative savings since 2016.

Harmony's decarbonisation strategy is guiding our operations to net zero GHG emissions by 2045 with a transition pathway. The pathway includes energy efficiency, portfolio re-engineering, improving our electricity mix, adaptation and decarbonising our transportation sector. This ensures we effectively navigate the challenges and opportunities presented by the global shift to a low-carbon economy. We are intent on also addressing our supply chain, albeit that it is only 18% of our emissions profile.

Harmony will work towards delivering its approved SBTi target. This includes our commitment to reducing absolute scope 1 and 2 GHG emissions by 63% by FY36 from a 2021 base year.

## ESG performance summary *continued*

### Water use



- Water discharge decreased by 4.5% mainly due to the increased production at Hidden Valley and the operation of the RO plants at Harmony One plant and Target thus increasing water recycled
- Water intensity decreased by 9.7% as potable and non-potable water consumption decreased group-wide despite production increases and Bambanani and Kopanang plant closures
- Potable water use decreased by 5.5% through water treatment plants commissioned at strategic operations
- Increased water recycling rate by 14.2% over five years.

We focus on reducing potable water demand at our operations to reduce supply pressure on constrained local water utilities. We also improve local municipal systems' climate change resilience. In addition, our integrated water management and social investment strategies support our water, sanitation and hygiene programmes. Our successful water recycling initiatives drive these efforts.

We have committed significant capital to increasing our water recycling ratio and reducing potable water intake by materially adjusting our water sourcing profile in line with industry best practice and local sustainable development objectives.

### Air quality, land management and rehabilitation, and biodiversity



- Particulate matter (PM) intensity decreased over the past five years due to improved management practices and understanding of plant processes, refinements in sampling methodologies for more accurate results and upgrades to both the abatement equipment as well as the process could further reduce the amount of particulate matter that is recorded
- Vegetation of more than 21 000 trees have been planted and 25.3ha of dryland grassing on six TSFs over the past five years
- No reportable dust fallout exceedances as we continued implementing our prevention interventions which included chemical suppression, netting, grassing, trees, irrigation and controlled maintenance in windy seasons to address concerns despite costly equipment theft and vandalism
- Undiscounted value of land rehabilitation liabilities increased to R7.6 billion (US\$402.8 million) in FY23 (FY22: R7.1 billion (US\$437.9 million)), due to higher diesel prices, rising inflation, and accommodating the footprint of the recently acquired Eva Copper acquisition
- Successfully rehabilitated 72.2ha of 117ha of land available for rehabilitation
- Ongoing activities include demolishing and sealing disused infrastructure and rehabilitating tailings dams, to continuously reduce our mining footprint, liberate and restore land for alternative use and prevent illegal mining
- Cleared 6 655.5ha of invasive alien plants across the group (Kalgold: 740.0ha, Vaal River: 5 013.0ha, Moab Khotsong: 216.5ha, Kusasalethu: 610.0ha and West Wits: 76.0ha) in FY23. We replaced these plants with 13 000 trees at the toes and tops of our TSFs to manage seepage and nuisance dust fallout
- 45 indigenous trees planted at our operations will improve air quality and address climate change.

Across the group, we are committed to reducing our impacted footprint year on year by liberating and restoring land for alternative use through our rehabilitation programme that aims for environmental dust mitigation and carbon sequestration with revegetation and related social benefits. We will be setting five-year targets to monitor our progress.

Improvements in PM emissions will continue to receive priority at our gold plants, through better operational control, the use of improved quality activated carbon and changes to more efficient abatement equipment where necessary.

The group will continue focusing on planning and designing biodiversity and climate change offset programmes. We will also accelerate our rehabilitation and mine closure programmes.

## ESG performance summary *continued*

### Tailings and waste management



- Continued stakeholder engagement on the Wafi-Golpu Project, including the deep-sea tailings placement method throughout FY23
- Internal compliance audits conducted confirmed our satisfactory tailings dam performance
- Independent audits by an external assurance provider concluded that 97.56% of material recommendations were implemented for heightened control
- Waste rock recycling decreased by 14.1% due to load curtailment
- Slimes recycling increased by 0.6% due to increased processing at Savuka plant
- Rock mined (41.5Mt) decreased by 3.9%.

Robust and meticulous engineering and dam design, continuous risk management, and layered assurance and oversight provide integrity, stability, environmental and legal compliance for our TSFs. Responsible and effective waste management is also a priority to reduce our environmental impacts and mitigate associated liabilities. We include guidelines on mineral, non-mineral and hazardous waste materials in operations' environmental management systems.

The group remains focused on managing our factors of safety to beyond compliance levels, coupled together with responsible rehabilitation of tailings dams that show no further prospects in re-mining. Looking for opportunities to beneficiate these dams as part of our recycling initiatives, remains top of our agenda as we complete our feasibility studies in the Free State and Carletonville areas. Part of our intention is to consolidate tailings dams for ease of management and risk mitigation. As an added bonus, land becomes available for social development opportunities.



ESG performance summary *continued*

 Social

We are committed to ensuring that we build trust, which is the cornerstone of enduring relationships with our communities, employees, suppliers, labour and government. Harmony’s host communities have relevant needs and expectations that we aim to understand and address through meaningful contributions, including labour and job creation, socio-economic development and economic empowerment.

Our social imperatives support our stewardship priorities – enabling us to make a positive and lasting contribution in the regions where we operate.

**Material matters**

- Ensuring employee safety
- Protecting employee health and mental wellbeing
- Maintaining sound labour relations
- Driving equity, inclusion and diversity
- Attracting and retaining an engaged, enabled and empowered workforce
- Respecting cultural heritage
- Stakeholder engagement and partnerships for sustainable communities
- Supply chain transformation and preferential procurement
- Upholding human rights and driving responsible procurement.

**Capitals affected**

**Directly**

-  Human capital
-  Social and relationship capital

**Indirectly**

-  Financial capital
-  Manufactured capital
-  Intellectual capital

**Stakeholders affected**

- Employees and unions
- Communities, traditional leaders and NGOs
- Governments and regulators
- Suppliers.

**Link to strategy**

-  Responsible stewardship
-  Operational excellence

Principal social imperatives

Creating a **safe working environment** to prevent loss of life

Articulating **human rights** in our human resources policies, charters and engagement contracts

Systematically embedding **innovative safety risk management** and promoting safe behaviours in our operations

Building resilient communities through **meaningful and sustainable socio-economic development**

Distributing R37.6 billion (US\$2.1 billion) **total economic value** to employees, investors, suppliers, communities and government stakeholders



## ESG performance summary *continued*

### FY23 focus areas and performance

Zero harm remains our guiding principle in all Harmony initiatives with board approval and oversight of safety, health, human resources, stakeholder engagement and mine community development management. Despite progress, we tragically lost six (FY22:13) colleagues at our South African operations. Learnings were applied to eliminate loss-of-life and we ramped up our business improvement initiatives to identify feasible best practice mitigation measures.

#### Safety

- Management, unions, Minerals Council South Africa and government representatives participated in structures focused on safety and eliminating of life
- We collaborated in external safety initiatives and leading best practice through Mining Industry Occupational Safety and Health (MOSH) initiatives
- Golden controls monitored 9 million times across our operations (12% increase from FY22), an average of controls monitored 24 000 times a day across Harmony
- Safety and occupational health champions supported Thibakotsi safety risk management journey:
  - Increased white flag (accident-free) days
  - Lost-time injury frequency rate (LTIFR) in South Africa improved to 5.74 (FY22: 5.90) per million hours worked
  - Group LTIFR was 5.49 (FY22: 5.65) per million hours worked
  - South African surface operations celebrated 3.6 million loss-of-life-free shifts (LLFS)
  - Zero loss of life at Hidden Valley for sixth consecutive year.

We apply the most stringent safety principles to offset the risks associated with the complexity of mining activities. These principles aim to eliminate loss of life and injuries in our exploration activities, underground, surface and open-pit operations.

The group will continue to sustain the Thibakotsi programme as part of our DNA. Surveys will rank leadership maturity, living our values and employee engagement in terms of lessons learnt and support as we strive to become mine safety leaders.

#### Health and wellness

- R940 million (US\$52.9 million) (FY22: R1.1 billion/US\$71 million) spent on health initiatives in South Africa
- R34 million (US\$1.9 million) (PGK6.7 million) (FY22: R16 million (US\$1.1 million/PGK4.4 million)) spent on medical and healthcare expenses in Papua New Guinea
- Medical hubs at operations conducted 68 400 (FY22: 66 862) medical examinations in South Africa and 19 969 (FY22: 15 539) in Papua New Guinea
- Noise-induced hearing loss (NIHL), heat-related illnesses and occupational lung diseases (particularly silicosis) remain our major risks in South Africa:
  - Early NIHL cases decreased to 158 (FY22: 226) with 98 (FY22:106) employees compensated
  - 24 085 (FY22: 17 868) heat tolerance tests conducted as part of medical surveillance and recorded 192 (FY22: 211) cases of heat-related illnesses
  - 115 (FY22: 108) silicosis cases submitted to Medical Bureau for Occupational Diseases
    - 62 (FY22: 184) silicosis and silico-TB cases certified
    - TB incidence rate of 604 (FY22: 590) per 100 000 employees tested
- TB screening was offered to 7 054 employees and 5 936 were tested with 24 new positive cases identified and treatment started
- 71 563 (FY22: 67 035) employees received voluntary HIV/Aids counselling and testing, and 59 372 (FY22: 61 565) confirmed their status
- Electronic health management system facilitated integrated lifestyle programme to help address communicable (HIV/Aids, TB and Covid-19) and non-communicable diseases (including mental health-related conditions)
- 20 865 employees were reached through mental health awareness and promotion campaigns.

In line with the company's commitment to ensuring our people live healthy, productive lives, we aim to meet our targets for occupational health through the adoption of and aligning with industry leading practices.

Across the group, we will advance the digital transformation of our employee healthcare delivery in collaboration with cross-functional teams striving for safe production. This will enable our medical teams to deliver proactive healthcare, based on employees' individual risk profiles in addition to annual medical examinations, and effectively address specific occupational conditions.

## ESG performance summary *continued*

### Caring for our employees

- Our largest labour-sourcing area employs a permanent workforce of 33 341 (FY22: 35 989) people. Reductions in our permanent workforce are mainly due to natural attrition and voluntary separation packages due to Bambanani mine closure
- Employee turnover increased to 1.3% (FY22: 1.1%)
- Gender survey identified opportunities for improving our working environments, making our organisation more progressive and gender inclusive
- South African HDP representation in managerial positions increased to 68% (FY22: 67%).
- 23.0% (FY22: 11.0%) female employees at leadership levels in Papua New Guinea
- Ongoing skills development and training:
  - R783 million (US\$44.1 million) (FY22: R661 million/US\$43.5 million) for 96% (FY22: 93%) of South African workforce
  - R33 million (US\$1.9 million) (FY22: R4 million/US\$0.3 million) for 1 448 (FY22: 1 359) employees in Papua New Guinea
- Access to adequate housing for employees in South Africa:
  - 180 (FY22: 66) Harmony-owned stands purchased
  - 144 (FY22: 26) pension-backed home loan schemes
  - Accommodation for 7 662 (FY22: 8 057) employees and 36 (FY22: 33) contractors
  - Company-owned houses for 4 146 (FY22: 6 214) families
  - R651 million (US\$36.7 million) (FY22: R745 million/US\$39.0 million) on living-out allowance for alternative accommodation
- Enforced code of conduct and human rights policy applicable to employees and suppliers:
  - Human resources function and community engagement managers closely monitored human rights performance at operations
  - Training reinforced Voluntary Principles on Security and Human Rights and prevailing legislation
  - Engaged with peers, government and civil society about policies on ethical conduct and human rights in providing security services for local communities.

We strive to go beyond compliance with the mining charter in South Africa to create and maintain an employee profile that addresses the country's needs. Our approach includes MoA employment targets in Papua New Guinea and we are progress well with engagements in Australia about future project opportunities for employment.

Harmony's code of conduct, outlining our core values, and human rights policy guide employees and suppliers to act in line with the highest standards of integrity and ethics in stakeholder engagements. We will conduct human rights assessments at our operations in South Africa, Papua New Guinea and Australia, and update our human resources policy accordingly, from FY24.

Across the group, we will continue optimising systems and processes with technology that improves management and team cooperation. We will also roll out our leadership programme from senior leaders to supervisors. This includes a review of our values and culture.

Our bursary programme and student training will extend to international operations.

### Empowering communities

- Third-generation SLPs ended on 31 December 2022: R349 million (US\$23 million) spent on mine community development programmes over the five-year period
- Additional positive impact through CSI projects:
  - Almost 38 000 beneficiaries in South Africa: ad hoc donations from Harmony Gold Community Trust, strategic collaborations with NPOs and special property leases
  - Around 20 500 beneficiaries in Papua New Guinea: programmes for Wafi-Golpu host communities and supplement our MoA programmes at Hidden Valley with ad hoc assistance
- R59 million (US\$3.3 million) (FY22: R50 million/US\$3.3 million) spent on new >51.0% black-owned and controlled enterprises
- R12 million (US\$0.7 million) (FY22: R26 million/US\$1.7 million) spent on 23 (FY22: 45) new 100% black-owned SMMEs
- Total preferential procurement spend awarded to black-owned vendors was R8.6 billion (US\$484.2 million) (FY22: R7.7 billion/US\$506.2 million). Although designated group performance continues to improve, this remains marginal for black women and youth-owned suppliers
- Total discretionary spend was R16.5 billion (US\$889.6 million) (FY22: R14.2 billion/US\$933.6 million). Of this, 85% (FY22: 79%) was spent on preferential procurement
- Landowner companies in Papua New Guinea received R615 million (US\$34.7 million/PKG122.4 million) through multi-year contracts.

We help our host communities build resilience for posterity by supporting employees, businesses, municipalities and national socio-economic development goals through our programmes and local economic development initiatives.

Looking ahead, we aim to:

- Create a solid pipeline of businesses owned by black women and youths through our incubation programme to exceed mining charter targets
- Ensure the sustainability of existing empowered suppliers by funding OEM partnerships
- Continue to go beyond compliance to address food security, water supply and sanitation, quality education, and health and wellbeing in our host communities through our CSI programme
- Continue long-standing contracts with local suppliers to Hidden Valley while advancement of the Wafi-Golpu Project which will afford further opportunities for local business development and new partnerships in Morobe Province
- Finalise a local capability assessment report for Eva Copper, which will make recommendations and guide local content business engagement and related capacity-building social investment as the project advances.

### Illegal mining

- Collaborative efforts to combat illegal mining:
  - Arrested 163 (FY22: 78) illegal miners and 94 (FY22: 25) colluders (employees and contractors)
  - Seized 74 330kg (FY22: 316 157kg) of gold-bearing material worth R2 million (FY22: R1.5 million)
  - 87 illegal miners sentenced to 696 years in prison
  - Exposed collusion and syndicate leaders with 26 vehicles used in the commissioning of a crime worth R30 million.

- The cost of illegal mining:
  - Loss of life and injuries among illegal miners and mine employees
  - Production stoppages due to safety incidents and infrastructure damage
  - Soil instability and water pollution
  - Security expenses
  - Waning investor appetite threatening jobs and community development.

Illegal mining is increasing exponentially with deteriorating socio-economic conditions across southern Africa and the associated breakdown in the rule of law without adequate public enforcement resources. Our internal and contracted security services continue to work under severe pressure to address increasing illegal mining activity that threatens our sustainability and licence to operate.

# ANCILLARY INFORMATION

**Mining with purpose supports our journey towards improving our disclosures.**  
*We aim to disclose information accurately and transparently to create a holistic view of our performance, enabling our shareholders and other providers of financial capital to make informed decisions about our business.*

📄 Our [reporting suite](#) and [supplementary information](#) are available [online](#).

# 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 depository receipts on the New York Stock Exchange. Harmony's ticker codes on these exchanges are shown below:

JSE		<b>HAR</b>
New York Stock Exchange		<b>HMY</b>
<b>Share information</b>		
Sector		Resources
Sub-sector		Gold
<b>Issued share capital at 30 June 2023</b>		618 071 972
<b>Market capitalisation</b>		
at 30 June 2023		R49.0 billion or US\$2.6 billion
at 30 June 2022		R32.0 billion or US\$2.0 billion
<b>Share price statistics – FY23</b>		
JSE:	12-month high	R99.69
	12-month low	R34.12
	Closing price as at 30 June 2023	R79.25
New York Stock Exchange:	12-month high	US\$5.28
	12-month low	US\$2.00
	Closing price as at 30 June 2023	US\$4.20
Free float		100%
ADR ratio		1:1

## Shareholder spread as at 30 June 2023

Shareholder spread	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
1 – 1 000 shares	12 970	88.55	1 361 884	0.22
1 001 – 10 000 shares	1 011	6.90	3 182 725	0.51
10 001 – 100 000 shares	462	3.15	16 791 659	2.73
100 001 – 1 000 000 shares	164	1.12	54 135 656	8.76
1 000 001 shares and above	40	0.27	542 600 048	87.79
<b>Total</b>	<b>14 647</b>	<b>100</b>	<b>618 071 972</b>	<b>100</b>

## Shareholder information *continued*

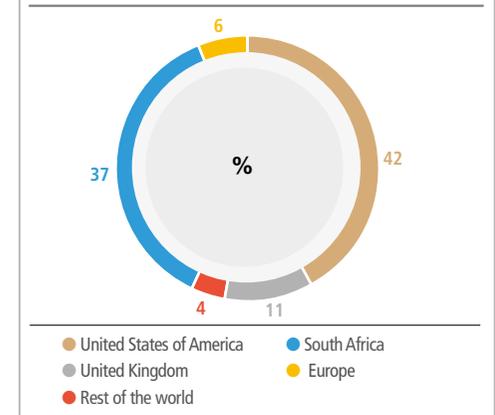
### Analysis of ordinary shares as at 30 June 2023

Shareholder type	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
Public shareholders	14 632	99.90	458 659 145	74.21
Non-public shareholders*	15	0.10	159 412 827	25.79
<b>Total</b>	<b>14 647</b>	<b>100.00</b>	<b>618 071 972</b>	<b>100.00</b>
<i>* Breakdown of non-public shareholders:</i>				
Share option schemes	1	0.01	320 651	0.05
Holdings of more than 10%	5	0.03	158 268 259	25.61
Directors <sup>1</sup>	4	0.03	652 241	0.11
Prescribed officers <sup>2</sup>	4	0.03	171 341	0.03
Subsidiaries	1	0.01	335	—

<sup>1</sup> Held by Peter Steenkamp, Boipelo Lekubo and Harry Ephraim Mashego.

<sup>2</sup> Held by Beyers Nel, Marian van der Walt, Melanie Naidoo-Vermaak and Johannes van Heerden.

### Geographic representation of shareholders at 30 June 2023



The Public Investment Corporation of South Africa (PIC) is our largest shareholder with a 12.68% stake. Our remaining shareholders are geographically diverse and include some of the largest fund managers globally. The largest shareholder base is in the United States (42%), followed by South Africa (37%).

### Ownership summary as at 30 June 2023 – top 10 shareholders (by group)

Rank	Top 10 shareholders	% holding 30 June 2023
1	Public Investment Corporation of South Africa	12.68
2	African Rainbow Minerals Ltd	12.08
3	Van Eck Associates Corporation	9.53
4	Lingotto Investment Management, LLP	5.85
5	BlackRock Inc	4.69
6	The Vanguard Group Inc	3.47
7	Fairtree Asset Management Pty Ltd	3.22
8	Kopernik Global Investors, LLC	2.84
9	Dimensional Fund Advisers	1.82
10	Polunin Capital Partners Ltd	1.69

### Shareholders' diary

Financial year end	30 June 2023
Integrated annual report issued	25 October 2023
Form 20-F filed	31 October 2023
Annual general meeting	4 December 2023

### Results presentations FY24\*

Interim results	February 2024
Full-year results	August 2024

\* See website for diary updates.

### Contact

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 Mobile: +27 (0)82 746 4120  
 Telephone: +27 11 411 6073  
 Website: [www.harmony.co.za](http://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 future business prospects, revenues, and the potential benefit of acquisitions (including statements regarding growth and cost savings) wherever they may occur in this booklet, 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 our integrated annual 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
- The impact from, and measures taken to address, Covid-19 and other contagious diseases, such as HIV and tuberculosis
- High and rising inflation, supply chain issues, volatile commodity costs and other inflationary pressures exacerbated by the Russian invasion of Ukraine and subsequent sanctions
- 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
- Increasing regulation of environmental and sustainability matters such as greenhouse gas emission and climate change, and the impact of climate change on our operations
- Estimates of future tax liabilities under the Carbon Tax Act (South Africa)
- Statements regarding 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 in connection with past and future acquisitions, as well as at existing operations
- Fluctuations in the market price of gold and other metals
- 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
- Power cost increases as well as power stoppages, fluctuations and usage constraints
- Ageing infrastructure, unplanned breakdowns and stoppages that may delay production
- Increase costs and industrial accidents
- 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 or sufficient gender diversity in management positions or at Board level
- 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
- 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, without limitation, regarding 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
- Our ability to meet our environmental, social and corporate governance targets
- The outcome of pending or future litigation or regulatory proceedings
- Fluctuations in exchange rates and currency devaluations and other macro-economic monetary policies, as well as the impact of South African exchange control regulations
- 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
- Changes in technical and economic assumptions underlying our Mineral Reserves estimates
- Geotechnical challenges due to the ageing of certain mines and a trend toward mining deeper pits and more complex, often deeper underground deposits
- Actual or alleged breach or breaches in governance processes, fraud, bribery or corruption at our operations that leads to censure, penalties or negative reputational impacts.

The foregoing factors and others described under **Our risk and opportunity profile** in our **Integrated annual report** ([www.har.co.za](http://www.har.co.za)) and our **Form 20-F** should not be construed as exhaustive. We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as required by law. All subsequent written or oral forward-looking statements attributable to Harmony or any person acting on its behalf, are qualified by the cautionary statements herein.

The forward-looking financial information has not been reviewed and reported on by the company's auditors.

## 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

#### Corporate office

Randfontein Office Park  
PO Box 2, Randfontein 1760, South Africa  
Corner Main Reef Road and Ward Avenue,  
Randfontein, 1759, South Africa

Telephone: +27 11 411 2000

Website: [www.harmony.co.za](http://www.harmony.co.za)

#### Directors

Dr PT Motsepe\* (chairman)  
KT Nondumo\*^ (deputy chairman)  
Dr M Msimang\*^ (lead independent director)  
PW Steenkamp\*\* (chief executive officer)  
BP Lekubo\*\* (financial director)  
Dr HE Mashego\*\* (executive director)  
B Nqwababa\*^  
VP Pillay\*^  
MJ Prinsloo\*^  
GR Sibiya\*^  
PL Turner \*^  
JL Wetton\*^

\* *Non-executive*

\*\* *Executive*

^ *Independent*

#### Investor relations

Email: [HarmonyIR@harmony.co.za](mailto:HarmonyIR@harmony.co.za)

Telephone: +27 11 411 6073 or +27 82 746 4120

Website: [www.harmony.co.za](http://www.harmony.co.za)

#### Company Secretariat

Email: [companysecretariat@harmony.co.za](mailto:companysecretariat@harmony.co.za)

Telephone: +27 11 411 2359

#### Transfer secretaries

##### JSE Investor Services South Africa (Proprietary) Limited

(Registration number 2000/007239/07)  
19 Ameshoff Street, 13th Floor, Hollard House, Braamfontein  
Johannesburg, South Africa

PO Box 4844, Johannesburg, 2000, South Africa

Email: [info@jseinvestorservices.co.za](mailto:info@jseinvestorservices.co.za)

Telephone: +27 861 546 572 (South Africa)

Fax: +27 86 674 2450

#### American Depositary Receipts (ADRs)

##### Deutsche Bank Trust Company Americas c/o American Stock Transfer and Trust Company

Operations Centre, 6201 15th Avenue, Brooklyn,  
NY11219, United States

Email queries: [db@astfinancial.com](mailto:db@astfinancial.com)

Toll free (within US): +1 886 249 2593

Int: +1 718 921 8137

Fax: +1 718 921 8334

#### Sponsor

##### JP Morgan Equities South Africa (Proprietary) Limited

1 Fricker Road, corner Hurlingham Road, Illovo,  
Johannesburg, 2196, South Africa  
Private Bag X9936, Sandton, 2146, South Africa

Telephone: +27 11 507 0300

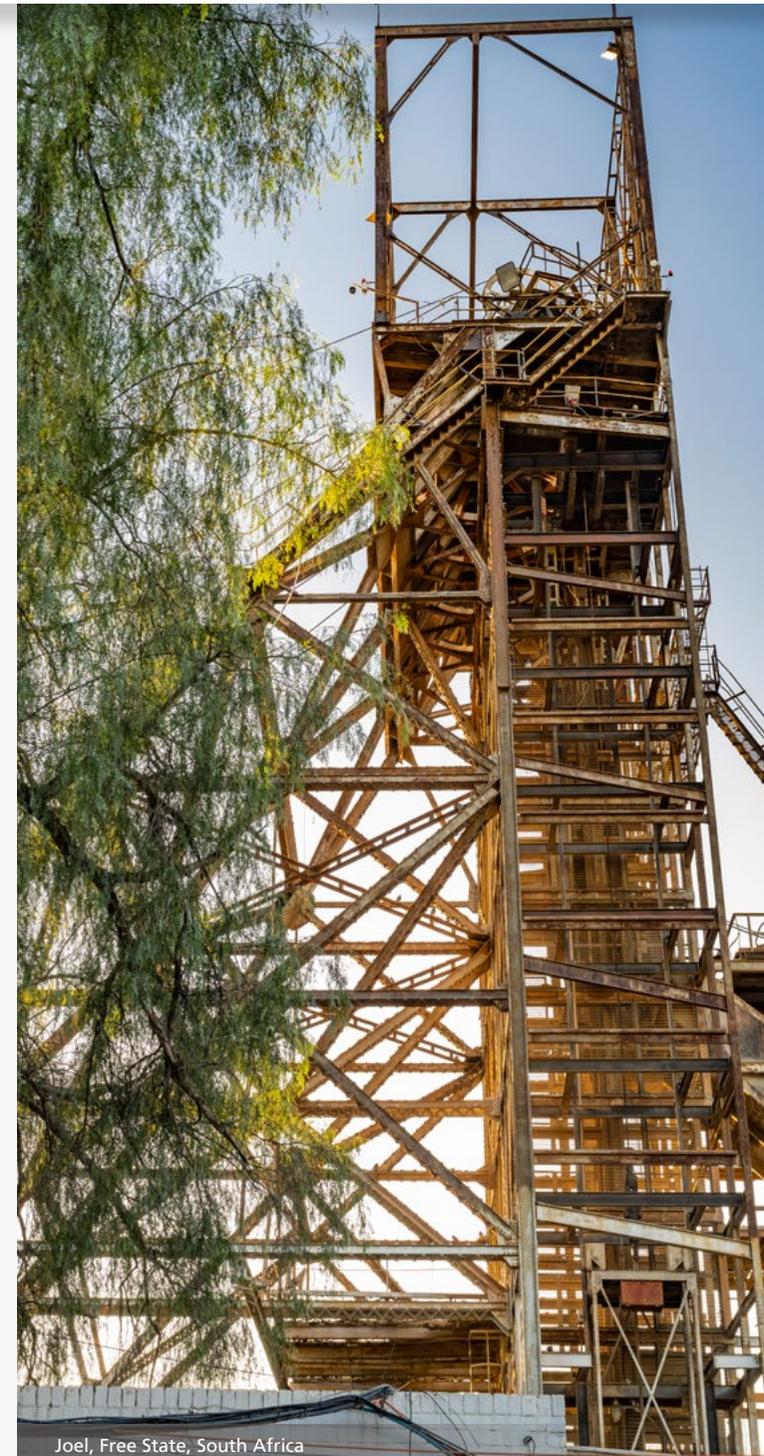
Fax: +27 11 507 0503

#### Trading symbols

JSE: HAR

NYSE: HMY

ISIN: ZAE 000015228



# COMPETENT PERSON'S STATEMENT

*Harmony Gold Mining Company Limited's statement of Mineral Resources and Mineral Reserves as at 30 June 2023 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 the Mineral Resources are reported inclusive of the Mineral Reserves.*

*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 operations. In Papua New Guinea and Australia, competent persons are appointed for the Mineral Resources and Mineral Reserves for specific projects and operations.*

*The Mineral Resources and Mineral Reserves in this report are based on information compiled by the following competent persons:*

Both these competent persons, who are full-time employees of Harmony, give consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.



## Mineral Resources and Mineral Reserves



Theo van Dyk, BSc (Hons), Pr.Sci.Nat, MGSSA, has 25 years relevant experience and is registered with the South African Council for Natural Scientific Professions (SACNASP) and a member of the Geological Society of South Africa (GSSA).

### Theo van Dyk

#### Physical address:

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

#### Postal address:

PO Box 2  
Randfontein  
1760  
South Africa



## Mineral Resources and Mineral Reserves



Gregory Job, BSc (Geo), MSc (Min Econ), F AusIMM, has 35 years relevant experience and is a Fellow of the Australian Institute of Mining and Metallurgy (F AusIMM) South-east Asia.

### Greg Job

#### Physical address:

Level 2, 189 Coronation Drive  
Milton, Queensland  
4064  
Australia

#### Postal address:

PO Box 1562  
Milton, Queensland  
4064  
Australia