



STANDARD OPERATING PROCEDURE

STAKEHOLDER CONCERNS, COMPLAINTS AND GRIEVANCES

HARMONY SOUTH AFRICA OPERATIONS

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1. Introduction

Harmony as a gold mining and exploration company, conducts its exploration, mining and production activities in South Africa and in Papua New Guinea. The company has expanded significantly since 1995.

This significant growth places the company in the spotlight in relation to importance of establishing a mechanism to address affected communities' concerns, complaints and grievances as an important pillar of our stakeholder engagement process. This process creates opportunities for the company and stakeholders, particularly communities to identify problems and discover solutions together.

2. Purpose

The purpose of this Standard Operating Procedure (SOP) is to set out a systematic process and define roles and responsibilities for management and administration of stakeholder concerns, complaints and grievances.

3. Application

It is acknowledged that circumstances under which Harmony's Operating Units operate may differ from one country to the other. To that effect, a Group policy that provide overarching principles for management of external stakeholders Concerns, Complaints, and Grievances has been developed to inform this SOP.

In order to accommodate different territorial circumstances, SOPs needs to be developed at a country specific level. This SOP applies to Harmony South Africa Operations. A separate SOP has been developed for South East Asia Operations.

Furthermore, this SOP is for managing concerns, complaints, and grievances from external stakeholders. Grievances from internal stakeholders (including employees) are managed through established Human Resource Management processes and entity management structures.

4. Definitions and Abbreviations

- 4.1 **"Harmony" or "the company"** – Harmony Gold Mining Company Limited and its subsidiaries.
- 4.2 **"Operating Unit"** – Harmony's mine shaft, surface operation, or a metallurgical processing plant.
- 4.3 **"AA 1000 Stakeholder Engagement Standard"** – A global standard that set a benchmark for good-quality stakeholder engagement; and a framework to design, implement, communicate and assess quality stakeholder engagement programmes.
- 4.4 **"Stakeholders"** – individuals, groups of individuals, communities, all the three spheres of government institutions, and organisations that are interested in and/or are affected by or can affect operations of Harmony, including State Owned Entities.
- 4.5 **"Concern"** – is an expression of a worry or doubt over an issue considered to be important by the individual or group raising the concern and for which reassurances is sought. If not addressed satisfactorily, concerns may become complaints.

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- 4.6 “Complaint”** – Is a general expression of dissatisfaction about action taken or lack of action by an individual, community or government institutions and organisations that have, as a result, suffered a detriment. If complaints are not addressed they escalate to grievances.
- 4.7 “Grievance”** – A wrong or hardship suffered (this could be real or perceived) by a Stakeholder as a result of activities associated with Harmony operations.
- 4.8 “CCGs”** – Concerns, Complaints and Grievances.
- 4.9 “Community Grievance Mechanism”** (also referred to as CGM) – is a process for receiving, investigating, responding to and closing out concerns, complaints or grievances from affected communities and other stakeholders in a timely, fair and consistent manner.
- 4.10 “Complainant/Grievant”** – is a person who submits a concern, complaint or grievance; and these terms are interchangeably in this SOP.
- 4.11 “Responsible department”** – The respective operating unit or department to which a concern, complaint, or grievance has been assigned.
- 4.12 “Employees”** – individuals who are employed by Harmony.
- 4.13 “Host Communities”** – Communities residing adjacent to the mine within a metropolitan or local municipality area.
- 4.14 “Engagement”** – A proactive and constructive dialogue with the Stakeholders with a purpose of making the Stakeholders to understand our business and activities; and in return understand how our business impacts them, so that the company can manage social risks and improve overall performance.
- 4.15 “EXCO”** – Harmony Group Executive Committee.
- 4.16 “HOD”** – Head of a department responsible for a specific function within Harmony.

5. Introduction

A stakeholder engagement process is in place to promote proactive stakeholder engagement. The objective of stakeholder engagements is to proactively build good relations, manage social risks associated with activities of Harmony's operating units. This substantially helps to prevent stakeholder Concerns, Complaints, and Grievances (CCGs) from arising in the first place.

However, stakeholder CCGs do still arise. To that effect, a Community Grievance Mechanism (CGM) is implemented. The CGM acknowledges that:

- a. Stakeholders, particularly host communities, have the right to lodge concerns, complaints, and grievances; and should receive a timeous and relevant response thereto; and
- b. Failure to respond appropriately to CCGs may adversely influence the company-community relations through amongst others unfavourable media reports, lack of support for ongoing operations, and even loss of the social licence to operate.

6. Objective of the Community Grievance Mechanism (CGM)

The objective of CGM is to ensure that Stakeholders are afforded a platform to raise CCGs, either real or perceived, and resolve them before they escalate to a level that may undermine Harmony's business operations.

The CCGs shall be addressed in a manner that:

- a. Provides a predictable, accessible, transparent, and credible process to all parties;
- b. Outcomes are fair and equitable, accountable, and efficient;
- c. Promotes trust as an integral component of broader community relations activities;
- d. Enables more systematic identification of emerging issues and trends, facilitating corrective action and pre-emptive engagement: and
- e. Holds the various operating units and departments within Harmony accountable for managing social impacts and other externalities.

7. Scope

7.1 The CGM is a non-judicial process and it is not designed to settle claims for legal liability or substitute for or impede access to judicial or any other remedy processes. It is not intended to relieve third parties of any responsibility they may have for harm in and around Harmony Operating Units.

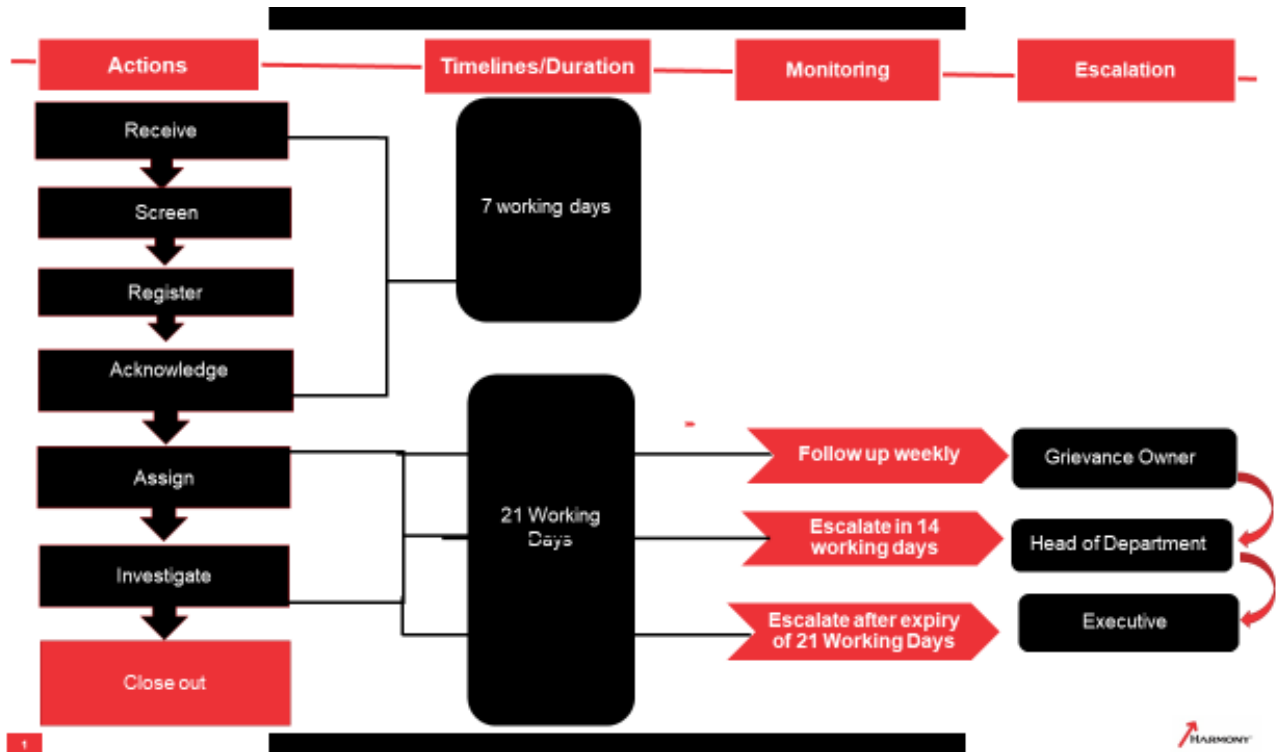
7.2 The company may not be able to fully investigate or provide comprehensive remedies on its own where the State or third parties are involved in the alleged harm.

7.3 CCGs that seek determination of legal rights, with respect to the acquisition of and compensation for land, property interests and resettlement are exceptions. Such CCGs should be dealt with in accordance with applicable South African legislation and relevant State-based processes.

7.4 The CGM is not designed to address social and economic situations affecting community members or groups. However, issues that arise from these may be used to inform Harmony's social plans.

7.5 The CGM focuses on individuals, communities and other Stakeholders within the communities where Harmony operates, whilst excluding employee-related grievances. The employee-related complaints and grievances should be addressed through the company's human resources grievance processes. It however covers non-human resources related complaints and grievances from employees or contractors who live in the community.

8. CGM Process Flow



9. Accountability

The Corporate Affairs department is the custodian of government and community stakeholder relations and provides leadership geared towards active and engaged citizenry. Insights from the CGM process are instrumental in shaping relations and building trust with host communities and other Stakeholders, thus contributing towards achieving the active and engaged citizenry strategy.

9.1 Stakeholder Relations Officers

Stakeholder Relations Officers serve as a principal link and a critical communication channel between the company and host communities. They are responsible for implementing the CGM including managing day-to-day activities of addressing community concerns as they arise by:

- 9.1.1 Receiving and registering CCGs and maintaining the CCGs register;
- 9.1.2 Screen the CCGs to categorise it in accordance to the underlying issues;
- 9.1.3 Assigning a CCG owner within Harmony to attend to CCGs that may require technical/substantive expertise;
- 9.1.4 Work with Stakeholder Relations Managers and CCG owners to identify options for resolution of the CCG raised;
- 9.1.5 Track and document resolution of CCGs;
- 9.1.6 Document any interactions with external stakeholders in relation to CCGs; and
- 9.1.7 Provide the stakeholders who raised CCGs with proactive feedback/update on resolution of CCGs raised.

9.2 Stakeholder Relation Manager

It is the responsibility of the Stakeholder Relations Manager to:

- 9.2.1 Inform Stakeholders of the means provided by the company for communities and other Stakeholders to raise their concerns, complaints and grievances;
- 9.2.2 Table CCGs and progress made in resolving them to the respective community engagement structures, to share lessons learnt with the broader community;
- 9.2.3 Review and establish trends in relation to the CCGs and provide intelligence required to improve social performance; and
- 9.2.4 Raise internal awareness of the CGM among employees and contractors.

9.3 CCG Owner (Heads of departments within Harmony)

- 9.3.1 Develop resolutions and actions to resolve CCGs raised;
- 9.3.2 Provide feedback to the Stakeholder Relations department on status of resolving CCGs raised; and
- 9.3.3 Document any interactions with Stakeholders related to resolution of CCGs; and communicate such documentation to the Stakeholder Relations department.

10. Administration of CCGs

Any stakeholder may lodge a CCG to the company on their own or on behalf or in representation of another. CCGs shall be treated with respect and shall be resolved within thirty (30) days from date of receipt. If the matter is complex and, consequently, the thirty 30 timeframe proves unrealistic, the grievant shall be kept up to date on progress towards resolution of the CCG.

10.1 Receiving CCGs

Lodging CCGs should not result in the grievant incurring any cost. Stakeholders may lodge CCGs to the company through two channels as follows:

- a. In writing (a letter or e-mail);
- b. Verbally:
 - (i) through the company's toll free Anonymous Ethics Hotline +27(0) 800 20 42 56; or
 - (ii) in meetings (with the complainant or grievant, the community engagement structure, stakeholders) or during company "Open Days".

10.2 Screening of CCGs

Upon receiving issues from the stakeholders, the Stakeholder Relations Officer shall review and analyse the issue to determine whether the issue is a concern, complaint or grievances so to register it appropriately.

10.3 Registration of CCGs received

10.3.1 It is good practice to log all CCGs received, even recurrent ones or those that will eventually be dismissed; and regardless of the manner they were received (verbal or in writing).

10.3.2 The Stakeholder Relations Officer shall register all CCGs received in a CCGs Register. The CCGs Register shall contain at-least the following for each CCG logged:

- a. Date;
- b. Description of the issue reported;
- c. Nature of the issue (Concern, Complaint, of Grievance)
- d. Reference number (allocated through the Hotline);
- e. Risk exposure;
- f. Aggrieved party/person's details (if appropriate);
- g. Required or proposed action/solution;
- h. Affected Harmony's Operating Unit;
- i. Responsible Head of department; and
- j. The name of the technical staff assigned with addressing the complaint.

10.3.3 In instances where one complainant/grievant raised multiple issues, such shall be individually classified, registered, and tracked individually (for resolution) as either as a concern, complaint, or grievance.

10.4 Acknowledgement of CCGs received

The Stakeholder Relations Officers shall acknowledge CCGs received within seven (7) working days from date of receipt. The grievant shall receive an “acknowledgement of the receipt” of the CCG and a reference number. The acknowledgement shall be in writing to the extent practical (that is, where the aggrieved provided contact details for written communication).

10.5 Assign

It is not a responsibility of the Stakeholder Relations department to resolve CCGs but that of relevant/affected operating units or departments (Responsible department) within Harmony. Each CCG shall be assigned to a Responsible department and logged in the action log for tracking progress.

10.6 Investigate

10.1.1 The respective operating unit or department to which a CCG has been assigned (the Responsible department) shall investigate the issues raised and advise on resolution thereof.

10.1.2 The Responsible department shall report progress made to resolution of the CCGs on a weekly basis to the Stakeholder Relations Officer.

10.7 Close out

10.1.3 The CCG shall be considered to have been resolved and closed once the outcome of the investigation is communicated in writing to the grievant or complainant, informing them of the actions taken to address the CCG and/or assuring them of future preventative action (where the nature of the complaint is such that it cannot be corrected retrospectively).

10.1.4 The outcome of the investigation shall either:

- (i) be noted in minutes of a meeting with the grievant/complainant; or
- (ii) communicated in a correspondence which shall be sent to the grievant/complainant by the Stakeholder Relations Officer or the Responsible department.

10.1.5 In a case where all channels of resolving the CCG have been exhausted and no consensus is reached, the matter shall be escalated to the responsible Executive for further mandate.

10.8 Monitoring and Escalation

10.1.6 A CCGs action log for all CCGs raised within a reporting period shall be kept by the Stakeholder Relations department. The action log shall indicate:

- a. The CCGs raised;
- b. The Complainant\Grievant;
- c. The Responsible department, HOD and Executive;
- d. Targeted resolution date;
- e. Status of resolution; and
- f. Ageing of CCGs pending resolution.

- 10.1.7 The CCGs action log shall be utilised by Stakeholder Relations Officers to track progress on investigation and resolution of CCGs by Responsible departments on weekly basis.
- 10.1.8 The Stakeholder Relations Officers shall report lack of progress in resolution of CCGs (by Responsible departments) to the Stakeholder Relations Manager on a monthly basis.
- 10.1.9 The Stakeholder Relations Manager shall distribute the CCGs action log to responsible HODs and copy responsible Executives on a monthly basis.
- 10.1.10 The CCGs action log shall be tabled at meetings of the Stakeholder Management Steering Committee on a quarterly basis.
- 10.1.11 The CCGs action log shall also be tabled at the Group EXCO monthly meetings on a quarterly basis.

11. Performance Indicators of the CGM

In order to improve effectiveness of the CGM, the following indicators shall be used as measures of success:

- 11.1** Level of awareness of the CGM among the stakeholders
- Person or groups expressing CCGs will receive brief explanation of the procedure
- 11.2** Number of CCGs resolved by respective departments within a reporting period
- Stakeholder Relations team shall provide CCGs report on a monthly basis.

12. Related Documents

- 12.1 Stakeholder Concerns, Complaints, and Grievance Policy
- 12.2 Stakeholder Engagement Policy
- 12.3 AA 1000 Stakeholder Engagement Standard

13. Record Security and Prevention of Unauthorised Access to Records

- 13.1 The Protection of Personal Information Act (POPIA) came into effect from 1 July 2021. Stakeholder's personal information should be managed in accordance with requirements POPIA.
- 13.2 All records shall be identified, classified, retained, stored and protected in such a manner that the evidential value thereof is not compromised in any manner.
- 13.3 All appointed record custodians shall establish procedures that shall, as far as reasonably possible, prevent unauthorised access to, copying, removal, destruction or tampering of records by record subjects, third parties or computer viruses.
- 13.4 Records must be retained as defined in the Harmony document retention policy and applicable laws/regulatory requirements.



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14. Compliance

The SOP applies to all Harmony South Africa Operations. Non-compliance with the Procedure will constitute a transgression of Company procedures and lead to disciplinary action.

15. Approval

Mashego Mashego
Executive Director: Corporate Affairs