



POLICY

CORPORATE SOCIAL INVESTMENT (CSI)

CSI-001

DOCUMENT USERS : CSI DEPARTMENT

**PERSON RESPONSIBLE FOR
KEEPING DOCUMENT CURRENT : SENIOR MANAGER:
STAKEHOLDER RELATIONS**

| Revision | Prepared | Reviewed | Approved | Date | Description |
|----------|-------------------------------|------------------|---|------------|-------------|
| 1 | Head of Stakeholder Relations | Legal department | Executive Director Chief Executive Officer | April 2022 | Final Draft |
| | | | | | |
| | | | | | |
| | | | | | |



CONTENTS

| | | |
|----|---|---|
| 1. | Purpose | 3 |
| 2. | Application | 3 |
| 3. | Interpretation, Definitions and Abbreviations | 3 |
| 4. | Introduction | 5 |
| 5. | Policy Directives..... | 5 |
| 4 | Approval..... | 7 |



1. Purpose

The purpose of this policy is to provide directives to govern the company's Corporate Social Investment (CSI).

2. Application

The policy applies to all Harmony's operating units. However, due to variations in regulatory environment, profitability, resources, practicalities, etc., Standard Operating Procedures (SOP) and annual CSI projects plans may differ from country to country. Therefore, these SOPs and CSI project plans shall be prepared at a local level.

3. Interpretation, Definitions and Abbreviations

The following words and expressions bear the following meanings, unless the context indicates otherwise:

- 3.1 **"Harmony"** – Harmony Gold Mining Company Limited and its subsidiaries
- 3.2 **"Operating Unit"** – a mine shaft, surface operation, or a metallurgical processing plant
- 3.3 **"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.
- 3.4 **"Employees"** – individuals who are employed by Harmony on a full time basis
- 3.5 **"NPO"** – Non-Profit Organisations
- 3.6 **"Host Communities"** – Communities residing nearby the mine within a metropolitan or local municipality area
- 3.7 **"Host Municipalities"** – municipalities within which Harmony Operating unit operates
- 3.8 **"Major Labour Sending Area"** – A district municipality from which 5% or more of the mine's workforce is sourced from
- 3.9 **"Landowners"** – individuals, or groups of individuals, who own land or are the lawful occupants of land subject to mining tenements held by Harmony or one of its subsidiary companies
- 3.10 **"SE Asia"** – South East Asia
- 3.11 **"PNG"** – Papua New Guinea
- 3.12 **"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.
- 3.13 **"ESG"** – Environmental, Social, and Corporate Governance
- 3.14 **"EXCO"** – Harmony Group Executive Committee



- 3.15 “DMRE”** – Department of Minerals Resources and Energy (South Africa)
- 3.16 “Social and Labour Plan (SLP)”** – required by law (Mineral and Petroleum Resources Development Act 102 of 2004 (MPRDA); submitted to the DMRE; and revised every five years (South Africa)
- 3.17 “Memorandum of Agreement (MOA)”** – A written agreement entered into by the mine owner(s), selected Landholders, Local and Provincial governments, and State of PNG, to agree how the mine with contribute to the socio-economic development of the affected stakeholders (PNG)

4. Introduction

Harmony conducts its exploration, mining and production activities in South Africa and in Papua New Guinea. The investment made in these countries brings about positive economic impacts. It is however, difficult to separate the economic impacts of mining operations from the social impacts. Many social problems are direct consequences of poverty, and if mining helps a community become prosperous, it may also help it tackle social ills such as malnutrition, illiteracy, and poor health. It is for this reason that Harmony contributes to the local economic development of host communities in pursuit of obligatory prescripts of country legislation and/or agreements reached with local government and communities.

In addition to the local economic development Harmony implements CSI. CSI is aimed at “*touching hearts and promoting humanity*” in line with the company’s strategic pillar of “*Responsible Stewardship*”. It is used as a lever to bridge the trust deficit where there is a such and to maintain mutual trust with local stakeholders and host communities by entrenching the value of brand Harmony.

The nature of initiatives implemented through CSI is informed by challenges faced by our host countries and host communities, which to date are as follows:

- a. Poverty
- b. Unemployment and
- c. Inequality

5. Policy Directives

CSI shall be implemented based on the following policy directives:

5.1 Focus Areas

- 5.1.1 Projects shall be implemented in host communities and Major Labour Sending areas.
- 5.1.2 The CSI shall, where possible, apply the asset based community development model to meaningful empowerment and promote social cohesion.
- 5.1.3 Focus of CSI shall be in areas that will build social capital, manufactured capital and natural capital in order to ensure that the host communities are left better off by the investment

5.2 Nature or Type of Projects

CSI projects shall be of a nature that will have a lasting impact towards alleviation of social challenges facing the host communities. Consequently, implemented projects should contribute towards:

- 5.2.1 *Youth, Education and Skill Development* – enable communities to gain critical skills and capacity to actively participate in the economic mainstream
- 5.2.2 *Environment and Community Safety* –give back to the environment through raising environmental and safety awareness among community members to

create income streams from waste and reduce the waste that goes to the landfill sites as well as inculcate a culture of safety

5.2.3 *Health and Welfare* – improving the quality of life of host and Labour Sending Communities is an important element of shared value.

5.2.4 *Sports, Arts, Culture and Tradition* – build social cohesion and fosters inclusion of communities through support of sports programs and also important cultural practices and traditions.

5.2.5 *Reduction of Poverty and Hunger* – instil a culture of safeguarding food production in order to reduce poverty and have a knock on effect on hunger

5.3 Funding Requirements

5.3.1 Host communities shall be made aware of the CSI programme and its intent, rules, and application process

5.3.2 Applications for CSI funding should preferably be through registered and compliant Non-Profit Organisations that provide social development services in our host communities

5.3.3 Applications or requests for CSI funding should be formalised on a written proposal that should be submitted through a defined application process

5.4 Exclusions

Harmony acknowledges that there are numerous challenges that beset communities which cannot be ignored, however it is important to focus on those that intersect with our business interest for the purpose of achieving shared value. Proposals or request for CSI funding will not be considered if any of the following applies:

5.4.1 Applications or requests from:

- (a) Profit-making organisations or companies
- (b) Individuals pursuit of private gains
- (c) Religious organizations for sectarian activities;
- (d) Political parties or groups with partisan political affiliations; and
- (e) Labour unions.
- (f) Third party donors e.g. university rags, debutants, golf days, etc.

5.4.2 Any CSI request where a Harmony employee is a direct/indirect beneficiary due to conflict of interest.

5.4.3 Expenses relating to operational overheads, travel, or settling off debt.

5.4.4 Events would be sponsored in extra-ordinary circumstances, subject to approval by the Executive Director: Corporate Affairs or the delegated person.



Document No: CSI-001 COSPORATE SOCIAL
INVESTMENT POLICY

Issue Date: April 2022

Review date: March 2024

Page: 7 of 7

5.5 Employee Voluntarism

Harmony employees shall be encouraged to participate in CSI and community development by way of employee voluntarism.

This policy affirms our commitment to responsible stewardship as a strategic pillar and application of ESG framework and practices.

4 Approval

Duly signed by:

Mashego Mashego
Executive Director

Peter Steenkamp
Chief Executive Officer