



CARING FOR OUR EMPLOYEES

In mining with purpose, our biggest asset is our employees. Our people are the heart of our business. The success of Harmony therefore depends on their wellbeing and productivity. Motivated, engaged and productive, our workforce (inclusive of contractors) numbered over 48 000 in the 2021 financial year (see Figure 1: workforce profile below). It is our people that make it possible for Harmony to deliver on its business strategy and create sustained, shared value for all our stakeholders.

FIGURE 1: WORKFORCE PROFILE

Region	Permanent employees			Contractors		
	FY21	FY20	FY19	FY21	FY20	FY19
South Africa ¹	36 860	31 502	31 201	8 874	5 841	6 159
Papua New Guinea ²	1 599	1 589	1 675	780	782	738
Harmony – total	38 459	33 091	32 876	9 654	6 623	6 897

¹ Includes all South African underground and surface operations

² Excludes employees of the Wafi-Golpu joint venture

SIX CAPITALS

All six capitals that power Harmony's pursuit of sustainable development impact on our employees.

Directly



Human capital



Intellectual capital

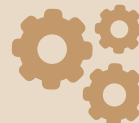
And indirectly



Social and relationship capital



Natural capital



Manufactured capital



Financial capital



UN SDGs

Harmony has been aligned with the **United Nations Sustainable Development Goals (SDGs)** since 2018. As a fair and responsible employer, promoting inclusivity and equality, we contribute to:



- The health and wellness of employees is our priority and it is important to lead full, productive lives
- We focus on employees' comprehensive wellbeing, including occupational health, chronic diseases such as tuberculosis (TB) and HIV/AIDS, and lifestyle diseases
- Combating Covid-19 has become the overwhelming focus of our health services, but the pandemic has embedded our proactive approach to health and safety



- Gender equality is an important aspect of our human resources policy
- Gender diversity targets are in place and we are actively increasing the number of women employed across the company, at all levels. A particular focus is women in mining – in South Africa and increasingly in Papua New Guinea. See employee equity and gender diversity on page 3



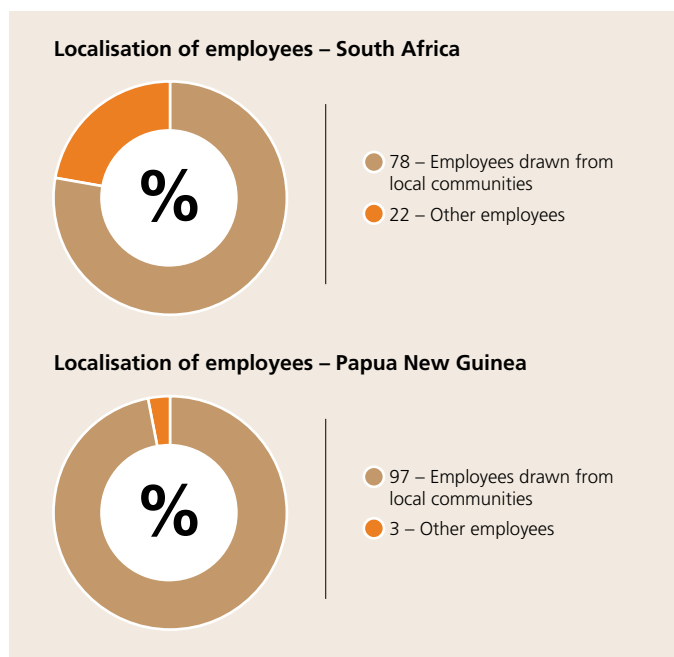
- As a responsible employer, providing decent work includes respecting human rights, ensuring we do everything possible to safeguard employees, ensure workplaces are safe and prevent injury or harm so that employees return home, safe and well
- Employees have the right to refuse to work when they consider a workplace unsafe
- Training and support encourage safe behaviour and conduct

OUR APPROACH

Five tenets underpin our approach to employee relations:

1. The principle of fairness; enacting our employment equity policy through personal development and training to empower individuals to contribute to the company and broader society.
2. Recognition of and capitalisation on our employees' rich diversity while ensuring local communities receive recruitment preference (see Figure 2 below: employee localisation).

Figure 2: Employee localisation



3. Generation of benefits through our employee shareholder schemes in South Africa.
4. Respect for the customs, traditions and needs of the local people where we are expanding our operations.
5. Freedom of association for all employees and recognition of the value of organised labour.




GOVERNANCE

Our employment policies and practices, reviewed regularly, comply with labour legislation in South Africa and Papua New Guinea and are aligned with the guidelines of the International Labour Organisation. At board level, the social and ethics committee has oversight.



REMUNERATION

Our remuneration policy has been designed with our business strategy in mind – to attract and retain our 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 board's remuneration committee considers shareholders' interests as well as the financial health and future of the company.

Gender and race equality

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

Fair and responsible pay

Harmony is committed to the concept of a living wage, which is based on the philosophy of fair and responsible pay. It embodies our initiatives to enhance the lives of our employees by enabling them to improve their living conditions, and to have better access to social services, healthcare, education and training.

For more information: <https://www.har.co.za/21/download/HAR-IR21.pdf>, page 26.



EMPLOYEE EQUITY AND GENDER DIVERSITY

South Africa

We are making good progress in creating and maintaining a workforce that represents South Africa's diversity. We have already exceeded most employment equity targets of Mining Charter III that aim to redress historical imbalances, particularly at managerial levels, experienced by certain population groups and women (see Figure 3 below).



Figure 3: Mining Charter III employment equity performance by category at 30 June 2021

Occupation category	Target (%)	HDPs ¹		Women		
		Actual FY21	Actual FY20	Target (%)	Actual FY21	Actual FY20
Board	50	67	67	20	27	28
Executive management	50	47	50	20	24	25
Senior management	58	55	55	24	27	29
Middle management	58	54	53	24	25	23
Junior management	68	66	65	26	18	18
Core and critical skills	59	71	70	N/A	N/A	N/A
Persons with disabilities	1.3	0.3	0.4	N/A	N/A	N/A

¹ Historically disadvantaged persons include women and exclude white males and foreign nationals.

PNG

Currently, 97% of employees at the Hidden Valley operation in PNG are local, drawn from host communities. Promoting the employment of women is a focus in spite of entrenched patriarchy in PNG culture; 25% of haul-truck operators and 46% of operators of smaller haul trucks are women.

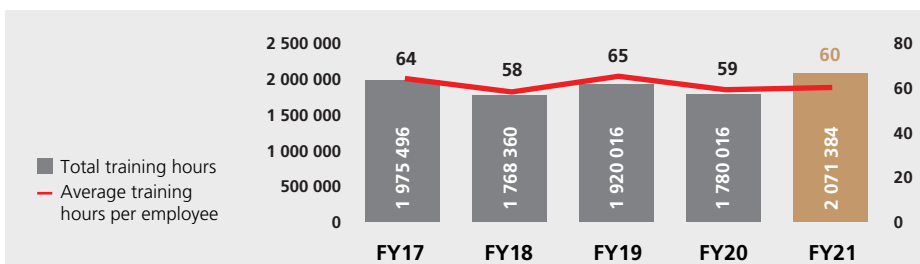
SKILLS DEVELOPMENT AND LEARNING

All employee training and skills development programmes are aligned with our strategic and operational needs. They are designed for employees to acquire the necessary skills, resources and motivation to ensure optimum performance and productivity.

More information is available here: <https://www.har.co.za/21/download/HAR-ESG21.pdf>, page 77.



Figure 4: Training hours – South Africa



South Africa

In FY2021, 94% of the workforce attended training and skills development. Training and skills development programmes are offered across all occupational levels and these include - leadership development, engineering training, mining training, adult education and training, bursary programme, mathematics, science and language enhancement project, graduate development programme, study assistance programme and social plan programme.

PNG

Decades of underinvestment in technical training facilities in PNG have resulted in a dearth of technical skills, particularly for the mining sector. Our workforce training initiatives in PNG, therefore, are focused on addressing this. In FY2021, 14 596 employees were exposed to training and skills development.



FREEDOM OF ASSOCIATION

In South Africa we have a policy framework formalising labour union organisational recognition rights at each operation. Harmony recognises five labour unions in South Africa: NUM, NUMSA, AMCU, UASA, and Solidarity. There is no union recognition in PNG.



EMPLOYEE BENEFITS – SOUTH AFRICA

Employee share ownership programme (ESOP)

Harmony launched its third ESOP in 2019, issuing 6.7 million ordinary shares to a trust, with 225 participation units given to each of 30 700 eligible non-managerial employees. These units vest in 2022 and convert into shares which will then be sold, the proceeds being paid to each beneficiary with any dividends. Under our 2015 ESOP, participating employees each received a payment of some R20 000.

Promoting home ownership

To assist employees to buy their own homes, Harmony sells company owned properties to employees at below market value. It has also registered vacant stands in proclaimed municipal areas, which are available for sale to employees. In addition, we participate in the pension-backed home-loan scheme negotiated for the mining industry by the Minerals Council South Africa.

Following the historic 2021 wage agreement, a housing allowance was introduced for the benefit of employees who choose to purchase a residence or who have already entered into bond agreements. The housing allowance would be R2 750 in year 1 and increase incrementally each year up to a maximum value of R3 240 in year 3.

Employees not eligible for the housing allowance receive a living-out allowance of R2 500 in year 1, which would increase by R100 in year 2 and in year 3 respectively. All employees are eligible for either a housing allowance or a living-out allowance, but not both.

Accommodation and living conditions

We have achieved our target of accommodating all employees residing in hostels in single rooms.



HUMAN RIGHTS

Human rights are specifically articulated in our human resource policies, charters and contracts of engagement. We have also adopted the principles of the ICMM and Voluntary Principles on Security and Human Rights. The human resource function closely monitors our human rights performance at operational level, reporting to the board's social and ethics committee.



For more employee-related information: <https://www.harmony.co.za/sustainability/social/employee-relations>
<https://www.har.co.za/21/download/HAR-ESG21.pdf>, pages 72-82

