

Corporate Social Responsibility Policy

CONTENTS

1	Preamble	2
2	Purpose	2
3	CSR Focus Areas	3
4	Corporate Social Responsibility (CSR) Committee	5
5	Harmony Board of Directors	6
6	Decision Making Criteria for Funding	6
7	CSR Funding Process	6
8	CSR Programme Funding	7
9	Evaluation, Monitoring and Reporting	7



1 Preamble

Harmony is one of the world's largest gold mining companies. The group's operations are located primarily on the Witwatersrand Basin in South Africa, encompassing several underground operations, an open-pit mine and surface operations located in four provinces, Gauteng, North West Province, Mpumalanga and the Free State. The Company also operates an open-pit mine in Papua New Guinea (PNG), Morobe Province. The Company is the fifth largest gold producer in the world and has grown primarily through acquisitions.

Corporate social responsibility (CSR) today is considered as an integral part of doing business. Companies are required to plough back to the communities to contribute to various facets of community development. There is now a global thrust to embrace corporate citizenship and sustainable business practices.

King III Report emphasises that social reporting is critical to corporate citizenship as well as corporate governance. Harmony has embraced a credible methodology to measure, independently and objectively, the true impact of CSR on the company's standing as a good corporate citizen. Throughout the years the Company has contributed significantly to the development of communities around the mining operations and major labour sending areas as well as in the broader community development areas of the South African economy including education, arts, sports, and healthcare.

2 Purpose

The purpose of this policy is to formalise the CSR activities at Harmony in line with the company's strategic intent, and relevant mining legislation including the Mining Charter. Harmony is committed to being a responsible corporate citizen having clear corporate values, recognising the interest of the others and communities, being transparent and following best corporate governance practises. The Company take a broader view of its role in the society and therefore realises the importance of socio-economic development, ethics, safety, health and environmental management.

3 CSR Focus Areas

Harmony's CSR activities will cover the following areas:

3.1 Education

Education is important in the development of any society. Harmony recognizes the critical role that education will play in the transformation of South Africa and Papua New Guinea as the countries participate and become increasingly competitive in the global economy.

Harmony will contribute to education in the areas of science and mathematics in line with the nature of our business. The Company will also identify good causes to support in areas that involve building and supporting education systems and processes in South Africa and Papua New Guinea including infrastructure, for an example, schools, libraries and laboratories; and education materials, for an examples, books, and science kits.

Investment opportunities in education will be identified for the benefit of children of all ages at preparatory or pre-primary schools; primary schools; secondary schools; high schools; colleges; universities and other learning institutions. The objective will be to educate the society for a better tomorrow.

3.2 Socio-economic development

Harmony has been involved in the area of socio-economic development throughout its stages of growth. Some of the areas that the Company will continue to invest in include health promotion, job creation and the elimination or eradication of poverty, and community safety.

In the area of socio-economic development Harmony will partner with municipalities around the mining communities and major labour sending areas to identify areas of need and for support in line with the Integrated Development Plans (IDP's) in line with the Mining Charter. The Company will also partner with other stakeholders including non-governmental organizations including relevant South African organizations such as NEDLAC, Chamber of Mines, Business Unity South Africa, National Business Initiative, Business Trust and other

organizations, including similar or relevant organizations in Papua New Guinea, that are participating and active in socio-economic development.

Harmony also recognises the importance of partnership with all spheres of government including the local government, as mentioned above, provincial government as well as national government.

3.3 Broad-based Black Economic Empowerment and Enterprise Development

Harmony undertakes to contribute to the development of the small businesses or emerging businesses in both the mining communities and major labour sending areas. In South Africa, the emphasis will be made on Black Economic Empowerment (BEE) support and businesses that produce goods and services that may be used by Harmony business operations. In Papua New Guinea, Harmony will support transformation and/or empowerment processes in line with the relevant mining law and agreements with landowners in the mining communities.

Harmony will also support beneficiation initiatives. Harmony is in the business of producing gold and therefore can play a significant role in the gold downstream processes. Our investment in this area will involve jewellery design, manufacturing and education. This is an area that the Company has made significant contribution to society with a jewellery school already built and partnerships with government and various educational institutions created. The Company will continue to have a special focus on the area.

3.4 Arts, culture, sports and recreation

Arts, culture, sports and recreation is part of the soul and history of the nation, Harmony recognize this and will continue to invest in area. The Company will seek partnerships with various organizations that are involved in this area to identify opportunities for investment for the benefit of communities and the country.

3.5 Other areas

The Company will actively identify other areas for involvement and funding depending on the nature of the needs identified and benefit to society, especially mining communities and

major labour sending areas. Consideration will be made to support projects that are linked to meeting or exceeding the requirements of the Mining Charter and relevant legislation in both South Africa and Papua New Guinea.

4 Corporate Social Responsibility (CSR) Committee

The CSR Committee will be responsible to **consider, approve and monitor** all social responsibility or corporate social investment (CSI) **projects, programmes**, and activities in the Company.

The **function** of the Committee will include the following:

- a) The identification of worthy causes for funding or support.
- b) The assessment of requests received for funding or support.
- c) Approval and funding of social responsibility projects.
- d) Follow-up and monitoring of projects or initiatives that have been funded.
- e) Reporting to Harmony Board.

The **composition** of the Committee shall be as follows:

- a) The Chief Executive Officer (ex-officio member)
- b) The Corporate Affairs & Responsibility Executive (chairman)
- c) The Chief Operating Officer
- d) The Services Executive
- e) The Human Resources & Organisational Development Executive
- f) The Environmental Management Executive
- g) The Company Treasurer
- h) The Company Secretary
- i) Other persons that may be invited from time to time.

The CSR Committee will meet regularly or on an ad-hoc basis depending on urgent project proposals to be considered. The quorum of the Committee for meetings will be at least two members. The Committee will consider CSR/CSI programmes/projects that are more than R500 000 in value. The Corporate Affairs & Responsibility Executive will consider all smaller

programmes and projects with a (single) value of less than R500 000. The Committee will review and adjust this funding consideration level from time to time.

Due to the different socioeconomic dynamics between South Africa and Papua New Guinea, the Chief Executive Officer for Harmony operations in Australasia (or PNG) and his/her executive management team shall consider, approve and monitor all social responsibility or social investment projects, programmes and initiatives in that region.

5 Harmony Board of Directors

The role of Harmony Board of Directors (Board) with respect to corporate social responsibility will include the following:

- a) To ensure that Harmony show outstanding performance in the area of corporate social responsibility in line with any Board directive and this policy.
- b) To give a mandate for corporate responsibility spending.
- c) To monitor social responsibility activities as contained in the quarterly social responsibility report.

6 Decision Making Criteria for Funding

The projects and/or programmes selected or approved for funding must be in line with the focus areas identified above; and/or aligned with relevant mining legislation and Harmony corporate strategy.

7 CSR Funding Process

Harmony will fund projects, which the Company has identified in line with the focus areas stated above as per the proposals received from various stakeholders. The Company will follow the steps identified below for the funding of corporate social responsibility projects and programmes:

- a) Proposals received from communities, individuals or organizations, or proposal identified within the Company.

- b) If a proposal is from outside the Company, Corporate Affairs function acknowledges receipt of the proposal.
- c) Corporate Affairs function prepares the funding proposal according to the prescribed format and submits to the Corporate Social Responsibility Committee for consideration.
- d) The CSR Committee approves or rejects the proposal. If a proposal is rejected, the CSR Committee will record the reasons for rejection.
- e) If a proposal is approved, the CSR Committee will allocate funds to the project after the necessary agreements have been signed with the relevant beneficiary organisation.
- f) Corporate Affairs function will make arrangements for the disbursement of the funds to the project.
- g) The CSR Committee continuously monitors projects that are being funded by the Company
- h) The Corporate Affairs function ensures that proper reporting on the CSR projects and programmes is made to Harmony Board on a quarterly basis. Harmony Sustainable Development Committee considers all CSR programme reports submitted to the Board.

8 CSR Programme Funding

Harmony will have a Corporate Social Responsibility budget to support all approved projects. The budget will be formulated annually as part of the Company's annual strategic planning processes. Harmony's CSR budget will be based on the profitability or financial performance of the Company. Funds obtained from external parties may be utilised to increase the scope and strengthen the impact of Harmony's CSR programmes, on condition that such funds aligns with the Policy focus areas outlined above.

9 Evaluation, Monitoring and Reporting

Continuous evaluation, monitoring, and reporting will provide evidence of performance, success stories and areas requiring attention. Reporting on CSR activities will demonstrate to Harmony shareholders and other interested parties the progress the Company has made with respect to CSR to make the Company a good corporate citizen, and to comply with

relevant mining legislation. This will also allow feedback and continuous improvement. Harmony will not be involved in the management of the projects that the Company supports, however, the recipients will be expected to provide quarterly reports on overall CSR project management and implementation. A stakeholder management approach will be followed in the implementation of Harmony's CSR programme.

Signed: Chief Executive Officer

Signature:

Date:

Signed: Chairman, Sustainable Development Committee

Signature:

Date: