



ANTI-BRIBERY AND CORRUPTION POLICY

ABC001

DOCUMENT USERS : HARMONY EMPLOYEES

**PERSON RESPONSIBLE FOR
KEEPING DOCUMENT CURRENT : GROUP COMPANY
SECRETARY**

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1. INTRODUCTION

This Anti-Bribery and Corruption Policy (“**ABC Policy**”) is paramount to the good governance of Harmony Gold Mining Company Ltd (“**Harmony**”). The senior management of **Harmony**, including all executive and non-executive directors, wishes to stress Harmony’s commitment to ethical business dealings, by advancing a zero-tolerance approach to fraud, bribery, corruption and financial crime. As such, Harmony’s management will actively and visibly promote the contents of this policy document, ensuring that it is consistently implemented in accordance with global best practice, as well as any applicable South African and foreign legislation, including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977, as amended (“**FCPA**”), the United Kingdom Bribery Act 2010 (“**Bribery Act**”), and the South African Prevention and Combating of Corrupt Activities Act 12 of 2004 (“**PRECCA**”).

1.1. What is the purpose of this policy document?

This document details Harmony’s policy on bribery and corruption, outlining the specific procedures to be followed by Harmony, its directors, employees, associates, authorised agents and service providers in order to mitigate any Anti-Bribery and Corruption (“**ABC**”) risks.

1.2. Why is this policy document important?

This document is integral to Harmony’s business and operations, in order to ensure that we:

- Comply with South African ABC legislation, such as the Prevention and Combatting of Corrupt Activities Act (“**PRECCA**”);
- Comply with any other applicable national and foreign legislation or international regulatory measures that may have a bearing on Harmony’s business activities, including the FCPA and Bribery Act;
- Lead and serve an ethical and professional organisation;
- Honour integrity and honesty in all business dealings;
- Prevent, identify and mitigate ABC risks;

- Timeously report bribery/corruption and/or suspicion thereof, as is required by the law; and
- Provide all relevant stakeholders with guidance on how to prevent and report any bribery/corruption.

1.3. Who does this policy document apply to?

The ABC policies and procedures outlined in this document are applicable to the following categories of persons, natural and juristic, associated with Harmony (referenced as “**applicable persons**” throughout this document):

- All executive and non-executive directors of Harmony;
- All managers employed by Harmony;
- Permanent, temporary, home-based and/or casual employees of Harmony;
- Authorised agents acting on behalf of Harmony;
- Authorised third-parties and consultants acting/undertaking work on behalf of Harmony;
- Individuals seconded by external parties to Harmony;
- Any authorised volunteers and interns;
- All service providers and vendors; and
- All business partners and authorised associates of Harmony.

As all the aforementioned categories of persons, irrespective of which country or jurisdiction they live or work in, must comply with this ABC Policy, Harmony will undertake reasonable measures to promote applicable ABC policies and procedures to these parties.

1.4. What happens if this policy document is not adhered to?

A breach, violation and/or the inconsistent application of this policy may result in:

- 1.4.1 Disciplinary action, including dismissal;
- 1.4.2 The termination of Harmony’s contractual relationship with any party;
- 1.4.3 Criminal charges where appropriate, and in particular where Harmony is obligated to report any suspected criminal conduct in accordance with applicable legislation; and

- 1.4.4 Civil litigation to recover any losses suffered by Harmony as a consequence of a breach/violation.

More generally, a breach of this policy may cause Harmony to suffer reputational harm, and or be subject to regulatory action, investigation and litigation.

2. PROHIBITED CONDUCT

All applicable persons – as outlined above – are prohibited from engaging in the conduct detailed below, and must actively avoid any activity that may result in or be viewed by an external party as representing such prohibited conduct. It should be noted that the following list does not constitute a closed list, and that by its very nature, any unethical or irregular conduct will not be tolerated by Harmony.

2.1. Fraud and Forgery:

Fraud is considered to be an intentional and unlawful misrepresentation that causes prejudice or potential prejudice (for example, any financial loss) to another. Misrepresentation includes making false statements, stating false facts, and deceptive conduct. The concealment/omission of a truth that results in actual or potential prejudice is also considered to be fraudulent conduct.

Forgery is the unlawful drafting of a false document with the intention to defraud or mislead another party, thus resulting in actual or potential prejudice. For example, forgery may take place where someone unlawfully signs a document that indicates it has been signed by another person.

Corruption:

Corruption is considered to be the abuse of public/private office for personal, financial or professional gain. For example, corrupt conduct includes, but is not limited to the following acts:

- The offering, provision, acceptance or solicitation of a thing of value (any gratification) to influence a business decision (see “**Bribery**” below for further details);
- Extortion by way of unlawful and intentional pressure of any party in order to obtain an advantage, or that results in harm to any party where the party does not accede to the pressure;
- Intentionally and wrongfully favouring the appointment of an employee/vendor/third-party service provider in a competitive appointment/tender process; and
- Any act or omission that constitutes a contravention of any applicable ABC laws.

2.2. Bribery:

What is bribery?

A bribe (oftentimes called a ‘kickback’ or ‘pay-off’) is the direct or indirect offer, authorisation, gift, reward or promise of anything of value (a gratification) to either a public/government official or any representative of a private company/organisation with the intent to obtain or retain business or gain an improper advantage. It should be noted that both the giver and receiver of a bribe may be committing a criminal offence.

For the sake of clarity, bribery includes the following:

- Any gratification to influence or reward a decision and/or to gain any other undue advantage provided to an official that is appointed, employed or acting as a representative of:
 - any government branch or instrument (including any departments, provincial/regional governments, municipal authorities, agencies, taxation and regulatory authorities, law enforcement, the judiciary, any legislative body, government-controlled bodies and Chapter 9 institutions);
 - a state-owned enterprise (including entities that are only partially-owned by any government);
 - any public international organisation (such as the African Union, World Bank or United Nations); as well as,

- any individual elected or appointed and serving as a public representative (in any legislature or executive body, and including certain traditional leaders), political party officials/candidates, individuals defined as being politically exposed and those that exert any public power in terms of relevant legislation.
- Any gratification to improperly, dishonestly and outside the ordinary course of ethical business practice, influence or reward a decision and/or gain any other undue advantage provided to any employee, director or representative of a private enterprise/organisation (whether for profit or otherwise).

What is 'gratification'?

Gratification in the context of a bribe includes, but is not limited to the following items of value:

- Cash/cash equivalents (such as vouchers or gift cards);
- Property and assets (including shares);
- Gifts and entertainment;
- Product discounts and rebates;
- Undue appointments of status and honour (including employment);
- Commissions;
- Donations;
- The avoidance of penalties, loss or other disadvantages; and
- Facilitation payments/fees (see **"Facilitation Payments"** below for further details).

Further regulations and guidelines regarding gifts, hospitality and entertainment are outlined below (see **"Gifts and Entertainment"**, detailed in paragraph 5).

Facilitation Payments:

A facilitation payment or fee (colloquially known as a 'grease fee') is considered to be any payment, usually low value payments, or gratification provided to government/public

officials in order to induce them to perform routine functions expeditiously or competently. For example, where an individual pays a customs official an extra irregular fee for the purposes of expediting the importation of goods – this payment would also be considered to be a bribe. Facilitation payments made by any applicable persons are strictly prohibited by Harmony.

Harmony also prohibits the establishment of accounts or internal budgets for the specific purpose of making facilitation payments to officials.

Zero tolerance approach to bribery:

Acts of bribery made by applicable persons, as well as acceptance of a bribe by any applicable person is strictly prohibited by Harmony.

It should also be noted that a bribe that is provided to a friend, partner, spouse or family member of a public official (as defined above)/representative of a private company is also prohibited. Similarly the acceptance of a bribe by the friend, partner, spouse or family member of a person who must comply with this policy (for example, an employee or senior manager) for the purpose of influencing any of Harmony's internal business decisions is prohibited.

Knowledge or suspicion of bribery, in addition to any prohibited conduct, must be reported to Harmony (see the section dealing with "Whistleblowing" in paragraph 4 below).

What if I am forced to provide a bribe/make a payment under duress?

It is possible that applicable persons may be confronted with circumstances in which a bribe or another form of gratification is demanded, and the person feels that they cannot avoid making the duress payment without loss of life, limb, security or liberty.

As safety of all the applicable persons (in particular, employees) is important to Harmony, it recognises that any gratification provided in such circumstances would not be considered to be bribery due to the provision of such gratification having taken place under duress. In such situations, Harmony requires all relevant persons to undertake the following steps:

- Where persons fear the loss of life, limb, security or liberty, they should not refuse to provide gratification;
- Thereafter, the applicable person must immediately inform Ethics Manager regarding the circumstances under which a duress payment was made;
- Ethics Manager will record the details of such payments appropriately, noting the amount paid, the date, person(s) involved, and further details regarding the incident;
- Harmony will notify the relevant law enforcement and regulatory authorities regarding the incident; and
- Harmony will ensure that the duress payment is accurately reflected in its financial records, accounts and books.

3. ANTI-BRIBERY & CORRUPTION ‘RED FLAGS’

In addition to abovementioned prohibited conduct, the following list highlights examples of situations that may represent an ABC risk/concern for Harmony and applicable persons. In such situations, increased diligence and care should be exercised by the persons to which this policy document applies. The following list of ABC ‘red flags’ is merely illustrative, and is not intended to be exhaustive in nature:

- Any ‘lavish’, unusually generous or excessive gifts or entertainment provided by external parties to applicable persons within and related to Harmony;
- Where a business partner/agent/third party demands excessive gifts or entertainment before providing or continuing contractual obligations or services;
- Where a business partner/agent/third party refuses to conclude a formal written agreement, outlining all relevant terms and fees;
- Where a business partner/agent/third party engages in, or has been accused of engaging in, improper business practices;
- Where a business partner/agent/third party has a reputation for paying bribes, or having required bribes to be paid to them;
- Where a business partner/agent/third party has a reputation for its close or ‘special’ relationship with public/government officials;

- Where a business partner/agent/third party requests cash payments or payments to be made to third party bank accounts or bank accounts external to the jurisdiction in which they operate;
- Where a business partner/agent/third party refuses to provide an invoice or receipt for payments made;
- Where a business partner/agent/third party provides invoices that are vague in nature, and do not specifically detail the type of work/service rendered or goods provided;
- Where a business partner/agent/third party requests an unexpected additional fee or commission that was not previously agreed to; and
- Where a business partner/agent/third party requests any gratification, such as employment or other benefit, to be made to a family member or friend.

4. WHISTLEBLOWING: REPORTING PROHIBITED CONDUCT/ABC 'RED FLAGS'

Harmony encourages all relevant parties to raise good faith concerns regarding any suspicion of/incidences of the unethical prohibited conduct highlighted in this policy document. Additionally, should any applicable persons identify/witness any ABC 'red flags', they are encouraged to report this to Harmony.

4.1 Persons are referred to Harmony's Whistler policy, which can be accessed

- South Africa: +27 (0) 800 204 256
- Papua New Guinea: +675 (0) 00 478 5280
- Australia: +61 (1) 800 940 949.

5. GIFTS AND ENTERTAINMENT

Harmony recognises that in the ordinary course of business, the giving and acceptance of gifts/hospitality/entertainment may take place, as a means to strengthen business relationships and goodwill. Be that as it may, the giving and acceptance of such gifts/entertainment/hospitality may also represent prohibited conduct such as bribery, in

that such items of value are considered to be gratification for the purposes of influencing external/internal persons.

All applicable persons are required to exercise due care and good judgement when giving or accepting gifts and entertainment. As such, Harmony will endeavour to clearly define regulations and rules in respect of gifts and entertainment as part of its commitment to ethical business practices.

5.1. What do we mean by ‘gifts’ and ‘entertainment’?

Generally, gifts and entertainment can be defined as anything of value that is given or accepted, directly or indirectly. Below we have highlighted examples of gifts, hospitality and entertainment for illustrative purposes:

- Branded promotional items (such as mug, caps, pens and t-shirts);
- Invitations to attend sporting events;
- Invitations to attend a golf day or conference, as paid for by the gift-giver;
- Cash and cash equivalents (such as vouchers);
- Preferential treatment/ discount in the procurement of goods and services;
- Travel and hospitality paid for by an external party;
- Fruit baskets, and other tokens of appreciation; and
- Invitations to attend and pay for any meals or refreshments (such as breakfast, lunch, dinner or drinks).

The above list is not exhaustive in nature, and should merely be used by a guide on what *may* constitute gifts and entertainment.

5.2. When can gifts and entertainment be accepted/provided?

Applicable persons may accept and/or provide gifts and entertainment in the ordinary course of business in certain acceptable circumstances. Such gifts must be deemed reasonable and proportionate, considering of the value of the gift, and the frequency at which such gifts are accepted/provided.

In this regard, it may be acceptable for applicable persons to accept/provide modest tokens of appreciation, including promotional items featuring the branding of the gift giver/recipient. Occasional meals and invitations to local sporting events may also be considered acceptable, if reasonable and proportionate.

All applicable persons must always consider the motivation behind the offering of gifts or entertainment. An expression of business courtesy or appreciation would thus be acceptable; whereas a gift that is motivated by an intention to influence any decision-making or result in unethical conduct would not be tolerated or accepted by Harmony.

5.3. Limitations and prohibitions in respect of accepting/providing gifts and entertainment

Applicable persons conducting business on behalf of/for Harmony may not offer or accept any gift, entertainment or hospitality that could affect either party's impartiality, influence a business decision or result in any irregular decision-making on the part of either party or a third party (including, but not limited to, public/government officials).

In addition to this, Harmony prohibits the acceptance/provision of gifts, hospitality and entertainment in respect of the following:

- No cash or cash equivalent gifts (such as a voucher or gift card) may be accepted/provided.
- No provision of gifts and entertainment to any public/government official for the purposes of inappropriately influencing this official.
- Frequent gifts and entertainment to/from the same person(s).
- Gifts/entertainment that is considered to be unreasonable and disproportionate may not be accepted/provided.
 - In this regard, lavish or expensive gifts are prohibited. Examples of prohibited gifts/entertainment would include expensive travel arrangements (such as an invitation to attend a foreign sporting event or to fly business class to a foreign destination free of charge).
- Where any South African or other applicable legislation/regulations prevents the provision/acceptance of gifts.

- For example, Regulation 47 of South Africa's Municipal Supply Chain Regulations state that individuals involved in procurement decisions within local government authorities may not receive any gifts, rewards or hospitality (directly or indirectly, by way of a family member/partner/friend).
- Further to this, should Harmony provide any services/goods, or propose to provide such to South African local government authorities, Harmony and all applicable persons will be prohibited from providing any gift, reward, favour or entertainment to any municipal official.

More generally, caution should be exercised by applicable persons when considering the provision of gifts and entertainment to public/government officials. Applicable persons conducting business on behalf of/for Harmony should seek legal advice prior to contemplating any gifts or entertainment to public/government officials, as specific rules (such as those related to municipal officials) may apply, and different branches of government as well as state-owned enterprises may maintain distinct regulations.

Given the high risk nature of providing gifts and entertainment to public/government officials, Harmony does not allow for the provision of gifts or entertainment to any public/government officials, under any circumstance.

5.4. Recordkeeping and approval of gifts and entertainment

Where any director, manager, employees (permanent, temporary, home-based and/or casual), or agent/business partner acting on behalf of Harmony receives a gift or entertainment, the details of such must be recorded in a Gifts Registry, to be maintained by the Ethics Department. Similarly, any gifts/entertainment provided to an external party by an applicable person acting on behalf of Harmony must also be recorded in the aforementioned Gifts Registry.

Please refer to section titled Receiving gifts, sponsorships and donations in the Harmony Code of Conduct.

6. DUE DILIGENCE

Enhanced due diligence is an integral part mitigating risk to Harmony when it engages with clients, vendors and supplier. Harmony recognises that appropriate risk-based due diligence processes should exist in respect of internal and external parties so as to mitigate any ABC, international sanctions, political exposure, reputational and other applicable risks.

6.1. What due diligence processes should be undertaken?

The nature and extent of the due diligence undertaken by Harmony will depend on the degree of ABC or other risk that may exist. Harmony will consequently undertake one, or a combination of, the following steps in respect of persons (juristic or natural):

- Direct requests for details on the background, expertise, business experience, beneficial ownership of the person.
- Enquiries with other customers/vendors/persons who have worked with the person.
- Enquiries to verify any business accreditations or educational qualifications.
- Enquiries to identify any criminal records.
- Enquiries to identify litigation, adverse credit information and insolvency/sequestration.
- Enquiries to identify any corporate directorships, shareholdings and associations that may represent conflicts of interest.
- Social media screening.
- The person's name will always be run through an appropriate global risk and compliance database to identify any sanctions, regulatory disbarments, political exposure, etc.
- Following this, open source searches using an online search tool will always be undertaken to ascertain whether the person has been the subject of any adverse media reporting, prominent litigation or allegations of criminal conduct, or any other issues that may materially impact Harmony.
- Where any compliance database results and/or adverse online search results have been identified, additional due diligence steps including enhanced

desktop due diligence or indirect investigations should be considered by Harmony.

- Where a person may have an inherently higher risk by virtue of the jurisdiction/industry in which they operate, additional due diligence steps including enhanced desktop due diligence or indirect investigations should be considered by Harmony.

The due diligence undertakings of Harmony shall be conducted in accordance with the requisite data protection legislation applicable to Harmony.

6.2. When should due diligence processes be undertaken?

Harmony will require due diligence processes to be undertaken in respect of the following:

- The appointment of employees, directors and managers;
- The appointment of vendors;
- The appointment of Broad-based Black Economic Empowerment (“**BEE**”) partners, including supplier development partners;
- When engaging an external or third party to undertake any consulting or business activities on behalf of/for Harmony;
- When contemplating (and prior to) making any charitable donations/sponsorships, the beneficiary should be vetted;
- When commencing a business relationship with a person who is a Politically Exposed Person (“**PEP**”), is associated with a PEP, or is owned/controlled by a PEP; and
- When entering into any contract with any government or organ of the state (including, but not limited to, state-owned enterprises), due diligence should be undertaken on any third party (such as a ‘middle man’ or agent) acting for/on behalf the government/governmental entity.

7. ABC CLAUSES AND WARRANTIES

Harmony will endeavour to include appropriate ABC clauses and warranties in its contracts with external parties such as vendors, intermediaries, third parties, etc. All business partners are required to agree to the terms and conditions set forth in the addendum to this policy document (see the “**ABC and Sanctions Addendum**”).

8. TRAINING AND COMMUNICATION

This policy document will be made available to all employees, associated persons, business partners and vendors. Internally, Harmony will circulate this policy to all employees upon commencement of employment, and will ensure that the policy is easily accessible – for example, this document will be saved on Harmony’s intranet. For external business partners/agents/third parties engaging in business with Harmony, a copy of this policy will be sent to the applicable parties upon implementation thereof. This policy should also be communicated to external parties prior to engaging in business with them.

Harmony will ensure that all current and future employees receive training in respect of this policy document. For example, new employees will receive training in respect of the contents of this document during induction, and will thereafter receive period ad-hoc refresher training when required.

Harmony employees will be required to ensure attendance at training provided by Harmony in respect of this policy and certify, annually, that they are familiar with the principles and information contained therein. Employee may also be required, on an annual basis, to certify that they have not been a part of, nor have any knowledge of any bribery or corruption taking place within the operations of Harmony.

Comprehensive records of all communication of this policy to internal and external parties will be kept at all times. Similarly, Harmony will ensure that it keeps a record of all training undertaken in respect of this policy document, specifically noting the person(s) and date(s) at which such training takes place.

9. RECORDKEEPING

Comprehensive and accurate financial records must be kept and appropriate internal controls must be in place, which will evidence the business reasons for making payments to external parties. As such Harmony requires that all accounts, invoices, receipts, fee agreements and contracts, memoranda and other documents/records relating to transactions with external parties, such as clients, vendors, business partners and agents,

be accurately recorded, maintained and prepared. No transactions will be accounted for off-record to facilitate or conceal improper payments.

When invoices are received from external parties acting for/on behalf of Harmony, the descriptions of services rendered/goods provided/disbursements made must be carefully analysed. Where vague or suspicious descriptions (for example, 'special services', 'special bonus' or 'administrative expense') are recorded, the responsible person at Harmony should investigate this further, obtaining clarification and further documentation from the external party if necessary. Prior to making payment to external parties in such circumstances, Harmony must be satisfied that the work undertaken was ethical and compliant with this policy document. A failure to do so on the part of any of Harmony's employees may result in disciplinary action being taken against such employee.

As prescribed by legislation and global best practice, Harmony must make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions of its business, and devise and maintain an adequate system of internal accounting controls.

10. REVIEW

10.1 Harmony will, at regular intervals, assess compliance with this Policy and will notably include the results of such assessments in reports to the Audit and Risk Committee.

10.2 This Policy may be updated to reflect evolving norms and practices, changes to Harmony policies or procedures or as and when Harmony deems necessary and appropriate to affirm its commitment against money laundering and terrorism financing.

10.3 This document should be read in conjunction with, amongst others, the following Harmony policies:

10.3.1 Anti-Bribery and Corruption Policy;

10.3.2 Code of Conduct;

10.3.3 Whistle-blowing policy.



Chief Executive Officer
Harmony Gold Mining Company Limited
(On behalf of the Audit and Risk Committee)