



## TRANSFORMING CULTURE FOR BUSINESS IMPACT

Sustanalytics  
Roundtable on  
Culture in Mining  
30 November 2023

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JSE ticker code      HAR

NYSE ticker code    HMY

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## MINING WITH PURPOSE

# PRIVATE SECURITIES LITIGATION REFORM ACT SAFE HARBOUR STATEMENT AND DISCLAIMER

## FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the safe harbour provided by Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters. These forward-looking statements, including, among others, those relating to our future business prospects, revenues, and the potential benefit of acquisitions (including statements regarding growth and cost savings) wherever they may occur in this presentation, are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in our integrated annual report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere; the impact from, and measures taken to address, Covid-19 and other contagious diseases, such as HIV and tuberculosis; high and rising inflation, supply chain issues, volatile commodity costs and other inflationary pressures exacerbated by the Russian invasion of Ukraine and subsequent sanctions; estimates of future earnings, and the sensitivity of earnings to gold and other metals prices; estimates of future gold and other metals production and sales; estimates of future cash costs; estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices; estimates of provision for silicosis settlement; increasing regulation of environmental and sustainability matters such as greenhouse gas emission and climate change, and the impact of climate change on our operations; estimates of future tax liabilities under the Carbon Tax Act (South Africa); statements regarding future debt repayments; estimates of future capital expenditures; the success of our business strategy, exploration and development activities and other initiatives; future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans; estimates of reserves statements regarding future exploration results and the replacement of reserves; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, as well as at existing operations; fluctuations in the market price of gold and other metals; the occurrence of hazards associated with underground and surface gold mining; the occurrence of labour disruptions related to industrial action or health and safety incidents; power cost increases as well as power stoppages, fluctuations and usage constraints; ageing infrastructure, unplanned breakdowns and stoppages that may delay production, increase costs and industrial accidents; supply chain shortages and increases in the prices of production imports and the availability, terms and deployment of capital; our ability to hire and retain senior management, sufficiently technically-skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged persons in management positions or sufficient gender diversity in management positions or at Board level; our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities; potential liabilities related to occupational health diseases; changes in government regulation and the political environment, particularly tax and royalties, mining rights, health, safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the mining industry, including, without limitation, regarding the interpretation of mining rights; our ability to protect our information technology and communication systems and the personal data we retain; risks related to the failure of internal controls; our ability to meet our environmental, social and corporate governance targets; the outcome of pending or future litigation or regulatory proceedings; fluctuations in exchange rates and currency devaluations and other macroeconomic monetary policies, as well as the impact of South African exchange control regulations; the adequacy of the Group’s insurance coverage; any further downgrade of South Africa’s credit rating and socio-economic or political instability in South Africa, Papua New Guinea, Australia and other countries in which we operate; changes in technical and economic assumptions underlying our mineral reserves estimates; geotechnical challenges due to the ageing of certain mines and a trend toward mining deeper pits and more complex, often deeper underground, deposits; and actual or alleged breach or breaches in governance processes, fraud, bribery or corruption at our operations that leads to censure, penalties or negative reputational impacts.

The foregoing factors and others described under “Risk Factors” in our Integrated Annual Report ([www.har.co.za](http://www.har.co.za)) and our Form 20-F should not be construed as exhaustive. We undertake no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as required by law. All subsequent written or oral forward-looking statements attributable to Harmony or any person acting on its behalf are qualified by the cautionary statements herein.

# BACKGROUND AND HISTORY

## Key actions taken to address challenges



### The challenge

High number of loss-of-life incidents in mining industry

Harmony's safety record needed to improve

Zero harm and zero loss of life benchmarks set by mining industry

Benchmark adopted by Minerals Council South Africa

Harmony adopted zero harm benchmark

“We are in the people business.  
We happen to produce gold.”

*Beyers Nel – Group Chief Operating Officer*

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# MAPPING A CLEAR PATH TO SUCCESS



# CEO BIG 5: A CLEARLY DEFINED SAFETY STRATEGY

## Safety strategy and improvement plan



### **RISK MANAGEMENT**

– proactively address safety risks and reduce harm



### **ASSET MANAGEMENT**

– maintenance and asset integrity reduces safety risk



### **ENFORCEMENT**

– self-disciplined employees and enablement systems



### **IMPROVEMENT**

– continuous improvement and learning mindset



### **LEADERSHIP AND CULTURE**

– active leadership and genuine care for safety, health and the environment

# SUPPORTED AT EXECUTIVE LEVEL: **SIGNIFICANT RESOURCES** ALLOCATED TO TRANSFORMING ORGANISATIONAL CULTURE

## Functional transformation structure



**Peter Steenkamp**  
Chief executive officer



Senior group executive: Human capital  
Anton Buthelezi

Head of Department: Organisational effectiveness improvement  
Gawie Herholdt

Learning and development

Organisational effectiveness improvement

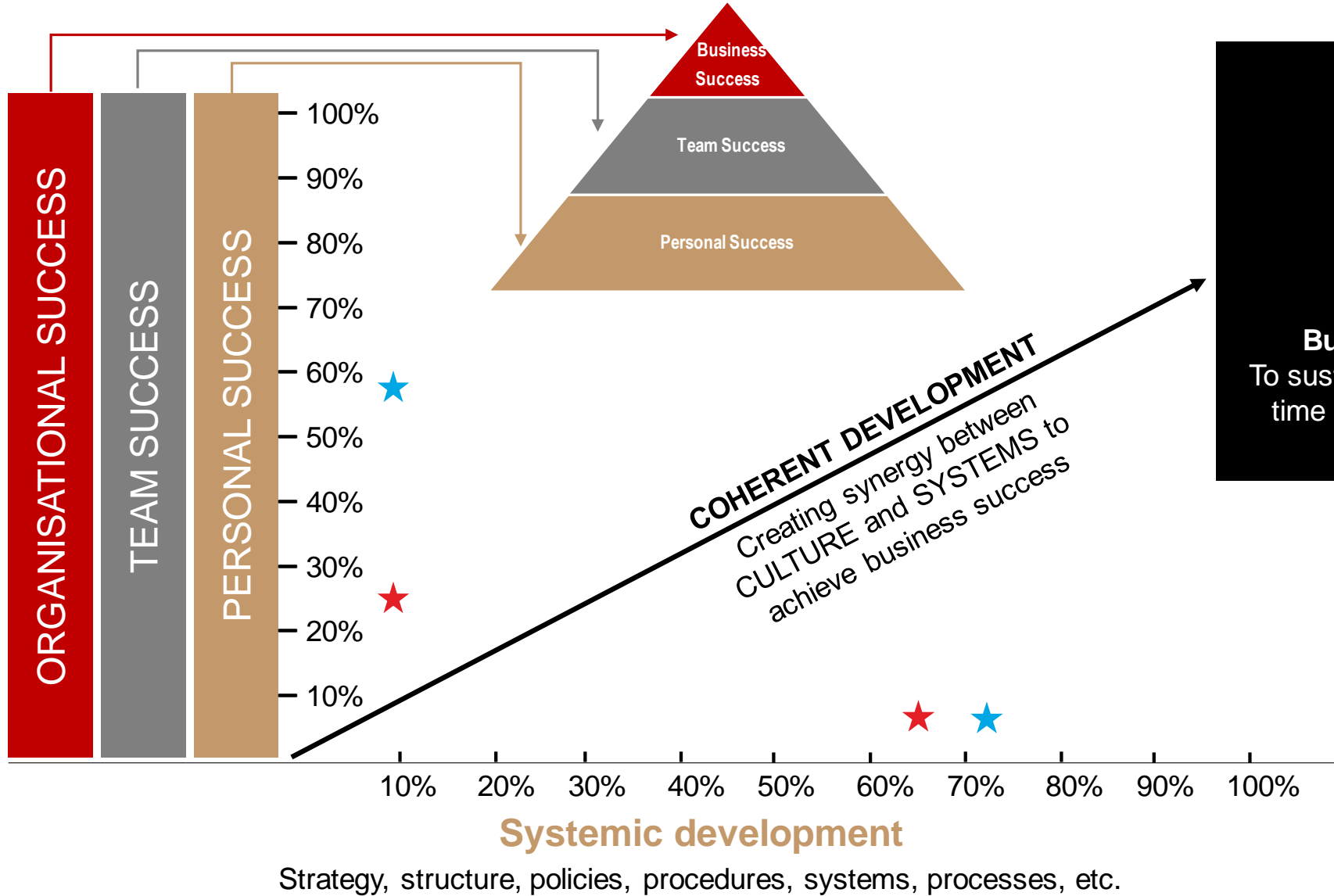
Group talent management

Consultants

# MEANINGFUL ORGANISATIONAL CULTURE DEVELOPMENT

## Organisational culture development

Culture, leadership, value orientation, workforce engagement, individual and team wellness, etc.



★ 2020 survey  
★ 2022 survey







## THIBAKOTSI JOURNEY

Plan for  
Culture Change

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# THIBAKOTSI JOURNEY: 2021 TO DATE

Proactive culture / Live longer

	INITIATIVE	BUSINESS IMPROVEMENT	OPTIMISATION
<p><b>HOW MUST I AS LEADER DEVELOP MYSELF?</b></p>	<p>Visible felt leadership (VFL): Approach, training, coaching and feedback</p> <p>Leadership assessments and leadership development programmes</p>	<p>VLF established at all operations</p> <p>Effective and efficient leadership</p>	<p><b>OUR VALUES</b></p> <p>Embed new way of work – linked to our values</p>
<p><b>HOW MUST I AS LEADER DEVELOP OTHERS?</b></p>	<p>Empowerment tactics for middle management and supervisors</p> <p>Risk propensity assessments and training</p> <p>Learning from incidents (LFI): closing the loop; organisational learning</p>	<p>Engaged and competent middle management and supervisors</p> <p>Improved risk profile of employees at operations</p> <p>LFI processes established</p>	
<p><b>HOW MUST I AS LEADER TAKE MY PEOPLE ALONG?</b></p>	<p>Bottom-up Interventions: safety transformation – training and impact measurement</p> <p>Employee engagement tactics</p>	<p>Improved operational safety and production indicators</p> <p>Engaged employees at all operations</p>	



**PLAN FOR  
CULTURE  
CHANGE:**

How do I as a leader  
develop **myself**?

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# MATURE LEADERS DELIVER RESULTS

## VISIBLE FELT LEADERSHIP (VFL)



- 2185 weekly VFLs conducted since 2016

## LEADERSHIP DEVELOPMENT PROGRAMME (LDP)



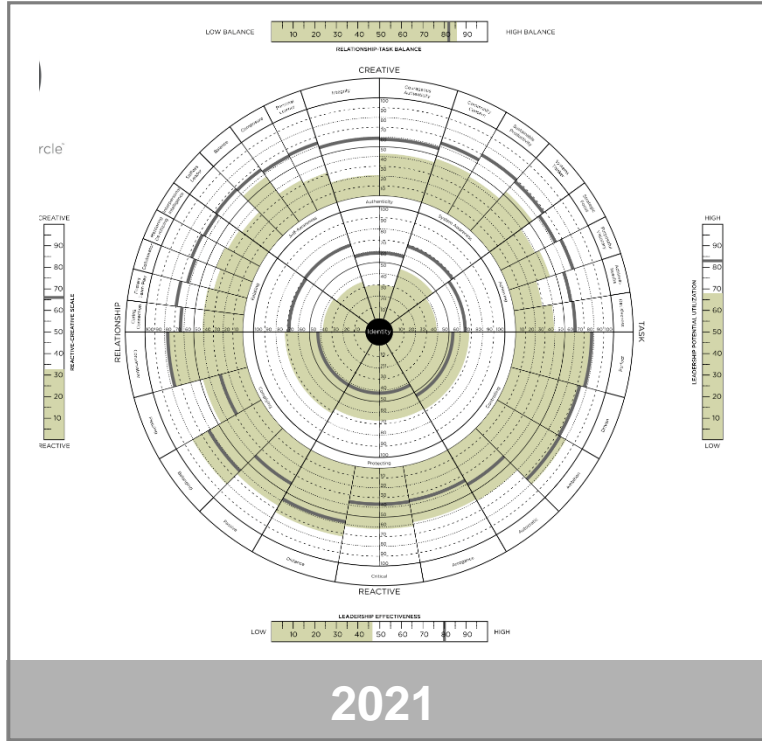
- Executives to team leaders have completed the LDP programme

## LEADERSHIP 360° ASSESSMENTS AND LEADERSHIP CARPETS

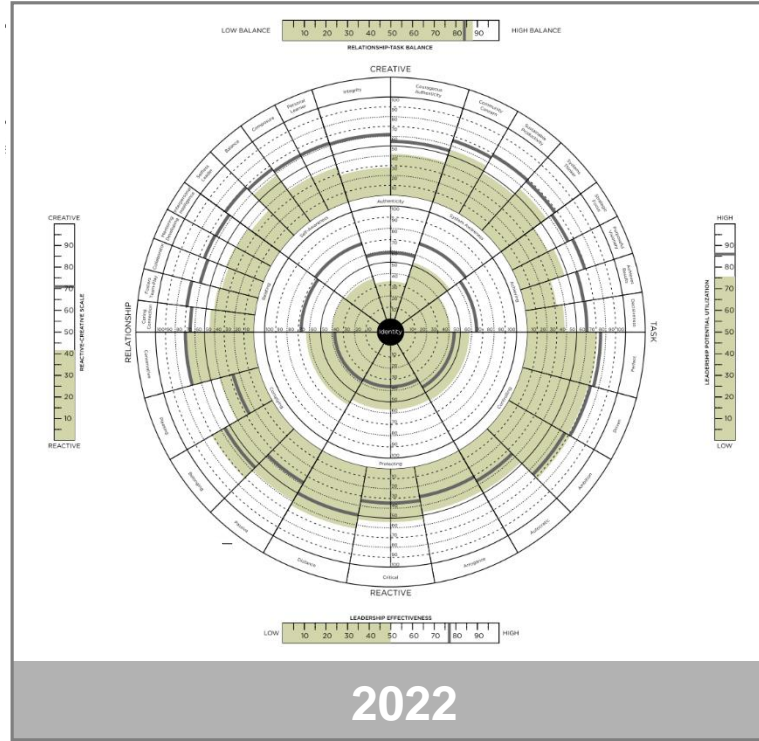


- Executives, management committees and heads of department
- Significant number of employees completed and received one on one feedback

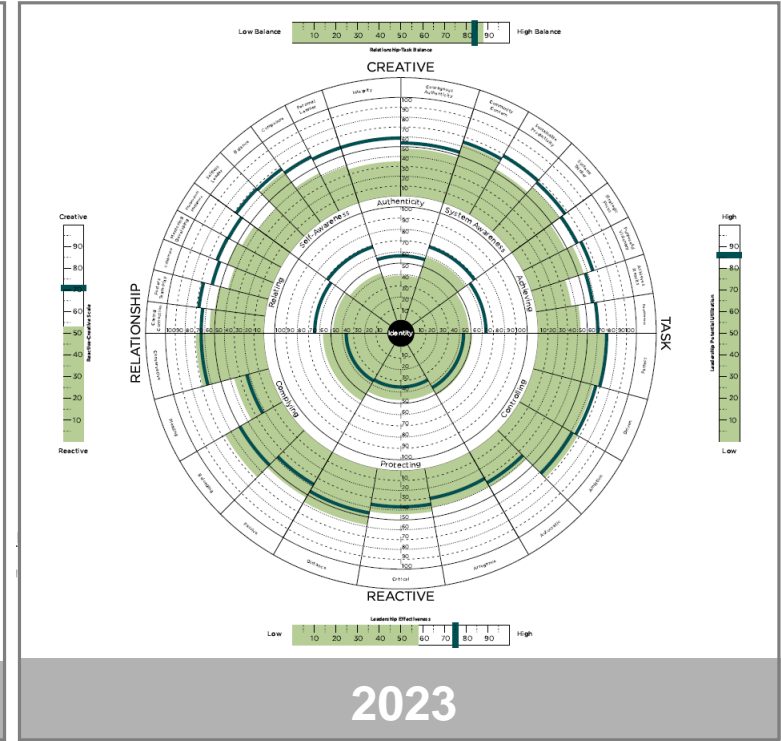
# LEADERSHIP PROGRESS: GRAPHIC REPRESENTATION ON THE LEADERSHIP CIRCLE



2021



2022



2023



**HARMONY™**

**PLAN FOR  
CULTURE  
CHANGE:**

How do I as a leader  
develop **others**?

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# EMPOWERING MIDDLE MANAGEMENT AND SUPERVISORS

## ENGAGEMENT – SET CONTEXT



## EMPOWERMENT

- Safety mindset initiatives
- Thibakotsi Culture Transformation
- Current engagement and leadership development efforts
- Operation context

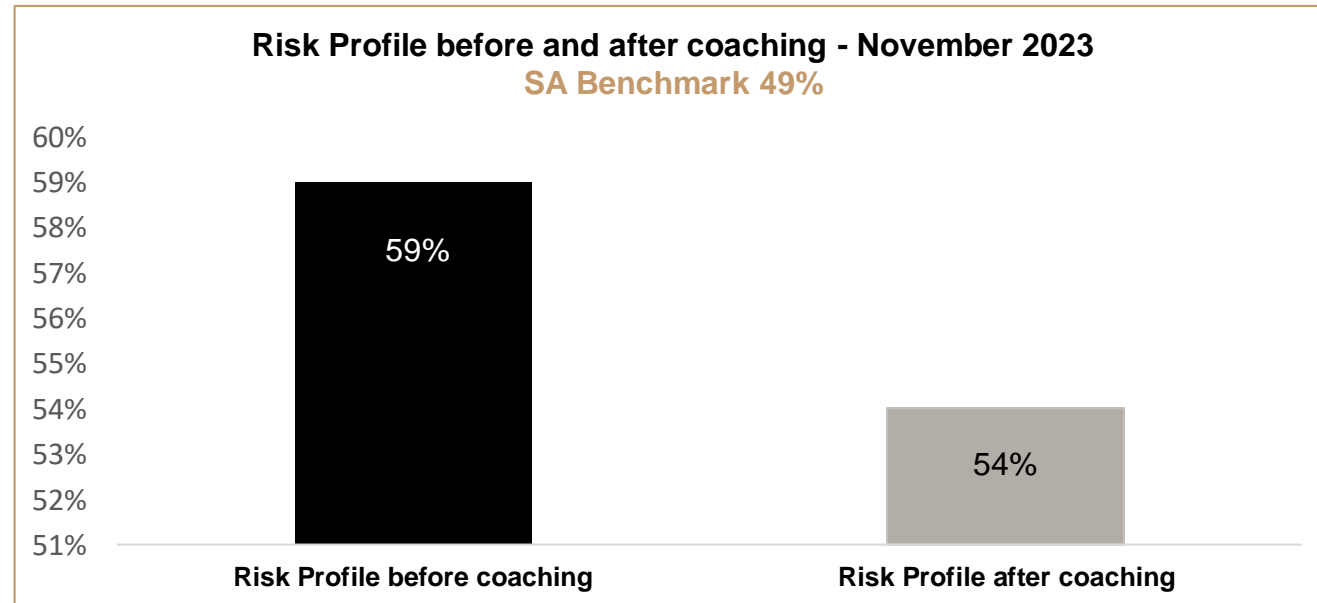
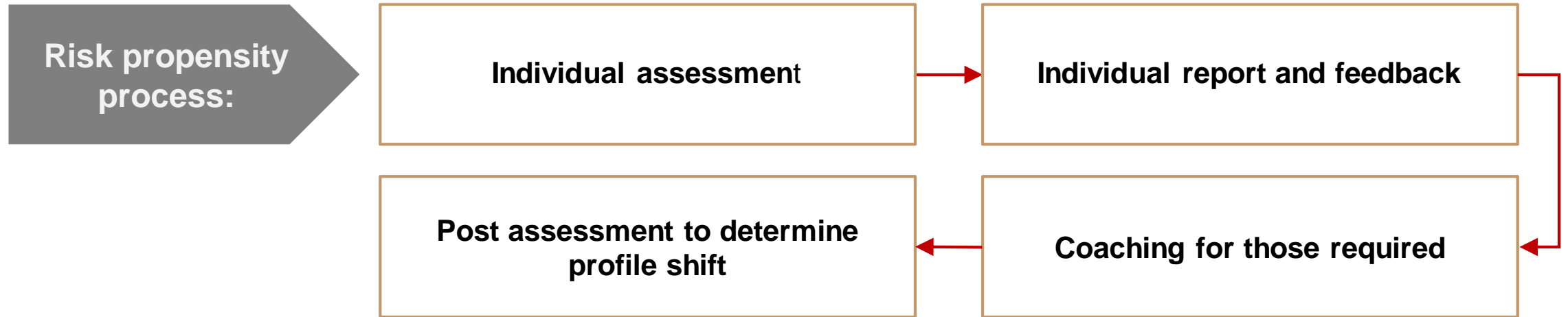
## DEVELOPMENT

- Know and understand the job
- Individual development gaps
- Implement development
- Monitor progress

## Leader as coach



# RISK PROPENSITY ASSESSMENT AND COACHING



## Benefits of risk propensity assessment:

- ✓ Employee mindful of risk profile
- ✓ Change in employee behaviour
- ✓ Improve employee risk profiles
- ✓ Reduced injuries



# LEARNING FROM INCIDENTS AND EXCELLENCE

## Learning from incidents



After an incident, learning material is updated to include information on the lessons learned from the incident

## Learning from excellence



Aspiration in Harmony to also create maturity to learn from excellence





## PLAN FOR CULTURE CHANGE:

- How do I as a leader take others along?

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# IMPROVING MIND-SET THROUGH THIBAKOTSI TEAM TRAINING (TTT)

## Thibakotsi Team Training (19 200)

Objective is to improve employees' safety mindset to empower employees at the lowest levels to take personal accountability for safety



## Operational follow-up visits

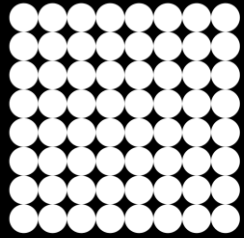
Part of the follow up post-TTT determines whether the crew implements the TTT learnings and how training has contributed to S300 (safe 300m<sup>2</sup> blast per crew) improvements



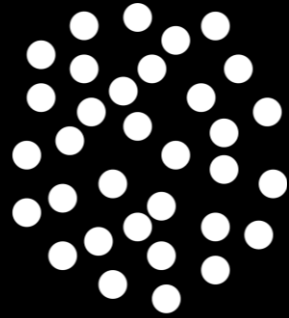
## Significant impact on safety and productivity

S300: Safe, production, targeting 300m<sup>2</sup> per crew per month on average

# HEALTHY FUNCTIONING ORGANISATIONAL CULTURE



Low Entropy



High Entropy

## Entropy:

- A measure of disorder in a system
  - Describes how much energy is not available to do work
  - The more disordered a system and higher the entropy, the less energy available to do work

### South African Operations cultural survey score:

- 2011: 23%
- 2013: 18%
- 2021: 10%

### Key focus areas identified in 2021 survey drive continuous improvement:

- Skills development
- Care
- Trust

### Results should be seen in the context of typical organisational scores:

✓	Less than 13%	Healthy functioning
	14% - 19%	Needing attention
	20% - 28%	Requiring focus
	29%+	Requiring critical focus

# CONTINUOUS ENGAGEMENT WITH OUR EMPLOYEES

## Quarterly Pulse Survey:

Opportunity to engage with all employees and contractors on a quarterly basis via various platforms: email, cellphone and e-learning centers

Trends identified at each operation over time can be measured and monitored, providing flexibility for quick adaptation





## THIBAKOTSI JOURNEY

Sustaining results by embedding  
a new way of work

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# INTEGRATED SUSTAINABILITY APPROACH DRIVES CONTINUOUS IMPROVEMENT



Optimise current learning



Transfer learning

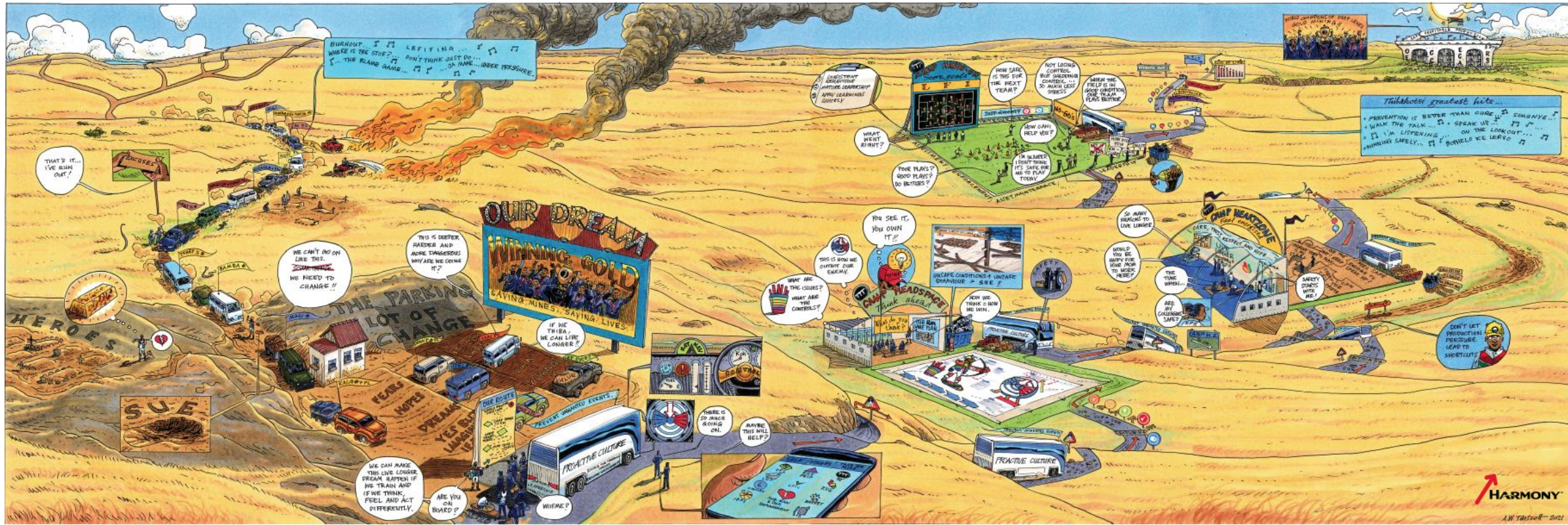


Ensure ownership



Systemic and humanistic integration

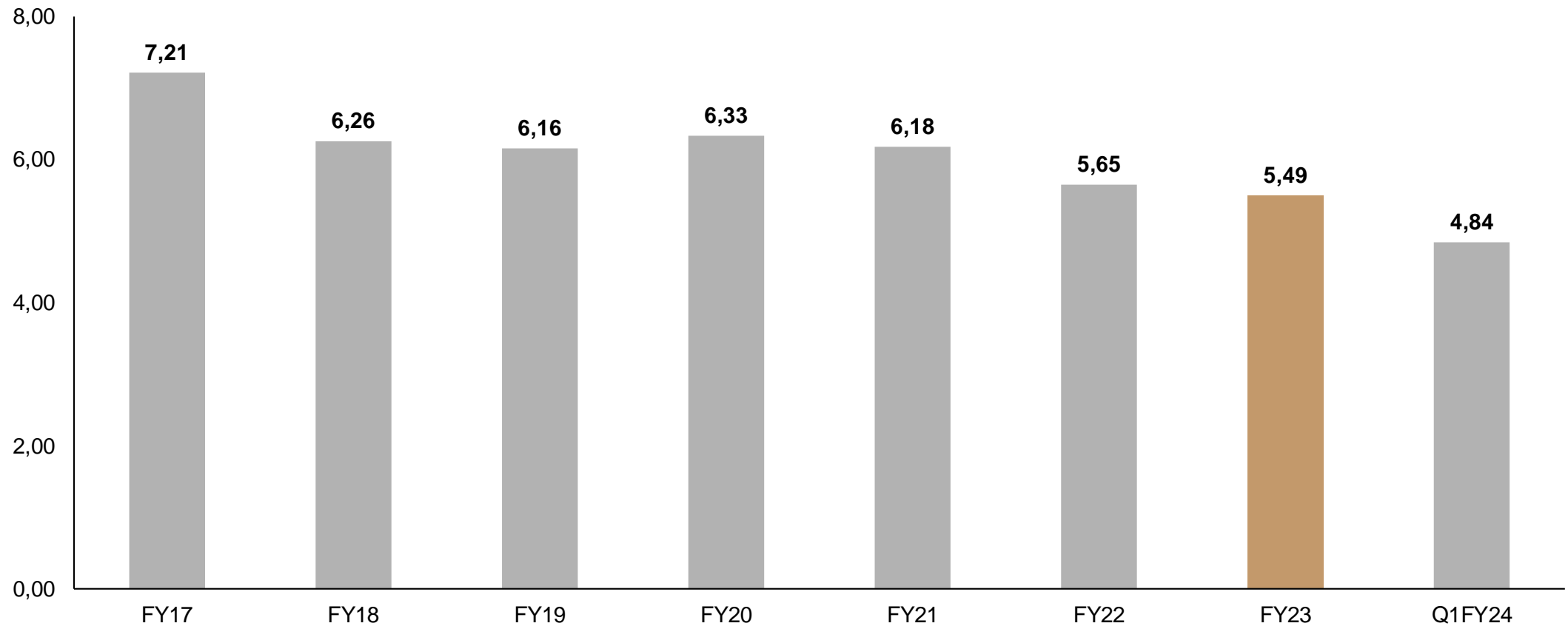
# THE HARMONY STORY: A VISUAL ROUTE MAP











# GOING BEYOND ZERO-HARM: HOLISTIC APPROACH TO SAFETY

Group - lost-time injury frequency rate (LTIFR)  
(per million hours worked)



# HEALTHY ORGANISATIONAL CULTURE DRIVES CONSISTENT OPERATIONAL PERFORMANCE

Sustainability Round Table Discussion 2023

					
Embedded sustainability practices	Quality ounces and long reserve life	Geared exposure to the Rand/kg gold price	Significant copper exposure through two international projects	Gold mining specialists with strong technical and exploration capabilities	Flexible balance sheet to support growth pipeline

Production	1.38Moz to 1.48Moz <sup>1</sup>	<b>FY24 GUIDANCE</b>	Group AISC <sup>3</sup>	Less than R975 000/kg <sup>4</sup>
Underground grade	5.60 to 5.75g/t <sup>2</sup>			

1. Moz: million ounces    2. g/t: grams per tonne    3. AISC: all-in sustaining costs    4. kg: kilogram

Leaders create culture  
Culture drives behaviour  
Behaviour produces results

*Urban Meyer*



**THANK YOU**

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