

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. CAPITALIZATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

In addition to the other information included in this annual report and the exhibits, you should also carefully consider the following factors related to our ordinary shares and American Depositary Shares ("ADSS"). There may be additional risks that we do not currently know of or that we currently deem immaterial based on information currently available to us. Although we have a formal risk policy framework in place, the maintenance and development of which is undertaken on an ongoing basis so as to help management address systematic categories of risk associated with our business operations, any of these risks could have a material adverse effect on our business, financial condition or results of operations, leading to a decline in the trading price of our ordinary shares or our ADSs. The risks described below may, in retrospect, turn out to be incomplete and therefore may not be the only risks to which we are exposed. Additional risks and uncertainties not presently known to us or that we now believe are immaterial (and have therefore not been included), could also adversely affect our business, results of operations or financial condition. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the magnitude or the significance of the individual risks.

Summary of Risk Factors

Risks Related to Our Industry

1. *We are exposed to the impact of any significant decreases in the commodity prices on our production*
2. *The impact from, and measures taken to address, the Covid-19 pandemic may adversely affect our people, and may impact our business continuity, operating results, cash flows and financial condition*
3. *The nature of our mining operations presents safety risks*
4. *Mining companies face strong competition and industry consolidation*
5. *Laws governing health and safety affect our business and could impose significant costs and burdens*
6. *Since our labor force has substantial trade union participation, we face the risk of disruption from labor disputes and non-procedural industrial action resulting in loss of production and increased labor costs impacting negatively on production and financial results*
7. *HIV/AIDS, tuberculosis and other contagious diseases, such as Covid-19, pose risks to us in terms of productivity and costs.*
8. *Laws governing mineral rights affect our business and could impose significant costs and obligations; mineral rights in the countries in which we operate could be altered, suspended or canceled for a variety of reasons, including breaches in our obligations in respect of such mining rights*
9. *Our financial flexibility could be constrained by the Exchange Control Regulations of the countries in which we operate*

Risks Related to Our Operations and Business

1. *Risks associated with pumping water inflows from closed mines adjacent to our operations, including related closure liabilities, could adversely affect our operational results*
2. *Infrastructure constraints and aging infrastructure could adversely affect our operations*
3. *Disruptions to the supply of electricity and increases in the cost of power may adversely affect our results of operations and financial condition*
4. *Illegal mining and other criminal activity at our operations, including theft of gold and gold-bearing material, could pose a threat to the safety of employees, result in damage to property and could expose us to losses, business disruption and liability*
5. *Actual and potential shortages of production inputs and supply chain disruptions may affect our operational results*

6. *Fluctuations in insurance cost and availability could adversely affect our operating results and our insurance coverage may prove inadequate to satisfy future claims*
7. *We compete with mining and other companies for key human resources with critical skills and our inability to retain key personnel could have an adverse effect on our business*
8. *The use of contractors at certain of our operations may expose us to delays or suspensions in mining activities and increases in mining costs*
9. *We are dependent on a number of highly-integrated communication and IT systems, any disruption to which could have an adverse effect on our results of operations and financial condition*
10. *Estimations of our reserves are based on a number of assumptions, including mining and recovery factors, future cash costs of production, exchange rates, and the relevant commodity prices; as a result, metals produced in future may differ from current estimates*
11. *Our operations have limited proved and probable reserves; exploration for additional resources and reserves is speculative in nature, may be unsuccessful and involves many risks*
12. *We are subject to the risk of litigation, the causes and costs of which are not always known*

Risks Related to ESG

1. *Increasing scrutiny and changing expectations from our stakeholders, including communities, governments and non-governmental organization ("NGOs") as well as investors, lenders and other market participants, with respect to our ESG performance and policies may impose additional costs or expose us to additional risks*
2. *We are subject to extensive environmental regulations in the countries in which we operate*
3. *The socio-economic framework in the regions in which we operate may have an adverse effect on our operations and profits*
4. *Given the nature of mining and the type of mines we operate, we face a material risk of liability, delays and increased cash costs of production from environmental and industrial accidents and pollution compliance breaches*
5. *Mining companies are increasingly expected to provide benefits to affected communities; failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and impact our "social license to operate", which could adversely impact our business, operating results and financial condition*
6. *We may not be able to meet our ESG targets*
7. *Compliance with emerging climate change regulations and other sustainability measures could result in significant costs for us*
8. *Climate change may present physical risks to our operations*
9. *The cost of occupational health care services and the potential liabilities related to occupational health diseases may increase in future and may be substantial*
10. *Our operations are subject to water use and other licenses, which could impose significant costs*
11. *Compliance with tailings management requirements and standards, and potential liabilities in the event of a failure to timely comply or an incident involving a tailings storage facility, could adversely impact our financial condition, results of operations and reputation*
12. *We may have exposure to rehabilitate potential groundwater pollution, which may include salination, and radiation contamination that may exist where we have operated or continue to operate; implementation of the financial provision regulations may require us to include provision in our financial statements for rehabilitation*
13. *Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance*

Risks Related to Our Corporate and Financing Structure and Strategy

1. *Our inability to maintain an effective system of internal control over financial reporting may have an adverse effect on investors' confidence in the reliability of our financial statements*
2. *We may experience problems in identifying, financing and managing new acquisitions or other business combination transactions and integrating them with our existing operations; we may not have full management control over future joint venture partners*
3. *Certain factors may affect our ability to support the carrying value of our property, plant and equipment, goodwill and other assets on our balance sheet, resulting in impairments*
4. *Our ability to service our debt will depend on our future financial performance and other factors*

5. *We are subject to the imposition of various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on our operations and profits*
6. *Sales of large quantities of our ordinary shares and ADSs, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities*
7. *As we have a significant number of shares that may be issued in terms of the employee share schemes, our ordinary shares are subject to dilution*
8. *The continued status of South Africa's credit rating as non-investment grade, as well as a potential grey-listing of South Africa by the Financial Action Task Force ("FATF"), may have an adverse effect on our ability to secure financing on favorable terms, or at all*
9. *We may not pay dividends or make similar payments to our shareholders in the future*

Strategic and Market Risks

1. *The profitability of our operations, and cash flows generated by those operations, are affected by changes in the price of gold and other metals; a fall in the gold price below our cash cost of production and capital expenditure required to maintain production for any sustained period may lead to losses and require us to curtail or suspend certain operations*
2. *Fluctuations in input production prices linked to commodities may adversely affect our operational results and financial condition*
3. *Foreign exchange fluctuations could have a material adverse effect on our operational results and financial condition*
4. *Fluctuations in the exchange rate of currencies may reduce the market value of our securities, as well as the market value of any dividends or distributions paid by us.*
5. *Rising inflation, including as a result of Russia's invasion of Ukraine, may have a material adverse effect on our business, operating results and financial condition*
6. *Investors may face liquidity risk in trading our ordinary shares on the JSE Limited*
7. *Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares)*
8. *Global, social, political and economic conditions could adversely affect the profitability of our operations*
9. *The risk of unforeseen difficulties, delays or costs in implementing our business strategy and projects may lead to us not delivering the anticipated benefits of our strategy and projects; in addition, actual cash costs, capital expenditure, production and economic returns may differ significantly from those anticipated by feasibility studies for new development projects*

Other Regulatory and Legal Risks

1. *Breaches in our information technology ("IT") security processes and violations of data protection laws may adversely impact the conduct of our business activities and may lead to public and private censure, regulatory penalties, fines and/or sanctions and may damage our reputation*
2. *Failure to comply with laws, regulations, codes and standards, policies and procedures or contractual obligations may lead to fines and penalties, loss of licenses or, permits, may negatively affect our financial results, and adversely affect our reputation*
3. *Investors in the United States may have difficulty bringing actions, and enforcing judgments, against us, our directors and our executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof*
4. *US securities laws do not require us to disclose as much information to investors as a US company is required to disclose, and investors may receive less information about us than they might otherwise receive from a comparable US company*

Risks Related to Our Industry

We are exposed to the impact of any significant decreases in the commodity prices on our production

As a rule, we sell our gold and silver at the prevailing market price. In order to manage commodity price risk we maintain a commodity hedging program. Contracts entered into under this program manage variability of cash flows for up to 20% of the Group's total production over a two-year period for gold and up to 50% for silver. Our remaining unhedged future production is not protected against decreases. If the gold or silver price should decrease significantly, our revenues may be materially adversely affected, which could materially adversely affect our operating results and financial condition.

The impact from, and measures taken to address, the Covid-19 pandemic may adversely affect our people, and may impact our business continuity, operating results, cash flows and financial condition

The advent of Covid-19 posed an adverse effect to production and sustainability with a greater threat of life to employees. Covid-19 remains a threat due to emergence of new variants which may be more infectious and/or more lethal. Our operations have been and may continue to be impacted by the Covid-19 pandemic. The continued spread of Covid-19 could continue to result in serious illness (including incapacity) or death, or quarantine of our employees and contractors.

These effects have been exacerbated by employees and contractors working in close proximity to each other in underground and surface mines and living in close quarters. In addition, certain underlying health conditions including conditions which compromise the immune system, such as HIV/AIDS and diabetes have worsened the outcomes among the individuals infected with Covid-19.

Although Covid-19 vaccines are being rolled out globally, including in the regions where we operate, uncertainties remain with respect to the emergence of new Covid-19 viral mutations and the efficacy of the Covid -19 vaccines currently available to address these new mutations . See *“Integrated Annual Report for the 20-F 2022 – Social – Health”* on page 139 to 146.

In addition, any actions taken by governments or regulators in response to the Covid-19 pandemic have impacted, and could have a further material impact, on our operations and lead to an increase in our costs. The government of South Africa has eased most Covid-19 regulations including the wearing of masks, mass gatherings and travel restrictions in a move not uncommon globally signaling the lower risk identified around the virus.

Our operational costs have increased due to Covid-19 and we believe we will be required to continue to allocate financial resources on preventative measures such as vaccine rollouts, promotion and education. Any new measures may result in additional costs incurred or interference with management's and/or employees' productivity.

The extent to which the Covid-19 pandemic will impact our results will depend on the scale, duration and geographic reach of future developments, which are highly uncertain and cannot be predicted, including notably the possibility of a recurrence or “multiple waves” of the outbreak and new variants. There have been instances in which governmental restrictions have been re-imposed where infection rates have started to increase again and there is a risk that widespread measures such as strict social distancing and curtailing or ceasing normal business activities may be reintroduced in the future.

Our property and business interruption insurance and liability may not cover or be sufficient to fully cover any of our losses resulting from public health emergencies and other events that could disrupt our operations, such as Covid-19. See *“- Risks related to Our Operations and Business - Fluctuations in insurance cost and availability could adversely affect our operating results and our insurance coverage may prove inadequate to satisfy future claims”*.

The global economy, metal prices, and financial markets have experienced significant volatility and uncertainty due to Covid-19. Our revenue is directly related to the market price of gold and other metals. Metal price volatility causes our revenue to fluctuate from period to period. This price volatility could also cause operators or developers to defer or forgo projects, which could adversely impact our future revenue. Moreover, in the ordinary course of business, we review opportunities to acquire selected precious metal producing companies or assets. Reduced economic and travel activities or illness among our management team as a result of Covid-19 could limit or delay acquisition opportunities or other business activities. In addition, economic volatility, disruptions in the financial markets, or severe price declines for gold or other metals could adversely affect our ability to obtain future debt or equity financing for acquisitions on acceptable terms.

The full extent to which Covid-19 will impact our operational and financial performance, whether directly or indirectly, will depend on future developments, which are highly uncertain and cannot be predicted. Any disruption to production or increased operational costs as a result of Covid-19 could have a material adverse effect on our business, operating results and financial condition.

The nature of our mining operations presents safety risks

The environmental and industrial risks identified elsewhere in this annual report also present safety risks for our operations and our employees and could lead to the suspension and potential closure of operations for indeterminate periods. Safety risks, even in situations where no injuries occur, can have a material adverse effect on our results of operations and financial condition. See Item 4: *“Information on the Company - Business Overview - Regulation - Health and Safety - South Africa”* and *“Integrated Annual Report for the 20-F 2022 – Social – Safety”* and *“- Health”* on pages 133 to 138 and 139 to 146.

Mining companies face strong competition and industry consolidation

The mining industry is competitive in all of its phases. We compete with other mining companies and individuals for specialized equipment, components and supplies necessary for exploration and development, for mining claims and leases on exploration properties and for the acquisition of mining assets. These competitors may have greater financial resources, operational experience and technical capabilities than us. Competition may increase our cost of acquiring suitable claims, properties and assets, which could have a material adverse effect on our financial condition.

Further, industry consolidation may lead to increased competition due to lesser availability of mining and exploration assets. Similar consolidations in the form of acquisitions, business combinations, joint ventures, partnerships or other strategic relationships may continue in the future. The companies or alliances resulting from these transactions or any further consolidation involving our competitors may benefit from greater economies of scale as well as significantly larger and more diversified asset bases than us. In addition, following such transactions certain of our competitors may decide to sell specific mining assets increasing the availability of such assets in the market, which could adversely impact any sale process that we may undertake at the same time, including such sales processes taking longer to complete or not completing at all or not realizing the full value of the assets being disposed of.

Such developments could have a material adverse effect on our business, operating results and financial condition.

Laws governing health and safety affect our business and could impose significant costs and burdens

In South Africa, the Mine Health and Safety Act, 29 of 1996 (“MHSA”), requires that employers implement various measures to ensure the safety and health of persons working at a mine as far as reasonably practicable. This obligation is extended to any contractor employees that may be working at a mine. These obligations include the identification and assessment of risk, implementation of codes of practice and standards setting out safe work procedures, proper and appropriate training, supervision, medical surveillance and the provision of safe equipment and personal protective equipment.

Further, pursuant to the MHSA we must ensure compliance with various licenses, permissions or consents that have been issued to it pursuant to the various provisions of applicable legislation.

An employer may be subjected to significant penalties and/or administrative fines for non-compliance under the MHSA and other applicable legislation. Depending on the particular circumstances, litigation (criminal and/or civil) may, depending on the circumstances, be instituted against the employer in respect of an accident or incident which has resulted in the injury, death or occupational disease contracted by an employee (or contractor employee). In some of the jurisdictions in which we operate, the regulatory authority also issues closure notices for the operation or parts thereof, following the occurrence of an injury or death threat. In the past, certain of our operations have also been temporarily suspended for safety reasons. Such closure notices or suspensions, if of sufficient magnitude, could have a material adverse effect on our business, operating results or financial condition. See Item 4: *"Information on the Company - Business Overview - Regulation - Health and Safety - South Africa"*.

Any further changes to the health and safety laws which increase the burden of compliance on the employer and impose higher penalties for non-compliance may result in us incurring further significant costs, which could have a material adverse effect on our business, operating results and financial condition. In addition, our reputation could be damaged by any significant governmental investigation or enforcement of health and safety laws, regulations, codes or standards, which could also have a material adverse effect on our business, operating results and financial condition.

In June 2022, the Minister of Mineral Resources and Energy ("**Minister**") released a draft Mine Health and Safety Amendment Bill 2022 (the "**MHSA Amendment Bill**") for public comment. The MHSA Amendment Bill would amend certain provisions of the MHSA. The Bill contains a number of provisions which, if enacted in their present form, could have a material adverse effect on our business, operating results and financial condition. The Bill deals (amongst others) with proposed increases of fines in respect of instances of non-compliance, requiring more direct involvement of executives (particularly CEOs), concept of "strict liability", changes to the duty of care obligations relating to training and formulation of training programs.

In the Independent State of Papua New Guinea ("**PNG**"), the safety of employees, contractors and third parties at our mining operations is regulated by the PNG Mining (Safety) Act 1977 ("**PNG Mining (Safety) Act**") and the Regulations issued thereunder. Pursuant to section 6(1)(e)(i) of the PNG Mining (Safety) Act, an inspector has the power to order the cessation of operations on any part of a mine for such (unlimited) time as he or she considers may be necessary to satisfy the safety provisions of the Act. Such order for cessation can often result in lower or a total stoppage of production resulting in significant financial losses during and following the cessation.

The mining regime in PNG, including the PNG Mining (Safety) Act and Regulations, is currently the subject of comprehensive ongoing review, which may result in changes which will affect our operations and projects in PNG. In June 2021, the Government of the PNG (the "**PNG Government**") released a draft Mine & Works (Safety and Health) Bill 2021 for comment by the PNG Chamber of Mines and Petroleum and other interested parties. If enacted, the Bill will repeal and replace the PNG Mining (Safety) Act and introduce a number of provisions which could have a material adverse effect on our operations and projects in PNG, and our operating results or financial condition. We continue to engage with the PNG Government and relevant regulators on these matters, indirectly through the offices of the PNG Chamber of Mines and Petroleum and directly with the PNG Mineral Resources Authority ("**MRA**"), the PNG Department of Mineral Policy and Geohazards Management ("**DMPGM**") and the PNG Chief Inspector of Mines. See Item 4: *"Information on the Company - Business Overview - Regulation - Health and Safety - Papua New Guinea"*.

Since our labor force has substantial trade union participation, we face the risk of disruption from labor disputes and non-procedural industrial action resulting in loss of production and increased labor costs impacting negatively on production and financial results

Despite a history of constructive engagement with labor unions, there are periods when various stakeholders are unable to agree on dispute resolution processes. Disruptive activities on the part of labor, which normally differ in intensity, then become unavoidable. Due to the high level of union membership, which is about 95% among our employees, we are at risk of production stoppages for indefinite periods due to strikes and other disputes, especially wildcat strikes. Inter-union rivalry may increase the risk of labor relations instability. In addition, in South Africa, a variety of legacy issues such as housing, migrant labor, education, poor service delivery and youth unemployment, which may be exacerbated by the Covid-19 pandemic, can lead to communities and unions working together to create instability in and around mining operations. See *"The impact from, and measures taken to address, the Covid-19 pandemic may adversely affect our people, and may impact our business continuity, operating results, cash flows and financial condition"* above.

In October 2018, we concluded a three-year wage agreement with unions representing the majority of our South African employees. This agreement was extended to all employees irrespective of union affiliation. We have experienced a relatively peaceful labor environment since the conclusion and implementation of this wage agreement. On September 16, 2021, Harmony announced the acceptance of another three-year wage agreement by the unions, effective from July 1, 2021. The negotiations were concluded in a peaceful manner. However we are not able to predict whether we will experience significant labor disputes in future, or what the financial impact of any such disputes may be. See Item 4: *"Information on the Company - Business Overview - Regulation - Labor Relations"*, *"Integrated Annual Report for the 20-F 2022 - Social - Caring for our employees"* on pages 147 to 153. South African employment law sets out minimum terms and conditions of employment for employees although these may be improved by agreements between us and the trade unions, prescribed minimum terms and conditions form the benchmark for all employment contracts. See *"Integrated Annual Report for the 20-F 2022 - About Harmony - Our material matters"* on page 35 to 38.

We are required to submit a report under South African employment law detailing the progress made towards achieving employment equity in the workplace. If this report is not submitted, we could incur substantial penalties.

Developments in South African employment law may increase our cash costs of production or alter our relationship with our employees and trade unions, which may have an adverse effect on our business, operating results and financial condition.

In PNG, the workforce in our mining operations is not significantly unionized, and attempts to unionize have had little employee support. However, during the Covid-19 pandemic our PNG operations experienced limited non-procedural industrial action arising from adjustments to work rosters and incentive programs to align with mine health and Covid-19 quarantine measures.

Our PNG operations are also subject to disruption as a result of actions taken by landowners and occupants of the land within the area of impact of such operations, including the blockading of access routes to the operations. These disruptions generally arise as a result of grievances with regard to the non-distribution by the PNG Government to local communities of mine-derived royalties and other benefits, or in relation to the participation of local businesses in the provision of goods and services to the operations.

In the event that we experience industrial relations related interruptions at any of our operations or in other industries that impact our operations, or increased employment-related costs due to union or employee activity, these may have a material adverse effect on our business, production levels, operating costs, production targets, operating results, financial condition, reputation and future prospects. In addition, mining conditions can deteriorate during extended periods without production, such as during and after strikes; lower levels of mining activity can have a longer term impact on production levels and operating costs, which may affect our mines' operating life, which could have a material adverse effect on our business, operating results and financial condition.

HIV/AIDS, tuberculosis and other contagious diseases, such as Covid-19, pose risks to us in terms of productivity and costs

The prevalence of HIV/AIDS and other contagious diseases, including Covid-19, in South Africa and PNG poses risks to us in terms of potentially reduced productivity, and increased medical and other costs.

The continued spread of Covid-19 could result in serious illness (including incapacity) or death, or quarantine of our employees and contractors, which may be exacerbated by employees and contractors working in close proximity to each other in underground and surface mines and living in close quarters. In addition, certain underlying health conditions (diabetes and oncology emerging as new prevalent risks) including conditions which compromise the immune system, may worsen the outcomes among the individuals infected with Covid-19.

Any disruption to production or increased operational costs as a result of the spread of contagious diseases, such as Covid-19, HIV/AIDS or tuberculosis, could have a material adverse effect on our business, operating results and financial condition. See *"Integrated Annual Report for the 20-F 2022 - Social - Health"* on pages 139 to 146.

Laws governing mineral rights affect our business and could impose significant costs and obligations; mineral rights in the countries in which we operate could be altered, suspended or canceled for a variety of reasons, including breaches in our obligations in respect of such mining rights

Our operations in South Africa and PNG are subject to legislation regulating mineral rights. Certain of the Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous peoples. The presence of those stakeholders may therefore have an impact on our ability to develop or operate our mining interests.

South Africa

In South Africa, we are governed by the Mineral and Petroleum Resources Development Act, 28 of 2002 (*"MPRDA"*). See Item 4: *"Information on the Company - Business Overview - Regulation - Mineral Rights - South Africa - MPRDA"* for a description of the principal objectives set out in the MPRDA.

The MPRDA was promulgated as effective legislation on May 1, 2004 and transferred ownership of mineral resources to the South African people, with the South African government acting as custodian in order to, among other things, promote equitable access to the nation's mineral resources by South Africans, expand opportunities to Historically Disadvantaged South Africans (*"HDSAs"*) who wish to participate in the South African mining industry and advance socio-economic development. We currently continue to comply with the requirements of the MPRDA. Any failure to comply with the conditions of our mining rights, whether intentional or unintentional, could have a material adverse effect on our operations and financial condition and could result in the cancellation or suspension of our mining rights.

On June 21, 2013, the Minister introduced the Mineral and Petroleum Resources Development Amendment Bill, 2013 (the *"MPRDA Bill"*) into Parliament. The South African Department of Mineral Resources (as it then was known, but now is referred to as the Department of Mineral Resources and Energy (*"DMRE"*)) briefed the National Assembly's Portfolio Committee on Mineral Resources in July 2013. The MPRDA Bill was passed by both the National Assembly and the National Council of Provinces (*"NCOP"*) on March 27, 2014. In January 2015, the former President, Jacob Zuma, referred the MPRDA Bill back to Parliament for reconsideration and on November 1, 2016, the Portfolio Committee on Mineral Resources tabled non-substantial revisions to the MPRDA Bill in the National Assembly and a slightly revised version of the MPRDA Bill was passed by the National Assembly and referred to the NCOP. On March 3, 2017, the National Assembly passed certain minor amendments to the MPRDA Bill. The National Assembly has referred the MPRDA Bill to the NCOP where the Select Committee has received comments on the draft legislation. The chairperson of the Select Committee had targeted January or February of 2018 to pass the legislation. On February 16, 2018, the current President of South Africa, Cyril Ramaphosa, announced that the MPRDA Bill was at an advanced stage in Parliament. However, in August 2018, the Minister announced that, given certain concerns with the MPRDA Bill, his recommendation would be to withdraw it entirely. The South African Cabinet subsequently supported the Minister's proposal to withdraw the MPRDA Bill. While the MPRDA Bill was not formally withdrawn by Parliament, it lapsed on March 28, 2019. Although Parliament has the ability to revive a lapsed Bill, it seems unlikely that it will revive the MPRDA Bill given both the Minister's and Cabinet's support for its withdrawal.

There is a large degree of uncertainty regarding the changes that will be brought about should the MPRDA Bill be revived and made law. Among other things, the MPRDA Bill provides that applicants will no longer be able to rely on the “first come, first served” principle when submitting an application for a right, it seeks to require the consent of the Minister for the transfer of any interest in an unlisted company or any controlling interest in a listed company where such companies hold a prospecting right or mining right and to give the Minister broad discretionary powers to prescribe the levels of minerals required to be offered to domestic beneficiaries for beneficiation. We cannot yet determine the full impact that the MPRDA Bill may have on our business and there can be no assurance that such changes will not have a material adverse effect on our operations and financial condition.

Regulations under the MPRDA

On March 27, 2020 the Minister published for implementation amendments to the regulations promulgated pursuant to the MPRDA in 2004 (the “**MPRDA Regulations**” and as amended the “**Amended Regulations**”). The Amended Regulations include the following notable changes:

- Mining right applicants must “meaningfully consult” with landowners, lawful occupiers and interested and affected parties in accordance with the procedures contemplated under the Environmental Impact Assessment Regulations, 2014 (the “**EIA Regulations**”). The office of the Regional Manager is permitted to participate as an observer in these processes.
- Mining right holders must, pursuant to their social and labor plans (“**SLPs**”), contribute to the socio-economic development in the areas in which they operate and labor sending areas (i.e. a local municipality which a majority of mine workers consider to be their primary residence). This requirement may impose obligations on mining right holder to effect measures in communities that are located far away from the mine and / or could give rise to some social issues.
- Although most of the provisions regulating environmental matters have been deleted from the Amended Regulations, those sections dealing with mine closure have been retained but have been amended to state that mine closure must be regulated pursuant to the National Environmental Management Act, 107 of 1998 (“**NEMA**”), the EIA Regulations and the Financial Provision Regulations, 2015 (as they may be amended). As discussed in Item 4: “*Information on the Company - Business Overview - Regulation - Laws and Regulations Pertaining to Environmental Protection - South Africa*” it is anticipated that the Financial Provision Regulations, 2015 will be replaced by revised regulations following further engagement with the mining industry.
- The appeal process in the MPRDA Regulations has been replaced with a more comprehensive procedure that includes specific time periods within which appellants, respondents and the competent authority must submit appeals, responses or consider appeals (as the case may be). Although there is no guarantee that the parties will comply with these time periods, the time periods are intended to hold the parties accountable and to ensure that appeals are resolved in a timely manner.

The Mining Charter

On September 27, 2018, the Minister published the Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (“**Mining Charter III**”), on which date it also became effective, as amended by the notice published in the Government Gazette on December 19, 2018 and read with the Implementation Guidelines for the Broad Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (“**Implementation Guidelines**”) published on the same date. It replaces, in their entirety, the original Mining Charter negotiated in 2002 and gazetted in 2004 (the “**Original Charter**”) and the amended Charter gazetted in September 2010 (the “**Amended Charter**”). Mining Charter III imposes new obligations and increased participation by HDSAs in relation to a mining company’s ownership, procurement of goods and services, enterprise and supplier development, human resource development and employment equity requirements. The first annual reporting for compliance with Mining Charter III was due on or before March 31, 2020, although on April 11, 2020, the Minister gazetted directions under the regulations of the Disaster Management Act as part of the measures to address, prevent and combat the spread of Covid-19, which extended the date for submission of the first annual report to June 1, 2020. Harmony submitted its first report under Mining Charter III within the specified deadline.

While the ownership requirement for HDSAs in relation to existing mining rights has not increased (provided that we met the 26% requirement under the Amended Charter), we may be required to comply with new HDSA ownership requirements in relation to any renewals, consolidations and transfers of our existing rights and any applications for new mining rights. The increased HDSA requirements in relation to employment equity, procurement of goods and services and enterprise and supplier development may result in additional costs being incurred by us, which could have a material adverse effect on our results of operations and financial condition.

While Mining Charter III was effective from September 27, 2018, many of its provisions are vague and untested despite the publication of the Implementation Guidelines. See Item 4: “*Information on the Company - Business Overview - Regulation - Mineral Rights - South Africa - The Mining Charter*”.

On March 26, 2019, the Minerals Council South Africa (previously the Chamber of Mines) (“**MCSA**”) filed an application for the judicial review and setting aside of certain clauses of Mining Charter III. The MCSA had engaged in ongoing attempts to reach a compromise with the Minister on certain provisions that are problematic for the industry, and which would be detrimental to its sustainability.

The application aligns with the MCSA’s previously stated view that most aspects of Mining Charter III represent a reasonable and workable framework. However, the MCSA’s application contends that Mining Charter III does not fully recognize the continuing consequences of previous empowerment transactions, particularly in relation to mining right renewals and transfers of such rights. In August 2020, the current Minister, Gwede Mantashe, withdrew his notice of appeal to the Supreme Court of Appeal in respect of the declaratory order issued in April 2018 by the High Court of South Africa (Gauteng Division). The declaratory order held that black economic empowerment (“**BEE**”) ownership transactions should continue to be recognized for regulatory certainty purposes and for the duration of the mining right - even where the BEE partner has sold or transferred part

of or all its equity. The MCSA's judicial review application was heard before a full bench of judges in May 2021. Judgment was handed down on September 21, 2021 (the "**2021 Judgement**") setting aside certain of the problematic provisions, while providing that the remainder of Mining Charter III should continue in force. In November 2021, the DMRE informed the National Assembly's Portfolio Committee on Mineral Resources and Energy that it did not intend to appeal the outcome of the 2021 Judgement, but instead will consider steps to achieve the empowerment objectives through legislative amendments to the MPRDA.

We cannot guarantee that we will meet all the targets set out by Mining Charter III. Should we breach any obligations in complying with the MPRDA or Mining Charter III, our existing mining rights in South Africa could be suspended or canceled by the Minister in accordance with the provisions of the MPRDA. It may also influence our ability to obtain any new mining rights. Any such suspension or cancellation could have a material adverse effect on our results of operations and financial condition.

Papua New Guinea

In PNG, mining is primarily regulated by the PNG Mining Act 1992 (the "**PNG Mining Act**") and the PNG Mining (Safety) Act and their respective Regulations. All minerals are owned by the Independent State of Papua New Guinea, which grants rights to explore for or mine such minerals under a concessionary tenement system. Types of tenement include: exploration license; mining lease; special mining lease; alluvial mining lease; lease for mining purposes; and mining easement. See Item 4: "*Information on the Company - Business Overview - Regulation - Mineral Rights - Papua New Guinea*".

Since 2009, the mining regime in PNG has been the subject of a comprehensive ongoing review involving various PNG Government agencies. In addition to the review of applicable legislation, PNG mineral policy and mining-specific sector policies are also being reviewed and drafted, including a biodiversity offsets policy, a national oceans policy, a sustainable development policy, an involuntary relocation policy and a mine closure policy and mining project rehabilitation and closure guideline.

Over that period, various draft revisions of the PNG Mining Act have been circulated for comment, most recently in 2018 and 2020. The most recent draft revisions include an increase in the royalty rate and changes to the terms of the PNG Government's option to acquire an interest in a mineral discovery, the percentage extent of such option, the consideration payable for it, and the contributions to be made by the PNG Government pursuant to it. Other proposed revisions include the introduction of a development levy and a waste fee, the introduction of an obligation to maintain production at minimum prescribed levels, a prohibition on non-local "fly-in, fly-out" employment practices, and the introduction of downstream processing obligations. If enacted in their proposed form and applied to our operations and projects in PNG, the revisions will potentially affect those operations and projects and could have a material adverse effect on our business, operating results and financial condition.

In May 2019, Hon James Marape M.P. was appointed Prime Minister of PNG following a vote of no confidence in the previous Government. In September 2022, he was re-appointed as Prime Minister for a second term following a national general election. Since his appointment, the PNG Government has advocated a policy of "Take Back PNG", including a review and restructuring of resource laws so as to increase the PNG Government's share of the proceeds from mining, enhance landholder and provincial government equity participation in mining projects, and promote direct involvement in mining and exploration by a State-owned entity ("**SOE**").

On June 26, 2020 the Mining (Amendment) Act 2020 (the "**PNG Mining (Amendment) Act**") was enacted, which requires the real-time provision of production and mineral sales data to the MRA. The PNG Mining (Amendment) Act also amended the PNG Mining Act to provide that the PNG Government has the power to reserve land that is subject to an expired, cancelled, surrendered or relinquished tenement. Wholly or majority PNG-owned entities, including an SOE, then have a statutory priority in applying for a new tenement over the reserved land.

On July 16, 2020 a proposed Organic Law on Ownership and Development of Hydrocarbons and Minerals and the Commercialization of State Businesses (the "**PNG Organic Law**") was tabled for reading in Parliament. The PNG Organic Law (if adopted) will materially alter the legislative and regulatory regime governing mining in PNG, including the transfer of ownership of minerals from the PNG Government to an SOE (which will not be subject to the PNG Mining Act or the regulation of the MRA), and the transformation of the methodology of its participation in mining operations from a concessionary to a production sharing regime. The PNG Organic Law is silent on the form and content of the production sharing regime to be entered into, which arrangements it envisages will be negotiated by the SOE on a case-by-case basis.

It is presently uncertain if the PNG Organic Law will be adopted, or (if adopted) whether or how the PNG Organic Law will be applied to our current operations and projects in PNG. We continue to engage with the PNG Government and relevant regulators on these matters, indirectly through the offices of the PNG Chamber of Mines and Petroleum and directly with the MRA and the DMPGM.

Due to this uncertainty, we are unable to express a view on the likely impact of the potential changes to the PNG mining regime, save to state that, if the presently proposed PNG Organic Law and revision of the Mining Act are adopted and applied to our operations and projects in PNG, they could have a material adverse effect on our business, operating results and financial condition.

PNG mining legislation and mining tenements contain provisions and conditions, the breach of which may result in the imposition of a fine, imprisonment or the cancellation of the tenement.

Our financial flexibility could be constrained by the Exchange Control Regulations in the countries in which we operate

South Africa's Exchange Control Regulations restrict the export of capital from South Africa. Transactions between South African residents (including companies) and non-residents (excluding residents of the Republic of Namibia and the Kingdoms of Lesotho and Eswatini, known collectively as the Common Monetary Area ("**CMA**") are subject to exchange controls enforced by South African Reserve Bank ("**SARB**"). While South African exchange controls have been relaxed in recent years, South African companies remain subject to restrictions on their ability to deploy capital outside of the CMA. As a result, our ability to raise and

deploy capital outside the CMA is restricted. These restrictions could hinder our financial and strategic flexibility, particularly our ability to raise funds outside South Africa and could therefore have a material adverse effect on our business, operating results and financial condition.

Our operation in PNG (including the export of gold and the operation of approved offshore foreign currency accounts) are subject to the foreign exchange control and other directives of the Bank of Papua New Guinea. The withdrawal of existing approvals or the imposition of restrictions could potentially hinder our financial and strategic flexibility, and could have a material adverse effect on our business, operating results and financial condition.

Risks Related to Our Operations and Business

Risks associated with pumping water inflows from closed mines adjacent to our operations, including related closure liabilities, could adversely affect our operational results

Certain of our mining operations are adjacent to the mining operations of other companies. A mine closure can affect continued operations at an adjacent mine if appropriate preventative steps are not taken. In particular, this could include the ingress of underground water when pumping operations at the closed mine are suspended. This can result in damage to property, operational disruptions and additional pumping costs, which could adversely affect any one of our adjacent mining operations and, in turn could adversely affect our business, operating results and financial condition.

In connection with our acquisition in 2018 of the Moab Khotsong and Great Nologwa mines from AngloGold Ashanti Limited ("AngloGold"), together with other assets and related infrastructure (the "**Moab Acquisition**"), we inherited a two-thirds interest in the Margaret Water Company NPC ("**Margaret Water**") for all pumping and water-related infrastructure at its Margaret shaft. The shaft operates for the purpose of de-watering the Klerksdorp, Orkney, Stilfontein, Hartbeesfontein ("**KOSH**") basin groundwater. This is to allow Moab Khotsong operations and the mine operated by Kopanang Gold Mining Company Proprietary Limited (the mining company holding the remaining one-third interest in Margaret Water Company and the only other mining company continuing operating in the area) to remain dry and to prevent flooding of operational areas. Therefore, it remains imperative for the shaft to continue pumping water.

Flooding in the future resulting from a failure in pumping and water-related infrastructure could pose an unpredicted "force majeure" type event, which could result in financial liability for us, and could have an adverse impact on our results of operations and financial condition. For instance, we have also conducted assessments at our Doornkop and Kusasalethu operations and the assessments conclude that there is a risk of decant post closure. Due to the interconnectivity, any long-term water management solution would have to be a regional solution. Although, we have installed water treatment plants at both sites for current treatment needs, which could serve as water plants for final decant should the situation arise, there can be no assurance that such plants will be sufficient to address such risks. There is also a flooding risk at operations assumed as part of our acquisition with effect on October 1, 2020 of the remainder of AngloGold's South African business (the "**Mponeng Acquisition**"). This relates to the Mponeng mine, requiring the continuous pumping arrangement with Covalent Water Company (Pty) Limited (a wholly-owned subsidiary) to stay in place.

Obligations in respect of the pumping and treatment of extraneous water must also be addressed in connection with our final closure plans for each of our operations. We are responsible for these liabilities until a closure certificate is issued pursuant to the MPRDA and possibly thereafter under the NEMA. This liability is discussed in more details in Item 4: "*Information on the Company - Business Overview - Regulation - Law and Regulations Pertaining to Environmental Protections in South Africa - NEMA*". See also "*- We are subject to extensive environmental regulations in the countries in which we operate*" below.

Infrastructure constraints and aging infrastructure could adversely affect our operations

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable rail, ports, roads, bridges, power sources, power transmission facilities and water supply are critical to the Company's business operations and affect capital and operating costs. The infrastructure and services are often provided by third parties whose operational activities are outside the control of the Company.

Interference to the maintenance or provision of infrastructure, including by extreme weather conditions, sabotage or social unrest, could impede our ability to deliver products on time and adversely affect our business, results of operations and financial condition.

Once a shaft or a processing plant has reached the end of its intended lifespan, higher than normal maintenance and care is required. Maintaining this infrastructure requires skilled human resources, capital allocation, management and planned maintenance. Although we have implemented a comprehensive maintenance strategy, incidents resulting in production delays, increased costs or industrial accidents may occur. Such incidents may have an adverse effect on our operating results and financial condition.

Disruptions to the supply of electricity and increases in the cost of power may adversely affect our results of operations and financial condition

In South Africa, each of our mining operations depends on electrical power generated largely from fossil fuels by the South African state utility, Eskom Holdings SOC Limited ("**Eskom**"), which holds a monopoly in the South African market. Electricity supply in South Africa has been constrained over the past decade and there have been multiple power disruptions as a result of continued poor generation performance and reliability. Eskom reintroduced national rotational power cuts ("**load shedding**") in December 2018. Load shedding continued at increasing rates from 2019 to date, increasing from 21 days in calendar year 2019 to 116 days up until the end of September 2022. Under load shedding, our South African operations are required to reduce power demand which can result in production losses. Load curtailment is the program for industrial customers who can manage their load, while load shedding is implemented for other customers. In fiscal 2021 and 2022, the electricity supply in South Africa continued to see substantial pressure, with Eskom instituting load curtailment ranging from Stage 2 to Stage 6 on multiple occasions. During Stage 1 to Stage 4 we were required to reduce load by 10% to 20% respectively and thereafter we are forced

to essential loads, which allows for only critical processes to continue such as pumping and running the winders to remove people from underground.

Eskom's aging infrastructure, its need to replace or upgrade its power generation fleet and its deferral of routine maintenance due to financial constraints, may adversely affect electricity supply in South Africa. A lack of plant availability was a major contributor to increased load curtailment in fiscal 2021 and fiscal 2022. In addition, Eskom's ability to undertake necessary infrastructure and fleet upgrades, on commercially acceptable terms or otherwise, may be limited by the amount of debt it has outstanding and it is anticipated that more financing and reduction in debt will be required for financial sustainability. Any blackouts or other disruptions to power supply could have a material adverse effect on our business, operating results and financial condition.

Eskom's inability to fully meet the country's demand has led and may continue to lead to rolling blackouts, unscheduled power cuts and surveillance programs to ensure non-essential lighting and electricity appliances are powered off. There can be no assurance that Eskom's efforts to protect the national electrical grid will prevent a complete national blackout.

Although management has been able to comply with the load shedding and curtailment requirements experienced in our 2022 fiscal year and the first quarter of fiscal 2023 without incurring material production losses, there can be no guarantee that we will be able to comply with such curtailment requirements without incurring material production losses in the future.

In addition to supply constraints, severe weather events, labor unrest in South Africa has before, and may in future, disrupt the supply of coal to power stations operated by Eskom, or the operation of the power stations directly, and result in curtailed supply. For example, in February 2021, Cyclone Eloise caused extensive rainfall which, in turn, led to constraints in the quality and supply of coal, national power constraints and load curtailment.

In February 2019, the President of South Africa announced the vertical unbundling of Eskom. While full-state ownership will be maintained, the unbundling is expected to result in the separation of the Eskom's generation, transmission and distribution functions into separate entities. The unbundling is currently underway for the legal separation of the transmission function and the generation and distribution functions are still to be unbundled. The transmission unbundling was planned to be completed by December 2021 and the distribution and generation functions by December 2022 but these dates have subsequently been pushed back. In December 2021, Eskom released a statement to the effect that it had extended an order to transfer its transmission function to a wholly-owned subsidiary, the National Transmission Company South Africa SOC Limited ("**NTCSA**"). Poor reliability of the supply of electricity, instability in prices and a possible tariff increase above inflation are expected to continue through the unbundling process. Should we experience further power tariff increases, our business operating results and financial condition may be adversely impacted.

Eskom tariffs are determined through a consultative multi-year price determination application ("**MYPD**") process, with occasional tariff increase adjustments under the Regulatory Clearing Account ("**RCA**") mechanism. In the most recent MYPD process, the National Energy Regulator of South Africa ("**NERSA**"), granted Eskom tariff increases of 8.1% (later adding an additional 0.7%) for the period 2020 to 2021 and 15.1% for the period 2021 to 2022 (after the initial approval of 5.2%). In February 2022, NERSA granted Eskom a 9.6% tariff increase for the period 2022 to 2023, which includes an RCA amount of R14 billion. The RCA figure may change however. For instance, NERSA appealed in August 2020 an earlier court ruling requiring R23 billion in revenue to be added to the 2021/2022 increase, and leave to appeal was granted in October 2020. In addition, NERSA also announced the approval of R3.9 billion from the RCA in costs incurred by Eskom over and above the previously regulated costs, applicable from April 2021. The recovery period from the consumer is yet to be determined. Moreover, Eskom has indicated that it is still assessing NERSA's tariff increase of 9.6% for the period 2022 to 2023. On the basis of external economic advice, we are planning for 10% increases in both 2022/2023 and 2023/2024, but there can be no assurance that this will be adequate to meet our obligations under the tariffs as finally approved.

Increasing global demand for energy, concerns about nuclear power and the limited growth of new supply are also impacting the price and supply of energy. Various factors have resulted in increased demand or constrained supply and escalating oil and energy prices. These included, amongst others, the transition of emerging markets to higher energy consumption, actual and proposed pricing or taxation of carbon emissions, unrest and potential conflict in the Middle East as well as the recent armed conflict between Russia and Ukraine. In particular, the recent hostilities between Russia and Ukraine triggered the imposition of retaliatory measures, and could result in further measures in the future, by the United States, the EU, the United Kingdom, the North Atlantic Treaty Organization ("**NATO**") and other jurisdictions against Russia. These and any additional measures, including sanctions or export controls, as well as any countermeasures taken by Russia or other jurisdictions, have led to, and may lead to additional, sharp increases in oil and energy prices, given Russia's role as a major global exporter of crude oil and natural gas.

In PNG, power generation and distribution is supplied by the state utility, PNG Power Limited. This utility is severely financially constrained, with aging and poorly maintained infrastructure subject to disruptions in electrical power supply. Currently, our mines and projects receive 100% of their daily demand from PNG Power and, although they have the capacity to self-generate by means of diesel-generated power when required, the cost of this power will fluctuate with changes in the oil price. Disruptions in electrical power supply or substantial increases in the cost of oil could have a material adverse effect on our business, operating results and financial condition.

See Item 5: "*Operating and Financial Review and Prospects – Operating Results – Key factors affecting our results – Electricity in South Africa.*" and "*Integrated Annual Report for the 20-F 2022 – Environment – Climate change, energy and emissions management*" on pages 100 to 105.

Illegal mining and other criminal activity, including theft of gold and gold-bearing material, could pose a threat to the safety of employees, result in damage to property and could expose us to losses, business disruption and liability.

The activities of illegal and artisanal miners, which include theft, has increased over the years and had become more violent and threatens both the safety of employees and sustainability of the mining industry, Artisanal and illegal miners are

active on, or adjacent to, several of our properties, but are mostly active on surface the last year. Artisanal and illegal miners at times may lead to interference with our operations and results in conflict that presents a security threat to property and human life. The environmental, social, safety and health impacts of artisanal mining are frequently attributed to formal mining activity, and it is often assumed that artisanal-mined gold is channeled through large-scale mining operators, even though artisanal and large-scale miners have distinct supply chains. These misconceptions impact negatively on the reputation of the industry.

The activities of the illegal miners, which include theft, can cause damage to our properties, including by way of pollution, copper cable theft, underground fires, critical infrastructure damage, operational disruption, project delays or personal injury or death, for which we could potentially be held responsible. Illegal and artisanal mining could contribute to the depletion of mineral deposits, potentially making the future mining of such deposits uneconomic. Most illegal miners are found at abandoned shafts or old work places.

Illegal and artisanal mining (which may be by employees or third parties) is associated with a number of negative impacts, including environmental degradation and human rights abuse, such as forced labor, human trafficking, child labor, corruption, money laundering and other violent crimes in the communities and at the mines. Effective local government administration is often lacking in the locations where illegal and artisanal miners operate, due to rapid population growth and the lack of functioning structures, which can create a complex, unstable social environment. The disbandment of specialized South African Police Service ("SAPS") units has also left a huge gap in the apprehension of high-ranking criminals in the illicit gold trade.

The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. In addition, illegal mining could lead to an increase in the level of organization and funding of criminal activity around some of our operations. Criminal activities such as trespassing, illegal and artisanal mining, and related sabotage, theft and vandalism could lead to damage to, and disruptions at, our operations.

Rising gold and copper prices may result in an increase in gold and copper thefts; moreover, incidences of illegal mining may escalate as a result of social and economic conditions. The occurrence of any of these events could have a material adverse effect on our financial condition on results of our operations.

Actual and potential shortages of production inputs and supply chain disruptions may affect our operational results

Our operational results may be affected by the availability and pricing of consumables such as fuel, chemical reagents, explosives, tires, steel and other essential production inputs. Issues with regards to availability of consumables may result from shortages, long lead times to deliver and supply chain disruptions, which could result in production delays and production shortfalls. We expect cost increases to continue in fiscal 2023 across our operations, including as a result of other factors such as the price of oil, inflationary increases and labor costs. See *"–Rising inflation, including as a result of Russia's invasion of Ukraine, may have a material adverse effect on our business, operating results and financial condition"*.

Our mining operations have not been spared the global trend of steel shortages created by the Covid-19 pandemic and mushrooming protests within the steel industry regarding wages. Virtually without exception, local major steelmakers and retailers have struggled to meet the rebound in steel demand. The national steel shortages, ascribed to the South African lockdown and protests, are affecting many engineering companies (small and large) in our supply chain network and impacting on the availability of steel-related mining inputs. Our reagent suppliers for sodium cyanide, hydrochloric acid and caustic soda have also been struggling to meet our demands due to similar Covid-19 and protest-related disruptions. There was also a potential shortage of oxygen at our operations during the higher waves of Covid-19 outbreaks which contributed to lower production at our plants.

These shortages and delayed deliveries may also be experienced where industrial action affects our suppliers. These issues could also affect the pricing of the consumables, especially if shortages are experienced. The price of consumables may be substantially affected by changes in global supply and demand, along with natural disasters such as earthquakes, climate change, extreme weather conditions, governmental controls, industrial action and other factors. A sustained interruption to the supply of any of these consumables would require us to find acceptable substitute suppliers and could require us to pay higher prices for such materials. A sustained interruption might also adversely affect our ability to pursue our development projects.

Any significant increase in the prices of these consumables would increase operating costs and adversely affect profitability, which could adversely affect our results of operations and our financial condition.

Fluctuations in insurance cost and availability could adversely affect our operating results and our insurance coverage may prove inadequate to satisfy future claims

We have global insurance policies covering general liability, directors' and officers' liability, cyber-security, accidental loss or material damage to our property, business interruption in the form of fixed operating costs or standing charges and other losses. The costs of maintaining adequate insurance coverage, have increased significantly recently and may continue to do so in the future, thereby adversely affecting our operating results.

We have third-party liability coverage for most potential liabilities, including environmental liabilities. We may be subject to liability for pollution (excluding sudden and accidental pollution) or other hazards against which we have not insured or cannot insure, including those for past mining activities. We also maintain property and liability insurance consistent with industry practice, but this insurance contains exclusions and limitations on coverage. In addition, there can be no assurance that insurance will be available at economically acceptable premiums. As a result, our insurance coverage may not cover the claims against it, including for environmental or industrial accidents, pollution or public health emergencies, data protection and cybersecurity breaches and other events that could disrupt our operations, such as Covid-19, which could have a material adverse effect on our financial condition. See *"–Risks related to our industry - The impact from, and measures taken to address, the Covid-19 pandemic may adversely affect our people, and may impact our business continuity, operating results, cash flows and financial condition."*

We compete with mining and other companies for key human resources with critical skills and our inability to retain key personnel could have an adverse effect on our business

The risk of losing senior management or being unable to hire and retain sufficient technically skilled employees or sufficient representation by HDSAs in management positions, or sufficient gender diversity in management positions or at Board level, may materially impact on our ability to achieve our objectives.

We compete with mining and other companies globally to attract and retain key human resources at all levels with the appropriate technical skills and operating and managerial experience necessary to continue operating our business. The need to recruit, develop and retain skilled employees is particularly critical with HDSAs and women in mining in South Africa, and the global shortage of key mining specialists, including geologists, mining engineers, mechanical and electrical engineers, metallurgists and skilled artisans has been exacerbated by increased mining activity across the globe. There can be no assurance that we will attract and retain skilled and experienced employees. Should we lose any of our key personnel, our business may be harmed and our operational results and financial condition could be adversely affected. See Item 4. “*Information on the Company – Business Overview – Regulation – Labor Relations*” and “*Integrated Annual Report for the 20-F 2022 – Social – Caring for our employees*” on pages 147 to 153.

In PNG, the PNG Government is considering revisions of its local content policy which will severely restrict the utilization of offshore-based “fly-in, fly out” expatriate employees, and prescribe increased levels of participation by locally-owned businesses in the provision of goods and services. If introduced, this will adversely affect our ability in PNG to engage and retain appropriately skilled human resources, and manage the costs of goods and services to our operations. It will also necessitate the application of additional resources to the construction or provision of housing for residential employees, and the recruiting and training of local landowners and landowner businesses.

The use of contractors at certain of our operations may expose us to delays or suspensions in mining activities and increases in mining costs

We use contractors at certain of our operations to mine and deliver ore to processing plants as well as for other purposes. At mines employing mining contractors, contracting costs represent a significant proportion of the total operating costs of these operations and we do not own all of the mining equipment.

Our operations could be disrupted, resulting in additional costs and liabilities, if the mining contractors at affected mines have financial difficulties, if a dispute arises in renegotiating a contract, or if there is a delay in replacing an existing contractor and its operating equipment to meet business needs at expected cost levels. Increases in contract mining rates, in the absence of associated productivity increases, will also have an adverse impact on the our results of operations and financial condition.

Contractors can adversely affect our reputation, results of operations and financial condition by: our reduced control over those aspects of operations which are the responsibility of contractors; their failure to comply with applicable legal, human rights and regulatory requirements; their inability to manage their workforce to provide high quality services and a high level of productivity. This may result in us incurring liability to third parties due to the actions of contractors, which could have a material adverse effect on our business, operating results and financial condition.

We are dependent on a number of highly-integrated communication and IT systems, any disruption to which could have an adverse effect on our results of operations and financial condition.

We utilize and are reliant on various internal and external communication and IT system applications to support our business activities. Damage or interruption of our communication and IT systems, whether due to accidents, human error, natural events or malicious acts, may lead to important data being irretrievably lost, exposed or damaged, thereby adversely affecting our business, operating results and financial condition.

Estimations of our reserves are based on a number of assumptions, including mining and recovery factors, future cash costs of production, exchange rates, and the relevant commodity prices; as a result, metals produced in future may differ from current estimates

The mineral reserve estimates in this annual report are estimates of the mill-delivered quantity and grade of metals in our deposits and stockpiles. They represent the amount of metals that we believe can be mined, processed and sold at prices sufficient to recover our estimated future cash costs of production, remaining investment and anticipated additional capital expenditures. Our mineral reserves are estimated based on a number of factors, which have been stated in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (“**SAMREC, 2016**”). Calculations of our mineral reserves are based on estimates of:

- future cash costs;
- future commodity prices;
- future currency exchange rates; and
- metallurgical and mining recovery rates.

These factors, which significantly impact mineral reserve estimates, are beyond our control. As a result, reserve estimates in this annual report should not be interpreted as assurances of the economic life of our gold and other precious metal deposits or the future profitability of operations.

Since these mineral reserves are estimates based on assumptions related to factors detailed above, should there be changes to any of these assumptions, we may in future need to revise these estimates. In particular, if our cash operating and production costs increase or the gold price decreases, recovering a portion of our mineral reserves may become uneconomical. This will lead, in turn, to a reduction in estimated reserves. Any reduction in our mineral reserves estimate could materially adversely affect our business, operating results and financial condition.

Our operations have limited proved and probable reserves; exploration for additional resources and reserves is speculative in nature, may be unsuccessful and involves many risks

Our operations have limited proved and probable reserves, and exploration and discovery of new resources and reserves are necessary to maintain current gold production levels at these operations. Exploration for gold and other precious metals is speculative in nature, may be unsuccessful and involves risks including those related to:

- locating orebodies;
- geological nature of the orebodies;
- identifying the metallurgical properties of orebodies;
- estimating the economic feasibility of mining orebodies;
- developing appropriate metallurgical processes;
- obtaining necessary governmental permits; and
- constructing mining and processing facilities at any site chosen for mining.

Our exploration efforts might not result in the discovery of mineralization, and any mineralization discovered might not result in an increase in resources or proved and probable reserves. To access additional resources and reserves, we will need to complete development projects successfully, including extensions to existing mines and, possibly, establishing new mines. Development projects would also be required to access any new mineralization discovered by exploration activities around the world. We typically use feasibility studies to determine whether to undertake significant development projects. These studies often require substantial expenditure. Feasibility studies include estimates of expected or anticipated economic returns, which are based on assumptions about:

- future gold and other metal prices;
- anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold and other metals from the ore; and
- anticipated total costs of the project, including capital expenditure and cash costs.

All projects are subject to project study risk. There is no certainty or guarantee that a feasibility study, if undertaken, will be successfully concluded or that the project that is the subject of the study will satisfy our economic, technical, risk and other criteria in order to progress that project to development.

A failure in our ability to discover new resources and reserves, enhance existing resources and reserves or develop new operations in sufficient quantities to maintain or grow the current level of our resources and reserves could negatively affect our business, operating results and financial condition.

We are subject to the risk of litigation, the causes and costs of which are not always known

We are subject to litigation, arbitration and other legal proceedings arising in the normal course of business, including environmental, health and safety matters, and may be involved in disputes that may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental, health and safety concerns, share price volatility or failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty but could include costly damage awards or settlements, fines, and the loss of licenses, concessions, or rights, among other things.

In the event of a dispute, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in South Africa. An adverse or arbitrary decision of a foreign court could have a material adverse impact on our financial performance, cash flow and results of operations.

We are subject to numerous claims, including class actions or similar group claims relating to silicosis and other occupational health diseases, and could be subject to similar claims in the future. A settlement in the silicosis class action claims has been reached and a provision for silicosis has been made. A provision of R820 million has been recognized at June 30, 2022, for our potential cost to settle the silicosis and TB class actions that have been instituted against us in South Africa. Significant judgment was applied in estimating the costs that will be incurred to settle the silicosis class action claims and related expenditure and the final costs may differ from current cost estimates. Management believes the assumptions are appropriate, however changes in the assumptions may materially affect the provision and final costs of settlement. There can be no assurance that the ultimate resolution of this matter will not result in losses in excess of the recorded provision and the ultimate settlement may have a material adverse effect on our financial position. For further information, see Item 8: “Financial Information – Consolidated Statements and Other Financial Information – Legal Proceedings” and “Integrated Annual Report for the 20-F 2022 – Social – Health” on pages 139 to 146 for further information. See note 27 “Other Provisions – Provision for silicosis settlement” to our consolidated financial statements set forth beginning on page F-1.

It is possible that additional class actions and/or individual claims relating to silicosis and/or other occupational health diseases will be filed against us in the future. We will defend all and any subsequent claims as filed on their merits. Should we be unsuccessful in defending any such claims, or in otherwise favorably resolving perceived deficiencies in the national occupational disease compensation framework that were identified in the earlier decision by the Constitutional Court, such matters would have an adverse effect on our financial position, which could be material.

In PNG, it is proposed to utilize deep sea tailings placement (“DSTP”) as the tailings disposal method for the Wafi-Golpu project, which disposal method is authorized under the environment permit issued for the project. The issuance of the permit is currently the subject of a judicial review applied for in March 2021 by the previous Governor of the Morobe Province in PNG, who was opposed to DSTP. The present Governor, who was appointed in September 2022, is not opposed to DSTP and has stated publicly that he intends to withdraw the action. Notwithstanding the change of position of the Governor, it is possible that a class action or individual claim relating to DSTP may be filed against us in the future, which could have a material adverse impact on the Wafi-Golpu project.

Should we be unable to resolve disputes favorably or to enforce our rights, this may have a material adverse impact on our financial performance, cash flow and results of operations.

Risks Related to ESG

Increasing scrutiny and changing expectations from our stakeholders, including communities, governments and NGOs as well as investors, lenders and other market participants, with respect to our ESG performance and policies may impose additional costs or expose us to additional risks

Companies across all industries are facing increasing scrutiny related to ESG issues, including their internal ESG policies and governance practices. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG-related matters and in recent years have placed increasing importance on the environmental and social costs and impact of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as investors and lenders may decide to reallocate capital or to not commit capital as a result of their assessment of a company’s ESG practices. In addition, host communities, as well as certain governmental and non-government actors, are increasingly focused on a company’s ability to operate in a sustainable manner and to mitigate related risks, as well as the public commitments and quantitative metrics used to demonstrate performance and track progress.

For us, this includes, in particular, the safe operation of our mines, mitigating our impact to local environments and affected communities and reducing GHG emissions in line with our voluntary commitments. If our performance fails to meet internal or adopted external ESG standards, or we otherwise fail to satisfy stakeholder expectations with respect to our commitments and performance, regardless of whether there is a legal requirement to do so, such failure could result in reputational damage to and litigation against us and our business, financial condition, and/or share price could be materially and adversely affected.

In particular, we face heightened pressures from stakeholders, who are increasingly focused on climate change, to prioritize energy efficiency in our operations, reduce our carbon footprint and improve water and other resource consumption, as well as to be transparent about how climate-related risks and opportunities are managed throughout the supply chain to foster and promote business resiliency, accountability and stakeholder value. We may be required to implement even more stringent ESG practices or standards to meet the expectations of existing and future stakeholders and, if we fail to achieve these objectives or to adhere to internal or adopted external standards, or are perceived to be insufficiently committed to addressing ESG concerns across all of our operations and activities, our reputation and brand image could be damaged. Further, we could lose the trust of our stakeholders (including governments, NGOs, investors, customers and employees) or be subject to litigation brought by those stakeholders and our business, financial condition and results of operations could be adversely impacted.

We are subject to extensive environmental regulations in the countries in which we operate

As a gold mining company, we are subject to extensive environmental regulation. These regulations relate to, among other things, the protection of the environment, pollution, water management, waste disposal, occupational health and safety, including mine safety, toxic substances and the closure of mining operations. We expect the trend of rising production costs due to compliance with environmental laws and regulations in South Africa and PNG to continue.

In addition to compliance with local laws and regulations, our operations are also increasingly subject to stakeholder expectations concerning the application of stringent internationally-recognized environmental, health and safety and social standards and benchmarks. The application of such standards could impose significant costs on us. Certain financial institutions from whom we borrow money may also require compliance with any of these standards, the subsequent deviation from which could prevent or adversely affect our financial condition, existing financing arrangements and ability to secure future financing.

South Africa

In South Africa, the MPRDA and NEMA, along with various other environmental statutes, regulations and standards regulate the impact of our prospecting and mining operations on the environment. These statutes, regulations and standards are regularly updated, amended and supplemented, imposing additional obligations on mining companies to, among other things, minimize emissions, reduce, re-use and recycle waste and improve the quality of effluent and wastewater discharged from the operations. See Item 4: “Information on the Company – Business Overview – Regulation – Laws and Regulations Pertaining to Environmental Protection – South Africa – NEMA”.

Under the MPRDA, a mining holder remains responsible for any environmental liability, pollution, ecological degradation, the pumping and treatment of extraneous water and the sustainable closure of mining operations until such time as the Minister issues a closure certificate. Notwithstanding this, the NEMA states that a mining right holder will remain responsible for these obligations even after a closure certificate is issued.

In South Africa, until such time as a closure certificate is issued, a mining right holder is required to assess annually the environmental liabilities associated with the mining operation (including the pumping and treatment of extraneous water) and put up financial provision for the rehabilitation, closure and ongoing post decommissioning management of negative environmental impacts. This financial provision may be released when the Minister issues a closure certificate. However, he or she may determine to retain a portion of the financial provision in perpetuity for any residual and latent environmental liabilities.

The manner in which the amount of the financial provision is calculated may in future be regulated under the Financial Provision Regulations, 2015 (as they may be amended). Prior to this, the amount of financial provision has been calculated pursuant to the Guideline Document for the Evaluation of the Quantum of Closure-related Financial Provision Provided by a Mine (the “**DMRE Guidelines**”) of the DMRE. The DMRE Guidelines were criticized for undervaluing the costs of environmental rehabilitation thus exposing the DMRE to potential liability in the event that the mining right holder was unable to fulfill its environmental obligations. The proposed Financial Provision Regulations, 2015 place an emphasis on post-closure water pumping and treatment and the need for upfront provision to be set aside for the management of these types of impacts.

On November 20, 2015, the Minister of Environmental Affairs published the Financial Provision Regulations, 2015. The Financial Provision Regulations, 2015 sought to rectify the inadequacies of the DMRE Guidelines by, among other things, including preliminary and general costs in the financial provision calculations, imposing VAT (at 15%) on the total amount, prohibiting the withdrawal of trust funds for concurrent rehabilitation (even in circumstances where the financial provision exceeds the evaluated environmental liability) and ceding a portion of the funds to the Minister as security for possible latent and residual post-closure environmental impacts.

Compliance with these obligations would result in a significant increase in the required financial provision and, consequently has been strongly opposed by the mining industry. In response to this opposition, the Department of Forestry, Fisheries and the Environment (“**DFFE**”), the competent authority for drafting the Financial Provision Regulations, 2015, undertook to engage further with mining industry and other stakeholders to amend or develop new financial provision regulations. Draft amendments to the Financial Provision Regulations, 2015 were published by the Minister of Forestry, Fisheries and the Environment in May 2019, August 2021 and again on July 11, 2022. We have submitted comments on these latest draft amendments in an effort to address some of the remaining issues. In light of this the on-going consultation, the date by which mining companies are required to align their financial provision with the Financial Provision Regulations, 2015 has been extended to September 19, 2023. It is likely that the financial provision calculation will be more stringent than the calculations under the DMRE Guidelines and we may have to adjust our financial provision.

In addition, we may also face increased environmental costs should other mines in the vicinity fail to meet their obligations related to the pumping or treatment of water.

The adoption of these, or additional or more comprehensive and stringent requirements, particularly for the management of hazardous waste, pollution of ground and groundwater systems and duty to rehabilitate closed mines, may result in additional costs and liabilities, which could have a material adverse effect on our business, operating results and financial condition.

We continue to engage with the DFFE and the DMRE regarding matters relating to financial provision including the Financial Provision Regulations, 2015, as well as the adjustment of financial provision in respect of the mining operations. There are concerns about the ambiguity of the provisions and how they can be operationalized within the prescribed transitional time frames, which may result in misinterpretation, mis-application and potential disputes with the DFFE, any of which could have a material adverse effect on our business, operating results and financial condition. See note 26 “*Provision for environmental rehabilitation*” to our consolidated financial statements set forth beginning on page F-1.

Other key environmental legislation includes the South African National Water Act, 36 of 1998 (“**NWA**”), the National Environmental Management: Air Quality Act, 39 of 2004 (the “**Air Quality Act**”), the National Environmental Management: Waste Act, 59 of 2008 (the “**Waste Act**”), the National Nuclear Regulator Act, 47 of 1999, the National Environmental Management: Biodiversity Act, 10 of 2004, the National Heritage Resources Act, 25 of 1999, the Carbon Tax Act, 15 of 2019 (the “**Carbon Tax Act**”), and the MPRDA. The National Environmental Management Laws Amendment Act, 2 of 2022 (“**NEMLAA**”) was assented to on June 21, 2022. The NEMLAA will come into effect on a date determined by the Minister of Forestry, Fisheries and the Environment (the “**Environment Minister**”). The NEMLAA contains numerous amendments to NEMA, many of which are intended to resolve several issues linked to the roll-out of the “One Environmental System”. The NEMLAA has been described as the most significant piece of environmental legislation since the implementation of the One Environmental System, bringing with it a major shift in South Africa’s environmental legislative landscape. See Item 4: “*Information on the Company – Business Overview – Regulation – Laws and Regulations Pertaining to Environmental Protection – South Africa*”.

Papua New Guinea

Our PNG operations are subject to the PNG Environment Act 2000 (“**PNG Environment Act**”) and various related regulations and guidelines. The PNG Environment Act regulates discharges to air, land and water, and sets out the requirements for proponents to obtain an environment permit for the construction and operation of prescribed activities having the potential to cause environmental harm. An environmental impact statement is required when projects are likely to have a significant adverse impact on the environment and other social or cultural heritage aspects. The PNG Government will use the environmental impact statement as the means to assess a project's impacts, in accordance with statutory processes, and decide whether the Environment Minister should grant approval in principle for the project under the PNG Environment Act. Thereafter, the Managing Director Conservation and Environment Protection Authority (“**CEPA**”) may grant a Level 3 environment permit for the project.

Compliance with existing or new environmental legislation, which increases the burden of compliance or the penalties for non-compliance may cause us to incur further significant costs and could have a material adverse effect on our business, operating results and financial condition.

A process of mining regime review is underway within PNG and a number of environmental matters are under consideration. These include a Mine Closure Policy and Mining Project Rehabilitation and Closure Guidelines (which include requirements for the provision of financial assurance for mine closure and rehabilitation costs), a Biodiversity Offsets Policy (which anticipates biodiversity offset payments to support biodiversity initiatives), and a National Oceans Policy. See Item 4: “*Information on the Company – Business Overview – Regulation – Laws and Regulations pertaining to Environmental Protection – Papua New Guinea*”.

Our operations and projects in PNG will potentially be affected by changes to PNG environmental laws, which could have a material adverse effect on our business, operating results and financial condition. As such we continue to engage with the PNG Government on these matters, indirectly through the offices of the PNG Chamber of Mines and Petroleum and directly with CEPA and (in the case of mine closure) with the MRA.

See "*Integrated Annual Report for the 20-F 2022 – Environment – Environmental management and stewardship*" on pages 89 to 96 for further discussion on the applicable legislation and our policies on environmental matters.

The socio-economic framework in the regions in which we operate may have an adverse effect on our operations and profits

We have operations in South Africa and PNG. As a result, changes to or instability in the social, economic or political environment in either of these countries or in countries proximate to them could affect an investment in us. Without limitation, political risks may include the following: political instability and terrorism; nationalization; change in legislative, regulatory or fiscal frameworks; renegotiation or nullification of existing contracts, leases, permits or other agreements; restrictions on repatriation of earnings or capital; changes in laws and policy; and socio-economic risks including civil unrest and criminality. The impact of future long term health related issues may heighten social tensions and demands, as individuals look to the mining industry for job creation opportunities and other resources and benefits.

In March 2019, the President of South Africa, Cyril Ramaphosa, announced in parliament that South Africa would move forward with the nationalization of the SARB. Since the announcement, there have been various contradictory statements made by government officials regarding the government's plans to nationalize the SARB, which have created uncertainty around this issue, notwithstanding that the SARB's independence is constitutionally guaranteed. Although the most recent statements of the African National Congress ("**ANC**") suggest that nationalizing the SARB is still part of their policy, it appears that the nationalization process has been put on hold.

In PNG, the government of Prime Minister, James Marape, has advocated a policy of "Take Back PNG", intended to increase the PNG Government's share of the proceeds from mining, enhance landholder and provincial government equity participation in mining projects and promote direct involvement in mining and exploration by State-owned enterprises. In addition to a comprehensive ongoing review of PNG's mining regime, this policy has witnessed the passage of the Mining (Amendment) Act 2020 which empowers the PNG Government to reserve land that is subject to an expired, cancelled, surrendered or relinquished tenement, and the tabling of a proposed Organic Law, which envisages the transfer of ownership of minerals from the PNG Government to a SOE not subject to the PNG Mining Act.

It is difficult to predict the future political, social and economic environment in these countries, or any other country in which we operate save to state that any social, economic or political changes or instability may adversely affect the general business environment and our business, results of operations and financial condition, including the movement of funds into or out of South Africa and PNG.

Given the nature of mining and the type of mines we operate, we face a material risk of liability, delays and increased cash costs of production from environmental and industrial accidents and pollution compliance breaches

The business of gold mining involves significant risks and hazards, including environmental hazards and industrial accidents. In particular, hazards associated with underground mining include:

- rock bursts;
- seismic events;
- underground fires;
- cave-ins or fall-of-ground;
- discharges of gases and toxic chemicals;
- release of radioactive hazards;
- flooding or droughts;
- mining of pillars (integrity of shaft support structures may be compromised and cause increased seismicity);
- processing plant fire and explosion;
- critical equipment failures;
- accidents and loss-of-life incidents; and
- other conditions resulting from drilling, blasting and the removal and processing of material from a deep-level mine.

Hazards associated with opencast mining (also known as open-pit mining) include:

- flooding of the open-pit;
- collapse of open-pit walls or slope failures;
- processing plant fire and explosion;
- accidents associated with operating large open-pit and rock transportation equipment;
- accidents associated with preparing and igniting of large-scale open-pit blasting operations; and
- major equipment failures.

Hazards associated with construction and operation of waste rock dumps and tailings storage facilities include:

- accidents associated with operating a waste dump and rock transportation;
- production disruptions caused by natural phenomena, such as floods and droughts and weather conditions, potentially exacerbated by climate change;
- dam, wall or slope failures; and
- contamination of ground or surface water.

We are at risk from any or all of these environmental and industrial hazards. In addition, the nature of our mining operations presents safety risks. Our operations are subject to health and safety regulations, which could impose additional costs and compliance requirements. We may face claims and liability for breaches, or alleged breaches, of such regulations and other applicable laws. Any legislative changes relating to financial provisions could add to the costs. The occurrence of any of these events could disrupt production, increase cash costs and, individually or in the aggregate, have a material adverse effect on our business, results of operations and our financial condition.

Mining companies are increasingly expected to provide benefits to affected communities; failure to comply with these requirements can result in legal suits, additional operational costs, investor divestment and impact our "social license to operate", which could adversely impact our business, operating results and financial condition

As a result of public concern about the perceived ill effects of economic globalization, businesses in general and large international companies such as our company, in particular, face increasing public scrutiny of their activities.

Like other mining companies, we are under pressure to demonstrate that while we seek a satisfactory return on investment for shareholders, other stakeholders including employees, contractors, communities surrounding the operations and the countries in which we operate, also benefit from our commercial activities. Such pressures tend to be particularly focused on companies whose activities are perceived to have a high impact on the social and physical environment. The potential consequences of these pressures include reputational damage, legal suits, social spending obligations and investor withdrawal. There is also increasing action by members of the general financial and investment communities, such as asset managers, sovereign wealth funds, public pension funds, universities and other groups, to promote improvements in ESG performance by us and others.

Existing and proposed mining operations are often located at or near existing towns and villages and other infrastructure, or natural water courses. The impacts of dust generation, waste storage, water quality or shortages may be immediate and directly adverse to those communities; poor environmental management practices, in particular, adverse changes in the supply or quality of water can result in community protest, regulatory sanctions or ultimately in the withdrawal of community and government support. While mining operations are intended to be designed to mitigate the impact on such communities and the environment, there can be no assurance that they will do so, and the occurrence of any of these events could disrupt production, increase cash costs and, individually or in the aggregate, have a material adverse effect on our business, results of operations and our financial condition.

In PNG, we are required under the PNG Mining Act and PNG Environment Act to pay landowners compensation for any loss or damage sustained by them arising from our exploration or mining activities. In certain prescribed instances, the quantum of these payments is regulated, or otherwise is the subject of negotiation (and determination by a mine warden in the event of disagreement).

In addition, it is a practice under the PNG mining regime for mining tenement holders to enter into a negotiated Memorandum of Agreement ("MOA") with the PNG Government, the affected provincial and local level governments, the affected landowner(s) and other stakeholder organizations regarding the sharing of benefits (e.g. royalties payable to the PNG Government) derived from the mining operations and other social performance objectives.

Under the Hidden Valley Mine MOA, which was executed in 2005, an agreed share of the royalties paid by us to the PNG Government in respect of our mining operations is allocated among Morobe Provincial and local level governments and landowner groups. Also, the Hidden Valley MOA contains agreed national content, localization and social performance plans, which address various aspects of procurement, business development, employment and training and other community support.

Delays in projects attributable to a lack of community support or community-related disruptions or delays can translate directly into a decrease in the value of a project or into an inability to bring the project to, or maintain, production. The cost of implementing these and other measures to support sustainable development could increase capital expenditure and operating costs and therefore adversely impact our reputation, business, operational results and financial condition. See "Integrated Annual Report for the 20-F 2022 - About Harmony - Our material matters" on pages 35 to 38 and "- Stakeholder engagement" on pages 39 to 44.

We may not be able to meet our ESG targets

We have announced a range of ESG-related targets for the next five years and beyond, including environmental management, land rehabilitation, climate change, energy and emissions management, water use optimization, tailings and waste management, air quality, biodiversity and conservation, employee health and safety, wellness and healthcare, community empowerment, corporate social investment and corporate governance. We cannot guarantee that we will meet all these targets. For instance, the climate crisis cannot be addressed by Harmony, or any organization, on its own. Our progress is dependent not only on our own actions but on (i) the governments of the countries in which we operate, (ii) clear, early regulatory policy to help drive the change needed to meet our targets and (iii) actions of those in our value chain and wider society. Failure to meet these targets could have a material adverse effect on our business, operating results and financial condition, as well as pose reputational and litigation risks. See "Integrated Annual Report for the 20-F 2022 - Environment" set forth on pages 89 to 129.

Compliance with emerging climate change regulations and other sustainability measures could result in significant costs for us

Increased global awareness that GHGs contribute to climate change has resulted in legislative mechanisms obliging companies to report GHG emissions and implement measures to reduce GHG emissions and imposing penalties or taxes on GHG emissions. The manner in which these legislative mechanisms and sustainability measures will affect the Company are set out in more detail below.

Reporting GHG Emissions

In South Africa, the National Greenhouse Gas Emission Reporting Regulations require that we register our operations that involve fuel combustion activities associated with mining and quarrying in excess of 10MW as well as certain other activities associated with the mineral industry. We must report our GHG emissions and activity data in respect of these operations in accordance with the Technical Guidelines for Monitoring, Reporting and Verification of Greenhouse Gas Emissions by Industry (“**Technical Guidelines**”) for each of the relevant GHGs and the Intergovernmental Panel on Climate Change (“**IPCC**”), emission sources by March 31st of each year. The Technical Guidelines are a companion to the South African National GHG Regulations and describe the reporting methodology as specified in the Air Quality Act.

Reduction in GHGs

GHGs are emitted directly by our operations, as well as indirectly as a result of consuming electricity generated by external utilities. Emissions from electricity consumption are indirectly attributable to our operations.

A number of international measures seeking to mitigate or limit GHG emissions have been ratified by South Africa and PNG, including the Paris Agreement, a treaty negotiated at the Conference of the Parties of the UN Framework Convention on Climate Change in Paris in December 2015 (the “**Paris Agreement**”), pursuant to which member countries set out the manner and period in which they plan to reduce emissions. This commitment or “nationally-determined contribution” is informed by each member country’s circumstances.

Pursuant to South Africa’s nationally-determined contribution, GHG emissions will peak between 2020 and 2025, plateau from 2025 to 2035 and thereafter decline from 2036 onwards.

PNG’s GHG emissions have historically been negligible. However, according to PNG’s nationally-determined contribution, economic development in PNG will see an increased reliance on fuel. The PNG Government therefore plans to reduce fossil fuel emissions in the electricity generation sector and transition to 100% renewable energy by 2030, provided that funding is available.

The Carbon Tax Act was enacted to assist South Africa in meeting its objectives under its nationally-determined contribution.

The Carbon Tax Act came into effect on June 1, 2019 notwithstanding that the regulations required for implementation had not then been promulgated. Pursuant to the Carbon Tax Act, a party is liable to pay a carbon tax if it conducts an activity in South Africa resulting in GHG emissions above the threshold set out in Schedule 2 to the Carbon Tax Act. The tax is charged at a rate of R144 per tonne of GHG emissions generated by burning fossil fuels, unintentionally emitting GHGs during the extraction, processing, delivery and burning of fossil fuels for energy production, including from industrial plant and pipelines, and conducting manufacturing processes that chemically and physically transform materials.

The tonnage of GHGs in respect of these activities is determined by multiplying GHG emission factors contained in the Schedules to the Carbon Tax Act by the mass of fossil fuels or raw materials used or produced, as the case may be. Until December 31, 2025 the tax rate will be increased annually by the consumer price index (“**CPI**”) plus 2%. Thereafter, the rate will increase annually by the CPI.

In order to reduce the significant tax that results by multiplying the total tonnage of GHG by R144, the Carbon Tax Act makes provision for various “allowances” which could result in a decrease of the carbon tax payable by up to 95%. These allowances include:

- allowance for fossil fuel combustion;
- allowance for industrial process emissions;
- allowance in respect of fugitive emissions;
- a trade exposure allowance;
- a performance allowance;
- a carbon budget allowance; and
- an offset allowance.

These allowances reduce the effective carbon tax rate to between R6 and R48 per tonne of GHG. Pursuant to section 19 of the Carbon Tax Act, the Minister of Finance must make regulations regarding: the sub-sector GHG emissions intensity benchmark required in order to calculate the performance allowance; the manner in which the trade exposure allowance must be determined; and carbon offsets. To date, only the carbon offset regulations under the Carbon Tax Act have been promulgated, which set out the eligibility criteria for carbon offset projects, a procedure for taxpayers claiming the carbon offset allowance, and administration of the offset system. The National Treasury published amendments to the carbon offset regulations in March 2021, which among other things stated that the carbon offset regulations were amended to clarify that carbon credits from approved “clean development mechanism” projects issued under national registries will be eligible for carbon offsets. The intensity benchmark regulations and trade exposure regulations are still only in draft form. In respect of carbon budgets, the

South African government has undertaken to consult with industry to ensure an “optimal combination” of mitigation actions that strike a balance between South Africa’s socio-economic imperatives, especially creating and preserving jobs, as well as the need to manage climate change impacts and contribute to global efforts to stabilize GHG concentrations.

On February 18, 2022, the DFFE introduced the Climate Change Bill, 9 of 2022 (the “**2022 Climate Change Bill**”), for public consultation. The 2022 Climate Change Bill would impose carbon budgets on entities in certain high-emitting industries, such as mining. It also requires companies, including Harmony, to submit pollution prevention plans covering the period from January 1, 2021 to December 31, 2025. The carbon budgets are intended to operate as statutory limits for CO₂e, emissions in excess of which may entail a fine, or other punitive measures. It is expected that the Carbon Tax Act will be aligned with the 2022 Climate Change Bill, such that it will set out the amount that companies will be required to pay for CO₂e emissions exceeding the applicable carbon budget. Further, if the 2022 Climate Change Bill is enacted, it is expected that the South African government will phase out the current carbon budget allowance of 5% provided for under the Carbon Tax Act.

The first carbon tax payment for the period from June 1, 2019 to December 31, 2019 was originally due on July 31, 2020, but was extended to October 31, 2020 due to the Covid-19 pandemic. Carbon tax reporting and payment for 2020 was due on July 29, 2021, with details and requirements related to reporting available on the South African Revenue Service’s website.

Our tax liability due to the carbon tax has been provisionally estimated. However, at this time it is not possible to determine the ultimate impact of the Carbon Tax Act on the Company. Nevertheless, we have set our internal carbon price (for the South African operations) to match that of the carbon tax. We may also be liable for potential pass-through costs from our suppliers in the short term from increased fuel prices. Simultaneously with the introduction of the carbon tax under the Carbon Tax Act, a carbon fuel levy was introduced under the Customs and Excise Act 91 of 1964 (“**Customs and Excise Tax**”), as part of the current South African fuel levy regime. The carbon tax on liquid fuels will be imposed at the fuel source. It is estimated that the increased fuel price would be R0.13/liter. This will have an impact on our operational expenses.

The carbon tax poses a relatively low cost to us until December 31, 2025 after which it is anticipated that the “allowances” discussed above will be reduced and the tax will be increased. It is also anticipated that carbon taxes will be imposed on electricity usage generated from fossil fuels. The impact of the carbon tax on us arising from electricity usage after December 31, 2025 is currently unknown but it is anticipated that it may be between R100 million to R500 million per year from fiscal 2023 to fiscal 2030.

The largest portion of GHG emissions is predominantly electricity-related, with electricity expenditure amounting to approximately 15% of our cash costs in South Africa. While cost management is clearly a strategic issue for us, of even greater importance is that energy supply be constant and reliable, given the implications of a loss of energy on both production and health and safety. Additional taxes on energy will affect us significantly, as will regulation that may include, among other things, emission measurement and reduction, audit processes and human resource costs. There is some sentiment expressed by National Treasury that the taxes may be increased but this is not supported by regulation at present.

Assessments of the potential impact of future climate change regulation are still uncertain, given the wide scope of potential regulatory change in South Africa. Such regulatory initiatives and related costs could have a material adverse effect on the business, operating results and financial condition.

Climate Change legislation and policy

As mentioned above, the DFFE published the 2022 Climate Change Bill for public consultation in response to the international commitments made under the Paris Agreement. It aims to address climate change in the long-term by aiming for a climate resilient and low carbon economy in South Africa. Comments on the 2022 Climate Change Bill were due on May 27, 2022. It is unclear when a new draft will be made available.

In PNG, the PNG Climate Change (Management) Act 2015 provides the regulatory framework with respect to climate change in PNG, and establishes PNG’s Climate Change and Development Authority as the coordinating entity for climate change related policies and actions across PNG and the designated National Authority under the UN Framework Convention on Climate Change. Implementation actions under this policy to date have been very limited, however in January 2021 the PNG Climate Change Fees and Charges came into effect which include taxes on carbon in fuel products and a Green Fee (a departure tax for non-residents leaving PNG), and in August 2022 a draft Climate Change (Management) (Carbon Markets) Regulation was circulated for discussion. Future implications of the climate change policy on our operations in PNG are still being established and while they are not expected to have significant impact in the near term, they may potentially have a material adverse effect on our business, operating results and financial condition in the future.

See “Integrated Annual Report for the 20-F 2022 – *Environment – Environmental management and stewardship*”, and “– *Climate change, energy and emissions management*” on pages 89 to 96 and 100 to 105 for disclosure regarding our GHG emissions.

Climate change may present physical risks to our operations

Our operations could be exposed to a number of physical risks posed by climate change, such as changes in rainfall, rising sea levels, reduced water availability, higher temperatures and more frequent extreme weather events. Events or conditions such as fires, flooding or inadequate water supplies could disrupt our mining and transport operations, mineral processing and rehabilitation efforts, create resource or energy shortages, damage property or equipment and increase health and safety risks. Such events or conditions could have other adverse effects on our workforce and on the communities around our mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease. Each of these potential physical impacts of climate change could disrupt our operations and have a material adverse effect on our business, operating results and financial condition.

The cost of occupational health care services and the potential liabilities related to occupational health diseases may increase in future and may be substantial

Our operations are subject to health and safety regulations which could impose significant cost burdens. In South Africa, the MSHA imposes various duties on mines and grants the authorities broad powers to, among others, close mines which are unsafe or hazardous to the health of persons and order corrective action on health and safety matters. Operations in PNG are subject to similar duties and powers, including under the following laws and regulations: PNG Industrial Safety, Health and Welfare Act 1961, PNG Industrial Safety, Health and Welfare Regulations 1965, PNG Mining Act, PNG Mining (Safety) Act, PNG Mining Safety Regulation 1935 (updated in 2006) and PNG Environment Act. In June 2021, the PNG Ministry of Mining released the draft Mine & Works (Safety & Health) Bill 2021 which, if enacted in its present form, will repeal and replace the PNG Mining (Safety) Act.

There is a risk that the cost of providing health services, complying with applicable regulations, including the Compensation for Occupational Injuries and Diseases Act, 130 of 1993 ("**COIDA**"), and the Occupational Diseases in Mines and Works Act, 78 of 1973 ("**ODMWA**"), and implementing various programs could increase in future, depending on changes to underlying legislation, legal claims and the profile of our employees. This increased cost, should it transpire, could be substantial, but is currently indeterminate.

The Occupational Lung Disease Working Group ("**Working Group**"), was formed in fiscal 2014 to address issues relating to compensation and medical care for occupational lung disease in the South African gold mining industry. The Working Group, made up of African Rainbow Minerals Limited, Anglo American SA, AngloGold, Gold Fields Limited, Harmony and Sibanye Gold Limited, has had extensive engagements with a wide range of stakeholders since its formation, including government, organized labor, other mining companies and the legal representatives of claimants who have filed legal actions against the companies.

We have been subject to numerous claims, including class actions or similar group claims relating to silicosis and other occupational lung diseases, and could be subject to similar claims in the future. For instance, in May 2016, the High Court of South Africa (Gauteng Division) certified a class action by current and former mine workers against gold mining companies in South Africa, including us. The action consists of two classes: the silicosis class and the tuberculosis ("**TB**") class. Each class includes mine workers and dependents whose parents died after contracting silicosis and/or TB while working at the mines. The certification of the class means that the claimants were able to sue the mining companies as a class. While issues, such as negligence and causation, need to be proved by the claimant on a case-by-case basis, such a ruling could expose us to claims related to occupational hazards and diseases (including silicosis and TB, which may be in the form of an individual claim, a class action or a similar group claim). The Supreme Court of Appeal granted the mining companies leave to appeal against all aspects of the class May 2016 judgment. The appeal hearing before the Supreme Court of Appeal was scheduled to be heard in March 2018.

However, the parties agreed to postpone the matter to conclude settlement negotiations. The matter was subsequently settled in May 2018. The terms of the settlement are available on our website. The settlement was subject to certain conditions, including that an unconditional order of court, sanctioning the settlement agreement to make the settlement agreement an order of court, is obtained from the High Court of South Africa (Gauteng Division). Such an order was obtained on July 26, 2019, subject to certain conditions which were subsequently fulfilled, and the settlement became effective on December 10, 2019. Accordingly, the Tshiamiso Trust was created for purposes of administering the settlement funds, with all trustees having been appointed by February 6, 2020. See Item 8: "*Financial Information – Consolidated Statements and Other Financial Information – Legal Proceedings*" and "*Integrated Annual Report for the 20-F 2022 – Health*" on pages 139 to 146 for further information. See note 27 "*Other Provisions – Provision for silicosis settlement*" to our consolidated financial statements set forth beginning on page F-1.

On January 31, 2020, the Working Group commenced the payment of their quarterly administration and benefit contributions to the Tshiamiso Trust to enable the trustees to settle benefits of eligible claimants.

As a result of the ongoing work of the Working Group and engagements with affected stakeholders since December 31, 2016, we provided for our share of the estimated cost in relation to the Working Group of a settlement of the class action claims and related costs. At June 30, 2022 the provision in our statement of financial position was R820 million. We believe that this remains a reasonable estimate of our share of the estimated cost in relation to the Working Group of the settlement of the class action claims and related costs. The final settlement costs and related expenditure may, however, be higher than the recorded provision depending on various factors, such as, among other things, differences in the number and profile of eligible claimants actually compensated compared to current estimates and fluctuations in foreign exchange rates. See note 27 "*Other provisions – Provisions for Silicosis Settlement*" to our consolidated financial statements set forth beginning on page F-1.

If we or any of our subsidiaries were to face a significant number of additional such claims and the claims were suitably established against it, the payments of compensation to the claimants could have a material adverse effect on our results of operations and financial condition. In addition, we may incur significant additional costs, including costs relating to the payment of fees, levies or other contributions in respect of compensatory or other funds established (if any), and expenditures arising out of our efforts to resolve any such claims or other potential actions.

Our operations are subject to water use and other licenses, which could impose significant costs

Under the NWA a person may only undertake a "water use" subject to a water use license (and the conditions contained therein) issued under the NWA, a general authorization issued by the Minister of Water and Sanitation or in terms of a prior existing water use, such as a water permit issued under the NWA's predecessor, Water Act, 54 of 1954 ("**Water Act**"). Persons undertaking water use under a general authorization or prior existing water use are required to register this use with the Department of Water and Sanitation ("**DWS**") and are required to comply with the conditions contained in the published general authorization or any conditions contained in any prior existing water use (to the extent there are any).

Our South African operations are predominantly regulated under water permits issued pursuant to the Water Act, with some having been converted to water use licenses under the NWA. Notwithstanding this, the South African operations have elected to convert all prior existing water uses into water use licenses under the NWA to ensure these operations are carried out in accordance with current best practice and water quality standards. Submissions were made as early as 2003 and we have been working closely with the regional directors in the review process.

Some operations have received draft licenses for review and comment before finalization by the regional directors at the DWS. Kusasalethu and Kalgold received their final water use licenses. These licenses, however, contain conditions that are impossible to meet and, as a result, we have applied to amend the relevant conditions.

In future, when new water licenses are issued, we may need to implement alternate water management measures that may require significant cost implication for our business. We intend to work collaboratively with the regional departments and catchment management agencies (which are aimed at decentralizing water management and facilitating inclusive stewardship of water resources) to reach a sustainable outcome for both us and the water resource/environment.

Failing to comply with the conditions of a water use license may result in the competent authority issuing a compliance notice or directive to us instructing it to take measures to correct the non-compliance and, in some instances, to cease operations pending the resolution of the non-compliance. In addition, failing to comply with a water use license is an offense that may result in prosecution. If we are successfully prosecuted, the court may impose fines, damages, director and employee liability and imprisonment.

Any of these could have a material effect on our business, operating results and financial condition.

In addition to the licensing requirements mentioned above, the NWA imposes a duty of care on us to take reasonable measures to prevent pollution or contamination of water resources. The nature and extent of the reasonable measures will depend on the circumstances of each case. If we fail to implement the measures required of it, a directive may be issued by the competent authority instructing us to implement certain measures within a prescribed period. Failing to comply with a directive is an offense and may result in prosecution and the penalties contemplated above. In addition, the competent authority could implement the necessary measures using its own methods and resources, and thereafter and recoup the costs from us.

Any such environmental levy could have a material effect on our business, operating results and financial condition. In addition, the occurrence of Acid Mine Drainage ("AMD") at any of our mines could affect our ability to comply with our water use license requirements.

Obligations in respect of the pumping and treatment of extraneous water must also be addressed in connection with our final closure plans for each of our operations and we are responsible for these liabilities until a closure certificate is issued pursuant to the MPRDA and possibly thereafter under the NEMA. This liability is discussed in more details in Item 4: *"Information on the Company - Business Overview - Regulation - Law and Regulations Pertaining to Environmental Protections in South Africa - NEMA"*.

In PNG, the issuance of separate "waste discharge" and "water extraction" (water use) permits has now been abolished and, following the conclusion of the assessment process for a project, a single environment permit is issued by the Managing Director of CEPA under the provisions of the PNG Environment Act. The Environment permit includes provisions for both water extraction and waste discharge. An annual administration fee is payable for this permit.

See *"Integrated Annual Report for the 20-F 2022 - Environment - Water use"* on pages 106 to 109.

Compliance with tailings management requirements and standards, and potential liabilities in the event of a failure to timely comply or an incident involving a tailings storage facility, could adversely impact our financial condition, results of operations and reputation.

Mining companies face inherent risks in their operation of tailings storage facilities. Tailings storage facilities are engineered structures built for the containment of the uneconomical milled ore residue and water, known as tailings. The use of tailings storage facilities exposes us to certain risks, including the failure of a tailings dam due to events such as high rainfall, overtopping of the dam, piping or seepage failures. The potential occurrence of a dam failure at one of our tailings storage facilities could lead to the loss of human life and extensive property and environmental damage.

We maintain measures to manage our dams' safety, including compliance with the International Council on Mining and Metals' Tailings Governance Position Statement, our Code of Practice and undertakes routine reviews by independent consulting companies. Although we have a tailings storage facility management system, the effectiveness of its designs, construction quality or regular monitoring cannot be guaranteed throughout its operations and it cannot be guaranteed that these measures will prevent the failure of one or more of its tailings dams or that such potential failure will be detected in advance. In addition, although we generally require our partners to maintain such systems, we cannot guarantee that our partners maintain similar safety precautions or monitoring systems on their tailings storage facilities. There is no assurance that any safety measures implemented will prevent the failure of any tailings storage facility.

The failure of a tailings storage facility will lead to multiple legal proceedings and investigations, which could include securities class actions, criminal proceedings and public civil actions (against us or individuals) for significant amounts of damages. Furthermore, the elimination of the "conventional" practice of storing wet tailings (e.g. alternatively filtering, "dry" stacking and compacting the tailings) could require the research and development of new technologies, which could lead to additional large expenditures. As a result of the dam failure in Brazil in 2015 and 2019, and Canada in 2014 (neither of which are associated with us) or as a result of future dam failures, additional environmental and health and safety laws and regulations may be forthcoming globally, including in jurisdictions where we operate, which may ban the storage of wet tailings completely. In addition, changes in laws and regulations may impose more stringent conditions in connection with the construction of tailings dams, particularly with respect to upstream tailings dams which could also be made illegal. Further, we may see changes in the

licensing process of projects and operations, the imposition of significant financial assurance requirements, and increased criminal and civil liability for companies, officers and contractors.

Furthermore, the unexpected failure of a dam at a tailings storage facility could lead to the need for a large expenditure on contingencies and on recovering the regions and people affected, extensive and permanent environmental damage and the payment of penalties, fines or other money damages. The occurrence of any of such risks could have a material adverse effect on our business, operating results and financial condition. See *"Integrated Annual Report for the 20-F 2022 – Environment – Tailings and waste management"* on pages 110 to 114.

We may have exposure to rehabilitate potential groundwater pollution, which may include salination, and radiation contamination that may exist where we have operated or continue to operate; implementation of the financial provision regulations may require us to include provision in our financial statements for rehabilitation

Due to the interconnected nature of mining operations at Doornkop, Kusaalethu, Mponeng, Mine Waste Solutions ("MWS") and Moab Khotsoeng, any proposed solution for potential flooding and decant risk posed by deep groundwater needs to comprise a regional solution supported by all mines located in the goldfields and the government in the event of legacy issues. As a result, the DMRE and affected mining companies are involved in developing a regional mine closure strategy. In view of the status of the Financial Provision Regulations, 2015, no reliable estimate can be made for any possible obligations or liabilities, which could be material and have an adverse impact on our financial condition.

See *"–Risks Related to Our Industry - We are subject to extensive environmental regulations in the countries in which we operate"*.

We are implementing the following steps to ensure that funds are available to top up our financial provision, if necessary:

- facilitating concurrent rehabilitation;
- re-purposing infrastructure; and
- accelerating mine closure rehabilitation where operations have reached the end of its geological life.

Currently, no provision for any potential liability has been made in our financial statements under the Financial Provision Regulations, 2015. If provision needs to be made, and is substantial, this could have a material adverse effect on our business, operating results and financial condition.

Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance

Laws, regulations and standards relating to accounting, corporate governance and public disclosure, "conflict minerals" and "responsible" gold, SEC regulations and other listing regulations applicable to us are subject to change and can create uncertainty for companies like us. New or changed laws, regulations, codes and standards could lack specificity or be subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty on compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards.

We are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations, codes and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses, which could have a material adverse effect on our business, operating results and financial condition.

Risks Related to Our Corporate and Financing Structure and Strategy

Our inability to maintain an effective system of internal control over financial reporting may have an adverse effect on investors' confidence in the reliability of our financial statements

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external purposes in accordance with IFRS as issued by the IASB. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We have invested in resources to facilitate the documentation and assessment of our system of disclosure controls and our internal control over financial reporting. However, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. If we were unable to maintain an effective system of internal control over financial reporting, investors may lose confidence in the reliability of our financial statements, and this may have an adverse impact on investors' abilities to make decisions about their investment in us. See Item 15: *"Controls and Procedures"*.

We may experience problems in identifying, financing and managing new acquisitions or other business combination transactions and integrating them with our existing operations; we may not have full management control over future joint venture partners

In order to maintain or expand our operations and reserve base, we have sought, and may continue to seek to enter into joint ventures or other business combination transactions or to make acquisitions of selected precious metal producing companies or assets. For example, in 2018 we acquired AngloGold's Moab Khotsoeng and Great Nolligwa mines together with other assets and related infrastructure in the Moab Acquisition and with effect on October 1, 2020, acquired the remainder of AngloGold's South African business, including the Mponeng mine and MWS, in the Mponeng Acquisition.

Acquiring new mining operations or entering into other business combination transactions involves a number of risks including:

- our ability to identify appropriate assets for acquisition and/or to negotiate an acquisition or combination on favorable terms;
- obtaining the financing necessary to complete future acquisitions;
- difficulties in assimilating the operations of the acquired business;
- the changing regulatory environment as it relates to the Mining Charter (as defined below) and the general policy uncertainty in South Africa;
- difficulties in maintaining our financial and strategic focus while integrating the acquired business;
- problems in implementing uniform quality, standards, controls, procedures and policies;
- management capacity, and skills to supplement that capacity, to integrate new assets and operations;
- increasing pressures on existing management to oversee an expanding company; and
- to the extent we acquire mining operations or enter into another business combination transaction outside South Africa, Australia or PNG, encountering difficulties relating to operating in countries in which we have not previously operated.

Any such acquisition or joint venture may change the scale of our business and operations and may expose us to new geographic, geological, political, social, operating, financial, legal, regulatory and contractual risks. Our ability to make successful acquisitions and any difficulties or time delays in achieving successful integration of any of such acquisitions could have a material adverse effect on our business, operating results and financial condition.

In addition, to the extent that we participate in the development of a project through a joint venture or other multi-party commercial structure, there could be disagreements, legal or otherwise or divergent interests or goals among the parties, which could jeopardize the success of the project, particularly if we do not have full management control over the joint venture. There can be no assurance that any joint venture will achieve the results intended and, as such, any joint venture could have a material adverse effect on our revenues, cash and other operating costs. See Item 5. *“Operating and Financial Review and Prospects - Liquidity and Capital Resources - Cash flows from investing activities”*.

Certain factors may affect our ability to support the carrying value of our property, plant and equipment, goodwill and other assets on our balance sheet, resulting in impairments

We review and test the carrying value of our assets when events or changes in circumstances suggest that this amount may not be recoverable and impairments may be recorded as a result of testing performed.

Our market capitalization on any reporting date is calculated on the basis of the price of our shares and ADSs on that date. Our shares and ADSs may trade in a wide range through the fiscal year depending on the changes in the market, including trader sentiment on various factors including gold price. Therefore, there may be times where our market capitalization is greater than the value of our net assets, or “book value”, and other times when our market capitalization is less than our book value. Where our market capitalization is less than our net asset or book value, this could indicate a potential impairment and we may be required to record an impairment charge in the relevant period.

At least on an annual basis for goodwill, and when there are indications that impairment of property, plant and equipment and other non-financial assets may have occurred, estimates of expected future cash flows for each group of assets are prepared in order to determine the recoverable amounts of each group of assets. These estimates are prepared at the lowest level at which identifiable cash flows are considered as being independent of the cash flows of other mining assets and liabilities. Expected future cash flows are inherently uncertain, and could materially change over time. Such cash flows are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditures.

As at June 30, 2022, we had substantial amounts of property, plant and equipment, goodwill and other assets on our consolidated balance sheet. Impairment charges of R4,433 million relating to property, plant and equipment, goodwill and other assets were recorded in fiscal 2022. If management is required to recognize further impairment charges, this could have a material adverse effect on our results of operations and financial condition.

Our ability to service our debt will depend on our future financial performance and other factors

Our ability to service our debt and maintain compliance with financial covenants depends on our financial performance, which in turn will be affected by our operating performance as well as by financial and other factors, and in particular the gold price, certain of which are beyond our control. Various financial and other factors may result in an increase in our indebtedness, which could adversely affect us in several respects, including:

- limiting our ability to access the capital markets;
- hindering our flexibility to plan for or react to changing market, industry or economic conditions;
- limiting the amount of cash flow available for future operations, acquisitions, dividends, or other uses, making us more vulnerable to economic or industry downturns, including interest rate increases;
- increasing the risk that we will need to sell assets, possibly on unfavorable terms, to meet payment obligations; or
- increasing the risk that we may not meet the financial covenants contained in our debt agreements or timely make all required debt payments.

The occurrence of any of these events could adversely affect our results of operations and our financial condition. See “ - The impact from, and measures taken to address, the Covid-19 pandemic may adversely affect our people, and may impact our business continuity, operating results, cash flows and financial condition.”

Our ability to service our debt also depends on the amount of our indebtedness. In order to fund the Mponeng Acquisition, we completed a placing pursuant to which we issued new ordinary shares for cash which had the effect of reducing net debt at the end of fiscal 2020. On September 30, 2020, when the purchase price for the Mponeng Acquisition was paid, the net debt level increased again. While the Covid-19 pandemic has resulted in higher gold prices and improved cash flow as a result, it also disrupted operations and may continue to do so, which could impact on our ability to repay our debts. In May 2022 we entered into a US\$400 million sustainability-linked syndicated term and revolving credit facility, as well as a R2.5 billion sustainability-linked revolving credit facility. The first two facilities have a three-year term and include two extension options of one year each and the last facility has a six and one-half year term. At June 30, 2022, US\$200 million was drawn against the US\$ facility. See Item 5: “Operating and Financial Review and Prospects - Liquidity and Capital Resources - Cash flows from financing activities” and “- Outstanding Credit Facilities and Other Borrowings”.

In the near term, we expect to manage our liquidity needs from cash generated by our operations, cash on hand, committed and unutilized facilities, as well as additional funding opportunities. However, if our cost of debt were to increase or if we were to encounter difficulties in obtaining financing in the future, our sources of funding may not match our financing needs, which could have a material adverse effect on our business, operating results and financial condition.

We are subject to the imposition of various regulatory costs, such as mining taxes and royalties, changes to which may have a material adverse effect on our operations and profits

With increasing resource nationalism in recent years, governments, communities, non-government organizations and trade unions in several jurisdictions have sought and, in some cases, have imposed greater participatory imposts on the mining industry. Such imposts, whether in the form of taxes, royalties and levies, interference in project management, mandatory social investment requirements, local content requirements or creeping expropriation, are an increasing feature of the global mining industry and could materially adversely affect our business, operating results and financial condition.

South Africa

In December 2017, during its national conference, the ANC resolved that as a matter of policy, the ANC should pursue the expropriation of land without compensation, provided that such expropriation is carried out without destabilizing the agricultural sector, endangering food security or undermining economic growth and job creation. In February 2018, the National Assembly assigned the Constitutional Review Committee (“CRC”), to review section 25 of South Africa’s Constitution and other relevant clauses to make it possible for the state to expropriate land in the public interest without compensation. On December 4, 2018, South Africa’s Parliament adopted the CRC’s report dated November 15, 2018 in which it recommended that section 25 of South Africa’s Constitution be amended to make explicit that expropriation of land without compensation is a legitimate option for land reform. On March 13, 2019, the CRC announced that the work to amend section 25 of South Africa’s Constitution would not be finished before the South African general elections in May 2019 and that consequently the matter would be taken up by Parliament after the elections. In the event that the CRC recommends a Constitutional amendment in favor of expropriation, various procedural milestones would need to occur, including a bill amending section 25 of the Constitution approved by a majority of the National Assembly as well as six of the nine provinces of the NCOP and signed by the President, among others. The legislative process to give effect to the proposed Constitutional amendment, has not yet been finalized. The National Assembly re-established the Ad-Hoc Committee tasked with initiating and introducing the legislation required to amend Section 25 of the Constitution in 2020. The Ad-Hoc Committee engaged in a public participation process which consisted of public hearings that took place from December 2019 to the end of February 2020. These public hearings were held in the nine provinces. The Ad-Hoc committee released the report on its findings on the public participation process on April 16, 2021. In a media statement on April 16, 2021, the Ad-Hoc committee advised that it had adopted the report and in a subsequent media statement on September 8, 2021, it advised that both the report and the Bill would be sent to the National Assembly for consideration.

The Draft Constitution Eighteenth Amendment Bill was published for comment at the end of 2019. The aim of the Draft Constitution Eighteenth Amendment Bill is to amend the Constitution of the Republic of South Africa, 1996 so as to provide that where land and any improvements thereon are expropriated for the purpose of land reform, the amount of compensation payable may be nil. The Draft Constitution Eighteenth Amendment Bill failed to receive the required two-thirds approval of the National Assembly in December 2021 and the proposed Amendment Bill is no longer being pursued.

In 2019, prior to the introduction of the Draft Constitution Eighteenth Amendment Bill, a draft expropriation bill (the “**Draft Expropriation Bill**”) was published for public comment by the South African Minister for Public Works (the “**Minister for Public Works**”), which would allow the state to expropriate land without compensation where doing so would be for a public purpose or in the public interest. In determining to expropriate land without compensation, this legislation would also require the consideration of “all relevant circumstances”, which include, among other things, whether the land is held purely for speculative purposes, is owned by the state or is abandoned. Following significant comments raised by the public on the Draft Expropriation Bill, in October 2020, a new draft expropriation bill (the “**New Draft Expropriation Bill**”) was introduced by the Minister for Public Works of South Africa. The New Draft Expropriation Bill was approved by the National Assembly on September 28, 2022. It will be referred to the NCOP for consideration and thereafter to the President for ratification.

While the South African government has stated that it does not intend to nationalize mining assets or mining companies, certain political parties have stated publicly and in the media that the government should embark on a program of nationalization. For instance, the ANC has adopted two recommended approaches to interacting with the mining industry. While the ANC has rejected the possibility of mine nationalization for now, the first approach contemplates, among other things, greater state intervention in the mining industry, including the revision of existing royalties, the imposition of new taxes and an increase in the South African government’s holdings in mining companies. The second approach contemplates the South African government

taking a more active role in the mining sector, including through the introduction of a state mining company to be involved in new projects either through partnerships or individually.

The proposed amendment to section 25 of South Africa's Constitution or any legislation resulting in the expropriation of land or greater government intervention could disrupt our operations, which could have a material adverse effect on our business, operating results and financial condition.

The former President, Jacob Zuma, appointed the Davis Tax Committee to look into and review the current South African tax regime, including the mining tax regime. The committee's first interim report on mining, which was released for public comment on August 13, 2015, proposed no changes to the royalty regime but recommended the discontinuation of the upfront capital expenditure write-off regime in favor of an accelerated capital expenditure depreciation regime. In addition, the report recommended retaining the so called "gold formula" for existing gold mines only, as new gold mines would be unlikely to be established in circumstances where profits are marginal or where gold mines would conduct mining of the type intended to be encouraged by the formula. The committee also recommended the phasing out of additional capital allowances available to gold mines in order to bring the gold mining corporate income tax regime in line with the tax system applicable to all taxpayers. In December 2016, following a period of public comment, the committee issued its second and final report to the Minister of Finance, which largely reaffirmed the committee's initial recommendations. The final reports were published in November 2017. The South African National Treasury will continue to consider the committee's final recommendations. It is not clear at this stage which, if any, of the recommendations will be adopted as legislation. Such legislation could, however, have a material adverse effect on our business, results of operations and financial condition.

On July 31, 2020, the South African National Treasury published for public comment the 2020 Draft Taxation Laws Amendments Bill which proposed, amongst others, amendments to disallow contract miners from benefiting from the accelerated capital expenditure allowance and the elimination of the Minister of Finance's discretion to uplift the ring-fencing of capital expenditure per mine. Various stakeholders raised issues with the draft bill during the public consultation period. The Taxation Law Amendment Act, 23 of 2020 came into force on January 20, 2021. The amendments proposed in the Bill relating to contract miners and the Minister's discretion to uplift the ring-fencing of capital expenditure per mine were not included in the final Act.

On December 11, 2020, the Minister published the Housing and Living Conditions Standard, which requires us to revise our current housing and living condition plans in terms of its SLPs, which could result in increased costs. See Item 4. "Information on the Company - Business Overview - Regulation - Mining rights - South Africa - Housing and Living Standards".

Papua New Guinea

In PNG, participatory imposts take a variety of forms.

Taxes on Group companies are governed by the Income Tax Act 1959 and the Goods and Services Tax Act 2003, while under the PNG Mining Act and the Mineral Resources Authority Act 2018, holders of mining leases must pay royalties to the PNG Government based on production (currently 2%).

In addition to the PNG Government's entitlement to taxes and royalties, tenement holders also pay area-based rents and a mineral production levy (0.5% of assessable income derived by a producer of minerals) to the MRA, and CEPA imposes "user pays" levies.

PNG exploration licenses each contain a condition that the PNG Government may, at any time prior to the commencement of mining, purchase an equitable interest of up to 30% in any mineral discovery arising from the license at a price pro rata to the accumulated exploration expenditure. The PNG Government has indicated that it intends to exercise the PNG Government's option in full in respect of the Wafi-Golpu project.

Since 2009, the mining regime in PNG has been the subject of a comprehensive ongoing review involving various PNG Government agencies. Over that period, various draft revisions of the PNG Mining Act have been circulated and submitted to the PNG Chamber of Mines and Petroleum for its comments, most recently in 2018 and 2020. Proposed revisions include significant increases in the rate of royalties payable to the PNG Government, and changes to the terms governing the PNG Government's option to purchase an interest in a mineral discovery. If enacted and applied to our operations and projects in PNG, these revisions could have a material adverse effect on our business, operating results and financial condition. We continue to engage with the PNG Government and relevant regulators on these matters, indirectly through the offices of the PNG Chamber of Mines and Petroleum, and directly with the MRA, CEPA and the DMPGM.

In 2014, the PNG Government initiated a review of the tax regime, with a final report issued by the PNG Tax Review Committee in October 2015. Pursuant to the tax regime review, certain adverse changes to the fiscal regime were introduced with effect from January 1, 2017, with the main changes being the introduction of an additional profit tax, the cessation of the double deduction allowance for exploration expenditure, and an increase in the rates of interest withholding and dividend withholding taxes.

A new Income Tax Act (to simplify and modernize the PNG Income Law as currently set out in the PNG Income Tax Act 1959) is in the process of being drafted and is expected to be passed in the 2023 Budget, with an expected commencement date of January 1, 2024. The most recent draft was issued in September 2022 and the final consultation phase is currently in progress. The new Act will include the introduction of a capital gains tax, which will tax capital gains at a rate of 15%.

To date, the key outstanding issue is the transitional rules for treatment of existing Mining Capital and Exploration Expenditure, which rules are still to be written. We understand that these rules will be drafted and included in the final draft of the legislation that is currently in progress.

Sales of large quantities of our ordinary shares and ADSs, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities

The market price of our ordinary shares or ADSs could fall if large quantities of ordinary shares or ADSs are sold in the public market, or there is a perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of our ordinary shares or ADSs may decide to sell them at any time. The market price of our ordinary shares or ADSs could also fall as a result of any future offerings it makes of ordinary shares, ADSs or securities exchangeable or exercisable for our ordinary shares or ADSs, or the perception in the marketplace that these sales might occur. We may make such offerings of additional ADS rights, letters of allocation or similar securities from time to time in the future.

As we have a significant number of shares that may be issued in terms of the employee share schemes, our ordinary shares are subject to dilution

We have recently approved a Deferred Share Plan as part of our new Total Incentive Plan that came into effect in 2020. Our shareholders have authorized up to 25,000,000 shares of the issued share capital to be used for this plan.

As a result, shareholders' equity interests in us are subject to dilution to the extent of the potential future exercises of the options through the share plan.

The continued status of South Africa's credit rating as non-investment grade, as well as a potential grey-listing of South Africa by the Financial Action Task Force ("FATF"), may have an adverse effect on our ability to secure financing on favorable terms, or at all

Over the past several years, the slowing economy, rising sovereign debt, escalating labor disputes and the structural challenges facing the mining industry and other sectors have resulted in the downgrading of South Africa's sovereign credit ratings.

Currently, South Africa's sovereign credit is rated as non-investment grade: Fitch has assigned South Africa a sovereign credit rating of BB-, Moody's has assigned South Africa a sovereign credit rating of Ba2 and S&P has assigned South Africa a sovereign credit rating of BB-. Most recently, on December 15, 2021, Fitch affirmed South Africa's sovereign credit rating as BB- and upgraded the outlook to stable; on April 1, 2022, Moody's affirmed South Africa's sovereign credit rating as Ba2 and upgraded the outlook to stable and on May 20, 2022, S&P affirmed South Africa's sovereign credit rating as BB- and upgraded the outlook to positive.

In October 2021 the FATF, an inter-governmental body, published their 'Mutual Evaluation Report' that highlighted several shortcomings of the criminal justice system insofar it relates to the prosecution and conviction of commercial crimes as well as acts of money laundering. It recommended several actions South Africa should take to prevent it being classified as a country under increased monitoring (also referred to as "grey-listing").

The continued status of South Africa's credit rating as non-investment grade and any downgrading by any of these agencies, as well as the grey-listing by the FATF may adversely affect the South African mining industry and our business, operating results and financial condition by making it more difficult to obtain external financing or could result in any such financing being available only at greater cost or on more restrictive terms than might otherwise be available.

We may not pay dividends or make similar payments to our shareholders in the future

Our dividend policy is to pay cash dividends only if funds are available for that purpose. Whether funds are available depends on a variety of factors, including the amount of cash available, our capital expenditures and other current or future anticipated cash requirements existing at the time. Under South African law, we are only entitled to pay a dividend or similar payment to shareholders if we meet the solvency and liquidity tests set out in the Companies Act, 71 of 2008 (as amended) including its Regulations (the "Companies Act"), and our current Memorandum of Incorporation. Cash dividends or other similar payments may not be paid in the future. It should be noted that there is currently a 20% withholding tax on dividends declared by South African resident companies to non-resident shareholders or non-resident ADS holders.

In addition, our foreign shareholders face investment risk from currency exchange rate fluctuations affecting the market value of any dividends or distributions paid by us.

Strategic and Market Risks

The profitability of our operations, and cash flows generated by those operations, are affected by changes in the price of gold and other metals; a fall in the gold price below our cash cost of production and capital expenditure required to maintain production for any sustained period may lead to losses and require us to curtail or suspend certain operations

Substantially all of our revenues come from the sale of gold. Historically, the market price for gold has fluctuated widely and has been affected by numerous factors, over which we have no control, including:

- demand for gold for industrial uses, jewelry and investment;
- international or regional social, political and economic events and trends;
- strength or weakness of the US dollar (the currency in which gold prices generally are quoted) and of other currencies;
- monetary policies announced or implemented by central banks, including the US Federal Reserve;
- financial market expectations on the rate of inflation;
- changes in the supply of gold from production, divestment, scrap and hedging;
- interest rates;

- speculative activities;
- gold hedging or de-hedging by gold producers;
- actual or expected purchases and sales of gold bullion held by central banks or other large gold bullion holders or dealers; and
- production and cost levels for gold in major gold-producing nations, such as South Africa, China, the United States and Australia.

In addition, current demand and supply affects the price of gold, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. Historically, gold has retained its value in relative terms against basic goods in times of inflation and monetary crisis. As a result, central banks, financial institutions and individuals hold large amounts of gold as a store of value and production in any given year constitutes a very small portion of the total potential supply of gold. However, as gold has historically been used as a hedge against unstable or lower economic performance, improved economic performance may have a negative impact on the price for gold. Since the potential supply of gold is large relative to mine production in any given year, normal variations in current production will not necessarily have a significant effect on the supply of gold or its price. Uncertainty in global economic conditions has impacted the price of gold significantly in the past and continued to do so in fiscal 2022. Covid-19 and certain geopolitical events, such as Russia's invasion of Ukraine, have resulted, and may continue to result, in increased volatility.

The volatility of gold prices is illustrated in the table, which shows the annual high, low and average of the afternoon London bullion market fixing price of gold in US dollars for each of the past ten years:

Annual gold price: 2013 - 2022

Calendar year	Price per ounce (US\$)		
	High	Low	Average
2013	1,694	1,192	1,411
2014	1,385	1,142	1,266
2015	1,296	1,049	1,160
2016	1,366	1,077	1,251
2017	1,346	1,151	1,253
2018	1,355	1,178	1,268
2019	1,546	1,270	1,393
2020	2,067	1,474	1,770
2021	1,943	1,684	1,799
2022 (up to and including October 25, 2022)	2,039	1,632	1,811

There was a notable increase in the price of gold following the outbreak of Covid-19 and again after Russia's invasion of Ukraine. See *"- The impact from, and measures taken to address, the Covid-19 pandemic may adversely affect our people, and may impact our business continuity, operating results, cash flows and financial condition"*. On October 25, 2022, the afternoon fixing price of gold on the London bullion market was US\$1,659/oz.

While the price volatility is difficult to predict, if gold prices should fall below our cash cost of production and capital expenditure required to sustain production and remain at these levels for any sustained period, we may record losses and be forced to curtail or suspend some or all of our operations, which could materially adversely affect our business, operating results and financial condition.

In addition, we would also have to assess the economic impact of low gold prices on our ability to recover any losses that may be incurred during that period and on our ability to maintain adequate reserves. The use of lower gold prices in reserve calculations and LOM plans could also result in material impairments of our investment in gold mining properties or a reduction in our reserve estimates and corresponding restatements of our reserves and increased amortization, reclamation and closure charges.

Fluctuations in input production prices linked to commodities may adversely affect our operational results and financial condition

Fuel, energy and consumables, including diesel, heavy fuel oil, chemical reagents, explosives, tires, steel and mining equipment consumed in mining operations, form a relatively large part of the operating costs and capital expenditure of a mining company. The price of oil, in particular, has increased precipitously as a result of geopolitical tensions and the armed conflict between Russia and the Ukraine. While the price of oil fluctuated between \$78.98 and \$127.98 per barrel of Brent Crude in 2021, the price of a barrel of Brent Crude was \$93.05 as of October 25, 2022. We have no control over the costs of these consumables, many of which are linked to some degree to the price of oil and steel.

Fluctuations in oil and steel prices have a significant impact on operating cost and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining projects or render certain projects non-viable, either of which could have a material adverse effect on our business, operating results and financial condition.

Foreign exchange fluctuations could have a material adverse effect on our operational results and financial condition

Gold is priced throughout the world in US dollars and, as a result, our revenue is realized in US dollars, but most of our operating costs are incurred in Rand and other non-US currencies, including the Australian dollar and Kina. From time to time, we may implement currency hedges intended to reduce exposure to changes in the foreign currency exchange, which we started doing in fiscal 2016 and will continue as long as it is strategically viable. Such hedging strategies may not however be successful, and any of our unhedged exchange payments will continue to be subject to market fluctuations. Any significant and sustained appreciation of the Rand and other non-US currencies against the dollar will materially reduce our Rand revenues and overall net income, which could materially adversely affect our operating results and financial condition. See Item 11 – “Quantitative and Qualitative Disclosure about Market Risk”.

Fluctuations in the exchange rate of currencies may reduce the market value of our securities, as well as the market value of any dividends or distributions paid by us

We have historically declared all dividends in South African Rand. As a result, exchange rate movements may have affected the Australian dollar, the Kina and the US dollar value of these dividends, as well as of any other distributions paid by the Depositary to holders of ADSs.

Furthermore, our Memorandum of Incorporation allows for dividends and distributions to be declared in any currency at the discretion of the board of directors or the company’s shareholders at a general meeting. If, and to the extent that, we opt to declare dividends and distributions in US dollars, exchange rate movements will not affect the US dollar value of any dividends or distributions. Nevertheless, the value of any dividend or distribution in Australian dollars, Kina, British pounds or South African Rand will continue to be affected. If, and to the extent that, dividends and distributions are declared in South African Rand in the future, exchange rate movements will continue to affect the Australian dollar, Kina, British pound and US dollar value of these dividends and distributions. This may reduce the value of the company’s securities to investors. Additionally, the market value of our securities as expressed in Australian dollars, Kina, British pounds, US dollars and South African Rand will continue to fluctuate in part as a result of foreign exchange fluctuations.

Rising inflation, including as a result of Russia’s invasion of Ukraine, may have a material adverse effect on our business, operating results and financial condition

While inflation in South Africa has fluctuated in a narrow band in recent years, remaining within or just outside the inflation range of 3% - 6% set by the South African Reserve Bank, it began to increase significantly in the latter half of fiscal 2022. At the end of fiscal 2020, 2021 and 2022, inflation was 2.2%, 4.9% and 7.4%, respectively, in South Africa. Inflation is expected to continue accelerating throughout fiscal 2023. Prolonged periods of inflation may impact our profitability by negatively impacting our fixed costs and expenses, including raw material, transportation and labor costs. If these increased costs are not offset by an increase in gold prices, they could have a material adverse effect on Harmony’s business, operating results and financial condition.

Geopolitical risks and conflicts around the world could further disrupt supply chains and create additional inflationary pressures. Specifically, Russia’s invasion of Ukraine has led to sanctions, travel bans, and asset or financial freezes being levied by the governments of the United States, the EU, the United Kingdom and other jurisdictions against Russian entities and individuals, with additional sanctions being proposed. These sanctions and other measures have had a significant impact on commodity prices, including increased oil, gas, steel and gold prices. The oil price is a driver of a number of input costs, including diesel and transport costs, while gas prices have an impact on power costs, and other commodity prices drive direct mining and processing costs. These inflationary pressures could also cause interest rates and the cost of borrowing to increase and could have a material adverse effect on the financial markets and economic conditions throughout the world. The extent and duration of the invasion, sanctions and resulting market disruptions are impossible to predict. Any inflationary impacts or disruptions caused by the invasion or resulting sanctions may have a material adverse effect on Harmony’s business, operating results and financial condition, and may magnify the impact of other risks described in this annual report.

At the end of fiscal 2020, 2021 and 2022, inflation was 6.3%, 3.3% and 6.9% respectively, in PNG.

Our results of operations, profits and financial condition could be adversely affected to the extent that cost inflation is not offset by devaluation in operating currencies or an increase in the price of gold.

Investors may face liquidity risk in trading our ordinary shares on the JSE Limited

The primary listing of our ordinary shares is on the JSE Limited. Historically, the trading volumes and liquidity of shares listed on the JSE have been low relative to other major markets. The ability of a holder to sell a substantial number of our ordinary shares on the JSE in a timely manner, especially in a large block trade, may be restricted by this limited liquidity. See Item 9: “The Offer and Listing - Markets - The Securities Exchange in South Africa.”

Shareholders outside South Africa may not be able to participate in future issues of securities (including ordinary shares)

Securities laws of certain jurisdictions may restrict our ability to allow participation by certain shareholders in future issues of securities (including ordinary shares) carried out by us or an affiliate. In particular, holders of our securities who are located in the United States (including those who hold ordinary shares or ADSs) may not be able to participate in securities offerings by or on behalf of us unless a registration statement under the Securities Act is effective with respect to such securities or an exemption from the registration requirements of the Securities Act is available. Securities laws of certain other jurisdictions may also restrict our ability to allow the participation of all holders in such jurisdictions in future issues of securities. Holders who have a registered address or are resident in, or who are citizens of, countries other than South Africa should consult their professional advisors as to whether they require any governmental or other consents or approvals or need to observe any other formalities to enable them to participate in any offering of our securities.

Global social, political and economic conditions could adversely affect the profitability of our operations

Our operations and performance depend on global economic conditions. Global economic conditions remain fragile with significant uncertainty regarding recovery prospects, level of recovery and long-term economic growth effects, and have been further adversely impacted by the Covid-19 pandemic. A global economic downturn may have follow-on effects on our business. These could include:

- key suppliers or contractors becoming insolvent, resulting in a break-down in the supply chain;
- a reduction in the availability of credit which may make it more difficult for us to obtain financing for our operations and capital expenditures or make that financing more costly;
- exposure to the liquidity and insolvency risks of our lenders and customers; or
- the availability of credit being reduced, which may make it more difficult for us to obtain financing for our operations and capital expenditure or make financing more expensive.

Coupled with the volatility of commodity prices as well as the rising trend of input costs, such factors could result in initiatives relating to strategic alignment, portfolio review, restructuring and cost-cutting, temporary or permanent shutdowns and divestments. Further, sudden changes in a life-of-mine ("LOM") plan or the accelerated closure of a mine may result in the recognition of impairments and give rise to the recognition of liabilities that are not anticipated.

As a result of the geopolitical tensions and armed conflict between Russia and Ukraine due to the recent recognition by Russia of the independence of the self-proclaimed People's Republics of Donetsk and Luhansk, in the Donbas region of Ukraine, followed by Russia's military invasion of Ukraine, the governments of the United States, the EU, the United Kingdom and other jurisdictions announced the imposition of various sanctions against Russia. Despite the fact that we have limited commercial interests in Russia, Ukraine and the current areas of conflict, these and any additional sanctions or export controls, as well as any responses by Russia or other jurisdictions, have led to a sharp increase in oil and energy prices, which are important input costs for our business. Furthermore, the invasion of Ukraine and the retaliatory measures that have been taken, and could be taken in the future, by the United States, the EU, the United Kingdom and other jurisdictions have created global security concerns that could result in a regional or global conflict and otherwise have a lasting impact on regional and global economies, any or all of which could adversely affect our business.

In addition to the potentially adverse impact on the profitability of our operations, any uncertainty on global economic conditions may also increase volatility or negatively impact the market value of our securities. Any of these events could materially adversely affect our business, operating results and financial condition.

The risk of unforeseen difficulties, delays or costs in implementing our business strategy and projects may lead to us not delivering the anticipated benefits of our strategy and projects; in addition, actual cash costs, capital expenditure, production and economic returns may differ significantly from those anticipated by feasibility studies for new development projects

The successful implementation of our business strategy and projects depends upon many factors, including those outside our control. For example, the successful management of costs will depend on prevailing market prices for input costs. The ability to grow our business will depend on the successful implementation of our existing and proposed projects and continued exploration success, as well as on the availability of attractive acquisition opportunities, all of which are subject to the relevant mining and company specific risks as outlined in these risk factors.

It can take a number of years from the initial feasibility study until development of a project is completed and, during that time, the economic feasibility of production may change. In addition, there are a number of inherent uncertainties in developing and constructing an extension to an existing mine or a new mine, including:

- availability and timing of necessary environmental and governmental permits;
- timing and cost of constructing mining and processing facilities, which can be considerable;
- availability and cost of skilled labor, power, water, fuel, mining equipment and other materials;
- accessibility of transportation and other infrastructure, particularly in remote locations;
- availability and cost of smelting and refining arrangements;
- availability of funds to finance construction and development activities; and
- spot and expected future commodity prices of metals including gold, silver, copper, uranium and molybdenum.

All of these factors, and others, could result in our actual cash costs, capital expenditures, production and economic returns differing materially from those anticipated by feasibility studies.

We currently maintain a range of focused exploration programs, concentrating mainly on a number of prospective known gold and copper mineralized areas in PNG, the Kraaipan Greenstone belt and the Witwatersrand area in South Africa.

In order to maintain or expand our operations and reserve base, we have sought, and may continue to seek to enter into joint ventures or to make acquisitions of selected precious metal producing companies or assets. For example, in 2018 we acquired AngloGold's Moab Khotsong and Great Noligwa mines together with other assets and related infrastructure in the Moab Acquisition and with effect on October 1, 2020, acquired the remainder of AngloGold's South African business, including the Mponeng mine and MWS, in the Mponeng Acquisition. See *"— Risks Related to Our Corporate and Financing Structure and Strategy - We may experience problems in identifying, financing and managing new acquisitions or other business combination transactions and integrating them with our existing operations. We may not have full management control over future joint venture partners"*. However, there is no assurance that any future development projects will extend the life of our existing mining operations or result in any new commercial mining operations. Unforeseen difficulties, delays or costs may adversely affect the successful implementation of our business strategy and projects, and such strategy and projects may not result in the anticipated benefits, which could have a material adverse effect on our results of operations, financial condition and prospects.

Other Regulatory and Legal Risks

Breaches in our IT security processes and violations of data protection laws may adversely impact the conduct of our business activities and may lead to public and private censure, regulatory penalties, fines and/or sanctions and may damage our reputation

We maintain global IT and communication networks and applications to support our business activities. Our extensive IT infrastructure and network may experience service outages that may adversely impact the conduct of our business activities. This includes potential cybercrime and disruptive technologies. Our vulnerability to such cyber-attacks could also be increased due to a proportion of our employees working remotely. The sophistication and magnitude of cybersecurity incidents are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security and protected information breaches that could lead to production downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, other manipulation or improper use of Harmony's systems and networks or financial losses from remedial actions. A sharp increase in ransomware-related threats have also been recorded throughout the mining industry with several high-profile organizations experiencing disruptions. The information security management system, or ISMS, protecting our IT infrastructure and network may not prevent future malicious action, including denial-of-service attacks, or fraud by individuals, groups or organizations resulting in the corruption of operating systems, theft of commercially sensitive data, including commercial price outlooks, mergers and acquisitions and divestment transactions, misappropriation of funds and disruptions to our business operations, the occurrence of any of which could have a material adverse effect on our business and results of operations.

The interpretation and application of consumer and data protection laws in South Africa, the United States and elsewhere are ambiguous and evolving. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. Complying with these various laws is difficult and could cause the company to incur substantial costs or require it to change our business practices in a manner adverse to our business.

South Africa's comprehensive privacy law known as the Protection of Personal Information Act, 4 of 2013 (the "POPIA") became effective on July 1, 2020. All processing of personal information were required to comply with the POPIA's provisions by July 1, 2021. Failure to comply with POPIA may lead to penalties and fines between R1 million - R10 million and or imprisonment. We may also have insufficient insurance coverage for any data protection breaches, including in relation to POPIA. See "*Risks Related to Our Operations and Business - Fluctuations in insurance cost and availability could adversely affect our operating results and our insurance coverage may prove inadequate to satisfy future claims.*".

On May 25, 2018 the General Data Protection Regulation ("GDPR") came into force. The GDPR is a EU-wide framework for the protection of personal data being processed in, or outside, the EU, based on certain application criterion. The GDPR enhances existing legal requirements through several new rules, including stronger rights for data subjects cross-border transfer of information and mandatory data breach notification requirements, and increases penalties for non-compliance. Failure to comply with the GDPR may lead to a fine of up to four percent of a company's worldwide turnover or up to €20 million.

Failure to comply with laws, regulations, codes and standards, policies and procedures or contractual obligations may lead to fines and penalties, loss of licenses or permits, may negatively affect our financial results, and adversely affect our reputation

We operate in multiple jurisdictions, including those with less developed political and regulatory environments, and within numerous and complex frameworks. Our governance and compliance processes may not prevent potential breaches of law, accounting principles or other governance practices.

Our Code of Conduct and Behavioral Code, among other policies and procedures, standards and guidance, and training thereon may not prevent instances of unethical or unlawful behavior, including bribery or corruption, nor do they guarantee compliance with legal and regulatory requirements, and breaches may not be detected by management.

To the extent that we suffer from any actual or alleged breach or breaches of relevant laws, including South African anti-bribery and corruption legislation or the US Foreign Corrupt Practices Act of 1977 under any circumstances, they may lead to investigations and examinations, fines, penalties, imprisonment of officers, litigation, and loss of operating licenses or permits, suspensions of operations, negative effects on our reported financial results and may damage our reputation. Such sanctions could have a material adverse impact on our business, operating results and financial condition.

Investors in the United States may have difficulty bringing actions, and enforcing judgments, against us, our directors and our executive officers based on the civil liabilities provisions of the federal securities laws or other laws of the United States or any state thereof

We are incorporated in South Africa. Each of our directors and executive officers (and our independent registered public accounting firm) resides outside the United States. Substantially all of the assets of these persons and substantially all our assets are located outside the United States. As a result, it may not be possible for investors to enforce a judgment against these persons or ourselves obtained in a court of the United States predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which may be enforced by South African courts provided that:

- the court that pronounced the judgment had jurisdiction to entertain the case according to the principles recognized by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive;
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that the documents initiating the United States proceeding were