

SUPERIOR VALUE FOR THE WORKFORCE

OUR APPROACH

Key to the success of our organisation is putting our people at the centre of our business strategy. We endeavour to engender a sense of ownership and pride in the company to which we make a valuable strategy.

Our 'People at Sibanye' strategy is an integrated and solutions-based approach that seeks to address key employee-related issues. We recognise the importance of open, honest and regular communication with employees and our strategy seeks to win the hearts and minds of our people by, among others, facilitating home ownership and promoting health and wellbeing and skills development.

Our focus in the past year was on consolidating our financial wellbeing programme which provides financial education and support to free our employees and communities of the burden of debt.

PEOPLE AT SIBANYE

Sibanye's employees play an integral part in successfully delivering on Sibanye's operating model and strategy and the People at Sibanye strategy aims to develop a transformed, productive, skilled and engaged workforce. This is in the context of the intense labour relations challenges facing the South African mining industry, due to legacy issues as well as the difficult socio-economic environment, inequality and unemployment in the country. South Africa has well-developed industrial-relations processes and practices with strong trade unions representing employees.

As employees are key stakeholders in the business, aligning employees with Sibanye's values and strategy will ensure the sustainability of the business and its ability to deliver superior value for all stakeholders.

Underpinned by our CARES values, the People at Sibanye strategy has as its main elements:

- personal wellbeing – encompasses employee safety, health, nutrition, housing and accommodation, financial wellness
- career development – includes training and skills development
- remuneration that is equitable and fair
- community development

These initiatives are backed by ongoing two-way communication between employees and line managers, supported by regular communication from the desk of the Chief Executive Officer at divisional and group level.

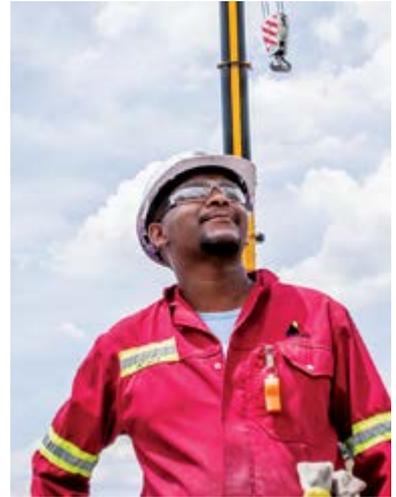
The 'People at Sibanye' approach is being rolled out at the platinum operations.

SAFE, PRODUCTIVE AND FAIR EMPLOYMENT

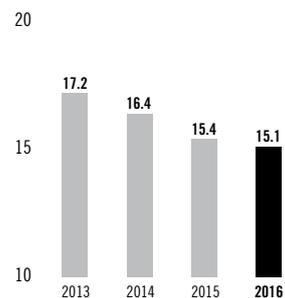
Our employment practices and policies are governed by South African labour legislation and regulations, as well as by collective bargaining and recognition agreements.

ABSENTEEISM

Absenteeism affects productivity and several initiatives implemented to address this issue have had a positive impact on the availability of employees at work. In 2016, a rate of 15.1% of days lost due to absenteeism was recorded, down from 17.2% in 2013 and 15.4% in 2015. For further information, see Health and safety focus on page 71.



Lost days due to absenteeism (%)



PERFORMANCE

Sibanye's total workforce as at 31 December 2016 was 74,351, including contractors. This compares with 46,269 for 2015. Of the 74,531 employed, 28,404 were employed in the Platinum Division.

Sibanye workforce numbers by operation as at 31 December

	2016			2015		
	Permanent employees	Contractors ¹	Total	Permanent employees	Contractors	Total
Beatrix	7,884	1,671	9,555	7,618	1,362	8,980
Cooke	3,788	1,624	5,412	5,236	2,084	7,320
Driefontein	10,941	1,648	12,589	10,772	949	11,721
Kloof	9,858	1,319	11,177	10,192	941	11,133
Burnstone	241	336	577	122	0	122
Gold Division – total	32,712	6,598	39,310	33,940	5,336	39,276
Kroondal (100%)	6,021	4,378	10,399			
Rustenburg (100%)	14,891	3,114	18,005			
Platinum Division* – total	20,912	7,492	28,404			
Corporate office ²	2,966	1,340	4,306	3,054	1,018	4,072
Other ³	2,054	457	2,511	2,731	190	2,921
Sibanye – total	58,644	15,887	74,531	39,725	6,544	46,269

* The Platinum Division includes those operations under management. Kroondal is included for the nine months from April to December 2016 and the Rustenburg Operation for two months, November and December 2016

¹ Contractors excludes 'free' contractors (those who receive a fee for service irrespective of the number of contractor employees on site – they are not compensated on a fee-per-head basis but on a fee for the service or work performed)

² Corporate Office includes executive management of the divisions and other shared services

³ Other includes Protection Services, financial shared services, the Sibanye Academy, health services and property

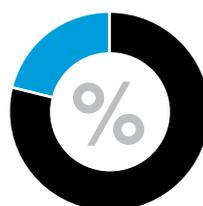
Workforce composition 2016

Gender



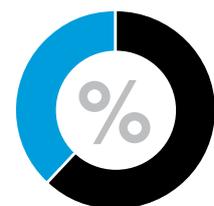
■ Male 89%
■ Female 11%

Type of employee



■ Permanent 79%
■ Contractors 21%

By division



■ Gold Division 62%
■ Platinum Division 38%

Workforce – breakdown by age

	2016				2015			
	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%
Younger than 30 years	5,913	4,560	10,473	14	5,251	1,890	7,141	15
Between 30 and 50 years	41,636	9,536	51,172	69	27,017	3,805	30,822	67
Older than 50 years	11,095	1,791	12,886	17	7,457	849	8,306	18
Total	58,644	15,887	74,531	100	39,725	6,544	46,269	100

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

OUR RECRUITMENT STRATEGY

Since 2015, Sibanye's recruitment strategy has given preference to the hiring of people in the vicinity of our operations. TEBA, a human resources and social services provider with whom we are in partnership, assists with recruitment and conducts the interviews in a transparent process with community leaders and unions invited to sit in on interviews.

EMPLOYMENT EQUITY AND RECRUITMENT FROM LOCAL COMMUNITIES

New employees are increasingly drawn from local communities. A number of operations have signed memoranda of understanding with local government and community leaders in respect of fair and transparent recruitment processes. We have extended this practice to our platinum operations. While we continue to employ more people from local communities, we strive to maintain support of labour-sending areas where mine remittances are often the sole source of income for impoverished communities.

At the end of 2016, 38% of our employees were recruited from traditional labour-sending areas in rural South Africa and 26% from the Southern African Development Community (2015: 39% and 30% respectively). The balance, 36%, reside locally.



Local community recruitment

	2016					2015				
	Gold Division		Corporate services and operations		Total	Gold Division		Corporate services and operations		Total
	Contractors	Permanent	Contractors	Permanent	All	Contractors	Permanent	Contractors	Permanent	All
Total appointments	5,738	3,376	999	557	10,670	4,007	3,248	552	1,065	8,872
Recruited from local communities	2,036	1,159	306	213	3,714	1,415	1,139	210	421	3,185
Local community members employed (%)	35.48	34.33	30.63	38.24	35	35.31	35.07	38.04	39.53	36

Sibanye's philosophy on recruitment is being carried through to our Platinum Division where we are reviewing current recruitment practices to – align with the rest of the company. We remain committed to creating a talent pipeline to enable us to recruit our general and specialist employees locally. A significant portion of employees in the platinum division is local. We will continue to work with the relevant stakeholders to ensure that we continue to sustain local employment.

There is currently a moratorium on recruitment. Only those positions requiring critical safety and production skills were filled during the year. With the cessation of mining operations at Cooke 4 during 2016, every effort was made to find alternative employment within Sibanye for those affected. Most of those affected were transferred to other Sibanye operations.

WOMEN IN MINING

A strategy to attract, develop and retain women in mining was implemented at all operations in 2016. It was agreed that 30% of all vacant positions be allocated to female applicants and that gender-related restrictions be removed. Key focus areas include gender-neutral policies and procedures, the wellbeing of women (including safety and security in the workplace) and creating working environments conducive to the employment, placement and development of women.

In the Gold Division, 120 women were appointed to mining positions in 2016. While women made up 12% of our total workforce in 2016 (2015: 10%), 7% of the total workforce are women in operational (core and critical) positions. To increase the number of women in operations positions a target of 30% women is in place for all operational recruitment. Currently, women comprise 12% of management positions (2015:18%) and 6% (2015: 10%) of senior management.



Although progress has been made at junior and senior management levels, representation in middle management was below target in 2016. We will therefore focus on increasing female representation in middle management through our executive assessment and succession planning process in 2017.

Women in core mining occupations in 2016 was as follows: 8% at Kloof and Beatrix, 9% at Driefontein, 16% at Burnstone and 17% at Cooke. In the Platinum Division, women represented 12% of the workforce in 2016.

To increase the number of women employed in core and critical skills, changes have been made to our recruitment strategy.

In partnership with the Gordon Institute of Business Science of the University of Pretoria, Sibanye also presented a Women in Leadership Programme, aimed at women in key leadership positions in private and government institutions, in 2016.

Sibanye was one of two mining companies selected by the Commission for Gender Equality to participate in a gender barometer project in 2016 to assess gender mainstreaming in the private sector for the first time. Sibanye represented large mining companies in the survey. Kloof was chosen as a pilot site and the commission visited our corporate office at Libanon, Westonaria. The findings will be presented to Parliament and Sibanye will receive a copy of the report with recommendations on achieving optimal gender equity.



ORGANISED LABOUR

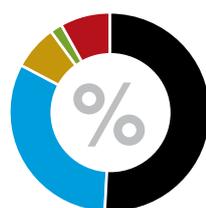
The mining sector is highly unionised. At the end of 2016, around 92% (2015: 93%) of our total permanent workforce was unionised. Currently, four unions are recognised by Sibanye, namely AMCU, NUM, Solidarity and UASA.

An agreement signed by the gold operations with all unions in 2015 expires on 30 June 2018. At the former Anglo American Platinum assets, a three-year wage agreement was signed and became effective from 1 July 2016, prior to their acquisition. At Kroondal, the current wage agreement expires in July 2017 and negotiations for a new agreement will begin in April 2017.

Union representation

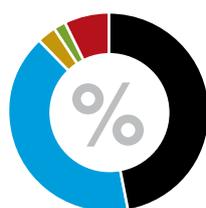
	2016						2015
	Gold Division		Platinum Division		Corporate office and other	Total	Total
	Membership	Representation (%)	Membership	Representation (%)			
AMCU	15,343	47	13,720	66	925	29,988	17,039
NUM	13,318	41	2,776	13	2,722	18,816	16,965
UASA	965	3	2,308	11	440	3,676	1,490
Solidarity	594	2	394	2	269	1,257	948
Non-unionised	2,492	7	1,714	8	664	4,728	3,283
Total employees	32,712	100	20,912	100	5,020	58,465	39,725

Group union representation



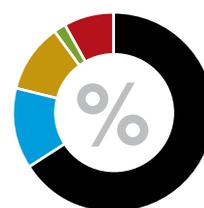
AMCU	51%
NUM	32%
UASA	7%
Solidarity	2%
Non-unionised	8%

Gold Division union representation



AMCU	47%
NUM	41%
UASA	3%
Solidarity	2%
Non-unionised	7%

Platinum Division union representation



AMCU	66%
NUM	13%
UASA	11%
Solidarity	2%
Non-unionised	8%

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

HUMAN RIGHTS

Our employees, including security personnel, are trained to uphold human rights and respect all cultures and customs. Regular refresher training at the training centre is provided in terms of our human rights policies and recruitment procedures or when employees return from leave.

Training of security employees was again included in our Workplace Skills Plan for 2016. Our approach to training and development needs in the workplace is guided by this strategic document, which is published annually, governed by the Skills Development Act, 1998 (Act No 97 of 1998) and the Labour Relations Act, 1995 (Act No 66 of 1995), and compiled jointly by the employer, employee representatives and non-unionised employees.

Our human capital policies also address human rights, as well as child/forced labour at all operations and among our suppliers, employment equity and employee relations, including discipline and recognition.

For more information on our policies, including that on human rights, please refer to <https://www.sibanyegold.co.za/about-us/corporate-governance>

Addressing indebtedness

High levels of indebtedness are not unique to the mining industry but continue to be a challenge. The events at Marikana on the platinum belt in August 2012 highlighted the many extraneous factors impacting the lives of employees and which contributed to the resultant labour instability in the sector and beyond. While wages became a rallying point for the strikes, the situation was exacerbated by other issues, including dual families, poor living conditions, lack of service delivery and high levels of employee indebtedness, which tend to severely reduce employees' take home pay.

To address this, in 2014, Sibanye launched a personal financial-education programme – CARE for iMali/Khathalel'imali/Hlokomela chelete (meaning 'care for money' in isiXhosa and Sesotho) – aimed at curbing indebtedness and providing financial planning and rehabilitation to employees. By end of 2016, more than 22,000 employees and community members had participated in CARE for iMali training.

Additional training on home ownership, debt counselling and coaching are provided by financial coaches at all our operations. All garnishee orders received are validated and managed, and employees are informed of new garnishee orders received. Excessive instalments deductions are negotiated to assist employees to take home at least 30% of their earnings.

Community members also participate in the programme and more than 200 people from communities in the Merafong and Rand West municipal areas benefited from the programme.

The roll-out of Care for iMali at the platinum operations began in September 2016, benefiting over 500 employees and over 300 community members.



Sibanye Academy

- **Improving literacy levels in the Gold Division** – employees at adult education and training level 3 and higher increased to 70% in 2016 from 58% in 2015
- **Bursaries** – bursaries are offered to dependants and children of employees

The Sibanye Academy, located in Westonaria, Gauteng, supports human capital, our employees and the broader community, by developing employees' skills and knowledge through training and experiential learning. The academy is fully accredited by the Mining Qualifications Authority (MQA) and its programmes have been approved by a number of sector education and training authorities (SETAs). Satellite campuses, managed by the academy, are located at each operation.

**HUMAN CAPITAL DEVELOPMENT**

Our skills development initiatives are available to employees and people living in host communities. Our talent pipeline is aligned with our business objectives and maintained through adult education and training, portable skills training, learnerships, internships, study assistance, and core skills and leadership development. As we had come to the end of our second five-year SLP cycle in 2015, most commitments in terms of employee and community training had been met. Following an analysis of Sibanye's internal human resource and skills requirements, training conducted in 2016 was rationalised to focus on and align with the needs of the business and to develop employees. This explains the decline in the number of employees and community members who received portable skills training between 2015 and 2016 in the table below. In line with the MPRDA, the DMR were advised of the revised approach.

In addition, funding was secured from the MQA for new leadership programmes in partnership with the Gordon Institute of Business Science in 2016.

Group: Portable skills training – number of attendees

	2016	2015	2014	2013
Employees	204	828	1,109	865
Community	312	945	1,091	1,354
Total	516	1,773	2,200	2,219

Group: Learnerships – number of attendees

	2016	2015	2014	2013
Engineering	407	386	367	753
Mining	385	207	337	544
Total	792	593	704	1,297

In 2016, Sibanye spent R403 million (2015: R385 million) on education and training, of which the Platinum Division accounted for R81 million. This represented a total of 6.99 million hours of training for the year (2015: 7.93 million hours).

TRAINING AND DEVELOPMENT

Adult education and training is offered to employees and community members full time and after hours to advance literacy and numeracy. Learners are examined by the nationally recognised Independent Examinations Board. As most of the five-year social and labour plan targets for adult education and training were achieved in 2016, we did not accept new intakes but allowed learners enrolled in 2015 to continue with their adult education and training levels 1-3 studies. Some learners continued with level 4 in line with business needs. In 2016, 16 (2.47%) employees who attended adult education and training moved into the learnership pipeline.

Our portable skills training equips employees with practical skills that are transferable beyond the mining industry and will stand them in good stead for life after mining. We also equip community members with skills for employment and entrepreneurship. In addition to qualifications in mechanical, electrical and construction trades, recognised by the South African Qualifications Authority, training is also provided in agriculture, clothing and textile manufacturing.

To improve employees' skills and to provide opportunities for community members to enter the mining industry, learnership programmes are offered as a combination of study and on-the-job training. Learnerships play an important role in advancing employees' careers as they lead to recognised qualifications. In 2016, Sibanye invested R63 million (R3 million in the Platinum Division) in learnerships (2015: R81 million) with 20 (4%) learnerships taking up permanent employment.

Bursaries are also available to employees and members of surrounding communities who need assistance to study towards critical core mining qualifications, particularly specific skills needed by Sibanye. In 2016, we invested R14.2 million (R2.4 million in our Platinum Division) in bursaries (2015: R17.47 million) with 11 (6.43%) bursars taking up permanent positions within Sibanye. Given Sibanye's strategic partnerships with the University of Johannesburg and the University of the Witwatersrand, a donation of R4 million was made to each institution in 2016.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Gold Division: Human capital development: SLP provision vs actual training spend (R million)

	2016		2015	
	SLP financial provision	Actual training expenditure	SLP financial provision	Actual training expenditure
Beatrix	25	59	30	78
Cooke	41	34	35	50
Driefontein	57	118	5	127
Kloof	53	109	55	128
Total	176	320	177	384

Sibanye also invests in employees with potential to advance within the group, 15% of those successors were promoted from the talent pool in 2016.

Gold Division: Current size of talent pool = 691 (A – D Upper bands)

	2016	2015	2014
Successors promoted	108	45	43

Group: Human capital development – 2016

	Expenditure (R million)	Number of trainees	Total no. of training hours
Internships	35	130	262,080
Bursaries	14	325	655,200
Adult education and training (employees)	49	1,392	501,120
Adult education and training (community)	12	675	303,750
Engineering learnerships	33	397	820,512
Mining learnerships	30	385	776,160
Portable skills (employees)	1	204	9,792
Portable skills (community)	1	312	29,952
Leadership development	12	784	31,360
Core skills training	188	53,654	3,433,856
Coaches/mentors training	2	504	4,032
Employee indebtedness	4	17,959	143,672
Community Maths and Science	1	70	8,400
Support and research	9	0	0
Other	12	1,835	14,680
Total	403	78,626	6,994,566

EXECUTIVE SUCCESSION PLANNING

At the beginning of 2016, the Board tasked the Human Capital team with the development of an executive development and succession plan, the key objectives of which were to identify executive talent requirements and to implement strategies to attract and develop executives qualified to fill critical positions to enable Sibanye to deliver on its strategy. This also involved developing plans to ensure talent retention and engagement, and to facilitate the timely transfer of knowledge from current incumbents to successors.

In compiling the plan, it was necessary to understand the critical roles and competencies required, to assess existing competencies and the potential of internal candidates in terms of readiness as well as exposure and development, and to propose appropriate interventions. The plan incorporated a short-term (three to six months) contingency plan and permanent replacements, as well as an emergency plan.

A detailed plan was completed and implemented in three phases at executive, senior management and management level.

Additional employee benefits

The Matshidiso Programme assists the dependants and families of employees who have died as a result of mine accidents and employees with permanent disability. In 2016, R685,600 was paid out in terms of this programme, bringing the total paid out since 2013 to R3.1 million.

In addition to the standard death in-service benefits paid to the families of employees, Sibanye, with the assistance of TEBA, provides assistance in the form of a food hamper and grocery vouchers delivered at the home of the nominated beneficiary. Introduced in January 2016, 247 families have benefited from this scheme at an approximate cost of R1.3 million for the year.

AVERAGE NO. OF TRAINING HOURS PER EMPLOYEE

88.96

By the end of 2016, critical roles had been identified and competencies required for executive positions finalised and incorporated into the Sibanye Leadership Development Framework. Assessments to identify potential, readiness and development were completed for all executive and senior management. The process for management level employees has begun and is on track to be completed by the end of 2017.

An initial executive succession plan was developed and presented to the Chief Executive Officer and the Board for approval. The initial succession plan includes a pool of external of potential candidates to be considered as needed. The plan will be updated on an ongoing basis.

It is important that the executive development and succession process forms the basis of our Integrated talent management framework. All processes, including the leadership development and competency framework, the strategic workforce plan, training and transformation plans, succession planning as well as performance management, among others, will therefore be aligned with this process. With this in mind, starting in 2017, a talent review will be conducted biannually.

AFFORDABLE HOUSING PROGRAMME

- 427 company-owned houses sold (162 to employees and 265 private sales)
- Affordable home-ownership programme: 32 houses built to date of 120 planned
- Approximately R430 million spent on high-density residence upgrades over eight years

Affordable housing is key in enabling home ownership for all our employees. Our affordable housing model includes managing the construction in-house. A home ownership payment model was introduced in September 2016 to assist with registration costs, bond fees and fringe benefit tax. We have also donated available land and carry the costs of professional and legal services.

In all, 162 houses owned by Sibanye in the West Wits area have been sold to employees as part of the employee home-ownership programme, which began in 2015, to enable employees to own their houses. The houses are offered for sale to current occupants at a discount, based on years of service, with no obligation to buy. Alternatively, vacant houses in the higher grade levels are first offered to Sibanye employees before they are sold on the open market. To meet the demand for affordable housing, Sibanye has engaged with organised labour on the designs and layout of prototype show houses in Gauteng and the Free State. These houses are available to Category 4-8 employees who can use their living out allowances to pay for them with minimal subsidisation.

All single accommodation upgrades were completed. The focus in 2017 will be on cosmetic changes and maintenance, including painting. The provision of family accommodation will be addressed by the sale of houses to employees through the home-ownership programme.

Our housing programme has helped create employment as well as opportunities for local small, medium and micro enterprises (SMMEs) supporting youth and women. SMMEs also stand to benefit from planned incubation centres for our employee home ownership scheme, as well as housing programmes of local municipalities.

A brick manufacturing facility in Westonaria, employing 20 people from surrounding communities, is producing and stockpiling high quality bricks. Another 30 SMMEs have been selected and will be trained in carpentry, welding, spray painting, and the manufacture of roof trusses and roof tiles, in 2017 to enable them supply our housing programme. Once accredited, the SMMEs will be qualified to start their own businesses and operate in mainstream industries. Sibanye has spent R5.7 million on this project to date, mainly on refurbishing and equipping the incubation centre.

The provision of housing and accommodation in the Platinum Division is being reviewed, as part of the integration process into the company. This will be in line with our commitment to make affordable home ownership possible for all our employees.

FUTURE FOCUS – HUMAN CAPITAL

Formulation of a group-wide integrated human capital strategy which will take into account, from a holistic perspective, employee training, performance management and career development. As part of this, adult education and training, which is currently full time, is to be reviewed.

Sibanye will be implementing a new learner official programme in 2017 aimed at attracting top school leavers interested in pursuing a career in mining. Successful candidates will be paid a salary while receiving on-line work integrated learning and occupational development together with tertiary education.

A pilot group of 24 matriculants will be chosen for this five-year programme, which will culminate in a national certificate in rock breaking, certified by the MQA, as well as a Bachelor of Engineering Technology degree from the University of Johannesburg.



SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

THE MINING CHARTER AND TRANSFORMATION

Our approach

Sibanye is committed to playing a leading role in the transformation of the South African mining industry and the country as a whole. While the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry (the Mining Charter) has laid the foundation, we believe that real transformation depends on a deeper understanding and commitment. We strive to be the most empowering mining company in South Africa by creating superior value so that historically disadvantaged South Africans can participate meaningfully as employees, shareholders, suppliers and communities. Our goal on the journey towards transformation is the sustainability of our business.

All of our operations initially submitted their 2015 Mining Charter reports on 31 March 2016 and were resubmitted by the end of April 2016, with additional information as requested by the DMR.

Given the shifting transformation landscape, and the planned revision of the Mining Charter, we have ensured that Sibanye is well-positioned to embrace change. The release of the Mining Charter Assessment Report by the DMR in 2015 set the scene for the revision of the Mining Charter, which had expired in December 2014.

Following this review, a third draft of the amended Mining Charter, released for public comment in April 2016 and designed to strengthen its efficacy in bringing about meaningful transformation, sought to entrench the requirement for perpetual 26% black economic empowerment (BEE) ownership. This was contested by the industry, resulting in the DMR and the Chamber of Mines of South Africa approaching the High Court of South Africa to seek clarity on the interpretation of the “once empowered, always empowered” principle (ie that BEE ownership transactions in the mining industry concluded between 2004 and 2014 should continue to count towards BEE ownership, irrespective of whether the shareholding remained). The High Court has yet to rule although engagement on other aspects of the amended Mining Charter continued.

With the acquisition of the platinum mines, Sibanye concluded a 26% broad-based BEE transaction through a subsidiary. In terms of this transaction, Rustenburg Mine Employees Trust now has a shareholding of 30.4%, Rustenburg Mine Community Development Trust 24.8%, Bakgatla-ba-Kgafela Investment Holdings 24.8% and Siyanda Resources Proprietary Limited 20%.

Employee share ownership

By the end of 2016, 24,523 employees (2015: 26,444) were participants in our employee share ownership plan, the Thusano Trust, which was established in 2010 when employees of Gold Fields acquired 13,524,365 Gold Fields shares in line with a collective agreement between the NUM, UASA, Solidarity and Sibanye (previously GFI Mining South Africa Proprietary Limited). The shares were allocated to employees in Paterson employment bands A, B and C, according to their years of service. The Thusano Trust was registered as the vehicle to administer the share plan. In terms of the trust deed, the allocated shares are to be held in trust for a period of 15 years on behalf of employees. During this restrictive period, employees may not dispose of or otherwise encumber the shares. Although they cannot dispose of shares for a period of 15 years, employees acquired full rights of ownership in the shares, which entitles them to voting rights and dividends paid in relation to the shares. With the unbundling of Gold Fields and the creation of Sibanye, Sibanye employees were allocated an equal number of Sibanye and Gold Fields shares.

