

SUPERIOR VALUE FOR THE WORKFORCE

APPROACH

Our mining activities improve lives when we are able to create superior value for our employees by safely delivering on and exceeding individual and team performance objectives in alignment with our key business drivers: safety, cost, volume and quality.

Significant growth and geographical diversification in the past three years has challenged our human resource (HR) function to constantly expand its knowledge base in order to realise these objectives.

While our overall HR strategy allows for regional autonomy, performance standards are regularly reviewed and revised at Group level. Our HR policies and development programmes are designed to meet the needs of all employees within diverse socio-economic environments.

At our US and SA operations, we strive to engage meaningfully with all employee and organised labour representatives in terms of our visible felt leadership principle and our social compact.

In South Africa, our five-year HR strategy, People@Sibanye-Stillwater, incorporates our employee value proposition and provides a road map to 2021. It supports Sibanye-Stillwater's strategic objectives, and is aimed at establishing Sibanye-Stillwater as a transformed, values-based organisation.

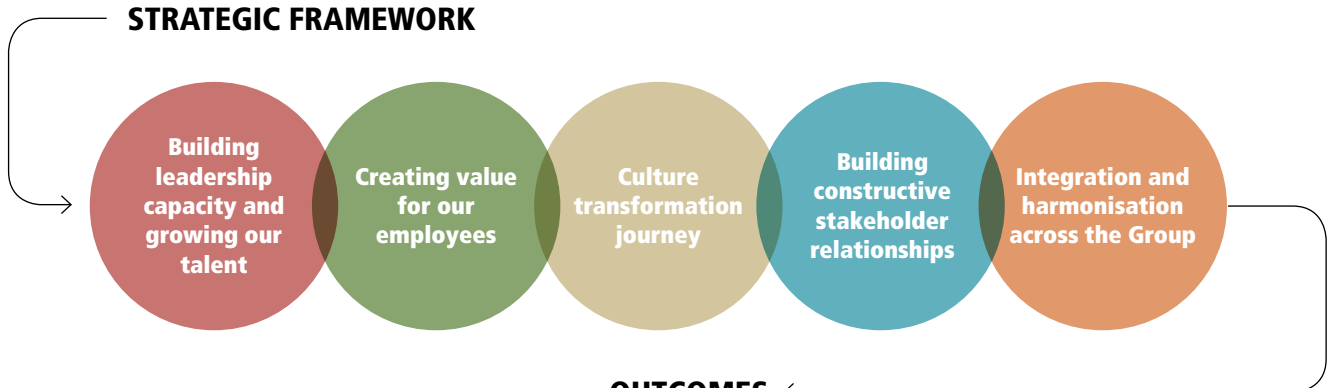
Sibanye-Stillwater is a significant employer in the regions in which it operates – our US PGM operations are the largest private, industrial employer in the state of Montana.

“We strive to engage meaningfully with every employee and organised labour”

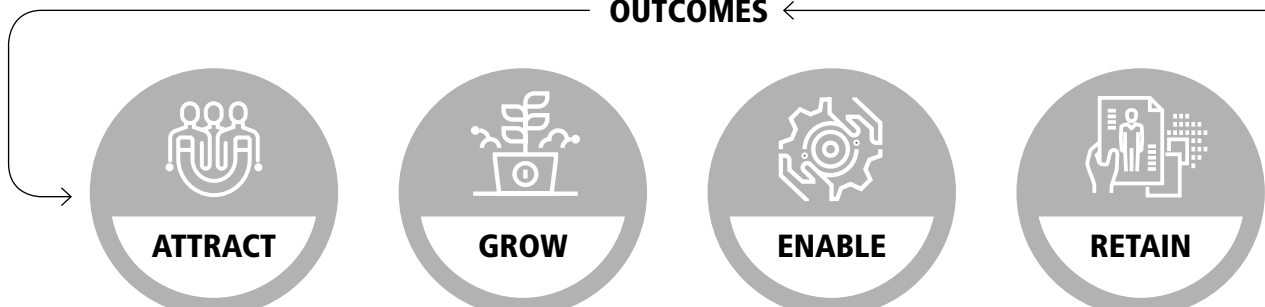
LIVING OUR VALUES

- **Engagement forums** regulate interaction with organised labour by dealing with issues as they arise without delay, separating issues at national, regional and branch level, managing each issue appropriately, and taking ownership of employee-related matters
- **Employees need to trust** that our leaders live the values and that they fulfil their promises
- **Our employee value proposition** provides for a conducive work environment and career opportunities for employees (our aim is for 80% internal recruitment).
- **“Modern mining promise”**: We aim to be a transformed organisation that goes beyond compliance
- **Stakeholder engagement**: HR has a role to play within communities where current and future employees reside
- **Stakeholder mapping**: We identify and categorise all our stakeholders to ensure that we understand their different needs, levels of influence and interests, and thus determine the levels of engagement required in each category.
- **Leadership development**: Our leaders strive to engage meaningfully with employees
- **Social contributions** to the communities in which our employees live: We focus on making valuable socio-economic contributions
- **Management and the unions** are encouraged to clarify roles

STRATEGIC FRAMEWORK



OUTCOMES



EMPLOYEE VALUE PROPOSITION

- **Being an employer of choice among graduates in core disciplines:** Providing a conducive, safe, inclusive working environment, in which employees are valued, with opportunities for a rewarding career as well as learning and skills development. *Refer to training and development*
- **Building mutually beneficial, constructive relationships, based on trust and respect:** Ensuring we act in line with our CARES values, deliver on our promises, and engage transparently and honestly with employees and all other stakeholders. Furthermore, establishing Sibanye-Stillwater as a values-based, modern mining company has been identified as key in addressing our safety performance. *See Ensuring safe production, and Occupational health and well-being*
- **Developing leadership capacity:** Enhancing senior management skills required for meaningful engagement so that leaders are able to motivate employees to reach their full potential. *See organisational and leadership development and talent management*
- **Contributing to socio-economic development:** Sharing value created by paying salaries and wages spent within communities, by contributing to and investing in local economic development initiatives in communities in which our employees live, and by encouraging employee volunteerism. This ties in with Sibanye-Stillwater's duty as a responsible corporate citizen and helps address poverty, inequality and unemployment around the SA operations. *Refer to the report of the Social and Ethics Committee in corporate governance*

IN LINE WITH THE SUSTAINABLE DEVELOPMENT GOALS

The intended outcomes of our HR strategy are aligned, either directly or indirectly, with these United Nations (UN) Sustainable Development Goals (SDGs):



“Providing a conducive, safe, inclusive working environment”

PERFORMANCE

TARGETS

SA operations

- **To exceed transformation targets:** The targets for 2018 were 40% historically disadvantaged South Africans (HDSAs) in management level positions and 10% women in mining, specifically core mining positions. These targets have been changed as a result of the amendments to the Mining Charter and will take effect from 2019.

US operations

- **Opportunities to improve diversity are sought with every new recruitment.**

SA operations: Transformation

	2018 (%)	2017 (%)	Mining Charter targets ¹
Historically disadvantaged South Africans in:			
Management	48	49	40
Core and critical skills	71	70	60
Women in management	19	19	10
Women in mining	13	12	10
Women in core positions	9	8	10

¹ These targets will be replaced by the new targets that have been set in the amended Mining Charter and will become effective from 2019.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

WORKPLACE MANAGEMENT

In South Africa, we began the year with business transformation initiatives aimed at clarifying roles and responsibilities within a fit-for-purpose HR management system, ensuring that our governance structures and rules were aligned across the organisation, maintaining or improving our service levels so that we could reduce costs while increasing productivity.

We reviewed our HR practices and policies (overtime, acting and relieving, call-out and standby) and invested in an information management system (contractor management, automation and digitalisation of employee services, such as leave and sick days, and harmonisation of remuneration and benefits) that would enable sustainable business continuity. This system also facilitates the identification of HR-related business risks.

At the SA operations, we embarked on targeted recruitment for critical positions and implemented a cadet scheme to address the shortage of skilled employees in our stoping and development crews. To this end, and to play our part in addressing the critical youth unemployment issue in South Africa, we recruited 64 trainees, aged 18 to 25, through the local community forum at Beatrix so that they could gain on-the-job experience – 29 have been employed to work at the mine while the rest have been included in our database of suitable candidates.

At the same time, we began using an automated recruitment system, which has reduced the time and cost involved in conventional evaluation of applications by 60%. The system will be integrated with other electronic employee services for efficient data processing and to include communities in online learning platforms.

At the US operations, the human capital planning and recruitment strategy for the Blitz Project is a continuous initiative from one year to the next. Initially, focus was on the tunnel-boring machine. Manpower requirements and related prospective budgets for 2020 and 2021, in terms of anticipated scheduled production, are in place.

ORGANISATIONAL AND LEADERSHIP DEVELOPMENT

As leadership development is an integral part of the architecture of any organisation, we seek to create an executive talent pool that is aware of business needs, given the environment in which we operate.

In 2018, in order to ensure that we had competent leaders, living the Group's values and ready to move to the next level, we instituted talent management, psychometric assessments, leadership development and a dedicated on-boarding initiative.

TALENT MANAGEMENT

The success of talent management depends on the integration of all HR functions. When attracting employees to fill vacant positions, we ensure that our internal talent pool is reviewed and that all possible successors are interviewed so that we achieve 80% self-sufficiency with a blend of external hires.

In South Africa, in 2018, we addressed our internal talent and succession pipeline by institutionalising our career growth model with quarterly talent reviews and career days, which exposed more than 2,000 employees to the different disciplines within Sibanye-Stillwater to enable a seamless transition from one level to the next.

SA operations: Talent pool¹

	2018	2017	2016 ²
Talent pool size (A-D Band)	1,787	1,282	691
Successors promoted	131	105	108

¹ Employees identified as potential leaders for development

² D Band employees only

“Leadership development is an integral part of the architecture of any organisation”

The career growth model has four critical pillars: performance, leadership ability, qualification/technical competence/business knowledge, and potential/culture fit. This model embeds the philosophy that career development is a series of interventions aimed at developing a career through skills training, lateral critical experiences, moving to higher job responsibilities and cross-functional positions within the same organisation.

The 70-20-10 learning and development model (below) is also applied as a valuable general guideline to maximise the effectiveness of learning and development programmes through activities and inputs.

The performance management process is linked to individual development, talent management and leadership development. It plays a major role in identifying employees for the talent pool. An average performance score, over a period of three years, is considered for the selection process. If this information is not available, performance over a period of at least six months is considered.

Within our mentoring and coaching framework, individual career development plans have been aligned with succession planning.



PSYCHOMETRIC ASSESSMENTS

Psychometric assessments are used in recruiting, identifying talent and promoting effective HR development and personal growth.

Psychometric assessment activities are designed to:

- Align the Group's assessment practices with relevant legislation
- Ensure that the Sibanye-Stillwater approach to psychometric assessment is applied consistently in other work-related streams, such as performance optimisation, talent management and recruitment at senior level
- Optimise human capital, employed on the basis of their competence, matched against job-related requirements and developed to meet job requirements
- Establish and maintain progressive assessment practices aligned with local best practice
- Regulate the psychometric assessment process for Sibanye-Stillwater
- Ensure fair and equitable decisions regarding employee selection, promotion, development and organisational transformation
- Provide opportunities for employees to gain personal insight and self-development through effective and efficient assessment practices

LEADERSHIP COMPETENCY FRAMEWORK



Sibanye-Stillwater psychometric assessments are aligned with the leadership competency framework and values.

THE VALUE OF ASSESSMENTS: CANDIDATES BUSINESS NEEDS

Employee assessments

The new assessment framework was successfully implemented across the SA operations in 2018. Most E band level and higher employees were assessed by an independent service provider. Individual feedback is expected from the beginning of 2019. 87% of D band and below successors were assessed internally.

A total of 5,609 assessments were completed during 2018, including 200 graduates and bursars, as well as 63 learnership candidates, while 1,572 operators were assessed.

The objective for 2019 is to have assessment results for all D level employees to determine emerging themes, which will be aligned with training interventions.

Executive assessments

In 2019, the Executive Committee and top 40 leaders will undergo 360° assessments.

As leadership is a competitive advantage and enabler for delivery on business goals and social imperatives, we aim to promote and improve leadership capability and have developed a leadership competency framework based on the Sibanye-Stillwater CARES values.

Feedback from these assessments will assist leadership in improving relationships, accountability and performance.

“We aim to promote and improve leadership capability”



An employee at Bathopele mine in Rustenburg, South Africa

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

LEADERSHIP DEVELOPMENT

In South Africa, Sibanye-Stillwater aims to strengthen leadership capability by implementing tailor-made development programmes that are aligned with business needs. We are aware of the need for agile, value-based leadership to execute our strategy.

In order to deliver world-class leadership development programmes, Sibanye-Stillwater partnered with an independent service provider in 2018 and delivered the first executive development programme for 40 future leaders, which included coaching of the Executive Committee. The programme included strategy execution, crisis and change management, mergers and acquisitions, and community immersion, among others.

The women leadership development programme launched in August 2017 focused on improving gender diversity in 2018 by addressing personal and career growth, financial management, and employment of women in mining globally, in South Africa and at community level.

ON-BOARDING

During phase 1 of the on-boarding process in 2018, we conducted a survey among all newly appointed and promoted middle and senior managers to determine the level of employee engagement. We could thus determine the balance between job resources and job demands, burnout and organisational commitment. A task team then designed and implemented an on-boarding policy and process.

Phase 2 will begin in 2019 with the launch of the programme, a welcome video and workshop for HR managers. An on-boarding tracking tool will be used as part of the engagement process to provide system guidelines for employees, HR and managers about activities that prepare employees for their new roles. On-boarding surveys will continue as part of the process.

At the US operations, all newly hired and re-hired employees attend orientation, which includes an introduction to the Group, a review of our CARES values, discussion on policies and procedures, and a presentation on the health and welfare benefits package, as well as a well-rounded introduction to the organisation as a whole.

EFFECTIVE PERFORMANCE

Sibanye-Stillwater invested significantly in developing a performance-driven culture within the SA operations in 2018. We benchmarked our policies, practices, processes and systems to understand the requirements and found:

- **System and process:** Our systems and processes were at least on par with other high-performing companies. In many instances, our system enhancements exceeded others.
- **Engagement:** We recognised the need for one-on-one engagement sessions between managers and their team members to enable effective performance. The sessions focus on recognition and celebration, role clarity and real-time feedback.
- **Visible matrices:** We track performance effectively so that senior managers are able to focus on the needs of service departments and thus ensure the same levels of visibility.

In 2018 we focused on the following key elements:

- Implementation of system enhancements to integrate performance and development behaviours, including the introduction of management dashboards to track performance discussions, and automation of performance improvement and enhancement plans
- Transparency in the performance review process to build trust in the processes
- Refocusing the performance review to a performance conversation to start the culture transformation journey
- Implementation of the HR development programme to enable the HR community at the SA operations to better support effective performance in the operations and services departments

Recruitment

Our new electronic recruitment model focuses initially on internal candidates via the intranet before any vacant posts are advertised externally. Filters, in the form of five key questions, are also used to streamline the process. Much paper work has been eliminated by taking this process online. As part of the digitalisation process, the HR function is making much greater use of technology and is working closely with the IT function to develop systems to manage its various services. Accordingly, the approach to training is being reviewed with greater use of virtual learning, e-learning and blended learning (a combination of e-learning and conventional training: see *training and development*).

The digitalisation process is aligned with the overall business transformation programme, aimed at enhancing efficiencies and reducing costs. A revised overtime policy has resulted in a R1 million reduction in the amount paid out for overtime work. Contracted services have been streamlined in line with the rationalisation of employee benefit services, resulting in a saving of R2 million.



Employees at our US PGM operations in Montana, US

TIME AND ATTENDANCE

A review of time and attendance measured compliance with legislated basic conditions of employment as well as health and safety regulations, including certified fitness to work, so that employees would not suffer the consequences of exceeding the maximum 40 hours a week at the SA operations.

At the US operations, all employees work a specific schedule, depending on the operational facility or support department to which they are assigned. Scheduled work shifts comply with the requirements of the US Department of Labor and the Fair Labor Standards Act governing the maximum number of working hours and overtime.

We have focused on continuous improvement in our HR system road map for the next three years. Our structured process reviews system capabilities, and the quality of outputs and efficiencies, to support the business in remaining compliant and in touch with the fast-changing technological landscape.

Our road map focuses on improving system controls and capability, particularly with regard to safety and people, in the following areas:

- **Regulatory-related system blocking and control**

- Statutory leave management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
- Certificate of fitness management (maintained system capability improvements in 2018/new business planned for 2019)
- Annual training management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
- Certification and qualification management (system framework and capability improvements drafted in 2018/completion of system framework capability and roll-out planned for 2019)
- Short shift management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
- Overtime management (system framework and capability improvements completed in 2018/roll-out planned for 2019)
- Work permit management (system framework and capability improvements and roll-out planned for 2019)

- **HR core controls**

- Absentee management (reviewed and improved efficient absentee management and long-term sick management processes and controls in 2018)
- Disciplinary management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
- Talent management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
- Training booking management (reviewed system framework and capability/improvements planned for 2019 within workflow system environment)
- Manning board (developed organisational structure system within HR operating systems showing structure/key HR risk indicators planned for completion and roll-out in 2019)
- HR planning (review system technology used for business HR planning in 2019)
- eJob architecture (developed job architecture framework in 2018/system integration and review of standards in 2019)

As part of the journey towards improvement in these areas, we have strategically reviewed the manner in which we manage the people elements within our system environment.

Our key system drivers have included:

- Integration of diverse conditions as part of the portfolio and growth of our business to strategically review controls that could cater for various conditions and variations in HR
- Versatility and efficiency by improving the use of systems and technology for quicker inputs and outputs through the workflow system environment for effective and streamlined approvals
- Interaction and technology to advance our system environment for best practice and greater use of robotics and automation
- Communication and information to improve real-time data and statistical information

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Workforce by operation at 31 December

	2018			2017			2016		
	Permanent employees	¹ Contractors	Total	Permanent employees	¹ Contractors	Total	Permanent employees	¹ Contractors	Total
SA operations									
Beatrix	7,329	929	8,258	7,084	925	8,009	7,884	1,671	9,555
Driefontein	10,576	1,072	11,648	10,969	1,495	12,464	10,941	1,648	12,589
Kloof	9,776	1,160	10,936	9,581	1,487	11,068	9,858	1,319	11,177
Burnstone	114	66	180	237	298	535	241	336	577
Cooke	486	260	746	717	542	1,259	3,788	1,624	5,412
Gold (excluding services)	28,281	3,487	31,768	28,588	4,747	33,335	32,712	6,598	39,310
Kroondal (100%)	5,673	2,617	8,290	5,715	2,849	8,564	6,021	4,378	10,399
Rustenburg ³	13,023	2,354	15,377	13,194	2,049	15,243	14,891	3,114	18,005
SA PGM ² (excluding services)	18,696	4,971	23,667	18,909	4,898	23,807	20,912	7,492	28,404
Regional Services ³	2,251	1,239	3,490	2,262	1,349	3,611	3,054	1,018	4,072
SA other ⁴	1,720	806	2,526	1,867	1,827	3,694	2,731	190	2,921
SA operations – Total	50,948	10,503	61,451	51,626	12,821	64,447	58,644	15,887	74,531
US operations									
Stillwater	962	280	1,242	863	333	1,196			
East Boulder	411	45	456	409	54	463			
Columbus									
Metallurgical Complex	186	54	240	179	64	243			
Regional services ⁵	67	5	72	54	6	60			
Other ⁶	2	0	2	8	0	8			
US operations – Total	1,628	384	2,012	1,513	457	1,970			
Corporate office ⁷	55	0	55	55	-	55			
Group – Total	52,631	10,887	63,518	53,194	13,278	66,472	58,644	15,887	74,531

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

² PGM operations under management: In 2016, Kroondal is included from April to December 2016 and Rustenburg operations from November to December 2016. In 2017, these operations are included for the full year.

³ Regional services includes executive management of the SA operations and employees providing a service to the SA operations and to the gold operations not reflected in other. The number for the Rustenburg employees above includes 1,029 employees who provide regional services to the SA PGM operations

⁴ Other includes Protection Services, Shared Services, Sibanye-Stillwater Academy, Health Services and Property (gold and SA PGM operations)

⁵ Regional services in the US includes executive management located in Columbus and Montana offices

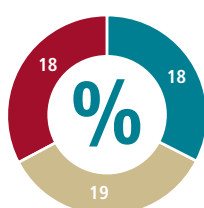
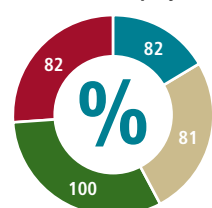
⁶ Other represents two employees at Marathon, Canada (no contractors at 31 December 2018). Altar employees are included with Aldebaran from 2018 (non-managed).

⁷ Corporate office includes executive management since September 2017

Workforce composition (2018)

Permanent employees

Contractors



Category	Count	Percentage
SA operations	50,948	82%
US operations ¹	1,628	81%
Corporate office	55	100%
Group	52,631	82%

Category	Count	Percentage
SA operations	18	18%
US operations ¹	19	19%
Corporate office	0	0%
Group	18	18%

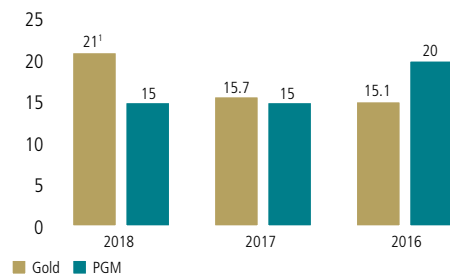
Workforce by age

	2018				2017				2016			
	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%	Permanent employees	Contractors	Total	%
SA operations												
<30 years	3,402	2,950	6,352	10	4,034	3,694	7,728	12	5,913	4,560	10,473	14
30-50 years	37,230	6,492	43,722	71	37,275	7,738	45,013	70	41,636	9,536	51,172	69
>50 years	10,316	1,061	11,377	19	10,317	1,389	11,706	18	11,095	1,791	12,886	17
US operations¹												
<30 years	194		194	12	157			10				
30-50 years	904		904	55	848			56				
>50 years	530		530	33	508			34				

¹ Ages of contractors at US operations not available

ABSENTEEISM

SA operations: Absenteeism (%)



¹ The increase is a result of the AMCU wage-related industrial action

For more about absenteeism, refer to *Ensuring safe production, and Occupational health and well-being*.

US operations' employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have US operations' employees are allotted a specific number of vacation and sick/personal days per year. When these discretionary days off of work have been exhausted, should the employee miss work, employment is terminated.

EMPLOYEE TURNOVER

The annual turnover for management level employees in the SA operations in 2018 was 14%, including 9% HDSAs and 4% women in management. The total turnover in the SA operations was 5% (6% at the gold operations and 3% at the PGM operations).

Annualised attrition in the US operations in 2018 was 8.7%. The attrition rate among miners was 4.8%.

No incidents of discrimination were reported during 2018.

GENDER DIVERSITY

We aim to establish a working environment, and instil a culture, that supports and proactively attracts women at all levels, and which accelerates gender equity through employee development and improved communication, promoting awareness and understanding of gender diversity and equity, and removing gender-related barriers to make the working environment more conducive for women. Every effort has been made to ensure that our HR policies are gender-neutral.

Women representation in our workforce improved to 13% in 2018 with 9% of core mining roles held by women. A particular focus of succession planning is to increase female representation in middle management and in senior/executive management.

Sexual harassment is not tolerated at all as it violates our values and disrupts the workplace. As awareness and understanding of sexual harassment play a pivotal role in preventing sexual harassment in the workplace, regular awareness campaigns are conducted. Sexual harassment is also addressed in employee "return from leave" refresher induction training. Our sexual harassment policy governs procedures to be followed in dealing with sexual harassment. A sexual misconduct unit of Protection Services handles all reported sexual harassment cases, with information from anonymous tip-offs or HR managers, and counselling is provided to affected employees. In 2018, two cases of sexual harassment were reported at our SA PGM operations and one at our SA gold operations.

"Every effort has been made to ensure that our HR policies are gender-neutral"

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

Women employed (%)

2018				2017				2016		
Group	SA operations	PGM	US operations	Group	SA operations	PGM	US operations	SA operations		
Total	Gold	PGM	PGM	Total	Gold	PGM	PGM	Total	Gold	PGM
13	12	15	9	13	10	14	8	11	7.2	13.6

Women in core mining positions (2018)

Group	SA operations	US operations
Total	Gold	PGM
4,656 (9%)	2,543 (9%)	2,058 (12%)
		53 (3.3%)

Gender diversity of permanent employees (2018)

	Male	%	Female	%
SA operations ¹	44,197	87	6,751	13
US operations ^{1,2}	1,487	92	139	9
Corporate office	29	53	26	47
Group	45,713	87	6,916	13

¹ Includes services and other

² Excludes two employees working outside of the US PGM operations at the Marathon (Canada) project

TRAINING AND DEVELOPMENT

In 2018, our SA operations invested R559 million (2017: R532 million) in HR development, representing 10.1 million hours of training, equivalent to 69 training hours per employee (2017: 79.6). The total number of employees and community members attending one or more of our training programmes increased from 104,647 in 2017 to 146,978 in 2018. The main reason for the increase was significantly higher demand for core skills training to equip employees with skills needed to facilitate operational changes and workforce redeployment.

In our US operations, US\$2.6 million (2017: US\$1.3 million) or R34.4 million (2017: R17.3 million) was spent on training. A total of 115 salaried employees participated in leadership development training while nine participated in a continuing education programme (with 75% of the costs for tuition and books reimbursed by the organisation).

All newly hired and rehired employees attend new hire orientation prior to beginning work. The orientation includes an introduction to the organisation, review of our CARES values, discussion of policies and procedures, and a presentation on the health and welfare benefits package, as well as presentations by other departments.

Human resources development (2018)

	Expenditure (R)	Number of learners	Total training hours (number of learners x average training days per learner)
Internships	56,154,890	161	324,576
Bursaries	12,750,659	92	185,472
Adult education and training			
Employees	66,891,011	566	203,760
Community	15,496,045	202	90,900
Learnerships			
Engineering	42,510,421	240	483,840
Mining	85,329,045	465	921,312
Learner official (A-stream)	7,377,869	29	58,464
Portable skills training			
Employees	3,705,700	71	3,408
Community	7,027,011	143	13,728
Leadership development	5,489,991	89	3,560
Core skills training	197,088,516	119,394	7,641,216
Cadet training	4,801,855	144	9,216
Coaches/Mentorship training	1,089,850	435	3,480
Employee indebtedness (CARE for iMali)	2,427,052	12,324	98,588
Community maths and science	0	0	0
Support and research	14,201,451	0	0
Other	36,882,556	12,631	101,048
Total	559,223,922	146,978	10,142,568

SA operations: Human resource development (R million)

	2018		2017	
	SLP financial provision	Actual training expenditure	SLP financial provision	Actual training expenditure
Beatrix	113	77	74	73
Burnstone	5	1	2	–
Cooke	13	1	20	23
Driefontein	138	135	144	132
Kloof	113	143	104	111
Kroondal	45	69	–	59
Rustenburg	96	133	131	134
Total	523	559	473	532

ADULT EDUCATION AND TRAINING

Sibanye-Stillwater offers adult education and training for employees and other beneficiaries who are functionally illiterate. The programme, with the same curriculum throughout the SA operations, provides people with the basic foundation for life-long learning and equips them with basic competencies, including the ability to read, write, communicate effectively, and solve problems in their homes, communities and workplaces.

In 2018, 54% (2017: 43%) of employees in the SA operations had qualifications equivalent to adult education and training level 3 and higher. The literacy level at the gold operations in 2018 was 71% (2017: 62%) and 37% (2017: 24%) at the SA PGM operations.

In 2018, seven employees who had attended adult education and training moved into a mining learnership programme (2017: 11).

SA operations: Adult education and training

Year	Number of employees trained	Number of community members trained	Total
2013	1,220	434	1,654
2014	1,325	984	2,309
2015	1,276	1,325	2,601
2016	1,392	675	2,067
2017	719	238	957
2018	566	202	768
Total	6,498	3,858	10,356

SPORTS PROMOTION

As part of our holistic wellness strategy, our housing department also promotes sports among employees. Sibanye-Stillwater supports around 13 sporting codes, including body building, soccer, netball, cultural dance, social games and athletics, among others.

In 2018, one of our employees, Bongani Zwane, completed the gruelling Comrades Marathon in second place.

**MODERN APPROACH TO LEARNING AND DEVELOPMENT**

Key to achieving zero harm (see *Ensuring safe production, and Occupational health and well-being*) and safe, sustainable production are competent and skilled employees, supporting the business case for training as an imperative.

During the last quarter of 2018, a training sub-committee was established to develop an enhanced training strategy and framework, and to monitor its implementation. It focuses primarily on the implementation of leading practice in learning delivery and management technology to improve training competency and outcomes across the entire organisation. It will also develop partnerships and collaboration with industry to achieve effective skills and knowledge transfer as a long-term intervention.

A specialist technology-based learning service provider, assigned the position of "knowledge manager", will manage this process in 2019. Among the learnings options being considered are:

- Integrated learner management systems compatible with existing HR financial management systems
- Automated learner recruitment and training administration systems
- Web-based learning solutions
- Cloud- and server-based technological platforms
- Cell-phone learning applications (M-Learning Tube)
- Free WiFi learning areas
- Intranet learning work areas
- Mobile electronic devices and tablet applications
- Virtual-reality learning and assessment tools
- Situational and incident simulations
- Interactive learning and knowledge gamification
- Access to online skills programmes and qualifications

The approach will be a basic but robust generic learner management system during 2019 with learning solutions aimed at enhancing the induction and review training of employees as a first phase, followed by modernised learning solutions for the critical front-line safe production leadership designations.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

LABOUR RELATIONS

In 2018, around 95% (2017: 93%) of our total permanent workforce in the SA operations was represented by four recognised unions: AMCU, NUM, Solidarity and UASA.

During the year, changes were made to the disciplinary code to accommodate the safety cardinal rules. Training and awareness sessions were held for the implementation of Protection of Personal Information Act (POPI), and all documents and processes are being reviewed to ensure compliance.

In the US operations, 1,237 (2017: 1,163) employees are members of the USW. At the Stillwater mine and Columbus Metallurgical Complex, 917 (2017: 845) employees had union representation and 320 (2017: 318) at the East Boulder mine.



Employees in a control room at our SA gold operations

SA OPERATIONS: LABOUR RELATIONS AND WAGE NEGOTIATIONS

On 14 November 2018, Sibanye-Stillwater signed a three-year wage agreement with three unions (NUM, Solidarity and UASA) at its SA gold operations for the period 1 July 2018 to 30 June 2021.

The agreement allows for increases in the basic wages of Category 4-8 surface and underground employees of R700 a month in the first and second years, and R825 a month in the third year.

Miners, artisans and officials will receive increases of 5.5% in year one and 5.5% or a Consumer Price Index (CPI) increase, whichever is the greater, in years two and three of the agreement.

In addition to the basic wage, the parties agreed to a monthly increase of R50 in the current living-out allowance to a maximum of R2,150 per month from 1 September 2018. We will increase the living-out allowance by R75 to a maximum of R2,225 per month on 1 September 2019 and by R100 to a maximum of R2,325 per month in the year that follows.

We also agreed to increase, incrementally, the current minimum medical incapacity benefit of R55,000 to R60,000 over the three-year period by increasing the benefit by R1,500 on 1 July 2018, R1,500 on 1 July 2019 and R2,000 on 1 July 2020.

In addition, the following additional non-wage issues were agreed:

- An increase in the guaranteed minimum severance payment to R50,000 over the three-year period
- Female employees will be entitled to four months paid maternity leave with an option to spread the leave over a period of six months

Refer to page 114 for details on our agreement to introduce a cost-effective uniform approach to healthcare across all our SA gold operations

Strike

On 19 November 2018, AMCU gave notice that its members would embark on protected strike action at our SA gold operations from the evening shift on 21 November 2018. Despite ongoing attempts by Sibanye-Stillwater to reach a fair and reasonable outcome during the strike, AMCU maintained its position of unaffordable demands. Various acts of violence and intimidation, including the deaths of employees and serious injury to several others, have been recorded. By the end of the reporting period, the strike had not ceased.

Reported acts of intimidation and violence were investigated and implicated employees were disciplined accordingly in line with our policy. Violent actions were in direct contravention of the interdict granted by the Labour Court to Sibanye-Stillwater on 22 November 2018.

In order to respect the rights of all workers, and prevent further violence, management engaged with union leadership on a possible Peace Pact. However, not all parties signed it.

SA PGM operations

Currently, the wage agreement in place at Kroondal comes to an end in June 2020 whereas the wage agreement at the Rustenburg operations ends in June 2019.

US PGM operations

Wage contracts at the Columbus Metallurgical Complex and the Stillwater mine are due to be renewed on 31 May 2019. The next wage negotiations at East Boulder will be in December 2021.

Union representation at SA operations (2018)

	Gold	PGM	Services and other	Total
Membership	28,535	17,397	2,645	48,587
Representation (%)	98	93	88	95

Union representation at US operations in 2018¹ (%)

	Stillwater (including Blitz)	Columbus Metallurgical Complex	East Boulder	Administrative support staff
USW	84.2	76.3	77.9	0
Non-unionised	15.8	23.7	22.1	100

¹ Marathon (Canada) does not have unionised employees

SA operations: Membership by union

	2018				2017				2016			
	Total	Gold	PGM	Services and other	Total	Gold	PGM	Services and other	Total	Gold	PGM	Services and other
Membership												
AMCU	25,830	13,469	11,955	406	26,687	13,651	12,335	701	29,988	15,343	13,720	925
NUM	18,192	13,236	3,158	1,798	17,133	11,992	2,859	2,282	18,816	13,318	2,776	2,722
UASA	3,236	1,113	1,846	277	3,183	853	1,937	393	3,676	965	2,271	440
Solidarity	1,319	717	438	164	1,242	564	445	233	1,257	594	394	269
Non-unionised	2,371	697	1,299	375	3,381	1,528	1,333	520	4,907	2,492	1,572	664
Total	50,948	29,232	18,696	3,020	51,626	28,588	18,909	4,129	58,644	32,712	20,733	5,020
Membership representation (%)												
AMCU	51	46	64	13	52	48	65	16	51	47	66	18
NUM	36	45	17	60	33	42	15	55	32	41	13	54
UASA	6	4	10	9	6	3	10	10	6	3	11	9
Solidarity	2	3	2	5	2	2	2	6	2	2	2	6
Non-unionised	5	2	7	13	7	5	8	13	9	7	8	13
Total	100	100	100	100	100	100	100	100	100	100	100	100

SALARIES AND WAGES

On 26 November 2018, President Cyril Ramaphosa signed into law the National Minimum Wage Bill, which sets South Africa's first national minimum wage at R20 an hour or R3,500 per month (depending on the number of hours worked). As at 28 July 2018, the total monthly cash remuneration of an entry-level underground employee in the gold mining sector was R11,114 – see www.thisisgold.co.za.

In 2018, employees working at the SA operations, on average, earned (including overtime, bonuses, insurance, medical and other benefits) a gross cost to company wage ranging from R16,080 to R21,703 per month for a Category 4 employee and R21,316 to R25,620 per month for a Category 8 employee. The total wage bill in the SA operations in 2018 was R13.1 billion (2017: R13.7 billion).

In the US operations, the total wage and salary bill in 2018 was US\$163.8 million (R2.6 billion). It was US\$114.7 million (R1.5 billion) in eight months of 2017.

The minimum wage in Montana, US, in 2019 will be US\$8.50 per hour. The union pay scale for entry level custodians begins at US\$23.59 per hour. The entry level wage for non-unionised employees is US\$18.50 per hour for an administrative assistant.

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

CARING FOR EMPLOYEES AND THEIR DEPENDANTS

Through the Matshediso programme, as part of its duty of care to employees, Sibanye-Stillwater provides financial assistance to the families and dependants of employees who are severely disabled or fatally injured in mine accidents.

See *Ensuring safe production for benefits structure*

Purpose and objectives

Matshediso aims to improve the lives of dependants of employees who have died or suffered a severe permanent disability in a mine accident by:

- Ensuring that dependants have a good basic education that enables them to attend a tertiary institution
- Providing some closure for families
- Seeking to redress legacy issues by reducing historic imbalances in migrant labour
- Creating a skills pool for bursars, learnerships and job opportunities
- Helping to reduce poverty and unemployment

Sibanye-Stillwater supported 374 dependants in 2018 at a total cost of R1.5 million (2017: R0.8 million). In addition, at year-end, the families of South African employees received vouchers to the value of R1,500 per family while families living in Mozambique, where the cost of living is much higher, received R2,000 each.

Feedback from all beneficiaries of the programme, as well as school principals and teachers, is positive. Of the 40 matriculants supported by Matshediso in 2018, 15 passed their final examinations.

Benefit	2018	2017	2016
Host schools	R7,000 (primary) R15,000 (secondary)	R5,000	R2,500
Boarding schools	R18,000	R10,000	NA
Uniform, stationery, text books and transport	R3,000	R2,000	NA
Extra classes at host schools	R2,160 per subject per year	R500	NA
Study opportunities	Bursary/internship awarded automatically for study of choice at recognised tertiary institution (certain minimum requirements)		Bursary opportunities in core mining disciplines, including finance
Christmas voucher or hamper	R1,500 per family	NA	NA
Total amount paid to beneficiaries	R1,488,154	R761,100	R685,600

Caring for employees

In addition to the Matshediso programme, Sibanye-Stillwater also undertakes home adaptation and maintenance projects to provide the families of severely disabled or fatally injured employees with functional housing.

For paraplegics and quadriplegics (spinal cord injuries), home adaptations include:

- Houses renovated or built (56m² with an open-plan kitchen/lounge, two bedrooms and a bathroom)
- Electricity and water connected (if municipal infrastructure is not available, two water tanks are installed)
- Doorways are widened, and ramps and pathways are installed
- Bathrooms are made wheelchair-friendly and suitable toilets are fitted

In 2018, one employee, in rehabilitation, received an adapted home.

For families of deceased employees, either a new house is built (as above) or home maintenance is undertaken, which includes:

- Municipal electricity and water connections or two water tanks, as needed, and any leaks are fixed
- Repairs and maintenance (painting of interior and exterior walls, tiling of floors and installation of new doors and windows)

Sibanye-Stillwater is currently renovating or building homes for 14 widows and their families.

CARE FOR iMALI

In the SA operations, our financial literacy programme, CARE for iMali, continues to make a difference in employees' lives. Since the launch of the programme at the gold operations in 2014, there has been a reduction of 54% in the number of garnishee orders (from 4,023 to 1,847) and an average percentage increase in take-home (net) pay of 30% (from R7,537 to R10,839). CARE for iMali has also been implemented at the PGM operations in South Africa where 4,500 employees have enrolled in the programme and garnishee deductions have been reduced by 11% since the launch of the programme in 2017. The total average percentage increase in take-home pay at these PGM operations is 6% (from R13,038 to R13,885). See the CARE for iMali fact sheet at www.sibanyestillwater.com

EMPLOYEE SHARE OWNERSHIP SCHEME

In the SA operations, 21,178 (2017: 22,269) employees participated in our employee share ownership scheme, Thusano Trust, established in 2010 when employees of Gold Fields acquired 13,524,365 Gold Fields shares, in terms of a collective agreement between NUM, UASA, Solidarity and GFI Mining South Africa (a wholly owned subsidiary of Gold Fields). The shares were allocated to employees in Paterson employment bands A, B and C, according to their years of service. With the unbundling of Gold Fields and the creation of Sibanye Gold in 2013, Sibanye employees were allocated an equal number of shares in each company.

With the acquisition of Rustenburg operations in 2016, Sibanye-Stillwater concluded a 26% broad-based BEE transaction through a subsidiary. In terms of this transaction, the Rustenburg Mine Employees Trust now has a shareholding of 30.4% in the Rustenburg entity, the Rustenburg Mine Community Development Trust 24.8%, Bakgatla-ba-Kgafela Investment Holdings 24.8% and Siyanda Resources 20%.

At the US operations, all employees are eligible to earn supplemental wages via one of four bonus programmes: miners' incentive, the employee incentive plan for unionised employees, the salary incentive plan for non-unionised salary employees and the short-term incentive plan for management.

All bonus programmes require a scorecard of metrics upon which the bonus is based. Scorecards include desired measurable targets, by department, which are reviewed and adjusted as needed by the respective vice-president. In addition, all salaried employees are subject to the annual performance management programme, which also requires supervisors to set individual

annual goals, including role performance metrics by which an employee's performance is evaluated. The role performance metric scorecard is the basis for a performance or merit increase in base salary in the following calendar year. Role performance metric categories include safety, production, work quality, business improvement, people recognition and leadership qualities.

TRANSFORMATION IN THE SA OPERATIONS

In line with our commitment to broad-based black economic empowerment (BBBEE) in the SA operations, and in anticipation of the revised Mining Charter targets, we aimed to ensure that 80% of new recruits were from HDSA backgrounds in 2018. At the same time, we renewed our focus on integrating our talent management approach, which included targeted recruitment and succession planning and management, specifically in under-represented areas.

We also conducted an audit of compliance with BBBEE and employment equity legislation, and aligned our recruitment strategy accordingly in terms of life-of-mine evolution and pipeline planning.

Employment equity improved to 48% from more than 45% in 2017 while employment of women remained at 13%.

We are addressing gender equity with the establishment of the SA operations working group, which has been tasked with developing strategies and policies to create an enabling environment and awareness of gender diversity.

Our workforce in the SA operations currently comprises 23% migrants who have not been recruited from communities near the mines – 16% at our gold operations and 7% at the PGM operations. Approximately 77% of our workforce resides locally, including some migrant employees.

“In the SA operations, our financial literacy programme, CARE for iMali, continues to make a difference in employees' lives”



Community members from labour-sending Mozambique attending a CARE for iMali workshop

SA operations: Employment equity by category as at 31 December 2018¹

Category	Historically disadvantaged South Africans		Women	
	Number	%	Number	%
Board	5	45	2	18
Executive/senior management	18	36	6	12
Middle management (E Band)	32	40	10	13
Junior management (D Band)	378	49	158	21
Core and critical skills	31,286	71	4,601	10

¹ All employment equity numbers include white females

SUPERIOR VALUE FOR THE WORKFORCE CONTINUED

SA operations: Recruitment by category

	2018						2017						2016 ¹		
	Gold			PGM			Gold			PGM			Gold		
	Total	Women in mining	%	Total	Women in mining	%	Total	Women in mining	%	Total	Women in mining	%	Total	Women in mining	%
Management ²	38	5	13	28	1	4	109	18	17	38	7	18	88	7	8
Senior management ³	2	1	50	2	0	0	14		–	–	–	–	8		–
Core and critical skills	1,840	359	20	678	117	17	1,924	327	17	518	65	13	3,687	538	15
Total	1,880	365	19	708	118	17	2,008	345	17	710	128	18	4,017	545	14

¹ Moratorium on recruitment at SA PGM operations

² D and E lower positions

³ E upper positions and above

SA operations: Origin of employees (2018)

Province	Gold	PGM	Services	Total	%
Eastern Cape	8,348	4,243	716	13,307	26
Free State	3,125	770	537	4,432	9
Gauteng	3,759	938	1,367	6,164	12
KwaZulu-Natal	2,862	274	326	3,462	7
Limpopo	801	956	194	1,951	4
Mpumalanga	660	413	70	1,143	2
North West	746	7,330	328	8,404	16
Northern Cape	54	184	10	248	0
Western Cape	18	27	10	55	0
Non-South African	7,908	3,561	413	11,882	23
Total	28,281	18,696	3,971	50,948	100

SA operations: Non-South African recruitment (2018)

Country	Gold	PGM	Services	Total	%
Botswana	262	7	19	288	2
DRC	1	1	2	3	0
Ghana	0	0	1	1	0
Lesotho	3,504	1,062	217	4,783	40
Mozambique	3,351	2,419	119	5,889	50
Nigeria	0	1	0	1	0
Peru	0	0	1	1	0
Swaziland	783	49	52	884	7
United Kingdom	0	1	1	2	0
Zambia	0	3	0	3	0
Zimbabwe	7	18	2	27	0
Total non-South African	7,908	3,561	415	11,882	100

SA operations: Local community recruitment

	2018		2017		2016	
	PGM	Gold	PGM	Gold	PGM ¹	Gold
Appointments	659	1,931	502	2,239	–	4,107
Local recruits	650	1,726	401	936	–	2,877
%	98.6	89.4	80	42	–	72

¹ Recruitment moratorium

US PGM operations: Employee distribution by county (Montana)

	2018	2017
Stillwater	561	540
Yellowstone	457	420
Sweet Grass	167	148
Park	165	155
Carbon	133	121
Other locations ¹	143	121

¹ Excludes two employees at Marathon (Canada)

FUTURE FOCUS

In addition to beginning the process of integrating Lonmin employees into Sibanye-Stillwater, following completion of the proposed acquisition.

SA operations

- Finalising and rolling out our employee value proposition
- Increasing gender diversity and equity
- Creating a compelling employment relationship
- Integrating the strategic talent and workforce management plan
- Establishing strategic and effective partnerships (collaboration) with employees to find new ways of working
- Continuing digitalisation of HR information systems
- Optimising and repositioning loss-making gold operations, which may require formal restructuring that could result in termination of employment
- An effective, efficient and agile HR strategy and operating model
- Establishing a high-performance culture

US PGM operations

- Diligent attention to manpower and staffing to support the Blitz project and other development projects
- Enhancing on-boarding programmes to include new technology that will alleviate the administrative burden of paper-based forms
- Expanding and formalising training programmes and curricula for job-specific, leadership and supervisor training as well as succession planning
- Improving efforts to be transparent in what we do and how we do it with specific regard to our unionised employee base
- Concentrating efforts on refining performance management and role clarity initiatives to ensure impact and enhancement of business objectives, retention and succession planning
- Further aligning incentives and the pay-for-performance culture by improving efforts to compensate employees in terms of performance, key performance indicators and the value they bring to the organisation
- Continuing to monitor cost-containment initiatives to mitigate a rising healthcare trend while providing quality, co-ordinated care to employees and their families
- Monitoring employee engagement and feedback via a regional workforce survey in 2019