

## FACT SHEET

### 31 December 2018

Sibanye-Stillwater's CARE for iMali, a financial literacy and awareness programme based on our CARES\* values, encourages employees to embrace financial management and thus address the high levels of indebtedness that may severely reduce their take-home pay.

\* *commitment, accountability, respect, enabling and safety*

Designed to improve financial literacy and understanding in South Africa, CARE for iMali has become one of the most successful employee initiatives.

The programme was launched in 2014 when an employee survey in 2013 highlighted the importance of personal finance for many employees – concerns ranged from understanding salary advice notices to more complex issues, such as the implications of signing credit agreements or what to do when debt becomes unaffordable. The complexity of the problem was evident in the high number and value of emolument attachment orders (often referred to as “garnishee orders” – a legal order for a deduction from an employee’s wage or salary to repay a creditor for debt incurred), which drastically reduced employees’ take-home pay.

## CARE FOR iMALI

### TAKING CARE OF PERSONAL FINANCE

#### Phase 1 began in 2014 with specific focus on:

- Financial training (particularly with regard to budgeting)
- Administration of garnishee orders (checking legal fees and validating interest rate charges)

#### Phase 2 began in 2015, focusing on:

- Training (on the prevention of garnishee orders/judgments and on being “moneywise” to understand the risks of defaulting on accounts and available options)
- One-on-one coaching (setting personal financial goals and milestones to achieve those goals)
- Introduction of a wellness gateway (encompassing affordable home and vehicle finance and enforcing clear affordability rules for credit providers)

Since the implementation of Phase 2 in 2015 and its focus on investigating and auditing the quantum and validity of garnishee orders, the number of active orders have been reduced. This was enhanced by improved debt management and focused coaching

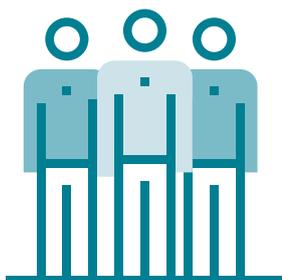
of debt-stressed employees. Since the launch of the programme at the gold operations in 2014, there has been a total reduction in garnishee orders of 54% (from 4,023 to 1,847) and an average monthly increase in take-home pay of 30% (from R7,536.53 to R10,838.70). At the SA PGM operations, there has been an 8% increase in take-home pay since implementation of the programme in 2017 with the average Category 4-8 employee net monthly pay increasing from R 13,038 to R13,884.

The Care for iMali programme was implemented in the SA PGM operations at the end of July 2017 and since then garnishee orders have reduced by 62.6% (15% at Kroondal and 47.6% at the Rustenburg operations).

Interventions by Sibanye-Stillwater have resulted in total savings for employees of R1.56 million since implementation of Phase 2 in 2015 (R1.41 million in illegal deductions at the gold operations and R0.15 million at the SA PGM operations).

“We have undertaken this initiative to show that we care about our employees and the communities in which they live,” says Neal Froneman, CEO of Sibanye-Stillwater. “We want to create the right sort of relationship between company management and employees.”

## BECOMING FINANCIALLY SAVVY



### IMPROVING LIVES

Sibanye-Stillwater's approach, in partnership with employees, is to help ensure that financial concerns do not negatively affect employees' lives and that they are able to manage their finances from an informed position.

The principal aim of the one-day CARE for iMali employee training programme is to promote an understanding of the implications of debt while helping to determine and address the factors causing indebtedness, and to present better ways to manage and resolve unaffordable debt repayments.

The programme aims to help people understand the implications of defaulting on debt, emolument attachment orders, as well as the risks of taking on too much debt and becoming ensnared by loan sharks (also known locally as "mashonisas") who operate illegally and charge unsuspecting borrowers exorbitant interest rates.

### LOCAL COMMUNITIES AND COMMUNITIES IN LABOUR-SENDING AREAS

In 2016, CARE for iMali was extended beyond employees to include the communities in which our employees reside, as well as extended families in labour-sending areas. The people with whom our employees socialise and their dependants are thus also able to better understand the debt burden suffered by many breadwinners.

Community training conducted in Westonaria during the first quarter of 2018 was well-received. Employees and communities have asked us to continue with these efforts that help them improve their financial literacy and wellness.

### PROGRESS MADE

Initial or refresher training has been provided to 113,607 employees since the beginning of Phase 2 in 2015 (102,637 at Gold operations and 10,970 at the PGM operations), including employees returning from leave.

### SA operations: Indebtedness training

Event	SA operations			
	2018	Gold	PGM	2017
One-day training	4,135	0	4,135	7,117
One-on-one coaching	6,514	3,966	2,548	5,892
Community training	221	221	0	536
Retirement workshops and mitigation sessions	49	49	0	34
Refresher training	41,802	41,802	0	25,445
<b>Total</b>	<b>52,721</b>	<b>46,038</b>	<b>6,683</b>	<b>39,024</b>

### COACHING

Debt-stressed employees are supported by CARE for iMali coaches and can choose either debt consolidation or debt review. The coaches are based at various sites so that employees have easy access to them.

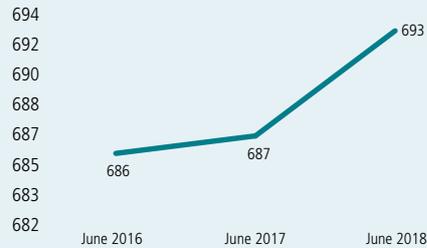
Isabel Zodwa Magwaza, senior chef at Driefontein operations, says life was tough when her marriage ended. "I had many loans and I couldn't sleep at night until my mentor encouraged me to stop buying unnecessary things. Now, when I get my salary, I know what I am going to do with it. Don't ever say you will never get out of debt. You will find happiness and an easier life."

# BUILDING WEALTH FOR EMPLOYEES

## IMPROVEMENT IN PERSONAL CREDIT RATINGS AND TAKE-HOME PAY

Coaches put a lot of effort into assisting garnished employees. These employees show an improved credit score and a decline in debt-to-income ratio once they have successfully paid off the garnishee order. The debt over net income has improved with employees generally having to spend less of their net income on paying off debt.

### Average credit score



### Debt over net income ratio

Portion of net income used to pay off debt	Portion of net income used to pay off debt				More than 100%	Employees without valid data
	0 to 40%	40% to 80%	80% to 100%	More than 100%		
June 2016	41%	23%	5%	12%	19%	
June 2018	53%	27%	3%	3%	14%	

Since 2016, the debt income ratio has improved significantly. In 2016, 12% of employees spent 100% of their income on debt. In June 2018, only 3% of employees spent all their income to cover their debt.



Employees attend CARE for iMali sessions at one of the training centres in our SA gold operations

## TRAINING

In 2018, training transitioned from a classroom set-up to include educational videos at the gold operations. Animated motion graphic videos (produced in Setswana, isiZulu and English) helped employees understand the principles of financial accountability that includes inter alia:

- Budgeting
- Different types of credit
- Vehicle financing
- Housing finance
- Wellness Gateway products
- Debt consolidation and debt review options
- Garnishee order prevention services

Employees suffering from severe debt stress continue to request one-on-one coaching as well as those who want to know how to manage their finances by budgeting more effectively. The one-on-one services include the following programmes for employees:

- Assistance with credit bureau clearance
- Cancellation of administration orders
- Assistance with debt review
- Budgeting booklets
- Assistance with understanding creditor/account statements
- Consolidation loans

In 2018, 6,514 employees attended one-on-one coaching sessions (3,966 at gold operations and 2,548 at SA PGM operations).

## HOME LOANS

Employees at our gold operations are now able to apply for loans through the Wellness Gateway, which provides access to more affordable credit, insurance and savings products.

The Wellness Gateway is a software platform that regulates and manages credit providers by conducting an additional affordability check to ensure that no employee is left with less than 30% of their take-home pay if they are awarded a home loan.

All credit providers on this platform provide preferential rates to employees by:

- Addressing the root cause of over-indebtedness
- Reducing the cost of debt
- Introducing correct and affordable credit
- Ensuring compliance with guidelines set by Sibanye-Stillwater (for example, no employee will have less than 30% take-home pay)
- Ensuring disciplined monthly savings

Loans are provided for home improvements or to buy homes or building material. All home-improvement loans are provided by an external service provider. The loans are validated and verified when employees apply. The vendor is either paid directly via the Wellness Gateway system on behalf of the employee or, if the employee is the builder, a declaration is signed to confirm that the funds will be used to purchase the materials listed in the quotation. For home loans, mortgage contracts are signed.

At the end of December 2018, the total number of existing home loans was 621 with a total outstanding balance of R84.3 million while there were 163 home-improvement loans with a total outstanding balance of R29 million.

## SAVINGS ACCOUNTS

The Wellness Gateway also offers a range of savings products, including:

- TruSave Account (helps to start a savings plan)
- Target Save Account (facilitates saving towards a specific goal)

The aim of this savings initiative, which began in October 2017, is to encourage employees to save for emergencies, festivities and their children's education. By the end of October 2018, employees in the SA operations had total savings of approximately R1,403,330 (R1,026,280 for gold operations employees and R377,050 for employees at the SA PGM operations).

Regrettably, according to the banks, most of these savings accounts have been depleted as a result of the strike at the gold operations that began in November 2018, following requests by many employees for fund withdrawals.

An employer assessment data analysis is currently underway to assess the CARE for iMali programme and to highlight specific areas in need of greater attention. This data will enable us to measure year-on-year progress going forward. The report will also enable data comparison at industry and country level.

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A community in a labour-sending country, Mozambique, attends a CARE for iMali workshop

For information on our workforce and social upliftment, refer to our 2018 Integrated Annual Report

## FOR MORE INFORMATION, CONTACT:

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