



SA OPERATIONS

CARE FOR iMALI – TAKING CARE OF PERSONAL FINANCE

FACT SHEET 2019

Sibanye-Stillwater’s CARE for iMali, a financial literacy and awareness programme based on our CARES (commitment, accountability, respect, enabling and safety) values, encourages employees to embrace financial management and thus address the high levels of indebtedness that may severely reduce their take-home pay.

“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.”



Designed to improve financial literacy and understanding in South Africa, CARE for iMali has become one of our 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.

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 SA gold operations in 2014, there has been a total reduction in garnishee orders of 63% (from 4,023 to 1,488) and an average monthly increase in take-home pay of 30% (from R7,536.53 to R10,838.70).

The Care for iMali programme was introduced at the SA PGM operations towards the end of July 2017. In the first year, garnishee orders declined by 62.6% (15% at Kroondal and 47.6% at the Rustenburg operations) with a further reduction of 16% in 2019 – from 885 in January 2019 to 750 in December 2019.

Phase 1 began in 2014 with specific focus on:

- Financial training (particularly 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 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)

In addition, take-home pay increased by 8% in the first year of the programme by end 2018, with the average Category 4-9 employee's net monthly pay increasing from R13,038 to R17,671. The total average percentage increase in take-home pay at these PGM operations is 35% (from R13,038 to R17,671). Care for iMali interventions have resulted in total savings for employees of R1.69 million since implementation of Phase 2 in 2015 (R1.47 million in illegal deductions at the SA gold operations and R0.2 million at the SA PGM operations).



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 for our SA gold operations. 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.

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 coach 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."

PROGRESS MADE

Initial or refresher training has been provided to 141,343 employees (not community members in this instance) since the beginning of Phase 2 in 2015 (126,913 at the SA gold operations and 14,430 at the PGM operations), including employees returning from leave.

SA operations: indebtedness training

Event	2019	SA operations		2018
		Gold	PGM	
One-day training	3,460	*0	3,460	4,135
One-on-one coaching	6,509	4,698	1,811	6,514
Community training	26	26	0	221
Retirement workshops and mitigation sessions	318	318	0	49
Refresher training	24,276	24,276	0	41,802
Total	34,589	29,318	5,271	52,721

* Care for iMali educational videos were introduced at the SA gold operations in 2018, replacing the one day-training, and 24,276 employees have viewed the video

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.



BUILDING WEALTH FOR EMPLOYEES

IMPROVEMENT IN PERSONAL CREDIT RATINGS AND TAKE-HOME PAY

Coaches put much 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 their garnishee orders. The debt to net income ratio has improved with employees generally spending less of their net income to pay off debt.

Debt to net income ratio portion of net income used to pay off debt

	Employees				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%
June 2019	*				

* Figures are gathered from the Care for iMali impact assessment report which becomes available after June 2020

TRAINING

In 2018, training transitioned from a classroom set-up to include educational videos at the SA gold operations. Animated motion graphic videos (produced in Setswana, isiZulu and English) helped employees understand the principles of financial accountability, including *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. One-on-one services include the following:

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

In 2019, 6,509 employees attended one-on-one coaching sessions – 4,698 at the SA gold operations and 1,811 at the SA PGM operations (2018: 6,514 – 3,966 at the SA gold operations and 2,548 at the SA PGM operations).

HOME LOANS

Employees at our SA 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 2019, there were in all 800 existing home loans with a total outstanding balance of R115.4 million and 244 home-improvement loans with a total outstanding balance of R30.6 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 the savings initiative, which began in October 2017, is to encourage employees to save for emergencies, festivities and their children's education. In 2019, employees at the SA operations had a total amount of R4.0 million deducted for savings – R2.7 million for the SA gold operations' employees and R1.3 million for employees at the SA PGM operations (2018: R0.5 million at the SA gold operations and R0.15 million at the SA PGM operations).

Many employees have requested withdrawals from their savings for numerous reasons, including the payment of school fees, funerals, vehicle repairs, home repairs and various personal reasons, among others.

RETURN TO WORK INITIATIVE AT SA GOLD OPERATIONS

When employees returned to work after the strike ended in April 2019, Care for iMali coaches were onsite at the respective SA gold operations from 2 May to 11 May 2019. Debt Control Management (Pty) Ltd provided 21 additional Care for iMali coaches and assistants to help returning employees to assess their financial situation and provide solutions to any financial problems.

This campaign was well received by employees. A summary of feedback is as follows:

Awareness strategies	Key issues raised	Statistics
Presentation in halls	Assistance with accounts in arrears – coaches negotiated with creditors	1,581 employees assisted
Addressing staff over loudspeakers	Capitec loans in arrears – Debt Capital Markets (DCM) negotiated with Capitec at head office level. Employees referred to their nearest Capitec branch to finalise agreements on their arrears	Total number of one-on-one coaching sessions held: 761
Presentation in buses	Requests for vouchers promised by Sibanye-Stillwater	Kloof: 372
Outside gazebos and stands	Queries regarding lapsed policies with insurers and credit providers	Driefontein: 299
Handing out of booklets	Concerns raised about job security	Beatrix: 90
On-site Care for iMali coaches	Requests for Care for iMali coaches to be on-site daily at shafts	On respective SA gold operations sites for the period 2 May to 11 May 2019

SIBANYE-STILLWATER EMPLOYER'S FINANCIAL HEALTH ASSESSMENT

Employee data was assessed initially in December 2018 and again in November 2019. Emerging themes identified are as follows:

- More employees are accessing the formal credit space
- Employees have outperformed the mining industry in reducing judgements, however, some units need attention and are lagging slightly behind the industry average
- Comparing the reduction of defaults on debt, the SA gold operations performed better than the SA PGM operations and Sibanye-Stillwater performed better overall than industry
- Debt to income ratios have improved significantly over the past two years
- More employees are taking up credit cards but an increase in defaults has been noted. Should this trend continue, it will have an impact on judgements in the future
- While the base of employees who have mortgages has increased (our data shows an average overdue balance per account of R41,319 versus R27,774 per account in June 2016), the quantum remains very low

Resulting recommendations based on these emerging themes:

- Introduce personal loans at reduced, negotiated rates with the Wellness Gateway (IEMAS and Ubank) in order to provide the employees with a reputable choice of service providers
- Provide training on car ownership
- Assist in preparing employees (especially Marikana employees) to qualify for home ownership
- As an all-inclusive assessment is very costly, we recommend that employees are assessed when visiting the Care for iMali coach. A snapshot of the individual's financial situation is taken at the initial visit. This is the base which subsequent financial assessments can be compared against. This will enable financial coaches to assess progress made in terms of an individual employee's financial wellbeing.

The Marikana operations had partnered with SummitFin to provide a financial wellness programme. This arrangement was terminated in January 2020 and the Marikana operations incorporated in the Sibanye-Stillwater financial wellness programme from February 2020.

For information on our workforce and social upliftment, refer to our 2019 Integrated Report



FOR MORE INFORMATION, CONTACT:

James Wellsted
 Senior Vice President: Investor Relations
 Email: ir@sibanyestillwater.com
 Website: www.sibanyestillwater.com

OUR VISION: Superior value creation for all our stakeholders through the responsible mining of our mineral resources