



OUR MINING IMPROVES LIVES

SA OPERATIONS



CARE FOR iMALI
TAKING CARE OF
PERSONAL FINANCE



FACT SHEET 2020

Sibanye-Stillwater’s employee indebtedness programme, CARE for iMali, is based on our CARES (commitment, accountability, respect, enabling and safety) values, and encourages employees to own the management of their finances and, in the process, to address the exorbitant levels of indebtedness that may severely reduce their take-home pay.

Designed to improve financial literacy and understanding of our South African based employees, CARE for iMali continues to be one of our most successful employee assistance initiatives.

The origins of the initiative extend back to an employee survey conducted in 2013, focusing on the importance of personal finance. Concerns highlighted in the study 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.

The collective response to the survey led to the implementation of the CARE for iMali programme, via a phased approach, starting at the SA gold operations in 2014 and at the SA PGM operations in 2017. More recently, the programme was launched at the Marikana operations in 2020.

The programme creates financial awareness and education through training, debt coaching, credit gateway facilities, debt review and consolidation loan options, savings plans, personal goal setting and judgement prevention solutions.

Since the implementation of Phase 2 in 2015 and its focus on investigating and

“Designed to improve financial literacy and understanding of our South African based employees”

auditing the quantum and validity of garnishee orders, the number of active orders has been reduced with 51.9%.

This has been 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, a total reduction in garnishee orders of 85% (from 4,023 to 595) had been achieved as at December 2020. From the time the CARE for iMali programme was progressively launched at the SA PGM operations starting in 2016, garnishee orders increased by 152% (from 351 to 885), mainly due to the acquisition of various operations between 2016 and 2020.



As at the end of 2020, garnishee orders for Kroondal employees declined by 64.9% (from 351 in July 2016 to 123 in December 2020), and at the Rustenburg operations by 25.5% (from 553 in August 2017 to 412 in December 2020). The cumulative reduction since July 2017 to end December 2020 for these operations is 39.9% (from 891 to 535).

While the Marikana operation was included in the CARE for iMali programme in March 2020, the process to address 340 garnishee orders began in August 2020, and closed the year with 350, representing a 2.9% increase at 31 December 2020. The increase was mainly attributed to balances received on outstanding deductions, following the integration of Marikana operations into the CARE for iMali programme.

“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.”

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 the extended families residing in labour-sending areas of our SA gold operations. The people with whom our employees socialise, and their dependants, were thus also equipped with a better understanding of the debt burden suffered by many breadwinners.

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

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 COVID-19 pandemic and lockdown had (and will continue to have for some time to come) a significant impact on most individuals’ overall well-being, including their financial wellness. In this context, it is vital to encourage employees to build and maintain financial resilience by using the support systems available and to approach personal finance holistically.

The CARE for iMali programme is one of the ways in which employees can enhance financial resilience as it promotes an understanding of the implications of debt while helping to determine and address the factors causing indebtedness. Similarly, it presents the most effective means to manage and resolve unaffordable debt repayments.

The programme also aims to create an awareness of the implications of defaulting on debt, emolument attachment orders, the risks of taking on excessive debt, and becoming ensnared by loan sharks (also known locally as mashonisas) who operate illegally and charge unsuspecting borrowers extortionate interest rates.

PROGRESS MARIKANA OPERATIONS INTEGRATION

The CARE for iMali programme was launched at the Marikana operations in March 2020 with theatre shows presented at each shaft. The launch was enthusiastically received.

The key focus here was to raise awareness of the financial assistance programme and to facilitate home ownership for employees who do not currently qualify for home ownership owing to financial issues. Services include, but are not limited to, a full financial assessment based on an individual credit report to determine the best solution for each person.

TRAINING

Training is provided to employees in partnership with Debt Control Management (DCM), a market leader in the provision of financial well-being solutions.

In 2018, the SA gold operations transitioned from in-person training to video-based training. Animated motion graphic videos (produced in Setswana, isiZulu and English) are used to help employees understand the principles of financial accountability, including *inter alia*:

- Budgeting
- Different types of credit
- Vehicle finance
- Home finance
- Housing (home ownership) finance
- Wellness Gateway products
- Debt consolidation and debt review options
- Garnishee order prevention services

However, at the SA PGM operations, employees continued to attend in-person classroom training in 2020, while adhering to COVID-19 protocols.

Initial or refresher training has been provided to 183,935 employees (not community members) since the beginning of Phase 2 in 2015 (163,965 at the SA gold operations and 19,970 at the PGM operations). This includes employees returning from leave.



COVID-19 and the related lockdown impacted our ability to provide financial awareness retirement planning workshops and mitigation sessions for employees who belong to Sentinel and the MWPF pension/provident funds. These sessions, specifically those aimed at employees who are planning for retirement, will be resumed as soon as it is safe to do so.

SA operations: indebtedness training

Event	2020			2019			2018
	Total	Gold	PGM	Total	Gold	PGM	Total
One-day training	1,715	0	1,715	3,460	10	3,460	4,135
One-on-one coaching	5,370	3,376	1,994	6,509	4,698	1,811	6,514
Community training	0	0	0	26	26	0	221
Retirement workshops and mitigation sessions	0	0	0	318	318	0	49
Refresher training	16,040	16,040	0	24,276	24,276	0	41,802
Total	23,125	19,416	3,709	34,589	29,318	5,271	52,721

¹ CARE for iMali educational videos were introduced at the SA gold operations in 2018, replacing the one-day training

ONE-ON-ONE COACHING

Debt-stressed employees are supported by CARE for iMali coaches and have access to debt consolidation and/or debt review options. The coaches are based at various sites at all SA operations to facilitate easy access by employees.

During the COVID-19 lockdown periods in 2020, DCM made available onsite coaches in April and May to continue assisting employees while mitigating the risk of infection and further spread of the virus.

Employees suffering from severe debt stress continue to request one-on-one coaching as do those who want to know about more effective financial budgeting.

In 2020, a total of 5,370 employees attended one-on-one coaching sessions, of which 3,376 were at the SA gold operations and 1,994 at the SA PGM operations.

GARNISHEE ORDER PREVENTION, INSTALMENT REDUCTION AND SAVINGS

During 2020, DCM made arrangements with various creditors regarding 1,479 garnishee orders, enabling employees to pay off their debts in affordable instalments thus preventing legal action being taken against employees by creditors.

At the SA gold operations, the number of active garnishee orders for employees declined by 19%, from 738 in December

2019 to 595 in December 2020. At the SA PGM operations, the number of active garnishee orders increased by 18% in December 2020 in comparison with December 2019, from 750 to 885. This increase was due to the integration of the Marikana operations into the employee indebtedness programme in August 2020.

The socio-economic impact of the COVID-19 pandemic and associated lockdown on employee earnings also affected employees' ability to pay accounts on time.

Garnishee management has, however, helped employees to save over R1.7 million since 2014 to date. The overall saving for employees at the SA operations in 2020 was R96,754.28 (R43,173.34 for SA gold employees and R53,580.94 for SA PGM employees), which would have been illegally deducted from or overcharged to employee salaries.

DEBT REVIEW AND CONSOLIDATION LOANS

In 2020, 198 employees signed up for debt review at the SA operations, of which 124 employees were based at SA gold operations, and 74 at SA PGM operations. A total of 106 employees have successfully completed their debt review since July 2019, of which 69 employees did so in 2020.

In all, 1,120 employees had signed up for loan consolidation since the inception of CARE for iMali to the end of December 2020.

TESTIMONIAL FROM AN EMPLOYEE

Bethuel from Driefontein operations explained how terrified he was to find out that he had loans that were pending legal action, when he applied for a home loan. "I want to build my mom a house back at home. I am the last born of six children. We do not have a father anymore and I am the bread winner at home. Everyone is depending on me. The house we live in is too small for all of us." Once Bethuel had settled the outstanding loan amounts, his application for a home loan was approved, and he started to construct a new family home. "All went well and my mother cried tears of joy when she saw this happening. I would like to thank the CARE for iMali people for helping me when I had lost hope. Thank you also to Sibanye-Stillwater for bringing such people closer to us."



HOME LOANS

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

The software platform Wellness Gateway regulates and manages credit providers and applicants 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 or home improvement 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, to buy homes and/or to procure building material. All home-improvement loans are provided by an external service provider. Loans are validated and verified on application. The vendor is either paid directly via the Wellness Gateway on behalf of the employee or, if the employee stipulates that he/she is in fact the building contractor, a declaration is signed by the employee, stating that the monies will be used to purchase the materials as per the quote provided. In terms of actual home loans, mortgage contracts are signed.

At the end of December 2020, there were a total of 79 existing home loans with a total outstanding balance of R13.9 million and 1,703 home-improvement loans with a total outstanding balance of R214.4 million.

The SA PGM operations have implemented a Home Ownership Helpdesk which facilitates the entire transactional cycle of buying a home from expression of interest through to transfer and conveyancing. As part of the transactional process each employee reviews and confirms their affordability and credit worthiness. Should these results not meet the

minimum requirements or be less desirable, we have included an additional step in the process to immediately refer the employee to the DCM CARE for iMali process in order to rehabilitate and/or improve the outcomes towards their goal of home ownership. During 2020, we assisted in the rehabilitation of 45 employees to facilitate successful home ownership transactions.

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)

In 2020, a total amount of R5.04 million was reserved for the purposes of savings (via payroll deductions) for SA operations employees, of which R3.64 million was saved by SA gold operation employees and R1.39 million by employees at the SA PGM operations.

Many employees, however, requested withdrawals from their savings for various reasons, mostly to subsidise the loss of income as a result of the COVID-19 lockdown and the negative impact it had on employees' finances.

SIBANYE-STILLWATER EMPLOYER'S FINANCIAL HEALTH ASSESSMENT

Employees' financial health status was assessed in December 2018 at the SA operations and a baseline home ownership affordability assessment at Marikana operations in November 2019. No reassessment was conducted on the SA operations in 2020, however employees who enter the employee indebtedness programme are individually assessed by a CARE for iMali coach to determine their financial health status before entering and after completion of the specific service offering.

The themes identified by the 2018 assessment included:

- More employees were 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 between 2016 and 2018
- 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 increased (data indicated an average overdue balance per account of R41,319 in June 2018 versus R27,774 per account in June 2016), the quantum remained very low for the period in question

The 2018 and 2019 assessments yielded the following recommendations, given the CARE for iMali service offering in place at the time:

- 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. This service offering has since been implemented at SA operations
- Assist in preparing employees (especially Marikana employees) to qualify for home ownership. This was implemented in 2020
- Provide training on car ownership. Training on this aspect will be offered as soon as classroom-based training can be safely resumed

Future employee financial well-being interventions will also encourage and support individuals to look beyond simply earning and spending money, to become aware of how money issues interact with other parts of their lives, and to actively combine financial awareness, financial literacy, financial behaviour and financial satisfaction to achieve personal financial well-being.

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