

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT



WHAT WE DID IN 2020

SUCCESSES

Impactful social contribution for employees, country, and communities during COVID-19

Increased database of local doorstep suppliers to further enhance local expenditure

20 years of successful stakeholder engagement at the US PGM operations via the Good Neighbor Agreement (GNA)

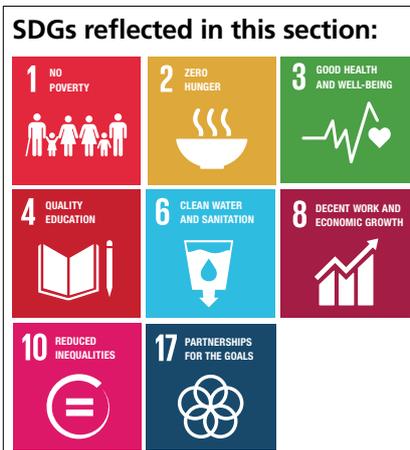
CHALLENGES

In-person interaction with communities during pandemic reduced

Lockdown in SA impacted delivery timelines of some projects

COVID-19 economic impact exacerbated social requirements and unemployment in local communities

Benchmarks	Status	Page reference
To roll out in 2020 a capacity building programme based on regulatory requirements for our Community Engagement Forums	In progress Implementation deferred due to COVID-19 lockdown	Refer to page 232
In 2020 to invite community leaders to visit our occupational health centres as part of the engagement process of job application requirements	Met	
Full roll out of Coupa system in mid-2021	Completed the roll-out at SA gold operations In progress at SA PGM operations	Refer to page 240
Mining Charter III: Minimum of 70% of total mining goods procurement spend on SA-manufactured and SABS-approved goods	In progress	Refer to the Mining Charter section on 241
Mining Charter III: 5% (of the 70%) of total mining goods procurement spend on women- or youth owned or -controlled companies	In progress	Refer to Mining Charter section on 241
Implement stakeholder engagement process in US PGM operations	In progress; on track for completion by year end 2021	



APPROACH

Our social performance is guided by our socio-economic development strategy and roadmap, which is aimed at ensuring that we meaningfully contribute to the upliftment of the communities and environments in which we operate during and beyond mining activities.

Sibanye-Stillwater aims to create superior value for all stakeholders in the regions it operates. While the social context of all of our operation environments differs, the Group's social uplift strategies are designed to address their specific social needs. The US PGM operations located

in Montana are the most stable from a social perspective, with a sophisticated tax structure specifically designed to support local and regional communities. Conversely, South African social-political circumstances require elevated social support to doorstep communities to address the historical and current challenges of poverty, inequality and unemployment.

It is our priority, as defined within the environmental, social and governance (ESG) strategy, to collaborate with indigenous¹ and host communities on the delivery of socio-economic development programmes that create community benefits and ensure that they are impactful and sustainable. (Refer to the *Embedding ESG excellence section* on page 62). It is only by contributing to the social upliftment and economic development of the communities situated on the doorstep of our operations that we can tangibly demonstrate how our mining can improve lives.

Given the context of socio-political instability in South Africa and the elevated risk social unrest poses to our social licence to operate is viewed as one of our most material focuses for the reporting year (Refer to the *Managing our risks and opportunities within the external operating environment* on page 45 and *Our material issues* on page 68).

Our priorities for the social upliftment and development of communities include:

- Delivering local social economic benefits through the implementation of social and labour plan (Page 232) commitments and corporate social responsibility programmes (Page 235)
- Strengthening institutional capacity and unlocking and mobilising partnerships and resources to resolve collective challenges (Page 233)
- Ensuring that we create shared value beyond compliance (Page 232)
- Contributing to integrated spatial development by improving the living conditions for our workers (Page 200)

This approach extends to all those communities that are directly or indirectly impacted by our mining activities. It is further informed by regular and constructive engagement with our stakeholders to facilitate a thorough understanding of their

expectation of value and to ensure that we are able to deliver accordingly for mutual benefit. Stakeholder engagement is underpinned by our Stakeholder Engagement Policy Statement. (Refer to *Engaging with our stakeholders*: Page 72).

LEGAL REQUIREMENTS

US and Montana regulatory structures imbed social upliftment in permitting requirements and tax structures. Every ounce of metal we produce provides a specific financial benefit to our local county governments. For instance, Montana's Hard-Rock Mining Impact Act (HRMIA), which was promulgated by the Montana Legislature in 1981, ensures that large-scale mineral developments will not burden the local taxpayer, as these developments can bring with them an influx of demands on local government entities. The HRMIA ensures that the needs of a host community are addressed as they occur. The Group's compliance with the HRMIA ensures that infrastructure and public-school system burdens are addressed.

In South Africa, companies are required, as per Regulation 42 of the Minerals and Petroleum Resources Development Act (MPRDA), to submit and adhere to a SLP. This is a five-year plan in which companies define all socio-economic projects and programmes intended to contribute to local and labour-sending area community upliftment and development. The SLP takes into account community needs and has to be in line with local Integrated Development Plans that municipalities determine with relevant government departments, who in turn, align their focus areas to the National Development Plan priorities. Selected projects are in the areas of social infrastructure, health, economic development and capacity building. For a full breakdown of spend and an update on the various SLP projects, refer to the *Social and Labour Plans' summary fact sheet*.

Companies are also required to adhere to requirements and meet the targets set in the Mining Charter, a guiding policy that focuses on the transformation of the South African mining industry. While mining companies have to meet the requirements of the Mining Charter, it is also an imperative to comply with the Broad-Based Black Economic Empowerment (BBBEE) framework which ensures participation of historically disadvantaged persons (HDPs) in the economy.

The Group participated in an independent BBBEE verification in 2020 and improved its performance from level 8 to level 6, this means that for every rand spent on procurement from black owned companies and or BEE compliant companies the Group can claim 60 cents on every rand spent.

Sibanye-Stillwater is committed to not only meeting but going beyond this regulatory compliance in line with our purpose of ensuring that our mining improves lives. We achieve this by sharing the value created by our mining operations through partnership and collaboration, while integrating sustainable development and responsible social closure into our decision-making processes.

Through our membership with the International Council on Mining and Metals (ICMM) and participation in its Community Support working group, we recognise the opportunity to also

collaborate and share lessons among mining and metals industry leaders to contribute to social progress. We contribute not only to our host communities but to our primary labour-sending areas. Refer to the *Social and Labour Plans' summary fact sheet*.

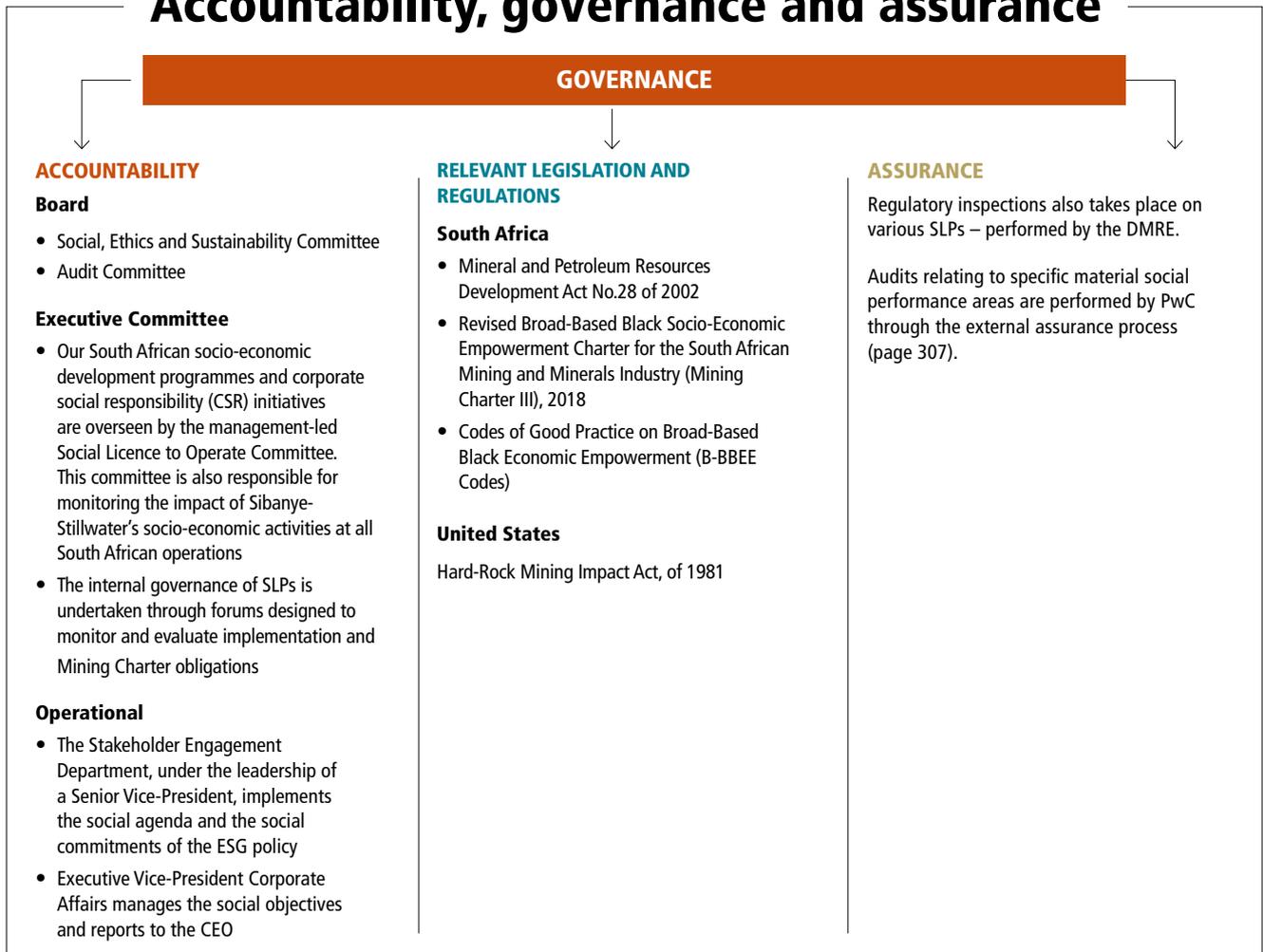


Creating road safety awareness around our operations

¹ Indigenous people are defined within the Group's draft position statement for indigenous people and mining. The definition follows the ICMM guidance

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Accountability, governance and assurance



Key supporting policies and policy statements

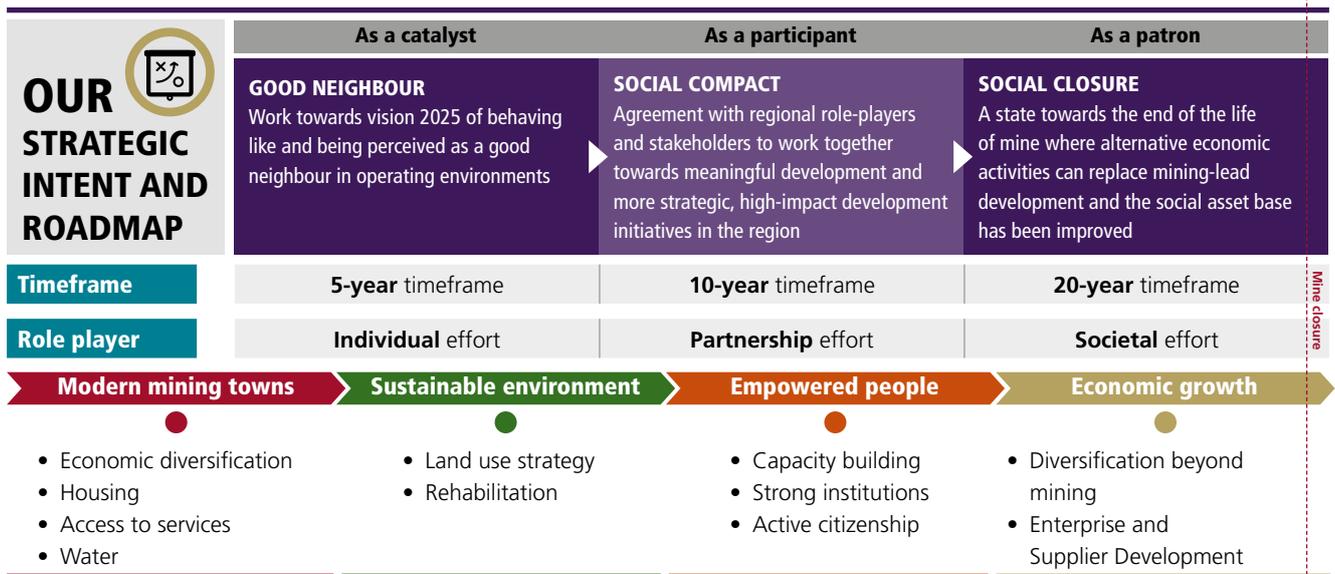
- Community and Indigenous people policy statement
- The draft Environmental, Social and Governance (ESG) Policy
- Draft position statements on Partnerships for Development as well as Indigenous People and Mining detailing the technical requirements to achieve the policy commitments
- A stakeholder engagement policy statement is also in place to guide our engagement processes



📷 Handover of Sanitizers to communities in the aim to reduce the spread of COVID-19

STRATEGY

The Group’s main priority in 2020 was the transformation of its fundamental approach to social upliftment and community development. In particular, we sought to shift from a Group that merely disperses money into various socio-economic development initiatives as an outcome to defining what success looks like for social development. To achieve this, we engaged in shifting the performance measurement from one of compliance to one of meaningful societal change as the measure of success. This is based on the recognition that money alone cannot elicit change; performance needs to be monitored against key performance indicators (KPIs) to ensure meaningful and effective impact. A social performance toolkit has been developed to provide guidelines on how the Group can ensure that its social performance aligns to the business strategy and complies with the relevant local and international standards.



PERFORMANCE

SA operations

The year under review proved to be an exceptionally challenging period, particularly for our doorstep communities. Not only did these communities have to contend with the health ramifications of a global pandemic, they were also confronted with an increasingly dire economic context, which left many bereft or, at best, struggling to provide basic livelihoods for themselves and their families.

It was in this context of extreme hardship that Sibanye-Stillwater contributed to the national programme to assist with the COVID-19 community response. Over R100 million was allocated towards various initiatives in health, education social relief and support for local Small small, medium and micro-enterprises (SMMEs). Through these efforts, the Group demonstrated its reliability and commitment to its social upliftment agenda. (Refer to the *COVID-19 – impact and response* page 12).

The lockdown resulted in delays in the implementation of social and labour plans and had a significant impact on stakeholder engagement particularly due

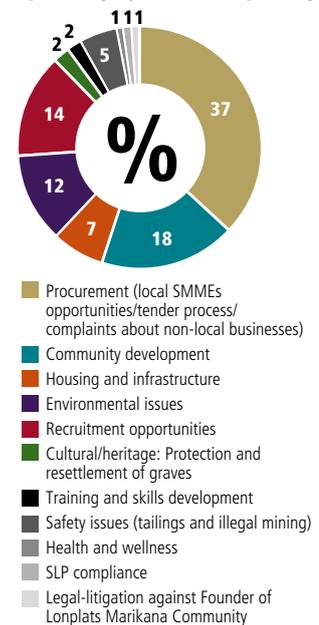
to technological barriers as the majority of doorstep communities do not have access to the resources required for them to engage digitally. This has raised the key issue of digital exclusion of disadvantaged communities, and Sibanye-Stillwater is considering ways of optimising the participation of stakeholders taking into account the opportunities presented by the fourth industrial revolution. Notwithstanding this, the Group continues to focus on improving relationships with its stakeholders. While it has an open door policy, there are Community Engagement Forums (CEFs), which is the more standard community engagement structure used across the industry, allow the company to focus on specific issues and will be used as a platform. The purpose of the platform is to engage communities about any operational or SLP developments that may impact their environment and/or livelihoods as well as to be deliberate and proactively discuss social risks to mitigate potential risks to the business.

Stakeholder Grievance/ Complaints Procedure

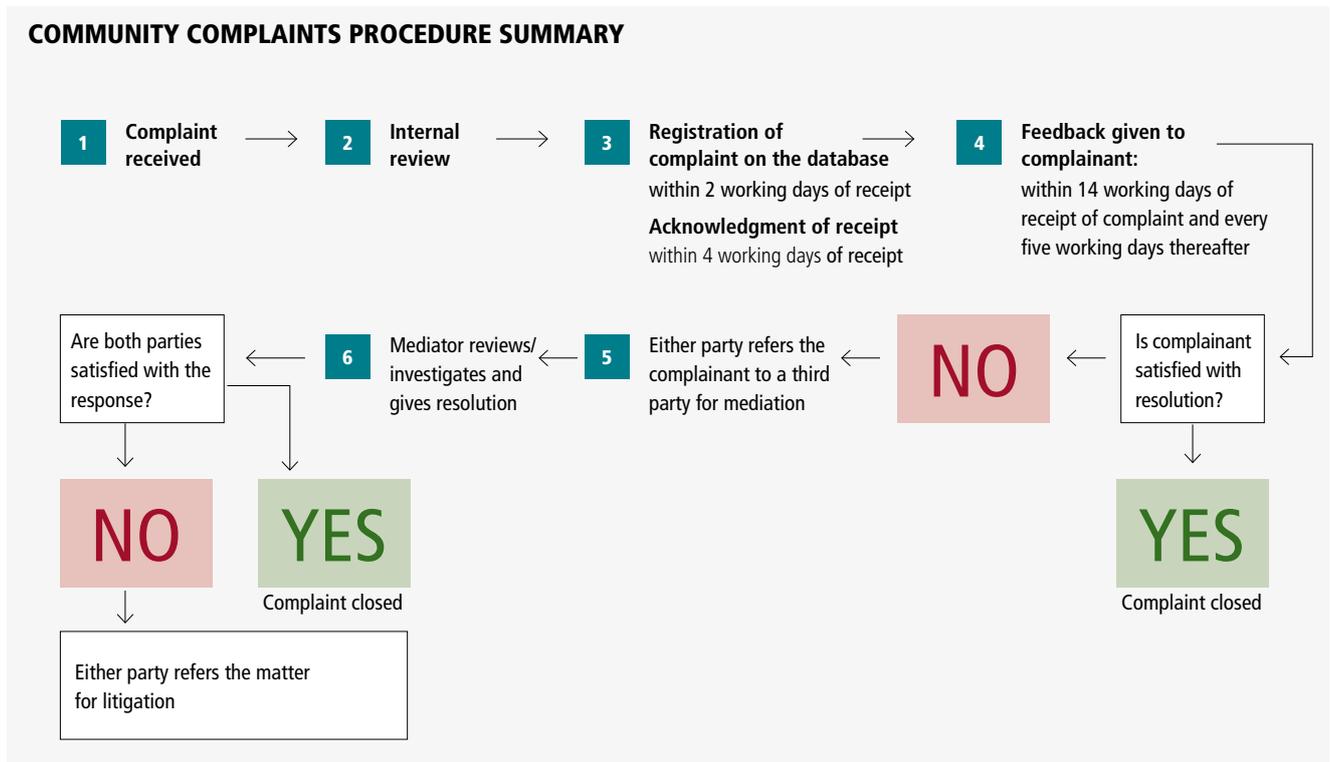
To this end, it has put a grievance mechanism in place to enable individuals or groups to formally raise any issues that

may impact them. In 2020, the Group attended to 154 complaints relating to the various categories as outlined in the graph below.

Percentage (%) allocation of the number of complaints and grievances recorded in 2020 per category: Closed and pending



SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED



Measuring our social performance

In 2020 we embarked on a process to develop a Social Performance Toolkit that will assist in ensuring that we deliver social performance in line with local and international standards. The development of this toolkit is in line with the International Financial Corporation’s (IFC) guidelines and aligned to all relevant instruments including the ICMM social and human rights expectations.

In parallel to this, in 2020, Sibanye-Stillwater commissioned a socio-economic development baseline study for all SA operations.

This study will enable us to have perspectives to make decisions that take into account systemic impediments that frustrate socio-economic development programmes and the progress in environments in which we operate. Ensuring that its programmes make a meaningful impact, in 2019, the Group conducted a pilot Social Return on Investment Study as part of the training of its social performance team on the methodology. The broader study that was planned for 2020 has been deferred to

2021 due to the delay in the conclusion of projects as a result of COVID-19 regulations.

PROJECT SPEND AND IMPLEMENTATION

Sibanye-Stillwater’s socio-economic development spend is guided by the requirements of the Mining Charter, particularly as they relate to the category of Mine Community Development. In 2020, socio-economic development expenditure amounted to R202 million while a total of R1,734 million was spent on implementing SLP projects (2019: R152 million spent on socio-economic development; R1.58 billion spent on SLPs). Not only did our project spend decline but we also fell short of meeting our SLP commitments for 2020. This was inevitably a consequence of the impact of the COVID-19 pandemic. For further details refer to the *Social and Labour Plans’ summary fact sheet*.

The lockdown imposed on South Africa, particularly Alert Levels 5 and 4 in April and May of 2020, effectively restricted the movement of most people in the country and, thus, prevented Sibanye-

Stillwater, service providers and partners from accessing sites and completing some of the projects. Given this situation, the company engaged with the Department of Mineral Resources and Energy (DMRE) to discuss challenges and constraints in project implementation.

Unfortunately, this served to undermine the exceptional progress that had been made in the first few months of 2020 in reducing many of the SLP backlogs, particularly those inherited through acquisitions. In the SA gold operations specifically, Sibanye-Stillwater was able to make such progress that it had almost reduced the backlogs entirely before the pandemic spread to South Africa.

What has facilitated this improvement in SLP delivery – notwithstanding the challenges posed by the COVID-19 pandemic in 2020 – has been the capacity building and training programmes initiated in 2019 and partially continued during the year under review. In particular, we conducted a capacity building programme for NPOs and NGOs in the North West to equip them with the necessary skills and knowledge to effectively manage



their social development programmes. This training also equips these stakeholders with the ability to unlock potential funding from government and other sources. We have also completed the local government capacity programme in consultation with COGTA and will deploy the programme post the local government elections in 2021.

SLP status 2020

- **Beatrix:** Implementation of the SLP for 2017-2021 is underway. In 2019, a Section 93 notice of backlog at Beatrix was received and management is engaging with the authorities in this regard a formal response with action plans has been submitted to the authorities, while addressing the backlog from previous SLP (2012-2016) in labour-sending areas
- **Burnstone:** The SLP for 2017-2021 has been submitted to the DMRE and we await approval. A section 93 directive was issued for non-delivery of SLP commitments and the company responded accordingly
- **Cooke 1, 2 and 3:** Under care and maintenance, implementation of LED projects backlog was completed in 2020
- **Cooke 4:** Under care and maintenance, implementation of LED projects backlog was completed in 2020
- **Driefontein:** Implementation of SLP for 2017-2021 is in progress. Backlog from previous SLP (2012-2016) in labour-sending area LED project is being addressed and will be delivered during 2021
- **Kloof:** Backlog of host LED projects have been completed except for TVET College and Simunye Secondary School where Sibanye-Stillwater is dependent on other partners to implement their part. The 2017-2021 SLP was approved during 2019 and implementation has commenced. Backlog from the previous SLP (2012-2016) relating to a LED project in the labour-sending area will be delivered during 2021. The labour-sending area backlog is shared by all of the gold operations' SLPs
- **Rustenburg operations:** The SLP for 2016-2020 is being implemented
- **Kroondal:** In terms of the current SLP (2016-2020), the LED project backlog is being addressed and Anglo American Platinum is implementing current LED projects as per the pooling and sharing agreement with Sibanye-Stillwater. All the other areas of the SLP are being implemented by Sibanye-Stillwater
- **Marikana:** SLPs at the various operations are in implementation phase. The company is continuing with the implementation of the backlog SLPs. The Generation III SLP has been submitted to the DMRE and the company awaits its approval. Please refer to page 197 of our workforce section on the delay on some of our Human resource development (HRD) programmes

In 2020, the internal systems and processes associated with the SLPs were reviewed and management has put project management systems in place to ensure that, to the best of our ability, SLPs are rolled out effectively to deliver on the intended outcomes.

Social closure framework

Our ultimate aim is to facilitate sustainable development so that communities can contribute to thrive beyond the end of our mines' operating lives. To this end, the company is working with local government and other stakeholders to catalyse alternative economic programme that can exist alongside mining and beyond to prevention the creation of ghost towns at the end of mining operations.

Our social-closure framework dovetails with the UN sustainable development goal 1 (1a), which aims to "ensure significant mobilisation of resources from a variety of sources, including through enhanced

development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions." Moreover, by encouraging and promoting effective public-private partnerships and building on the experience and resourcing strategies of all these partners we are actively contributing to SDG 17.7.

A flagship project of our social closure framework is the Bokamoso Ba Rona agricultural-industrial initiative. The initiative is a multi-stakeholder approach to promoting sustainable economic activity through the development of a large-scale agriculture and bio-energy hub in the West Rand District Municipality, close to Sibanye-Stillwater's mining operations. Partners include the West Rand Development Agency, the Gauteng Infrastructure Financing Agency and the Far West Rand Dolomitic Water Association, the Public Investment

Corporation, the Department of Planning, Monitoring and Evaluation, the Merapong City Local Municipality and the Rand West City Local Municipality.

In addition, the Group has also partnered with government and Busmark to facilitate the development of the West City Industrial Park, which will see the relocation of the Busmark factory form Randfontein into a smart bus manufacturing district in Westonaria. With Busmark as an anchor tenant and the potential for industrialisation in the area, this project, if realised, has the potential to create further jobs, ameliorating the impact of the scaling down of mining operations across the district. Despite the inevitable impact of the COVID-19 pandemic, this initiative did gain momentum in 2020 with more stakeholders in the West Rand region being engaged.

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Marikana Renewal Project

With the acquisition of Lonmin in June 2019, Sibanye-Stillwater simultaneously took over the tragic legacy of the Marikana massacre in which 44 mineworkers were killed between 10 and 16 August 2012 during a wave of unprotected strike action. This was an inflection point not only in the history of the South African mining industry but in the post-apartheid narrative of the country.

While taking on such a legacy certainly came with challenges, Sibanye-Stillwater believed at the time and continues to believe that it is through just such an acquisition that it has the most potential to live up to its purpose of improving lives through responsible mining.

Following the purchase, company has committed to facilitating the Marikana Renewal by engaging with stakeholders to honour the legacy of Marikana and create a vision for the future of Marikana, delivering tangible and sustainable programmes for the benefit of local communities around Marikana, a new legacy of healing and hope will emerge.

This programme of renewal is building on the progress that had been made in addressing the legacy of Marikana prior to its acquisition in 2019.

In 2020, Sibanye-Stillwater capitalised on that momentum by advancing some existing initiatives. To further commemorate the tragedy, Sibanye-Stillwater hosted a memorial lecture presented by Thabo Makgoba, Archbishop of the Anglican Church, and Advocate Professor Thuli Madonsela, Chair of Social Justice, Stellenbosch University; former Public Protector of South Africa. A Wall of Remembrance was unveiled at the Marikana offices. This was intended to aid the healing process within the impacted communities. As part of the ceremony, the company also initiated the programme to deliver houses to widows of the mineworkers who died during the tragedy, who had not yet received a house from the AMCU Trust. To date, the company has handed over 7 houses, 8 are at different stages of construction and we are in the process of acquiring a house on the open market. It is envisaged that the delivery of the 16 outstanding houses would be completed towards the end of 2021.

Another project that was pursued in 2020, but not directly linked to the actual commemoration, concerns the education of the beneficiaries of the 44 mineworkers. While all the educational needs of the 141 beneficiaries have been provided for by the Sixteen-Eight Memorial Trust, Sibanye-Stillwater aimed to improve the quality of education received by the beneficiaries by transferring them to better schools that will cater for their development needs. In addition, in 2021, with the assistance of educational psychologists, the Group plans for the beneficiaries who dropped out in previous years to enter artisanal and other appropriate programmes. Finally, Sibanye-Stillwater remained committed to constructive, positive engagement with all stakeholders in Marikana against the understanding that true engagement is equally about listening to and understanding and then taking appropriate action, and that it should be as inclusive as possible. Through the implementation of its stakeholder engagement model, the Group undertakes to listen to and then balance the interests of the Marikana stakeholders.

For more information, please refer to the [Marikana renewal fact sheet](#).

SOCIAL COMPACT

On the basis of the continued success of the Good Neighbor Agreement in effect at our US PGM operations, Sibanye-Stillwater has, over the last few years, sought to develop a customised version of that stakeholder agreement that can be implemented within the unique South African context. What will be developed in partnership with stakeholders is a Social Compact, or a formalised cooperative relationship agreement, that is largely based on the tenets of the Zambezi Protocol. This essentially prioritises mutually respectful relationships and requires a foundation of trust to be developed between the industry and its stakeholders.

We have begun laying the foundations for building a Social Compact with a stakeholder trust building project in the Free State, while in the North West we are developing a blueprint for social compacting through a multi-stakeholder and social cohesion process which was introduced at our Marikana operations in 2020.



Handing over six houses to the Marikana widows in August 2020



Corporate social responsibility

In South Africa, CSR initiatives are undertaken in addition to our socio-economic development programmes and SLP projects as a means of further supporting our community beneficiaries and as a gesture of goodwill. In the gold operations, the Group supported the aged and disabled with food security and has also refurbished some facilities; while the PGM operations focused on supporting Early Childhood Development Centres with learning material, some refurbishment, funding and training. Sibanye-Stillwater continued its support of three homes for elderly and disabled people in the West Wits region. This support provided was monthly food parcels and, more significantly, through the transfer of skills to cultivate self-sustainable food gardens for their own consumption and potentially to generate income to sustain the feeding programme.

The old age home in Fochville has become completely self-sufficient and is generating its own income from its food garden. The Bekkersdal Old Age Home received installation of net shading to protect the food gardens and a 5,000 litre water tank to irrigate the food gardens. As part of our

exit strategy to allow the old age home to be self-sufficient, Sibanye-Stillwater will be erecting perimeter fencing to protect these gardens.

Support was also provided to two old age homes in the Matjhabeng and Masilonyana local municipalities in the Free State. The programme addressed food security through supplying monthly groceries as well as a food garden for the home in Matjhabeng Local Municipality. As part of the exit strategy and to ensure sustainability of the initiative, Sibanye-Stillwater provided the two homes with sewing machines aimed at contributing to the sustainability of the elderly people's livelihoods.

In addition, the company has committed R16 million to the Presidential Pit Latrine Project to eradicate pit latrines in the Eastern Cape. The company is also assisting with a livelihood programme for vulnerable community members affected by HIV in the local municipality of Engcobo in the Eastern Cape. The team is assisting the not-for-profit, Silindini Home Based Carers, with vegetable tunnels to extend their already income generating food garden. The proceeds of the food gardens are to fund their outreach

activities. The volunteers of this NPO are responsible for home visits to vulnerable community members provide Directly Observed Treatment Short-course (DOTS) support, and the implementation of TB and HIV/AIDS campaigns.

Much of the CSR initiatives in 2020 was devoted to alleviating the impact of the COVID-19 pandemic on the most vulnerable members of our communities. For more details, please see *COVID-19 – impact and response* section.

During 2020, the company also launched an employee volunteering scheme to inculcate a culture of community services. Through employees' supported and with matched funding; where a company matches employee donations on a R1 to R1 basis.

SA operations: socio-economic development (SED) expenditure (R million)

	2020			2019			2018		
	Total	Gold	PGMs	Total	Gold	⁴ PGMs	Total	Gold	PGMs
Local economic development projects³	77.8	18.2	59.6	62.2	7.7	54.5	18	2.6	15.4
Human resource development									
Communities ³	71.6	36.3	35.3	77.98	41.5	36.5	68.6	51.4	17.2
Employees ^{2,3}				–	–	–	489.5	305	184
Employee housing and nutrition^{1,2,3}				–	–	–	772	594	178
Health	7.53	7.0	0.53	8.5	7.5	0.937	10	10	0
Education	5.56	3.29	2.27	2.89	1.3	1.5	13.7	13.7	0
Arts and culture support	0.0	0.0	0.0	0.10	0	0.10			
Sport, conservation and environment	12.30	5.65	6.65	0	0	0	0.345	0.345	0
Donations, community development and charitable gifts	20.23	8.15	12.08	0.595	0.595	0	2.7	2.3	0.4
Total SED	195.02	78.6	116.43	152	59	93	1,374	979	395

¹ Expenditure is reported inclusive of value-added tax (VAT) as no VAT is claimed in terms of the relevant Act

² Previously reported human resource development figures included community and employees, For reviewed SED definition, HRD Employees is excluded

³ Line item also included in the social and labour plan (SLP) definition

⁴ Includes Marikana operations for seven months from June 2019 to December 2019

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

SA operations: social and labour plan (SLP) spend 2020 (R million)

	2020			2019		
	Total	Gold	PGMs	Total	Gold	¹ PGMs
Local economic development projects	77.8	18.2	59.6	62.2	7.7	54.4
Human resource development – communities	71.6	36.3	35.3	77.98	41.5	36.5
Human resource development – employees ²	713.0	281.3	431.7	552.2	274.4	277.8
Housing and living conditions expenditure ²	868.2	625.7	242.5	883.7	613.1	270.6
Management of downscaling and retrenchments (provision of alternative skills training) ²	3.8	0.27	3.6	8.5	8.5	0
Total SA SLP spend	1,734.4	962	772.7	1,584	945.2	639.5

¹ Includes Marikana operations for seven months from June 2019 – December 2019

² Excluded from the updated definition from the SED expenditure on the previous table

Corporate social investment in 2020 (Rm) and US\$ for US PGM operations¹

	Group	¹ US PGM	² Total SA	Gold	PGMs
2020	52.2	6.6	45.6	24.0	21.6
2019	17.9	5.8	12.1	9.5	2.54
2018	31.6	5.1	26.5	26.5	0.04

¹ The annual CSI investment by the US PGM operations of US\$400,000 is over and above the social spend by the US government enabled by taxes paid. Exchange rates used to convert US PGM expenditure per year in 2020 is R/US\$16.46; 2019 – R/US\$14.46 and 2018 – R/US\$13.24

² Corporate social investment for the SA operations is included in the socio-economic development table on the page 235

COMMUNITY TRUSTS

With the acquisition of the Rustenburg operations in 2016, Sibanye-Stillwater concluded a 26% broad-based BEE transaction. In terms of this transaction, 26% of the Rustenburg entity is held jointly by the Rustenburg Mines Community Development Trusts (24.8%); the Rustenburg Mine Employees Trust (30.4%); Bakgatla-ba-Kgafela Investment Holdings (24.8%); and Siyanda Resources (20%).

During 2020, dividends to the value of R15 million were paid out to the Rustenburg Mine Community Development Trust and the Rustenburg Mines Employee Trust with an individual employee receiving an amount of R1,054. Investec has been appointed as the administrator for both Trusts.

With respect to the Marikana operation, the Lonplats Employee Profit Share Scheme has 19,324 beneficiaries and the dividend's paid to each beneficiary on 15 August 2020 were R6,705.14 payment to participating members of the scheme.





Human Rights

The respect for human rights is fundamental to the culture of the Group and is reflected in the CARES value proposition. Sibanye-Stillwater conducts its business in line with national legislation, including the Constitution and the Labour Relations Act, as well as the International Labor Organization guidelines. Our commitment to the ICMM principles, more specifically ICMM principle 3, requires us to respect human rights and interests, cultures, customs and values of employees and communities affected by our activities. (Please refer to the Social, Ethics and Sustainability Committee page 120 for the oversight information on human rights matters).

Policy

During the year the Human Rights Policy Statement was reviewed to align to the ICMM, United Nations Global Compact and World Gold Council Responsible Mining Principles. The commitments of the policy, which at the time of writing was still in draft, include amongst others that the Group will eliminate harassment, in all forms, bullying and discrimination in the workplace and respect freedom of association.

The policy statement also aims to take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour as per the UN SDG 8.7.

Security and human rights

Sibanye-Stillwater Protection Service is in the process of ensuring alignment to the Voluntary Principals on Security and Human Rights. An analysis of all the Protection Services procedures was completed during the year to identify what areas of Sibanye-Stillwater Protection Services' procedures need to be aligned to the Voluntary Principles on Security and Human Rights. It is expected from all security contractor service providers to adhere to these procedures which include Human Rights requirements. During the contracting process security service providers are required to present evidence confirming that the service provider adheres to the Code of Conduct for Security Service Providers and their employees are trained in Human Rights. Adherence to the Human Rights Policy Statement and Code of Business Conduct is managed within the terms and conditions agreed to between the parties. Compliance is a requirement and the security service providers are audited annually. Although no dedicated Human Rights training were presented to Protection Services employees during the year the induction and refresher training encompasses human rights aspects with regards to security.

Number of security personnel that received induction/refresher training (inclusive of Human Rights aspects)

	2020		2019		2018	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
SA PGM	73	701	81	24	244	0
SA gold	257	432	588	296	514	412
US PGM	15	NA	Not previously tracked			
Total	345	1,133	669	320	758	412



Protection services personnel receiving training (photo taken pre-COVID-19)

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Human rights due diligence

In 2020, the Group had three complaints referred to the South African Human Rights Commission. The complaints were received from the local communities in the SA PGM operations regarding dust and safety around the companies' water installations and in the SA gold operations around historical graves. The company responded to the enquiries including site visits, and awaits the determination of the Commission on the findings and way forward.

In the period under review, Sibanye-Stillwater launched a gender working group and subsequently a Women-in-Mining (WiM) initiative which aims to accelerate diversity efforts with the objective of championing women in all levels of the organisation and increasing gender representation across the board. (Refer to *Empowering our workforce* for more detail).

Indigenous people

The Group has drafted an Indigenous People Position Statement that aligns to the ICMM commitments within their position statement on indigenous people and mining. The ICMM position statement draws on international frameworks such as ILO 169, UN guiding principles on business and human rights, IFC guidance note 7 on Indigenous People and the UN development groups – guidelines on Indigenous People issues (2008).

Refer to page 232 on our Complaints Procedure.

Heritage

A heritage baseline assessment is undertaken for all the SA Operations. The objective is to enable effective management of heritage sites at our operations while paying tribute to the history of the areas and enhancing the value of our heritage resources. (Refer to *Minimising our environmental impact* for more information.)

Resettlements

While there have been no resettlements or plans to resettle communities, the company notes that in the life of its operations it might need to resettle communities. To this end, in 2020, the company engaged with peers to benchmark best practices and is finalising a resettlement procedure that covers the rights of affected stakeholders, complies with legislation and in line with international best practices.

Supply chain

During 2020, Sibanye-Stillwater circulated a questionnaire to all existing vendors, requiring them to answer through the Coupa system a set of questions relating to ESG matters, which included questions relating to human rights matters such as child labour, fair wages and forced labour practices. At the end of 2020 over 600 suppliers have responded to the questionnaire.

Within our standard terms and conditions applicable to supply contracts, suppliers are required to adhere to a range of legislation relevant to human rights as well as adherence to our own policy statements and Code of Business Ethics.

Our Precious Metals Refinery (PMR) has also conformed to the London Platinum and Palladium Market's responsible sourcing guidance to achieve and maintain the LPPM's Good Delivery Accreditation. This is intended to assure investors and consumers that all LPPM Good Delivery metal is conflict-free due to compliance with an audited and conflict-free process. Certification was obtained in January 2021.

ESG procedures are part of our current due diligence investigations for significant investments and we are expanding these to specifically include human rights aspects.

Fair labour practices

All employees are subject to vetting procedures, including the verification of age, criminal record checks as well as medical fitness assessments. We support collective bargaining and freedom of association and we comply with both the South African and US legislation regarding working hours. (Refer to page 198: *Empowering our workforce*.)

We also have an independent tip-offs line in place. (Refer to *Corporate governance* for more information.)

US PGM OPERATIONS

Social operating context

In the United States, Sibanye-Stillwater's operations are situated in two rural and environmentally pristine counties in the state of Montana. The social context of these counties is starkly different from that of South Africa and thus the community challenges vary considerably.

The Hard Rock Mining Impact Act (HRMIA), in Montana states that a large-scale mining operation must address needs of a host community before or as they occur. The company's compliance with HRMIA has meant that infrastructure and public-school system burdens are continually addressed. We monitor local school populations, as required by the HRMIA, to ensure that burdens on local infrastructure and schools do not increase year-over-year.

The US PGM operations significantly contribute to the local economy. An independent economic impact study undertaken by the Bureau of Business and Economic Research in 2020, based on 2019 financial data, highlighted that we create an output of US\$3.0 billion, which is over 3% of Montana's entire economic output. For the fact sheet, Montana operations – socio-economic impact, containing the summary of the study, please refer to our website at <https://www.sibanyestillwater.com/news-investors/reports/annual/>.

In addition to contributions to state and local tax bases through the HRMIA and other state and federal taxes, the US PGM operations contributes to its communities through CSI initiatives and our Community Giving Team. An employee-led Community Giving Team implements our policy, an important aim of which is to support communities directly adjacent to our mines and processing facilities. The Team meets monthly to evaluate requests.

In terms of its regional charitable giving policy, the US prioritises rural health care and emergency services, education – with a focus on science, technology engineering and mathematics (STEM) subjects – environmental stewardship,

and community activities. In 2020, the Community Giving Team focused its efforts on COVID-19 relief in our local communities. The team collaborated with local businesses who pivoted from their normal, "non-essential" production to the manufacture of medical PPE. This included purchasing 3D printed masks from a local jewellery maker for local emergency responders and purchasing reusable hospital gowns for local hospitals from a Montana-based fishing supply company. The Community Giving Team also responded to other COVID-19 emergency fund requests and funded laptop purchases for local schools to facilitate remote learning, as well as funded ventilator purchases at local hospitals.

In addition to its COVID-19 response, the Community Giving Team supported numerous other community gifts, including:

- The installation of solar panels as part of a high school environmental club initiative
- The provision of mental health services to our local counties
- Support to our local community zoo
- An upgrade to neonatal intensive care unit cameras to allow families of

hospitalised babies to connect while unable to visit in person

- Collaboration with a local environmental education entity to encourage environmental outreach in local schools
- Support to a local organisation that has replaced in-person kids' cancer camps with remote engagement opportunities

Social impact through partnerships

To add to the company's own giving in the US PGM operations, we have also been able to leverage a unique partnership with financing partner Wheaton Precious Metals (WPM) for additional community support. WPM generously donated US\$156,500 to a variety of COVID-19 and community projects, which included partner support on many of the projects listed above. Sibanye-Stillwater and WPM also partnered to give US\$100,000 to the Special K Ranch, a community living centre for adults with disabilities, which is close to the US PGM corporate headquarters in Columbus, Montana. Special K provides this much-needed group home resource for the local area.

US operations: social activities and related expenditure (US\$)

	2020	¹ 2019	² 2018
Community projects (49.5%)	198,050	154,945	162,600
Education (14.9%)	59,730	118,380	94,130
Emergency and rural healthcare services (31.2%)	124,720	39,700	44,700
Environmental stewardship (4.4%)	17,500	27,400	35,500
Total	400,000	340,425	336,930

¹ Youth activities expenditure for 2019 was US\$58,142 bringing the total social spend to US\$398,567

² Youth activities expenditure for 2018 was US\$50,900 bringing the total social spend to US\$387,830

The Community Giving Team also began an annual "Volunteers of the Year" award at each of our three operations in 2020. This award is designed to recognise the significant volunteer time that our employees give back to our communities.

US local procurement expenditure

	Total procurement (US\$m)	Local procurement spend (US\$m)	% of local procurement
2020	398.9	93.0	23
2019	334.8	103.3	31
2018	290.5	92.1	32

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Stakeholder engagement

From a broader stakeholder perspective, the US PGM operation is creating a formal stakeholder engagement process, which will be in place by the end of 2021. Over the course of 2020, the company engaged in a number of significant stakeholder interactions, including work with the Good Neighbor Councils on the company's emergency preparedness plan, continued discussions with state and federal regulators on Montana's nutrient regulations. COVID-19 consumed many of these conversations and relationships.

Through its strong stakeholder relationships with its local counties, Sibanye-Stillwater collaborated with local public health officials to enact a robust COVID-19 action plan, which allowed continued full production through Montana's "stay-at-home" order. The Group continues to refine this plan as state directives change and as more is learned about the virus and mitigation thereof.

Good Neighbor Agreement

2020 marks a significant milestone achievement for Sibanye-Stillwater's Montana, US operations. It represents 20 years since the Good Neighbor Agreement (GNA) was signed constituting a commitment by both the mines and their surrounding communities. These communities are represented through three local stakeholder organisations: the Northern Plains Resource Council, the Stillwater Protective Association and the Cottonwood Resource Council.

The GNA provides an innovative framework for the protection of the natural environment while encouraging responsible economic development. It legally binds us to certain commitments and holds us to a higher standard than that required by federal and state regulatory processes. Although the GNA is a legally binding contract, it has over the years evolved and has become a living collaborative document that the parties are willing to adapt as the need requires.

Our commitments include transparent and productive interaction with all affected stakeholders, using the GNA as a vehicle for dispute resolution and positive stakeholder engagement.

For further information, see the fact sheet, Working together: The Good Neighbor Agreement on <https://www.sibanyestillwater.com/news-investors/reports/annual>.

PROCUREMENT AND ENTERPRISE DEVELOPMENT

Supply Chain partnered with PwC to identify areas of improvements through a rebasing exercise that included pricing reductions and / or efficiency improvements across the operations.

The project kick-started in February 2020 and has identified initial savings of R800 million. Due to the COVID-19 lock down, very limited work was performed in terms of concluding the savings potential. Key deliverables, which required visiting operations started on a limited basis due to the lock down and risk of COVID-19 transmissions, however, activities have been stepped up, to pursue further savings.

Although procurement is the most cost-sensitive custodian of the business, Sibanye-Stillwater understands that it is through the purchase of goods and services that we have a profound opportunity to be inclusive and to drive real socio-economic change and development. In South Africa, this philosophy adheres to the tenets of Mining Charter III, which seeks to increase the inclusion of historically disadvantaged persons (HDPs), women and youth in the economy specifically through procurement practices and targets.

However, with the gazetting of the third iteration of the Mining Charter in September 2018, the procurement targets, particularly as they relate to goods and services spend with women- and youth-owned companies, was considerably revised. The targets defined are required

to be achieved over a 5-year period for the mining goods and within a two year period for the services rendered.

The targets for procurement include:

- A minimum of 70% of mining goods procurement, must be spent on the South African manufactured goods, of which 70% shall be allocated as follows:
 - 21% allocated to South African manufactured goods produced by HDP-owned companies
 - 5% allocated to women- or youth-owned companies
 - 44% on B-BBEE-compliant companies
- A minimum of 80% of services rendered, must be spent by sourcing from South African-based suppliers, of which 80% shall be allocated as follows
 - 50% must be spent on services supplied by HDP-owned companies
 - 15% must be spent on services supplied by women-owned companies
 - 5% must be spent on youth-owned companies
 - 10% must be spent on B-BBEE-compliant companies

The targets as set out for the Mining Charter III for the mining goods were achieved by Sibanye-Stillwater however due to a number of challenges the Mining Charter III for services rendered were not achieved. Achieving these procurement targets is not only vital in terms of regulatory compliance but also key to our objective of being more inclusive and driving real socio-economic change, the Group has adopted a range of initiatives.

The roll out of the Coupa business spend management software system has principally been used to streamline the supplier registration process in an attempt to ease more entrepreneurs and small companies into business. The Coupa system not only assists existing and would-be suppliers it also provides transparency in the entire procurement process.



The roll out of Coupa was completed in the SA gold operations in 2020 and in the PGM operations (excluding the Marikana operations) early in 2021 and the final implementation of Coupa at Marikana in mid-2021.

With the assistance of Coupa, Sibanye-Stillwater has been able to build a database of approximately 900 doorstep suppliers – these suppliers situated within the municipalities around our operations and, in 2020, a total of

10% of the procurement budget was spent through these companies. This has resulted in a positive trend for Sibanye-Stillwater's spend on the community-based companies as the intention is to increase procurement spend up to 15% of the budget in the short-term. This is an encouraging step to promote development-oriented policies that support entrepreneurship, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises.

SA operations: discretionary BEE procurement¹ (%)

	2020		2019	
	Mining goods	Services	Mining goods	Services
	Target 70%	Target 80%	Target 70%	Target 80%
Gold				
Beatrix	68	58	81	51
Cooke 1, 2 and 3	59	66	79	38
Cooke 4	75	68	81	64
Driefontein	68	76	84	67
Kloof	69	68	84	75
PGM				
Kroondal	78	83	91	86
Rustenburg	81	79	84	78
Marikana	62	75	68	74
Total	70	75	81	73

¹ The Mining Charter's procurement targets apply to procurement that 'excludes non-discretionary procurement expenditure' – this excludes expenditure that cannot be influenced, such as procurement from the public sector and state enterprises. Procurement targets therefore apply to discretionary expenditure over which Sibanye-Stillwater has influence

SA operations: total empowerment spend

	2020		2019	
	R million	% of total spend	R million	% of total spend
Black-owned¹ (historically disadvantaged South African) businesses				
Male-owned	7,097	40	5,397	31
Women-owned	3,463	20	2,744	15
Total	10,560	60	8,141	41

¹ Ownership greater than 51%

SA local discretionary and BEE procurement expenditure

	Total discretionary procurement (Rm)	¹ Local BEE procurement spend (Rm)	% of BEE procurement
2020	R17,649	R12,656	72
2019	R19,622	R14,529	74
2018	R13,755	R10,624	77

¹ Historically disadvantaged person ownership greater than 25%

SOCIAL UPLIFTMENT AND COMMUNITY DEVELOPMENT CONTINUED

Due to the challenges of COVID-19 faced worldwide our discretionary spend and local BEE spend decreased from 2019. To ensure the meaningful inclusion of local suppliers and would-be suppliers, Sibanye-Stillwater has engaged the services of two enterprise development services provider Phakamani and Black Deal, to support local SMMEs through support programmes and skills development thereby allowing them to participate in the company's supply chain programme while looking for opportunities in other industries. The support programmes coach and develop the skills of fledgling companies.

Not only have these companies helped suppliers build capacity to secure durable contracts through mentoring and training, they have also provided guidance in everything from financial management and bookkeeping to business planning and proposal writing 350 suppliers participated in the training programme and 217 loans were disbursed totalling R63.5 million.

One factor that is impacting our ability to comply with the procurement targets is that some of our largest suppliers, companies through which we typically spend between R50 million to R200 million a year, are either not black-economically empowered or are falling short in their empowerment credentials. To address this, in November 2020 we embarked on a targeted approach to directly engage those identified suppliers on their empowerment status and journey. Our strategy includes engagements with 20 suppliers at a time, allowing them 6 months, to supply us with a transformation plan including our local community companies. For those companies willing to pursue empowerment transactions to enhance their BEE status, we will be providing guidance to assist with their transformative journey. In the instances where companies are not willing to comply, we will begin testing the market to secure alternative companies with the appropriate empowerment credentials.

In support of local economic development, a CEO Enterprise Development Fund was created in March 2020. The objective of this fund is to assist our local entrepreneurs' entry into the Group's supply chain and to promote alternative economic endeavors. This is principally for SMME's that are required to purchase assets and or goods in order to deliver on a purchase order issued by the supply chain function. The fund has been capitalised to the value of R14.5 million.

2020	Supply chain fund	CSO Fund	Total
Loan target	60	–	60
Number of loans approved	209	8	217
Funds approved by investment committee	R45,533,722	R17,949,768	R63,483,490
Number of jobs created and sustained	1,366	492	1,858
Number of SMMEs supported	56	6	62
Female entrepreneurs supported	119	9	128
Youth entrepreneurs supported	77	5	82
*Number of companies being mentored (in total)	–	–	–
Enterprise development transactions	9	4	13
Total funds disbursed (Sibanye–Stillwater and IDF)	R44,638,583	R14,951,000	R59,589,583
New venture creation (NVC) training	–	19	19
Business accelerator programme (BAP) training	331	–	331
Coupa training	214	–	214
New enterprise development supplier introduced	11	–	11
Enterprise development validation	5	–	5
Funds recovered (2020 transaction)	R20,994,979	R8,731,192	R29,726,171
Funds recovered (Total for Sibanye–Stillwater)	R33,652,316	R8,731,192	R42,383,508
Recovery rate	93.40%	99.90%	95.22%
Run over loans	R1,354,819	R0	R1,354 819
If completed	99.49%	99.90%	99.60%

SME Tovavect wins key Sibanye-Stillwater drilling contract

Dynamic black- and youth-owned SME Tovavect has been appointed the lead supplier of diamond core drilling and raise-boring services to Sibanye-Stillwater's Mashakane and Cooke 1 sites.

As part of its ongoing commitment to transformation and local community development and inclusivity, Sibanye-Stillwater has opened tender opportunities for local, doorstep businesses. "We have realised a dream – and are committed to achieving new levels of excellence through this work. We are also mindful that we represent a generation of new young black entrepreneurs determined to make a contribution through the quality and value we add," says Yuri Mokgosi, the founder and managing director of Tovavect. Yuri Mokgosi grew up in the Westonaria community and has lived around mines most of his life.

By choosing to step into the field of underground and above-ground drilling services for mining and construction, the company has become a trailblazer in many ways. "We are explorers – challenging the current industry status quo. We work with our clients to improve efficiency and achieve results within shorter lead times." This approach has seen Tovavect become a supplier of choice to mining houses.

For Sibanye-Stillwater itself, opening up this contract to new suppliers presented a real opportunity for its mines. "Tovavect's appointment speaks directly to the legacy creation we're committed to through the CEO's Fund," explain Marion Green-Thompson, Vice President, Transformation.

Tovavect has been supported by Phakamani Impact Capital, Sibanye-Stillwater's enterprise and supplier development partner for the contract. "The Sibanye-Stillwater CEO Fund has made a loan of R2.8 million to the SME to assist in operational readiness," says Green-Thompson. "Phakamani has also deployed a mentorship and support team on the project to help wherever needed, especially in the initial deployment phase."

FUTURE FOCUS

**SA
OPERATIONS**

1

- The priority for Social Performance in 2021 is benchmarking and developing baselines that provide for a clearer understanding of the challenges facing communities and the value that can be created by the company to ensure that our programmes are impactful and sustainable
- Key to this is building sustainable relationships with all the stakeholders; government, local communities, NGOs, other companies to ensure that we rebuild trust and collaborate so we can deliver into a co-created a coherent vision in our districts
- Regulatory compliance and delivery of social and labour plans will be fast tracked to make up for the delays as a result of COVID-19 regulation and lockdown in 2020

**US PGM
OPERATIONS**

2

- Leaders in environmental and social collaboration
- Fully functioning stakeholder engagement and grievance process
- Women-in-Mining resource group fully enabled