

# Establishing an innovation culture that supports a digital first organisation

*Wits DigiMine digital technology seminar*

CEO, Neal Froneman

8 December 2020

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All statements other than statements of historical facts included in this announcement may be forward-looking statements. Forward-looking statements also often use words such as “will”, “forecast”, “potential”, “estimate”, “expect” and words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors, including those set forth in this disclaimer. Readers are cautioned not to place undue reliance on such statements.

The important factors that could cause Sibanye-Stillwater’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, our future business prospects; financial positions; debt position and our ability to reduce debt leverage; business, political and social conditions in the United States, South Africa, Zimbabwe and elsewhere; plans and objectives of management for future operations; our ability to obtain the benefits of any streaming arrangements or pipeline financing; our ability to service our bond instruments; changes in assumptions underlying Sibanye-Stillwater’s estimation of their current mineral reserves and resources; the ability to achieve anticipated efficiencies and other cost savings in connection with past, ongoing and future acquisitions, as well as at existing operations; our ability to achieve steady state production at the Blitz project; the success of Sibanye-Stillwater’s business strategy; exploration and development activities; the ability of Sibanye-Stillwater to comply with requirements that they operate in a sustainable manner; changes in the market price of gold, PGMs and/or uranium; the occurrence of hazards associated with underground and surface gold, PGMs and uranium mining; the occurrence of labour disruptions and industrial action; the availability, terms and deployment of capital or credit; changes in relevant government regulations, particularly environmental, tax, health and safety regulations and new legislation affecting water, mining, mineral rights and business ownership, including any interpretations thereof which may be subject to dispute; the outcome and consequence of any potential or pending litigation or regulatory proceedings or other environmental, health and safety issues; power disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; fluctuations in exchange rates, currency devaluations, inflation and other macro-economic monetary policies; the occurrence of temporary stoppages of mines for safety incidents and unplanned maintenance; the ability to hire and retain senior management or sufficient technically skilled employees, as well as their ability to achieve sufficient representation of historically disadvantaged South Africans in management positions; failure of information technology and communications systems; the adequacy of insurance coverage; any social unrest, sickness or natural or man-made disaster at informal settlements in the vicinity of some of Sibanye-Stillwater’s operations; and the impact of HIV, tuberculosis and the spread of other contagious diseases, such as coronavirus (“COVID-19”). Further details of potential risks and uncertainties affecting Sibanye-Stillwater are described in Sibanye-Stillwater’s filings with the Johannesburg Stock Exchange and the United States Securities and Exchange Commission, including the Integrated Annual Report and the Annual Report on Form 20-F.

These forward-looking statements speak only as of the date of the content. Sibanye-Stillwater expressly disclaims any obligation or undertaking to update or revise any forward-looking statement (except to the extent legally required).

# Our six key strategic focus areas that drive value creation in our organisation

**Strengthen our position  
as a leading international  
precious metals mining  
Group by:**



A high-performing, responsible precious metals mining company

**The application of digital technology and work practices presents significant opportunity in the form of production and cost efficiencies...**

Value Levers	Metric	Digital Work Management	Predictive Maintenance	Automation	Short Interval Control	Digital Processing	Total
Maintenance Cost (Services)	R/\$	1.0-1.5%	5.0-6.0%	12.0-14.0%	-	-	18.0-21.5%
Production Increase (UG)	Ton/Day	2.5-3.0%	-	5.0-5.5%	8.0-9.0%	-	15.5-17.5%
Maintenance Cost (Labour)	R/\$	10.0-12.0%	1.0-2.0%	-	-	-	11.0-14.0%
Labour Cost	R/\$	-	-	10.0-12.0%	-	-	10.0-12.0%
Throughput (processing)	Ton/Day	0.2-0.4%	0.3-0.4%	-	-	4.0-4.5%	4.5-5.3%
Operating cost (inventory, services)	R/Ton	-	2.0-3.0%	-	-	-	2.0-3.0%
Recovery (processing, plant)	%	-	-	-	-	0.5-1.5%	0.5-1.5%

**Most importantly, the application of digital technology has significant safety, health and wellness benefits and will enhance our ESG performance and facilitate more inclusivity of woman in our business**

Digital technologies present significant opportunities for improvement across the mining value chain

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## *A Digital first organisation...*

*... is one that, not only adopts innovation and digital technology, but creates **cultures, structures** and **processes** that support **digital transformation**, and looks to technology or digital solutions to realise an **opportunity** or **solve problems**.*

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We looked inward to our most important assets, our employees

*A survey of our organisation told us that our employees are ready and willing to embrace and drive the adoption digital technology and innovation, but were unsure how to do so*

**over 90% ...**



*believe that **the adoption of digital technology and innovation is key** to building a **high performing, sustainable organisation***

**over 75% ...**



*believe that **they have good ideas** that could add value to the organisation, **AND**, would **appreciate the opportunity to implement their ideas***

**and 94% ...**



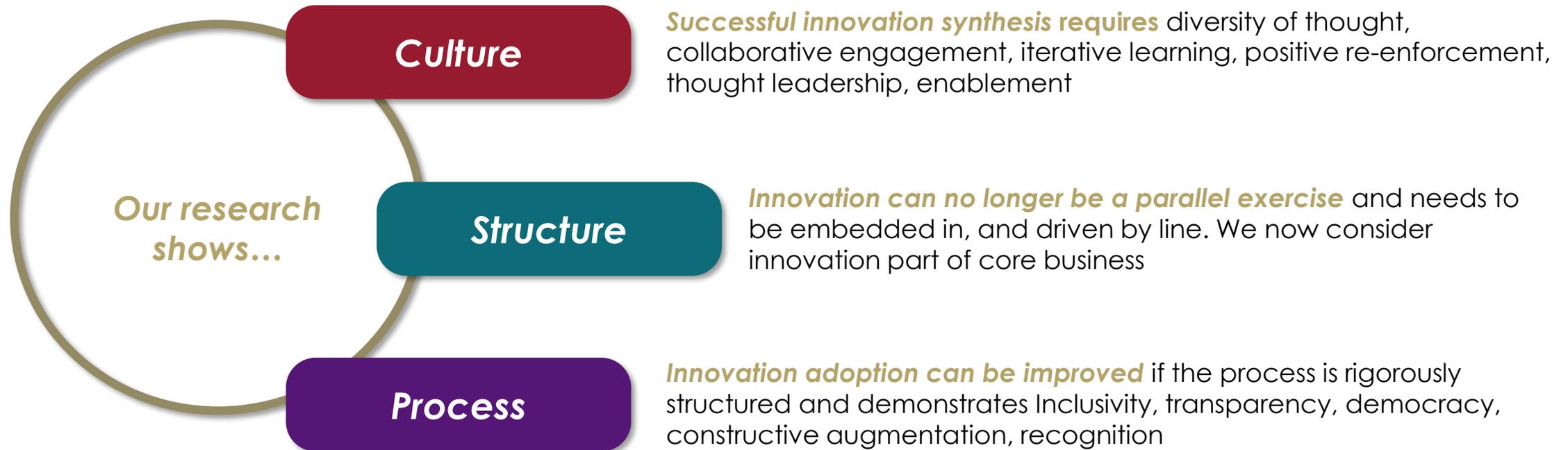
*believe that **ideas would be more successful if everyone is able to collaborate on ideas constructively***

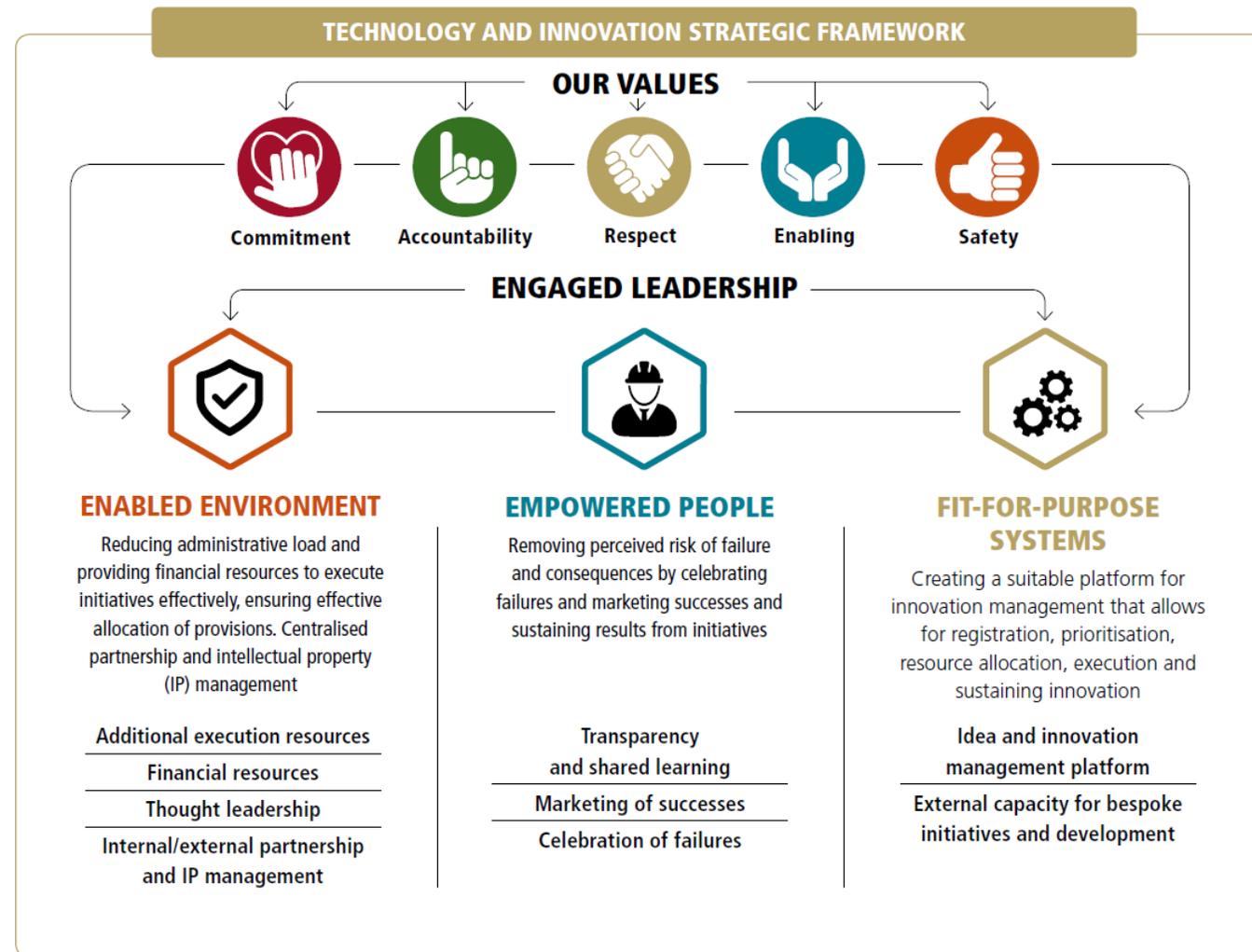
**but 61% ...**



***thought that we don't have effective structures or systems in place** to support their **technology aspirations***

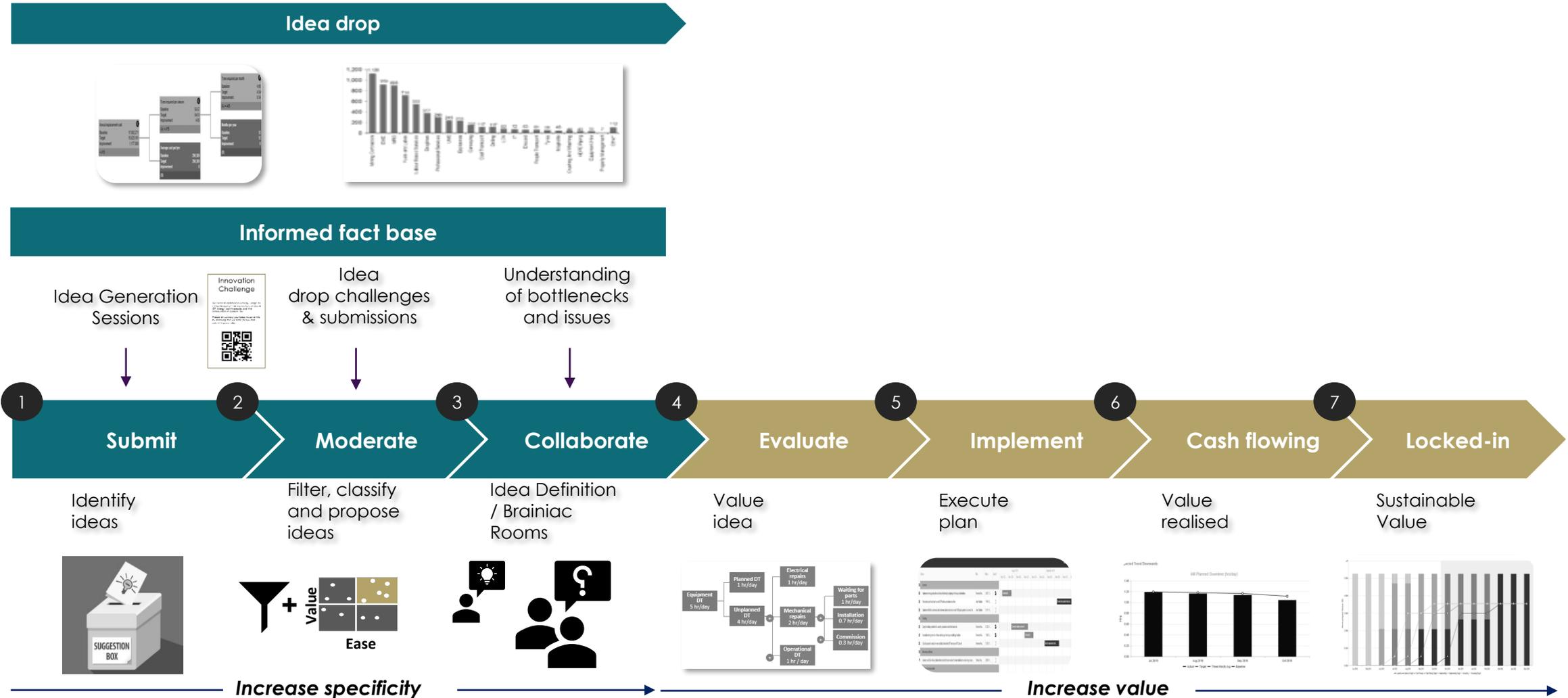
*With an employee base in excess of 80 000 people, we felt we were missing a significant opportunity that comes with an inherent collective intelligence of this scale*



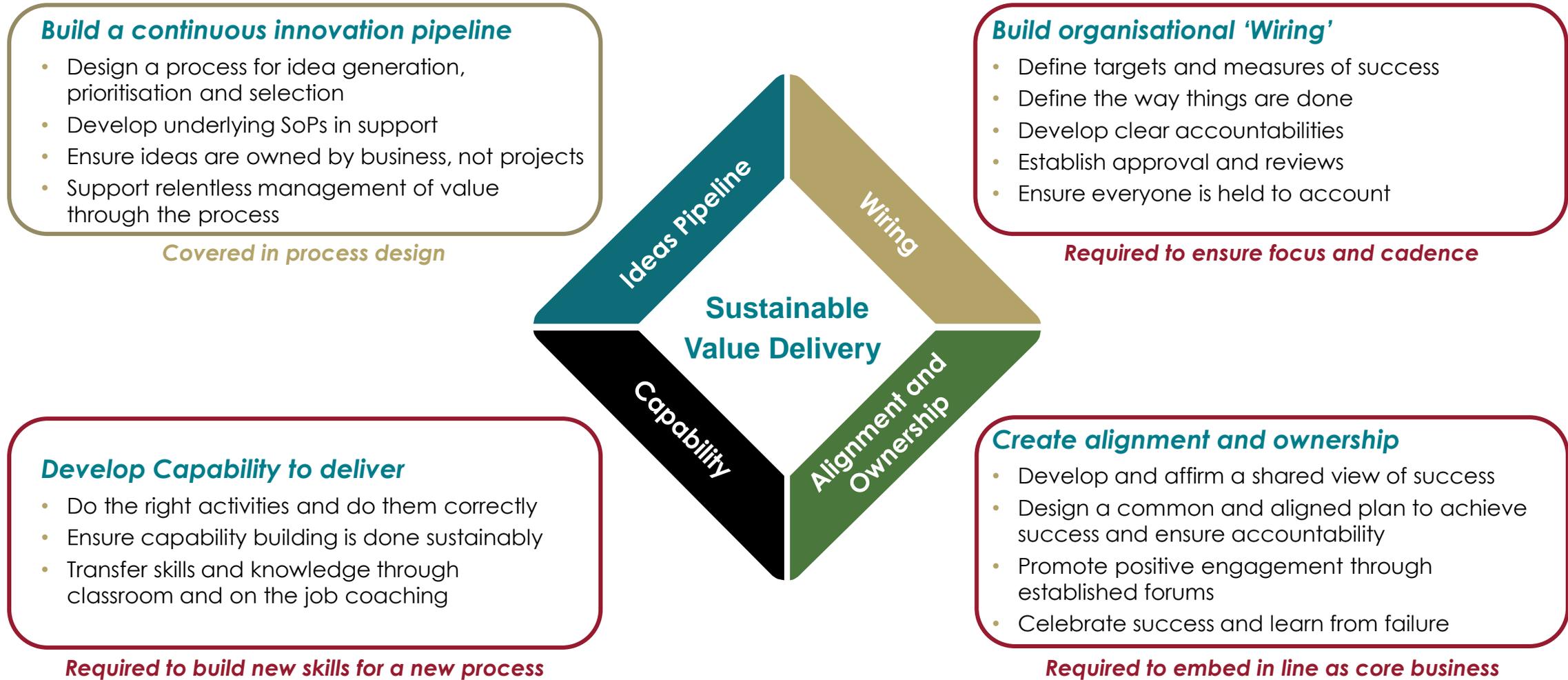


We have aligned our technology and innovation framework with our broader safe production strategy

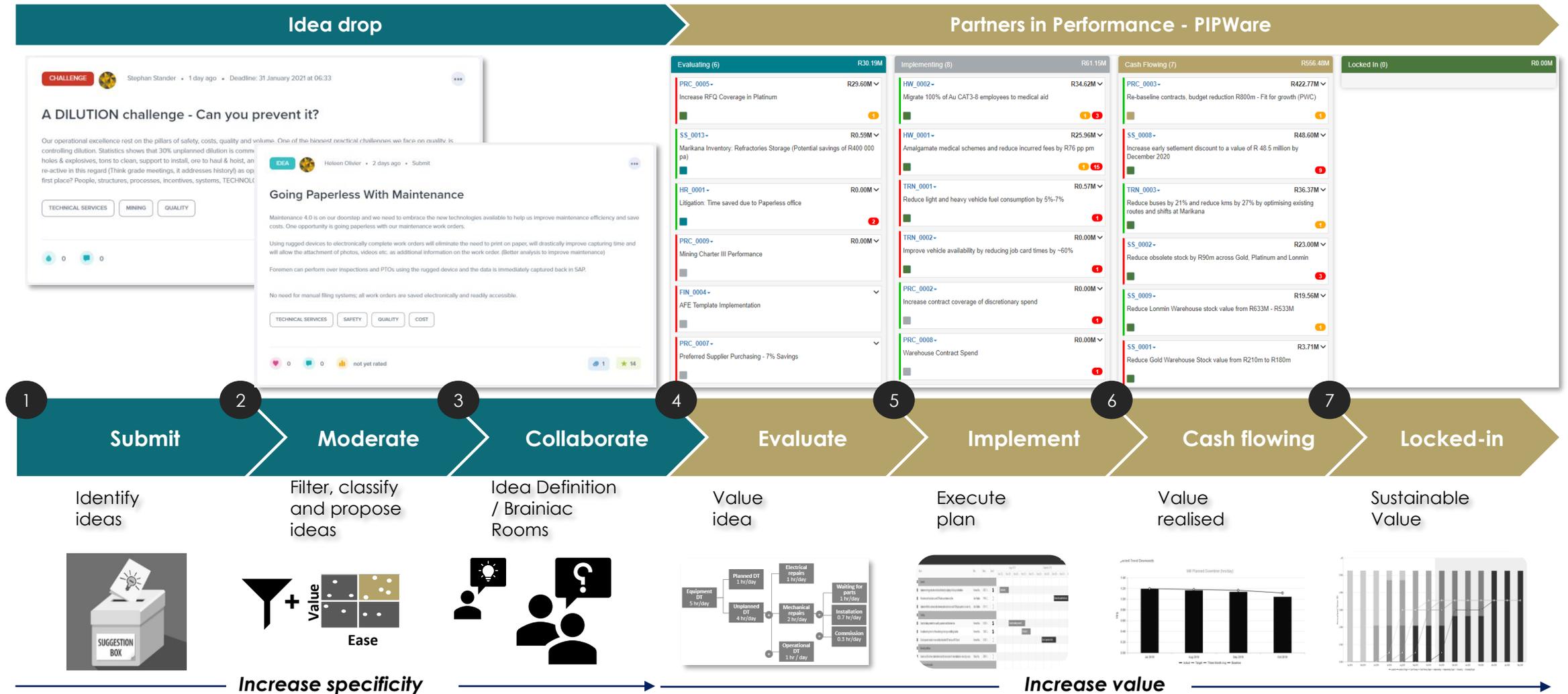
# Partnered with industry experts to create a seven step innovation process



A process alone is not enough to ensure success



A process alone is not enough to ensure success

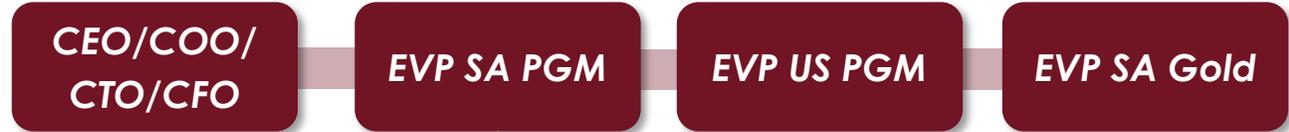


Utilising digital systems in support of our digital first focus

Top down leadership and bottom up commitment, and ownership.

**Committed Executive**

Dialog & Strategic Guidance,  
Direction Setting, Advisory



**Innovation Ambassadors**

Removing barriers and creating a  
supportive, enabling culture of innovation



**Innovation Officers**

Coordinating/Leading  
segment/service innovation efforts



**Innovation Champions**

Setting examples, assisting the  
organisation, contributing ideas



Our newly defined roles and responsibilities represent business lead innovation

We have proven our process with significant success – Integrated Shared Services

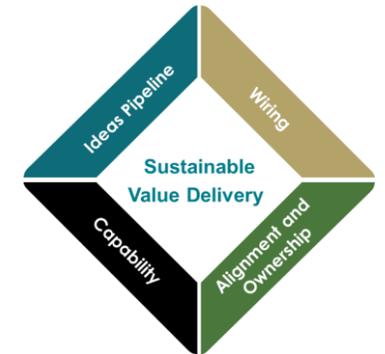
### Engagement process design



### Key development objectives

Beyond Idea Management, the 3 additional key elements were built into the department

- A process for ensuring alignment and ownership, shared vision and accountability
- The capability to execute idea and innovation management effectively through capability building within the team
- The process is “wired” into the day-to-day operations in ISS
- Appropriate tools, platforms and SOPs required to support



### Key results in integrated shared services

**There is:**

**Through:**

**Which have delivered:**

**Implemented by:**

**>R 650 million**

Potential annualised EBITDA improvement

**27 Business lead**

Innovation and continuous improvement projects

**R 140 million**

Of actual bottom line benefit to date

**28 Employees**

Who are now capable, autonomous innovators

Beyond implementation of the process, sustainability is carefully monitored using our digital systems

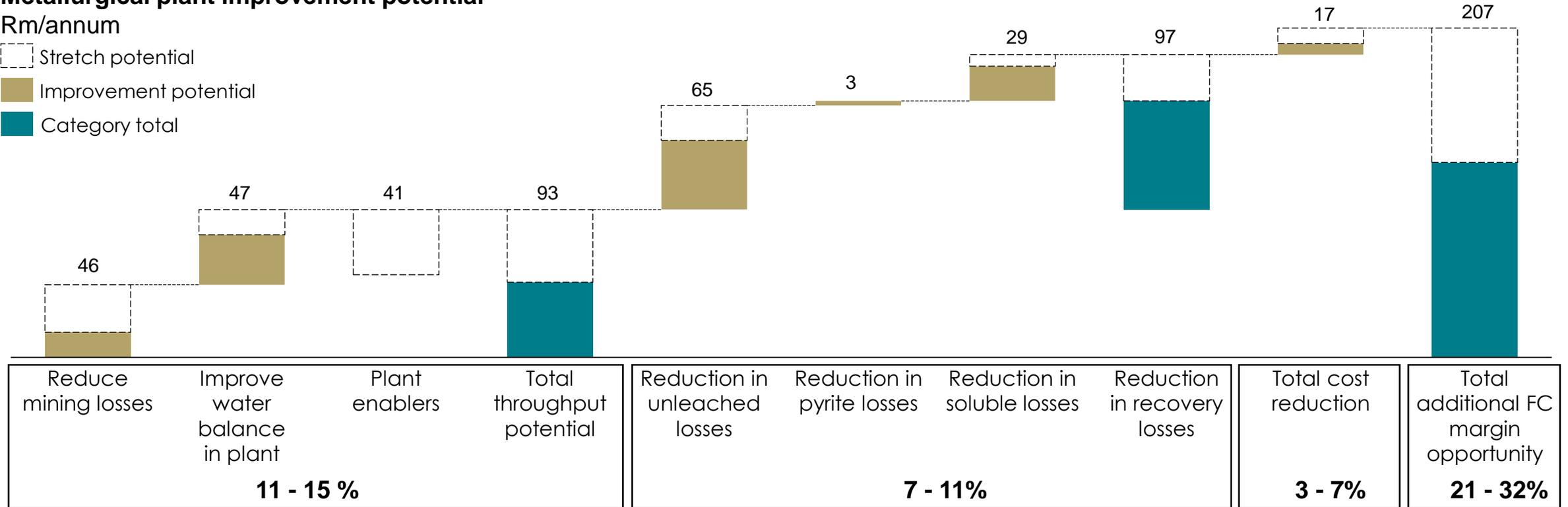
## Metallurgical plant improvement potential

Rm/annum

Stretch potential

Improvement potential

Category total



- Initial investigation involved **23% of the onsite workforce** contributing to the process
- **7 key areas** across the value chain identified
- **36 improvement levers** determined across throughput, recovery and cost

Promising results with further rollout considered, applied to broader organisation, may yield in excess of R 10 billion additional EBITDA

## *Sibanye-Stillwater* Strategic innovation framework



- Sibanye-Stillwater has identified significant opportunity in the application of digital technology
- We have made significant strategic and organisational changes in support of our Digital First approach.
- There is a difference between digital implementation and digital adoption:
- Digital adoption can be viewed as a predominantly cultural consideration.

**We have engineered an enabling process that has proven successful and we believe this is due to our organisations characteristically people-centric approach and way of life.**



Thank you. Questions?

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