

**ESG and SA gold Investor Day**  
**Session 1**  
**9 September 2021**  
**[www.sibanyestillwater.com](http://www.sibanyestillwater.com)**

## Neal Froneman

Greetings to all our stakeholders that are focused on this Investor Day. Good morning to those of you that are not local to our region. Good evening to those of you who may also not be local. And, of course, good afternoon to those that are in our local time zone. Today is all about, in my mind, people. And, yes, we're going to be talking about ESG, we're going to be talking about our gold business. But a business is about the people and from the very first slide you will see that people are very, very important to our business.

People, good people, with a good strategy and good assets can really move mountains and today you're going to have the chance to listen to our very engaged and professional senior managers in our business, and they will be doing most of the talking and in fact will do most of the answering of questions. And I'm sure you will appreciate it as much as I do. The first section is about ESG and a bit about strategy. I spend quite a bit of time on strategy with our H1 results, but for those of you who were not present, or did not have the opportunity to join us for that, I will go through it in a little bit more detail.

There is a safe harbour statement in the presentation and of course they are forward looking statements and observations, please take note of them. Alright, if we can actually then move on to the first official slide, please. A tree, and our tree, the Sibanye tree, has received international acclaim. And the tree is a very, very important part of our business, a part of our thinking. In fact, it describes our ethos. And much of what you see in a tree is reflected in our business. A lot of what you don't see obvious in a tree, such as its roots, are also very, very important. And a lot of communication happens through the roots of trees and when I describe the roots of our tree you will also recognise why it's important for the roots to communicate with the other trees, send signals. And they do send signals. In fact I'm told from having recently read a book on trees that signals between trees move at 1/3 of an inch per second. So very slow, but nevertheless they communicate.

The roots of our tree hold our values and our values are commitment, accountability, respect, enabling and safety. And that's a synonym for CARES, and we talk about Sibanye CARES. Now as you start thinking about this tree, of course it as a trunk and the people of our company and, as I said, you will recognise this constant theme about the importance of people. Whether they are our employees, whether they are our stakeholders, such as our investors, organised labour, suppliers, all very, very important to us. But our employees provide the strength and direction of the tree to the canopy obviously targeting sunlight so we can grow.

And of course to grow we have to be profitable, and to be profitable in mining terms you got to talk about safe, cost, quality and volume. And if the profitability is there we can develop that canopy of the tree, and again the canopy of the tree contains things such as the environment, shareholders, communities, all our stakeholders, organised labour and so on. And we've made it our business to understand what superior value is, which is our vision for our company, for each one of those stakeholders. And of course the tree bears fruit when it's properly nourished and it's profitable and for each one of those stakeholders we recognise what are the fruits that come with superior value creation.

So that is really our tree and it's well understood in our company. If you visit our operations you will see it well displayed, and as I say, this concept of stakeholder capitalism is well recognised and certainly we are seen as a

leader in this field. Our purpose, which is derived from the tree and our ethos and thinking, our purpose is we believe our mining improves lives. And as I've already said, we do that by creating superior value for all our stakeholders and that's the company's vision and our strategic intent at this point in time is to strengthen our position as a leading international Precious Metals Group. So that's our ethos. That is the way we think. It's not smoke and mirrors and we use this very effectively. Next slide, please.

As I said, our strategic intent is to strengthen our position as a leading international mining Group by focusing on the sixth strategic focus areas that are contained in the pie. The one at the centre is one we will be focusing on today but it is also the central theme in terms of our strategic focus, and you can see that is about embedding ESG excellence as the way we do business. But other strategic focus areas, building a value-based culture, very important for safety.

And of course for the overall success of the Group, that is really led by Dawie Mostert who you will meet in the next presentation. Focusing on safe production and achieving operational excellence is a strategic focus area I think we've done that particularly well, that area of our strategy is led by Dr Richard Stewart, and he will also be introduced to you in the next session. Optimising capital allocation, we're very disciplined, we have structured our capital allocation model and I think that's well known and was discussed in detail at our H1 results.

Prospering in South Africa's investment climate, the majority of our assets are in South Africa. It's a tough place to operate. We know how to do that well and we know how to prosper. Building an operating portfolio of green and related technologies, green metals and related technologies, is a key strategic focus area and I'm going to cover that in the next few slides as well. So that's how we move from the tree to proper strategy that is crystallised in focusing on these areas and there's an executive responsible for each one of these areas, thank you.

So talking about value creation, and remember we said that our vision is to create superior value for all stakeholders, and we have done that particularly well building off what was seen as unwanted gold assets. I will cover that in a bit of detail as I explain this sigmoid curve. We then enter the PGM business in South Africa and we exposed the company to palladium, platinum, rhodium, iridium, ruthenium, and through our investment in DRD, tailings re-treatment, specifically in the gold segment. But we also do a bit of PGM tailings re-treatment in the South African segment. We then acquired the Stillwater operations in Montana, and that gave us exposure to PGM recycling and palladium, platinum and rhodium in that region as well.

More recently we announced our intention to enter the battery metal space as our fourth sigmoid curve. And after significant due diligence we announced our intention to obtain exposure to lithium, nickel, cobalt is a bit of a challenge, manganese, graphite. Of course recycling is a green metal, irrespective of where it may come from. Uranium. The transition of PGMs into the hydrogen economy, we're well exposed to that. Copper is a common denominator and of course metals produced from tailings re-treatment complement that. So the battery metals strategy, together with the PGM strategy, plus exposure to uranium, which I'm going to discuss in a bit more detail, has really crystallised our strategy as you will see from the following slide, which is a puzzle that pulls it all together.

So let's have a look at that. You can see the base of the puzzle is the PGMs. Recycling, uranium, tailings re-treatment with our investment in DRD GOLD, and then of course the green energy metals. And I believe this is a unique combination of metals that positions our company extremely well for the future green energy environment. As I said I will just discuss uranium briefly, we did announce at H1 that we will be progressing our uranium strategy as well. Uranium has been identified, and it's always been a green energy metal, but I think as the world has become more sensitive to CO2 emissions, nuclear energy has emerged as an alternative zero carbon-based generation option to complement renewable energy which as we know is intermittent.

There is growing commitment to nuclear energy, especially in the Asia Pacific region with 125 gigawatts of new nuclear capacity being planned. We expect the uranium market to move into deficit within about five years, and we expect long-term forecast to exceed \$60 per pound. We have very significant uranium resources. We have 27 million pounds of uranium, U3O8, 250 to 500 metres below surface at our Beatrix West. We have 52 million pounds of U3O8 on our Cooke tailings dams on the West Wits. And we have very significant uranium processing infrastructure both on the West Wits and at [unclear].

So we have a significant asset base to build our uranium aspirations. Dennis Tucker will be leading this initiative. Dennis Tucker is on the call and will be available to answer questions. The diagram on the right hand side of this slide really just shows you what is known as Beatrix number four shaft or Beatrix West. It was originally the Beisa Uranium Mine which, after the uranium price collapse in the 80s, was turned into a gold mine. The sub vertical shaft was sunk and the Kalkoenkrans Reef was accessed from the original Beisa uranium shaft.

The Beisa Reef you can see is in purple and you can see it is initially a lot shallower than the Kalkoenkrans Reef. You can also on this diagram on the very right hand side see Beatrix one, two and three shaft. And of course if ever there was a need we could deepen those shafts and access the Beisa Reef below it, but that's not in even the medium-term planning. We have very significant shallow resources of uranium that can be accessed very quickly. So uranium is moving from being unloved for the last decade, but it's now being recognised as a green metal that has a role to play in a decarbonised future. Thank you.

There's a lot of debate around whether mining companies are just talking the talk around ESG. You will see from the following presentations that we've already moved on from talking about ESG to having a very crystal clear sustainability strategy, including the capacity, and I'm talking about the management resources to continue driving that. And I'm going to discuss that in a little bit of detail in the bullet points below. But not only that, we as a Group have moved including ESG measures in our long-term incentives, and it really starts from a unitary Board. We have a number of committees. And in fact all of them in one way or another have an input into ESG, but as you all know the Social, Ethics and Sustainability Committee is where the full responsibility for ensuring proper strategic implementation of ESG and sustainability is monitored by the Board.

So it starts with the Board in the C-Suite. I have a Strategic Advisory Office and one of my Strategic Advisory Senior Managers is our Sustainability Executive. And Louisa you will meet shortly, and Louisa, together with all of those that are focused on ESG, will be presenting this afternoon. The link into operations is done through the Chief Operating Officer and the Chief Operating Officer's primary responsibility is to convert strategy into operational plans. So, as I said right at the beginning, it starts with people, the right people, good professionals, well qualified, competent people that are engaged. A strategy, and you're going to see the strategy and I shared

some of the strategy with you at our H1 results. And then of course the right assets. And of course the right incentives.

And as I said at the beginning of this slide our incentives are in place. There are few companies that have ESG incentives in place. Most of them have overrides, so if you have an environmental issue that's an override on an incentive. We have an override as well in our short-term incentive. But in our long-term incentive scheme 20% of it is now made up of very specific ESG measurements, and you can see the combination there, 30%, 40% and 30%. So embedding ESG excellence is not just a title, it's not just smoke and mirrors, it is a proper strategic thrust headed up by a competent and professional people and embraced by all of us in the Group as a core strategic thrust. Thank you. At this point, I'm going to hand it over to Richard Stewart and Dawie Mostert to talk to you about our initiatives on safety, health and building a value-based culture. Thank you.

### **Richard Stewart**

Thank you very much, Neal, and good afternoon ladies and gentlemen. A real pleasure today, I guess, to kick off the session with what is really our first, second and third priority in Sibanye-Stillwater which is the safety and health of our employees. I think traditionally when you talk mining and talk safety very often your mind jumps straight to work-related injuries and accidents and statistics, but really our safety and health strategy is about so much more than that.

It's ultimately about in really the holistic wellbeing of our employees, and not only our employees but also the communities in which they live. And of course tackling work-related injuries and incidents is a key part of that. And we really do address our overall safety, or it's underpinned by a risk-based approach. But in addition, it does go to reducing the exposure of our employees to occupational-related diseases, reducing exposure to dust, which obviously leads to silicosis, diesel particulate matter, radiation, platinum salts, etc.

We do look at providing health services that enhance the overall quality of life of our employees. And of course work together with national strategies to try and manage and eradicate epidemics, such as TB and HIV, and as we've seen this year, of course, COVID-19. Very difficult to eradicate ourselves but certainly we try and manage that as far as we can within our own environments. And ultimately we look to provide world class emergency response services and we subscribe to world class safety practices and are currently in the process of registering, or completing our accreditation, of ISO 45001 across all of our operations.

I think COVID in particular is certainly one we are very proud of how we've handled it, and this has been testament to our risk-based approach to dealing with health and safety. You know 18 months ago when we were designing new operating protocols there were no rules, we didn't know how this was going to end up. But through a risk-based approach we've been able to continue operating throughout most of this pandemic with infection rates that are, in many cases, better but certainly no worse than the surrounding communities and national average, or the communities in which we work. Which is really testament to the fact that the risk-based approach and the work practices we put in place has meant that our environment is certainly not a hotspot for COVID infection, something we're very proud of.

I think in terms of vaccination, as a company we certainly believe that that is the long-term sustainable solution to dealing with COVID. And in that regard we've invested heavily in our vaccination rollout. We've invested almost R10 million in terms of setting up centres across our company, investing in cold chain storage. We currently have four primary vaccination sites and can roll out multiple satellite sites of which three operating right now.

We vaccinated in excess of 50,000 of our employees, which is by far industry leading. And that represents over 60% of our total workforce. And in fact more than 75% are registered to take up the vaccine. And our priority right now is ensuring that those individuals receive the vaccine, and through intensive education processes we address any hesitancy regarding vaccination that may exist with the balance of our employees. We also took our first steps towards rolling out beyond just our own company on the 1st September where we now offer vaccination to dependents of our employees, and we working closely with the Department of Health to further roll this out into our doorstep communities and truly contribute towards the overall national vaccination strategy.

So just in terms of our safety journey, I think very evident that from the time Sibanye was born and we took over these assets from Gold Fields we made a notable difference in the overall safety trends and statistics. I think like matter of the industry in South Africa, we recognised around 2017 that while we've made some great strides in reducing fatalities we had largely plateaued. And that led to the development of a new safety approach, engaging multiple stakeholders, and we started our safety culture journey. In 2018 we had two very unfortunate and tragic incidents, multiple fatal incidents at Driefontein, a seismic incident and Kloof where we had colleagues walk into an abandoned mining area. But that really created a platform to truly bring with us all stakeholders and re-engage on a new safety strategy and really reenergise the safety culture journey that we were undertaking

That led to world class results in 2019. I think we broke industry records or 13 million fatality-free shifts. I dare say that was far ahead of what had ever been achieved before, and is testament to the fact that this strategy worked. Fundamentally the strategy is about teams looking after each other. So it's based on team dynamics and looking after the safety of your colleagues, of your friends, of your team members, of brothers. And what happened with COVID is those team dynamics were disrupted, and as such we've unfortunately seen a regression in the last 18 months which we are in the process of addressing. And a regression that again, sadly, has been seen across much of the industry and one that we do need to arrest and bring back. Very pleasing with the initiatives we've outlined during 2021. We have seen a significant improvement over the year, and certainly the last quarter in particular has been very pleasing and we look forward to that trend continuing.

If we look at the total injury frequency rate, and this is really the measure that we compare ourselves against our international peers, since Sibanye started we've managed to almost half the total number of injuries we see in our gold operations. And what we really look forward to is when we have a strategy over the next four or five years to halve that number again. And if we're successful in that, that will bring us down to injury frequency rates that are in line with our best performing international peers, and certainly part of our strategy we look forward to delivering on.

So how do we rank relative to our peers? Well certainly if we compare ourselves to our South African or the ultra-deep mining peers we rank very well. But we fully recognise that we are an international company. We do

measure ourselves against best practice. And if we're going to be an international mining company then we need to benchmark ourselves against our international peers, irrespective of the number of employees or operating environment that we are in. And that is certainly part of our strategy strives towards benchmarking ourselves and competing with the best practice of our international peers.

The way we expect to achieve this is through a zero harm strategic framework, which we'll unpack in the next few slides. As with so many things in our company it's underpinned by our values and our engaged leadership, which Dawie will share a bit more details on, but fundamentally that is the long-term sustainable solution to safety. Where we have employees making the right decisions all of the time, undertaking the right behaviours all of the time, that's pinned on our values.

We have three core pillars that look to address our safety strategy and enabling environment. Which really goes around removing hazards or eliminating hazards, it's engineering out risks, having the right tools and equipment, designing the right operating protocols and practices or having those in place. Goes around empowered people. That is where the risk management of the business really comes in. You can eliminate the hazards through engineering them out, but the residual risks need to be managed by people and this is about having appropriately trained, competent and resource people in the right places to execute our strategy. And then embedding that strategy into the way we do business on a daily basis through appropriate systems. But with that perhaps I can hand over to Dawie. Thank you.

### **Dawie Mostert**

Thank you, Richard. And good afternoon ladies and gentlemen. Richard has alluded to the fact that we have commenced with this program some time ago, this is not a campaign. This is really a detailed, detailed program where we look at context and we design with some really appropriate solutions that are very specific per segment and per operating area. So if I can start, we operate really in complex times that we've seen with COVID and the disruptions that were caused, and the impact of the environment on people and leaders, in particular, and operating teams.

We live in a world that is really unpredictable and ever changing. We call it the VUCA world, a world that is full of volatility, uncertainty, complexity and ambiguity. And it's with in this context where we need to get our leaders to be functional and our operating teams to take the right decisions. So the focus is really in terms of three areas. One is in terms of a values-based culture where the design is top down and bottom up. So we work at the top of the organisation starting with the executive, going to all of the management structures. And we impact in terms of what we term 'team mechanics' and 'team dynamics.'

Team mechanic sessions are really focused on role clarity and goal and value alignment, where we really look at what are those outcomes and how do we ensure that teams are functional. The team dynamic sessions focus more on what is always termed the softer side, the behavioural side, the team cohesion side, and how we ensure that teams connect and people have a shared vision and a shared purpose.

Leaders are the second important aspect, and critical because leaders impact culture. If we can quote some statistics, it said that leaders have a 72% impact on culture and culture had a 24% impact on the bottom line. So



what we do is we have a leadership competency framework where we develop all our leaders from the Executive right down to the supervisors. And they really focused on five key building blocks, being managing self, managing teams, the context, movement, and relationships. And it was that in mind that we then build our teams.

So if you impact on future ready leaders, leaders that will develop a future fit organisation, operating within this increasing complexity and based on a value set and the value system, where our values are shared and the understanding, in terms of the behaviours, is a shared understanding, the outcome is really engaged employees. And it is really focused on safe production. If we can move to the next slide I'll talk to what the impact is at the bottom.

So this is typically what we do with our operating teams. This is where the Tekkie hits the tar. We start with our teams on a two to three day programme, and each of these teams start with their story. Where they come from, what are the issues that they need to deal with, and they really look at the key aspects that will make the team successful. The second step is understanding those key values and how to get the behaviours aligned to the values that we would want the team to underpin. We work with the team in terms of development. They present their charter. And there is a lot of buy-in that happens between the shift supervisors, the mine overseers and these teams.

The third aspect is really making it real in their context. That is where we introduce what is termed the Umhlangano process, or on the platinum side it's called the Tswelelopele process. And the process is really making sure that the team takes ownership for problem solving. They take ownership for hazard identification and for risk management. And we ensure that at the end of the day this is systemised and that the team will take control of their future journey. It's a process that is well received and we have probably to date taken approximately 30% to 40% of our teams through this structure. With this in mind I'll hand back to Richard. Thank you Richard.

### **Richard Stewart**

Thank you Dawie. Just to shoot through the balance of our strategy on a very high level, as indicated the three pillars, the first one was around an enabled environment which fundamentally went to eliminating risks and hazards. One of the ways that we tackle that is through a leading indicator analysis, which is really a process of trying to identify unwanted events, hazards, high risks before they necessarily lead to incidents or accidents and trying to proactively manage those. This slide provides some of the leading indicator themes that we've specifically identified and been working on this year such as round rock management which talks directly to fall of grounds, winches and rigging, mobile machinery and of course rail-bound equipment.

And through that you can see several initiatives we've undertaken which really go to engineering out the problem as far as possible, such as through vehicle to person proximity detection devices, many of which are complex and being trialled for the first time in some of our operations. And on our trackless equipment, for example, the level 9 rollout as it is known where we are leading in terms of having rolled out vehicle to person proximity detection systems across all of our operations. Much of this evolves around technologies and new learnings such as our seismic road map which is currently being developed and the application of existing technologies for understanding rock mass behaviour ahead of our current mining faces.



The second part of our pillar was around risk management and empowered people. And specifically what that goes to again is trained people but being able to implement our operating practises and processes in a way that we can manage our risk. That starts off with the fundamental risks we have. We call them our rules of life, which is an initiative we rolled out this year. And that really goes to address the highest energy incidents we can have which can result in serious injuries and fatalities.

On top of those fundamental rules we build the rest of our risk management system as we move through critical controls, as we move through group minimum standards. And we do this with many international partners. A good example of that is the IMS Hub who help us take these operating policies and practises, which as you can imagine can be written in the Queen's English and the best technical language. But how do you implement that underground? And working with our partners here we look at ways of taking those operating practises into simple, visualised safety systems such that they can be well understood and easily implemented in the operating environment.

And finally if we move on to our last pillar, which is about our systems and appropriate systems in terms of embedding our operating practises, one of the key areas we've been working on over the last few months is around building a significant digital platform. This really goes to utilising large databases and large sets of information to proactively manage safety risk management. We have several initiatives I think that are leading in terms of, for example, being able to monitor data on rail-bound equipment, and through being able to monitor that data not only understand the operations of that particular piece of equipment, but also how it's being operated, and therefore the behaviour of operators, and identify any risks that may exist with that equipment and therefore try and address it prior to an incident being undertaken.

This is what feeds into our leading indicator analysis and certainly is a large part of proactively managing safety. We do subscribe, as mentioned previously, to international best practises and are in the process of receiving ISO45001 accreditation across our systems. And then we have several other systems which we've implemented across our business which help us to implement, to measure, to monitor and continuously improve the various practises that we have on a continuous learning basis. Thank you very much. I hope this has shared with you at least on a very high level our approach to safety, which as I mentioned is certainly a holistic one to the overall wellbeing of all of our employees and the communities in which we operate. With that I'd like to hand back to James and would be happy to take any questions you may have. Thank you very much.

### **James Wellsted**

Thanks again everybody for attending today. We're going to go into a Q&A session now. So the first questions I will address to Neal please really relating to metal prices and our outlook for metal prices. I think we will cover those in quite a bit more detail in the upcoming investor days, but maybe, Neal, would you like to just give a high level response? First of all, where do we see precious metal prices going in future? And is demand for these metals increasing? And then in order of preference for the metals we list as part of the green metals strategy, are we initially doing a due diligence on all of these metals with the aim of filtering out the ones which show the most promise? Maybe if you can give a bit more detail on that. Thank you.

**Neal Froneman**

Thanks James. Arnold, let me start with the [break in audio].

**James Wellsted**

Sorry, we seem to have a bit of a technical problem with the sound there. As I said, I think first of all we will be giving a bit more detail on gold and PGM price outlook as part of the investor day. We are generally still quite positive on the outlook longer term. Clearly there are some short-term headwinds that are affecting PGM prices, but I think again let us wait for the PGM day and we will cover that in more detail. And then on the green metals strategy we've spent the last two years actually doing quite detailed due diligence on those metals.

We acquired a group called SFA Oxford in early 2019 who have done a very detailed fundamental analysis on the evolution of batteries and BEV mobility, where that's going to progress to, and also looking at the fundamentals of the metals that we think are going to be critical to that future. So there is no specific order as such. We are looking at those metals are metals of interest to us. We've already made a lithium acquisition and nickel processing plant acquisition in France, and as that strategy unfolds we will probably get involved in more metals than those.

The next question from Arnold was about vaccines which I'll ask Richard Stewart to deal with. Do we have enough access to vaccines to fully utilise our capacity or are there days when we run short of vaccines? Richard, could you answer that one please?

**Richard Stewart**

Arnold, thanks and good afternoon. Arnold, initially securing vaccine doses was our constraint. Certainly when we went live in about July/August it was a challenge and a lot of uncertainty at that time. I dare say over the last month or so no, securing vaccines in fact has not been the constraint and right now we can get access to what we require. As you probably saw today we have now vaccinated in excess of 60% of our own workforce. Our originally objective was to get to a minimum of 70%. We are well on our way there. That is why we have now started rolling out the next step initially to dependents, which is the first step into communities. And we are in discussions with the DRH into taking that further into communities. So our facilities are ready. The doses are available. And we look forward to administering it and getting feet through the door. Thanks Arnold.

**James Wellsted**

Thanks Richard. The next question is from Raj Ray at BMO Capital Markets. Again for you, Richard, if you don't mind with respect to the ISO certification 45001 and 14001. What is the timeline for getting all of the operations certified?

**Richard Stewart**

Thanks Raj. It varies across the ops, but in many cases on the 45001 it's largely in December. And there are variations across the operations, but it's later this year, early next year for the majority of them.

### **James Wellsted**

Thanks Richard. Raj, your second question on carbon intensity and the steps we're taking, we're actually going to address those in the upcoming presentation, the ESG presentation which will start at 14:00 South Africa time, so in the next 20 minutes or so. So if you don't mind, can we maybe address it once we've been through that presentation? I'll then move on to the next question from Leroy Mnguni from HSBC. The biggest safety risk in your portfolio seems to lie with your SA gold operations. Have you considered the disposal of these assets to drive an improvement in your overall group safety performance? I'm not sure if Neal is back online or we've solved that problem. Or shall I pass that onto Richard? We will try and go to Neal please.

### **Neal Froneman**

So let me say, Leroy, of course selling is always an option. But that's a cop-out. I think Richard clearly demonstrated the progress we've made in safety. Together with the cultural intervention that Dawie described we believe that we can make them competitive with our international peers even though they may not have ultra-deep level mines. So from a safety aspect we're very aware of the heightened risk. I want to say there's another thing. You can't just bucket safety on its own. There are 30,000 people who have jobs that are dependent on us owning that business and ensuring it's sustainable. We will not put lives ahead of livelihoods. But these are complex situations that need to be weighed up. But to me selling because you can't solve the safety problem is a cop-out. Thank you.

### **James Wellsted**

Thanks Neal. The next question is from Adrian Hammond from SBG Securities. I'll direct it at Richard if that's okay. How has COVID impacted productivity and costs, for example absenteeism, overtime, attrition etc.? Richard.

### **Richard Stewart**

Thanks Adrian. A multi-faceted question that I guess is quite complex. What COVID has certainly done over the past 18 months has led to an increase in terms of fixed costs to stick to certain protocols, whether that is increased spacing in transport arrangements where we've got to double up on busses as an example. And there are numerous examples going through that. So it has certainly had an increase on the fixed cost base. Obviously that is something we look to reduce as the vaccination rollout becomes more prevalent. And again those costs and protocols are done in a risk based approach so we will continuously review those.

I think what we've seen, Adrian, no doubt in the first few waves there is no doubt we saw an impact on productivity as a result not only of infections but of people needing to quarantine. We saw operating teams going out, and that did impact on overall effectiveness. I think the other area where we definitely saw it was also

around the logistics at the end and the beginning of the year. People who travelled home over Christmas coming back we had significant delays due to logistics around COVID.

And certainly this year in particular another impact that has hit us hard has been where we've had a lot of senior personnel particularly in this third wave who have been off as a result of COVID. And that's not only had an impact on operations but a severe impact on safety. And it has also meant that a lot of people have had to stand in for that. So Adrian, I think it's something we've managed to manage reasonably well, but it has definitely had an impact. And I guess one of the big unwritten ones that are so difficult to quantify are it does create stress on the system. People who are suffering from COVID, people who are losing loved ones makes it difficult in the work environment. And when you have 80,000 employees that inherently has an impact, and hence our focus on overall employee wellbeing. It's often those unwritten impacts that sometimes are the most difficult to measure.

**James Wellsted**

Thanks Richard. Adrian, your second question on expanding on our plans for recycling, if you don't mind today we've got fairly limited time for questions on other things so we will try and keep the questions focussed on ESG really and on the gold operations today. We will be able to cover the recycling obviously at the PGM investor day on the 23<sup>rd</sup> of this month. Following up on the COVID question from Steve Sheppard there's a question about whether we are thinking of making vaccination compulsory for our employees like Discovery is considering. Neal, perhaps you would like to take that one.

**Neal Froneman**

Thanks James. Hello Steve. Absolutely I think Discovery have done what is right. There is a balance and a debate around people that are resisting taking the vaccine. But we've got to look after the company as well. You've just heard Richard talk about the cost of protocols and so on. I think it's going to become a worldwide phenomenon that work in places where people have to congregate is only going to take place when everyone has been vaccinated. Rich, I know you've done some more work on this. I don't know if you want to add anything to that. But I think as a principle from a company point of view it is something we are seriously considering.

**James Wellsted**

Thanks Neal. We're almost at the end of the ten minute Q&A session. Can I just check on the phone lines whether there are any questions at all?

**Operator**

No sir, there are no questions on the lines. Thank you.

**James Wellsted**

Thank you very much. I'm afraid we'll have to cut it short there. The next session will start in about ten minutes, so on the hour. So we will welcome you back at that point. Thank you.



END OF TRANSCRIPT