

UPDATE ON GOLD WAGE NEGOTIATIONS:

25 NOVEMBER 2021

Dear Colleagues

Following extensive negotiations with AMCU, the NUM, Solidarity and UASA, we have not been able to reach an agreement.

We are disappointed that we have not been able to reach an agreement under the auspices of the CCMA. During the negotiations, we have increased our offer five times in a sincere effort to reach an agreement that is fair, will benefit employees and ensure the sustainability of our Gold operations.

The last offer we made to unions on 18 November was made on the condition that it is accepted by all four unions. Given that the offer was not accepted, we have reverted back to the offer that was made on 19 October.

This offer would mean that:

- Category 4 – 8 employees would receive an increase of R520 in year 1, R610 in year 2 and R640 in year 3 which includes a R40 increase in the Living Out Allowance each year.
- Miners, Artisans and Officials would receive an increase of 4.1% in year 1, 4.7% in year 2 and 4.7% in year 3.

Our offer is a fair living wage above inflation that takes into account the cost of living, which will ensure that our employees are able to take care of their living expenses.

The union's wage demands amount to R2.5 billion. This is way above inflation.

These demands are not sustainable and will jeopardise the future of our Gold operations and the livelihoods of all the stakeholders that depend on us.

Because we were not able to reach an agreement, a certificate of non-resolution has been applied for from the CCMA. A certificate of non-resolution allows parties to consult with their constituents to receive a mandate on the way forward.

We remain positive that a mutually beneficial outcome will be achieved and we remain open to engagement in the best interests of employees.

The parties will meet again on 13 December 2021.

Any labour disruptions and unsustainable wage increases will negatively impact the sustainability of our Gold operations while employees, their families and our communities stand to lose so much.

The impact of the five-month strike in 2018/2019 has taught us that no one wins in a strike. Employees lost R1.5 billion in wages and many employees are still repaying the loans incurred at the time, and we estimate that local businesses lost more than R450 million.

We hope that a responsible resolution can still be achieved in the interest of sustainability for all stakeholders. We appeal to all union leaders to act responsibly and to carefully consider our collective future and the many stakeholders that depend on us.



RICHARD COX
EXECUTIVE VICE PRESIDENT
GOLD OPERATIONS

