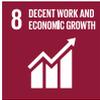


Employment



GOAL 8: PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Why the goal is material to Pan African

Our people are fundamental to the sustainability of our business and long-term value creation, in addition to being key enablers in the execution of our strategy. Our employees are key to the success of our business, which makes it imperative that they are part of an organisational culture that prioritises safety, diversity, innovation and performance.

Highlights

- Barberton Mines successfully concluded a three-year wage agreement during September 2018 to provide certainty of earnings and sustainable productivity
- Labour unions endorsed and actively participated in the Group's COVID-19 interventions
- Enhanced employee relationships at Evander Mines by establishing an engagement forum which facilitates direct communication between the mine and its employees

Challenges

- Ongoing community unrest at Barberton Mines related to a perceived lack of employment and business opportunities for locals at the mine
- High unemployment rate and lack of skills development in host communities
- Community unrest related to poor service delivery from local municipalities spilling over to the operations, especially at Barberton Mines, where communities are located close to mining operations
- COVID-19 compliance adds complexity, increases costs and reduces productivity due to additional controls that are time-consuming

How we make a difference in the short term

We believe that our employees have the right to work in a safe and healthy environment. Mining operations inherently present many risks to our employees' health and safety and we will continue to work towards an environment of zero harm.

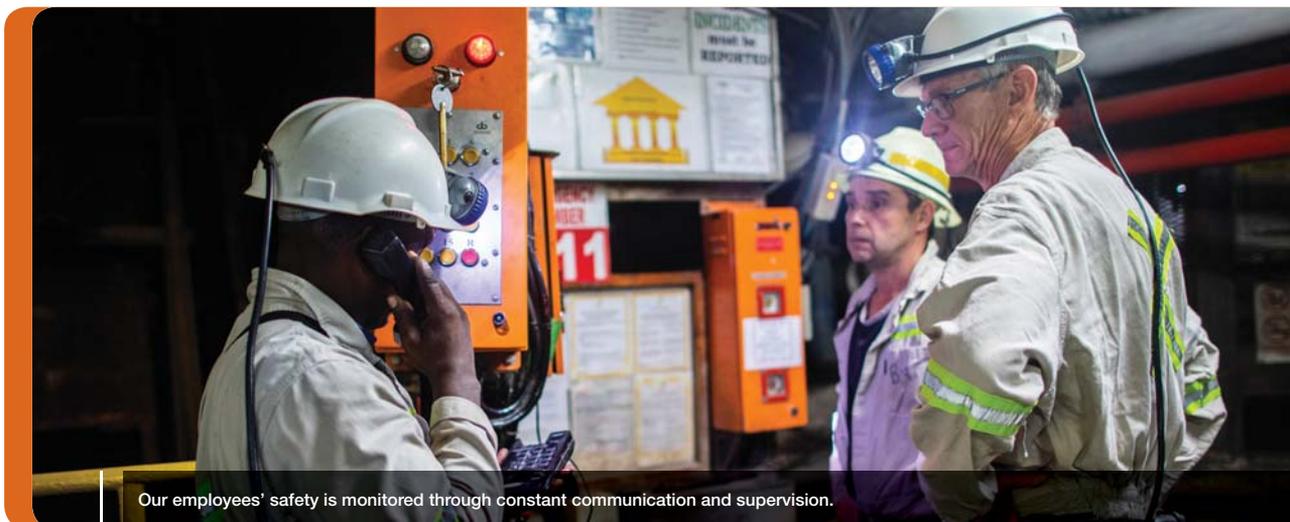
Our employment policies and procedures are guided by and comply with labour legislation in South Africa. We review our human resources policies and procedures on an ongoing basis.

Our recruitment strategies are designed to focus on local communities in the areas in which we operate. We recruit employees outside of these areas only when the requisite skills or experience are not available locally.

We respect human rights and value equality and diversity. Pan African does not tolerate any form of discrimination or harassment and we foster a work environment free from discrimination against gender, age, race, national origin, marital status, sexual orientation, religious beliefs, disability or any other personal characteristics protected by applicable law. No human rights-related grievances or proven incidents of discrimination were filed during the 2020 financial year. Human rights are specifically addressed by our human rights policy which focuses on the human rights of our employees, people in the communities and in our supply chain.

Pan African abides by the human rights conventions of the International Labour Organisation and South Africa's Constitution. The leadership of each operation, as well as the Group executive committee, report to the board in this regard. In the 2020 financial year, no operations or suppliers were reported to be exposed to the risk of incidents relating to child, forced or compulsory labour.

At Barberton Mines, union representatives worked closely with management during the COVID-19 lockdown period by conveying the relevant prevention messages to their members and assisted with conducting the COVID-19 compliance audits, as required by the Group's standard operating procedures. They also assisted with the COVID-19 awareness and prevention campaigns and volunteered as marshals on the private transportation provided by the operations as part of the isolation process, to ensure that employees were temperature-screened and other relevant information recorded during each trip.



Our employees' safety is monitored through constant communication and supervision.

How we make a difference in the medium to long term

- Community awareness communication programmes were produced, including newspaper advertisements, infographics, fliers and radio adverts aimed at informing communities on the workings of a mining operation as well as specific skills requirements, limitations and challenges. These campaigns are aimed at transparency and highlight the mines' contribution to local communities in terms of employment, skills development and bursary opportunities, the use of local suppliers and their employees and other downstream benefits. We also showcase contributions to local economic development projects as part of the SLP projects as well as CSI contributions that went beyond the Group's compliance obligations. These include infrastructure projects such as constructing and refurbishing local clinics and schools, early childhood and disability support programmes as well as roads infrastructure and other skills development programmes, including the small enterprise development initiatives at Evander Mines and Barberton Mines, where some 140 local businesses are being developed. Each of these will create employment for up to 10 individuals
- The Group has initiated, and in some cases completed, feasibility studies on sustainable development projects including the solar photovoltaic plant at Evander Mines (refer to [page 78](#)) and the Barberton Blueberries agri-project (refer to [page 64](#)). These projects aim to create employment and business development opportunities outside of mining that will make use of resources owned by the mine, such as water, land and building infrastructure, which will be sustainable long after the economic Mineral Resources have been depleted. This will have the impact of creating a parallel economy to mining, where communities are not solely dependent on mining as a source of employment and revenue

- Rehabilitation of land following removal of tailings through surface retreatment operations which will allow alternate use of the ground for agriculture and other alternate development opportunities/projects
- Continue offering motivational talks and new initiatives and incentives aimed at safety improvement
- Enabling safe operations through good leadership examples, improved training and talent management and effective line management strategies
- Aligning of the Group's human resources policies with regulatory requirements
- Complying with COVID-19 regulations requires additional protocols that have a material impact on expenditure and productivity for prevention to curb the pandemic. This includes time taken for temperature screening and recording, cost for sanitisers and disinfectants, the provision of isolated transport and accommodation facilities, social distancing in cages transporting workers underground, resulting in fewer employees being transported during shifts, and additional costs for testing and isolation for positive cases of COVID-19.

DIVERSITY AND EQUAL OPPORTUNITY

Local focus

We are an equal opportunity employer and prioritise recruitment from communities in the immediate areas surrounding our operations. We only seek employees outside of these geographical areas when the requisite skills or experience are not available locally.

Considering the current high level of unemployment in the Barberton and Evander areas, and the scarcity of new skilled and unskilled employment opportunities, we are engaging with community leaders and political figures, as well as through our awareness programmes, to ensure that local community members understand Barberton Mines' and Evander Mines' recruitment policies and requirements, including our initiatives to create opportunities for employment outside of mining that involve sustainable development projects such as geo-tourism initiatives, solar photovoltaic plants and large-scale agriculture projects.

We continue to maintain a recruitment database of potential employees in the area and ensure active stakeholder participation through community engagement forums at Barberton Mines and Evander Mines. Our SLP commitments include adult education and training (AET) and development obligations for local community members, the results of which are reported annually to the DMRE in SLP progress reports. Our SLP LED projects are focused on community healthcare and education infrastructure projects as well as early childhood development programmes that will ensure a future pipeline of developed skills for the mining industry and the local economy.

Evander Mines is in the process of engaging with the DMRE to revise its SLP commitments following the cessation of large-scale underground operations and the revised mining works programmes due to the commissioning of Elikhulu, and the completion of Egoli project feasibility study.

Child labour

We do not employ any individuals under the age of 18 years and strongly condemn any practice of employing child labour to perform the duties we expect of our workforce. The relevant policies are in place to ensure compliance.

The Group engages employees who are willing and able to work of their own accord.

Disabled employees

Pan African considers job applications from disabled South Africans who can fill available positions. Should existing employees become disabled, the Group will make every attempt to provide continuing employment under similar terms and conditions, supported by appropriate skills development.

Elimination of forced or compulsory labour

We are not aware of any compulsory conditions affecting any staff and will act to remove any such conditions that we may become aware of.

Non-discrimination

Pan African is an equal opportunity employer and we prioritise recruitment from communities in the immediate areas surrounding our operations and employment from groups that will further our obligations in terms of employment equity.

Human rights

Our employees are fundamental to the sustainability of our business and long-term value creation. We care deeply about our people and the communities we operate in and strongly support the advancement of human rights and the upliftment of the plight of all human beings.

FREEDOM OF ASSOCIATION, COLLECTIVE BARGAINING AND OTHER LABOUR PRACTICES

Pan African is committed to fair labour practices, freedom of association and the principles embodied in the South African Constitution. Our workforce is represented by the recognised trade unions of NUM and the United Association of South Africa (UASA).

The Group complies with all applicable labour legislation and collective bargaining arrangements, which are renegotiated on a regular basis. Each operation has dedicated personnel in place to maintain relationships with unions and employees.

The minimum notice periods for significant operational changes are subject to a number of national or local standards and additional conditions as specified in certain collective agreements. The Group aims to be proactive in informing stakeholders about changes that may affect our employees.

Barberton Mines has recognition agreements in place with NUM and the UASA. NUM represents approximately 83% of the bargaining unit employees and the UASA represents approximately 41% of officials, artisans and miners. The majority of Evander Mines' employees currently do not belong to any union, with only a small number being NUM members.

Barberton Mines successfully concluded a three-year wage agreement during September 2018.

Gold production was impacted by operational disruptions from community unrest which resulted in three lost production days (2019: 20 days).

Employee relations

Aligning our employees with our Group's vision and values is important. We engage with our workforce to ensure they understand how:

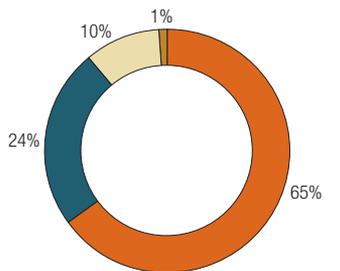
- their individual roles, attitudes and values influence operational performance
- each individual has a responsibility to prioritise safety in the workplace
- socio-economic factors, such as the gold price and foreign exchange rates, impact our operations
- cost savings impact sustainability of the operations.

We reinforce important topics using diverse communication channels such as staff meetings, text messaging, email, internal newsletters, our intranet, our corporate website and social media platforms.

AVAILABILITY OF A SKILLED WORKFORCE

The Group's total staff complement including contractors for 2020 was 4,014 (2019: 3,641) people with a turnover rate of 6.0% (2019: 10.6%).

Workforce distribution

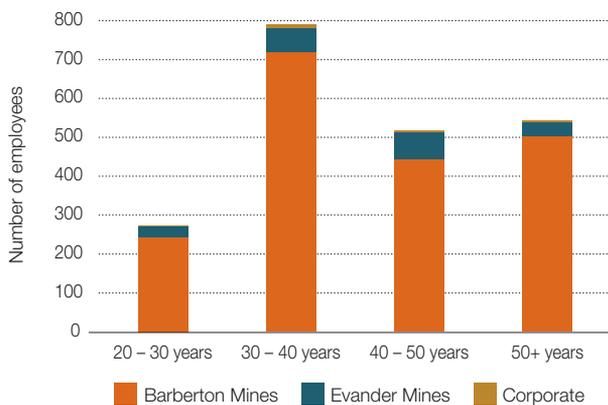


Barberton Mines is made up of three operations (Fairview Mine, New Consort Mine and Sheba Mine), with Fairview accounting for the majority of the workforce. No retrenchments took place during the year under review at Barberton Mines and the employee turnover rate decreased to 5.8% (2019: 11.1%).

At year-end, Barberton Mines employed 1,903 (2019: 1,950) permanent employees and 710 (2019: 620) contractors.

Evander Mines, which includes 8 Shaft pillar mining, surface sources and Elikhulu, employed a total of 204 (2019: 181) permanent employees and 1,177 (2019: 873) contractors.

Employee profile by age group



50% of the Group's workforce is younger than 40 years.

EARNINGS, WAGES AND BENEFITS

Pan African benchmarks its remuneration against market practices to ensure that rates are competitive at all employment levels. Employment packages typically include a basic salary, benefits and short-term incentives linked to individual job gradings. Benefits include life insurance, healthcare, disability and invalidity coverage, maternity leave, retirement provision and share options. These benefits are typically not offered to temporary or part-time employees.

Barberton Mines' employees from Paterson Grading C5 level and below are also entitled to a profit share of 1% of the mining operations' cash flows.

Key performance indicators linked to Group strategic objectives are in place for senior and executive managers which are used to determine their remuneration.

Employee share ownership programme and profit share

The Group's employee share ownership programmes are formulated to align employee, management and shareholder objectives. Dividends are declared by Pan African's board of directors, based on the profitability of each operation, and all qualifying beneficiaries receive an equal benefit. Employees who left the operation in good standing during the dividend period receive a pro rata dividend.

Barberton Mines' employee share ownership programme remains in place and continues to pay dividends to employees. The employee share ownership programme combined with Pan African's B-BBEE ownership programme meets the Mining Charter III's requirement for B-BBEE ownership of 26% for Barberton Mines.

The employee share ownership programme at Evander Mines has been reviewed to ensure compliance with B-BBEE share ownership requirements. This includes the employee share ownership programme for the Elikhulu operation that is now fully commissioned, and will be implemented to ensure that Evander Mines' total B-BBEE ownership reaches 26%, as required by South African mining regulations.

For more information on Pan African's remuneration philosophy and practices, refer to the **Remuneration report** contained in the integrated annual report on pages 112 to 127.

Education and training



GOAL 4: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Why the goal is material to Pan African

Pan African believes that ongoing and effective career and talent development is essential for its continued competitiveness, transformation and sustainable growth. Our skills development and training focuses on investing in our employees to ensure that we have the necessary skills to meet our strategic objectives and operational needs. The primary objective of our human resources development programme is to ensure the development of skills that are, or will be, required by our business.

We deliver these skills through a combination of learnerships, bursaries, artisan training, AET and other skills transfer initiatives provided to individuals in the appropriate demographic groups as defined in the amended Mining Charter III.

Highlights

Barberton Mines

- Spent US\$928.8 thousand (2019: US\$883.4 thousand) on human resources and development during the year
- Each employee received 32 (2019: 38) training hours
- Contributed US\$185.0 thousand (2019: US\$190.9 thousand) towards full-time bursaries for 17 (2019: 22) students
- AET to nine learners

Evander Mines

- Spent US\$733.6 thousand (2019: US\$132.7 thousand) on human resource and skills development during the year
- Each employee received nine (2019: 11) training hours
- Contributed US\$18.7 thousand (2019: US\$32.4 thousand) towards full-time bursaries for four (2019: four) students

Challenges

- High unemployment in local communities
- Lack of employment opportunities

How we make a difference in the short term

Our education and training efforts are directed at three distinct groups:

- Our employees
- Management
- The communities around our operations.

By constantly training our employees, we can make a significant contribution to their future and the safety of our operations. Management training provides a clear path to career progression.

Barberton Mines employed five of the seven bursary students from our local communities who qualified professionally from the University of Johannesburg:

- Two BTech Mining Engineering students
- Two BTech Mineral Resource Management students
- One ND Mining Engineering student.

Other graduates employed elsewhere are:

- One BSc Actuarial Science student from Wits University (now studying for a honours degree through other funding)
- One BEng Mechanical Engineering student from the University of Pretoria.

Barberton Mines contributed
US\$185.0 thousand
 towards full-time bursaries for 17 students
 (2019: US\$190.9 thousand for 22 students)



Evander Mines contributed
US\$18.7 thousand
 towards full-time bursaries for four students
 (2019: US\$32.4 thousand for four students)



Females permanently employed by the Group
12.0%
 (2019: 10.4%)



Training is practical and ongoing.

How we make a difference in the medium to long term

- Unemployment remains one of the major macroeconomic challenges in South Africa. By skilling learners and existing employees, the Group is able to make a significant contribution to providing meaningful employment within a culture of learning
- The respective operations' SLP and LED commitments are focused on early childhood development programmes as well as healthcare and school infrastructure development programmes
- Since inception, the bursary programme has already resulted in a number of local community members becoming permanent skilled employees at the mines. Proper school infrastructure and assistance with development programmes and school curriculums will provide a pipeline of better skilled students eligible for recruitment by our operations.

EMPLOYEE SKILLS DEVELOPMENT AND TRAINING

Performance reviews for full-time employees include information about training and career development opportunities. Development plans are in place for each employee and internal applicants have priority when positions are available.

Barberton Mines spent US\$928.8 thousand (2019: US\$883.4 thousand) on human resource development during the year. On average, each Barberton Mines employee received approximately 32 (2019: 38) training hours.

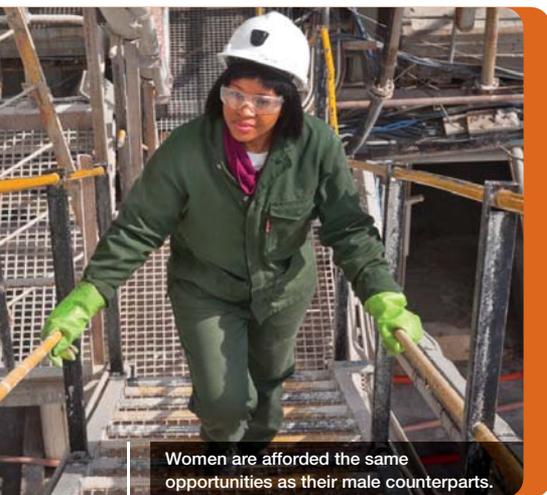
Evander Mines spent US\$733.6 thousand (2019: US\$132.7 thousand) on human resource development during the year. On average, each Evander Mines employee received approximately nine (2019: 11) training hours.

MANAGEMENT TRAINING

For 2020, six employees at Barberton Mines have been enrolled in the bursary programme for further development at a cost of US\$13.8 thousand* per employee. Fields of study include Accounting Science, Administration, Commerce, Health and Social Services, Safety Management and Supply Chain Management. The programme will continue for five years at a total expected cost of approximately US\$76.6 thousand*.

Evander Mines has a number of ongoing mining, engineering, skills training and learnership programmes, as well as a career development and mentorship plan for its employees. The budget for these programmes in 2020 amounts to approximately US\$167.3 thousand*.

* Amounts converted at the 30 June 2020 closing exchange rate of US\$/ZAR:17.33.

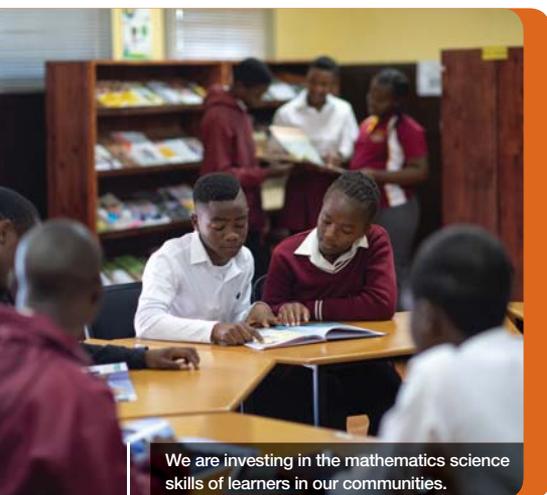


Women are afforded the same opportunities as their male counterparts.

BURSARIES

As part of Pan African's SLPs, we provide sponsored bursaries to qualifying recipients at each of our operations that cover full tuition fees, accommodation, textbooks and experiential learning costs as well as a monthly stipend. The table below shows the number of students enrolled in various courses at the end of 2020.

Field of study	Barberton Mines	Evander Mines
BEng/BSc Mining	2	–
BEng/BSc Mechanical	9	3
BEng/BSc Electrical	4	–
MBChB (medicine)	1	–
BCom Accounting	1	–
BEng Metallurgy	–	1
Total	17	4



We are investing in the mathematics science skills of learners in our communities.

EDUCATING THE COMMUNITY FOR SUSTAINABLE DEVELOPMENT

Barberton Mines annually provides numerous work experience training programmes, learnership programmes, vacation work and internship plans for up to 50 community members, with an annual budget allocation of approximately US\$259.7 thousand*. Commitments for the first year of the new SLP include AET for 51 learners (based on employees' skills levels) during the 2020 financial year, comprising Level 1 (21 learners), Level 2 (15 learners), Level 3 (nine learners) and Level 4 (six learners). Portable skills training and entrepreneurship courses were allocated for 20 employees in sewing (10) and welding (10) and are SLP requirements to assist with alternate skills, should the employees be retrenched.

Evander Mines has committed to AET for 70 learners (including eligible employees and selected community members) during the 2020 financial year, comprising Level 1 (30 learners), Level 2 (15 learners), Level 3 (15 learners) and Level 4 (10 learners). The SLP has an allocated AET budget of US\$24.2 thousand* for the year. Portable skills training and entrepreneurship courses were offered to 40 employees in various skills including sewing, welding, basic construction, carpentry, poultry farming and motor mechanics.



Our SLP and LED programmes focus on early childhood development.

HIGH SCHOOL SCIENCE, TECHNOLOGY AND MATHEMATICS SKILLS DEVELOPMENT PLAN

This programme aims to enhance the maths and science learning environment at local high schools around Barberton. Four HDSA schools were chosen in collaboration with the Department of Education, including the KaMhola Secondary, Chief Funwako Secondary, Barberton Secondary and Emjindini Secondary schools. The programme provides extra mathematics classes for grades 10 to 12 at no cost and the mine also equipped the schools with the necessary equipment. The programme will continue over a five-year period at a total budget allocated of US\$173.1 thousand*, with US\$28.9 thousand* to be spent in 2020.

Mobile school libraries have been provided at four schools in the host communities around Evander Mines at a cost of US\$132.7 thousand*, benefiting some 4,000 learners at the Mbalenhle, Mpumelelo and Muzimuhle primary schools and the Kusasaletu Comprehensive school.

* Amounts converted at the 30 June 2020 closing exchange rate of US\$/ZAR:17.33.

OTHER SDGs WHERE WE CAN ALSO MAKE A DIFFERENCE



GOAL 5: ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

THE CONTRIBUTION WE HAVE MADE

Encouraging and enabling gender equality

We believe that women in the mining industry must be afforded the same opportunities as their male counterparts and must feel safe, confident and equipped to pursue these opportunities. The Mining Charter III stipulates that 10% of any mining operation’s workforce must be female, including underground workers. Women face unique challenges in joining the underground workforce, including the risks of sexual harassment and legal prohibitions against working underground while pregnant.

Despite these challenges, we are working hard to meet the 10% target for female underground workers. We are proactively training women to be qualified miners and working to identify mining areas with the potential to accommodate more female workers. We conduct ongoing gender equality training and restructuring to ensure equal opportunities for women to advance in their careers.

We also focus on local women-owned suppliers and supplier development in our procurement programmes.

The percentage of females permanently employed by the Group has increased to 12.0% (2019: 10.4%).

Two of our five non-executive board members are female.



GOAL 10: REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

THE CONTRIBUTION WE HAVE MADE

Transformation

Pan African, as a significant employer in the areas where we operate, is committed to integrating real transformation throughout the Group under the auspices of the MPRDA, the Mining Charter III and our SLPs (refer to [page 62](#)).

We are an equal opportunity employer and prioritise recruitment from communities in the immediate areas surrounding our operations and only seek to employ outside of these geographical areas when employees with the requisite experience or skills are not available locally.