



HUMAN CAPITAL

RELEVANT MATERIAL ISSUES

- Continuing to improve the safety performance and the health and wellness of our workforce
- Maintaining our legislative and regulatory compliance, focusing on the MPRDA and the Mining Charter
- Establishing and maintaining constructive communication channels with our employees and their representative bodies

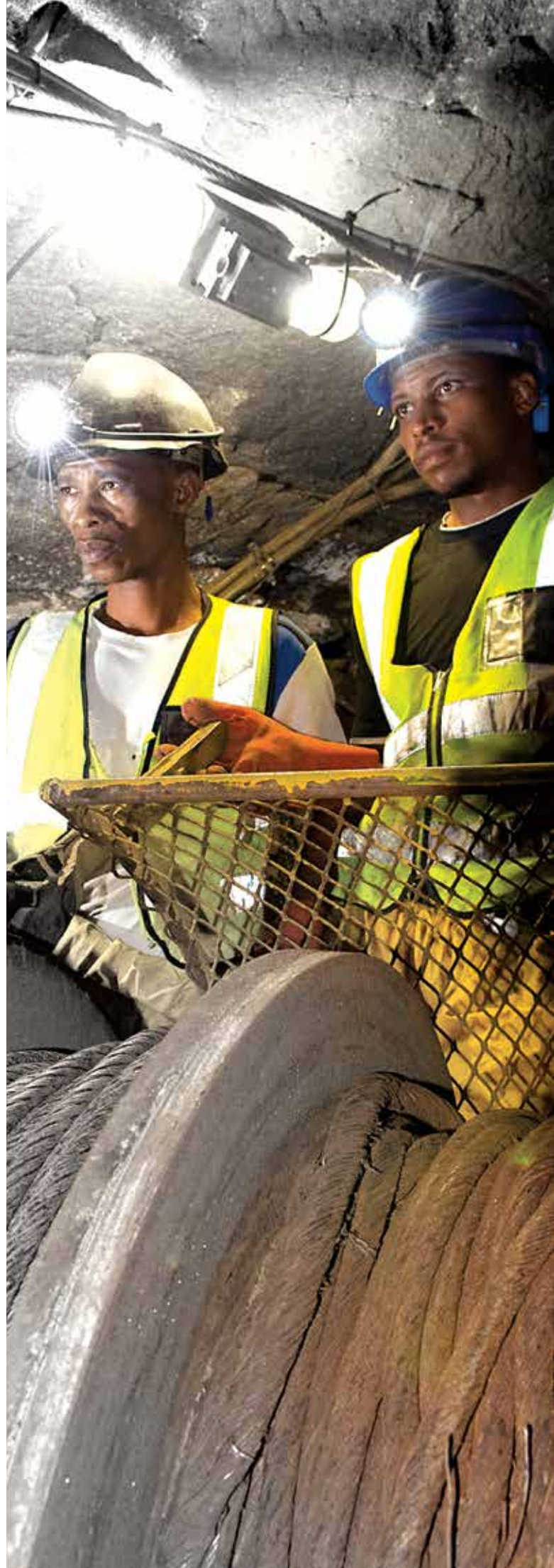
RELEVANT IDENTIFIED RISKS

- Safety and health
- Succession planning and skills shortages

People are vital to our business and a skilled, engaged and productive workforce is essential for the achievement of our strategic objectives.

Programmes are in place to train and develop the skills and capabilities of our employees and to ensure a safe and healthy workforce. We take cognisance of our need to maintain our legislative and regulatory compliance and we strive to meet or exceed Mining Charter targets.

Our employees are vital to our business ►



HUMAN CAPITAL

EMPLOYMENT PRACTICES

Northam is committed to fair and progressive employment practices where long-term employment opportunities are provided to employees to grow and develop their potential. Remuneration practices take account of the demanding skills required in the mining industry, as well as the difficulty of attracting skilled HDSAs to work in remote locations.

Northam's employment practices and policies are governed by South African legislation and regulations such as the Mine Health and Safety Act, the Employment Equity Act No 55 of 1998, the Skills Development Act No 97 of 1998, the Skills Development Levies Act No 9 of 1999, the Basic Conditions of Employment Act No 75 of 1997, the Labour Relations Act No 66 of 1995 (Labour Relations Act), the MPRDA, collective bargaining and recognition agreements with organised labour.

Formal grievance policies and procedures are in place, providing for both individual and group grievances.

FULL-TIME NORTHAM EMPLOYEES RECEIVE THE FOLLOWING BENEFITS:

	Membership of pension and provident funds		Death benefits		Access to medical care
	Housing and living-out allowances		Study assistance		Maternity and paternity leave



ZONDEREINDE

In FY2016, Zondereinde employed 6 083 full-time employees and 2 309 indirect employees (FY2015: 6 426 full-time employees and 2 122 indirect employees). The operation's total employee turnover was 378 (6%). Zondereinde aims to meet its employment needs from within the local community.

Zondereinde's migrant labour contingent comprises 36% of its permanent workforce (excluding indirect employees) – meaning that they are sourced from South African provinces other than Limpopo and the North West. The operation's foreign labour workforce, drawn from beyond South Africa's borders, comprises 26% of permanent employees.

Number of employees and indirect employees – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
8 392	8 548	8 788	9 148	9 163

Employee turnover rate (%) – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
6	7	4	1	7

BOOYSENDAL

In FY2016, Booyseendal employed 191 full-time employees and 2 729 indirect employees (FY2015: 184 full-time employees and 1 324 indirect employees). The operation's total employee turnover rate was 8%.

Booyseendal's employment policies and those of its contracting companies give preference to local employees and South African citizens as part of its commitment outlined in its social and labour plan (SLP). Since inception, Booyseendal has recruited an average of 60% of its workforce from local communities.

All contracting companies on site are obliged to commit to the group's local recruitment targets, and are required to submit a monthly report detailing the number of local employees, resignations and terminations. The group takes local employment very seriously, given the depressed economic conditions in the area and its potential impact on the group's operations.

Number of employees and indirect employees – Booyseendal

FY2016	FY2015	FY2014	FY2013	FY2012
2 920	1 508	1 421	1 915	2 468

Employees turnover rate (%) – Booyseendal

FY2016	FY2015	FY2014	FY2013	FY2012
8	11	Project phase	Project phase	Project phase

HUMAN CAPITAL CONTINUED

EMPLOYEE REMUNERATION

Northam's remuneration model takes account of the demanding skills required in the industry. Benchmarking studies have demonstrated that entry-level mineworker wages in general, and those of Northam employees in particular, compare favourably with other sectors.

Wages and conditions of service are negotiated through engagement with employee representative bodies. (See *Freedom of association and collective bargaining* on page 52 for more information.)

EMPLOYMENT EQUITY AND TRANSFORMATION

South African employment equity legislation is aimed at redressing the imbalances of the past. To rectify these imbalances, Northam focuses on the participation of black South Africans and women at its operations. The Mining Charter required 40% of management to comprise HDSA employees by 2014, and for 10% of those to be women. Northam achieved a **LA** 48% HDSA level of management in FY2016 with **LA** 48% at Zondereinde (FY2015: 45%) and **LA** 50% at Booyendal North (FY2015: 68%).

Northam's chief executive and, the executive officer HR are responsible for employment equity and transformation. However the implementation of these practices is a line management function, while the SE&HR committee has an oversight role. Our mine general managers have been appointed employment equity managers for their respective operations.

Northam's employment equity plan is compliant with the requirements of the Mining Charter and the Employment Equity Act. The group submits its employment equity plans and progress reports to the Department of Labour annually.

A Future Forum was established at Booyendal in 2015. The Forum comprises representatives of management, organised labour, the Booyendal Women in Mining committee and the health and safety committee to assist with amendments to the workplace skills plan and employment equity plan and the monitoring of their implementation on a quarterly basis.

% HDSAs in group management

FY2016	FY2015	FY2014	FY2013	FY2012
48	51	45	37	35

% HDSAs represented at board level

FY2016	FY2015	FY2014	FY2013	FY2012
60	50	44	56	64



Northam's remuneration model takes account of the demanding skills required in the industry

HDSAs and women in management in FY2016

	Occupational levels	Total workforce (number)	Target (%)		Actual (%)	
			HDSAs	Women in mining	HDSAs	Women in mining
Zondereinde	Senior management	5	40	10	20	20
	Middle management	62	40	10	45	13
	Junior management	185	40	10	49	9
Booyssendal	Senior management	6	40	10	50	0
	Middle management	22	40	10	50	14
	Junior management	67	40	10	78	31

WOMEN IN MINING

Northam's engagement and consultation with women is undertaken by the employment equity and training committee at Zondereinde and the Future Forum (see above for more information) at Booyssendal, and is informed by consultation with local branch structures of organised labour.

Barriers and challenges for women in mining identified by Northam and NUM (Zondereinde)

Barriers and challenges	Interventions implemented by Northam
Scarcity of skills in the management category	Active sourcing of women for bursaries and learnerships A talent pipeline aimed at developing women for positions in which they are under-represented
Perceptions about women in mining	Changing perceptions using training programmes for a diverse workforce
The suitability of protective equipment for the needs of women	Sourcing suppliers able to provide suitable protective equipment for female employees
Underground facilities for women in the workplace	Identifying and discussing women's requirements and establishing appropriate arrangements and facilities

In FY2016, Northam employed a total of 715 women (FY2015: 755), 46% of whom were working in the core disciplines of mining, metallurgy and engineering. Women made up ^{LA} 8% of the workforce at Zondereinde (FY2015: 8%) and ^{LA} 23% at Booyssendal (FY2015: 17%).

Women in mining (%) – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
^{LA} 8	8	7	7	7

Women in mining (%) – Booyssendal

FY2016	FY2015	FY2014	FY2013	FY2012
^{LA} 23	17	20	Not reported	Not reported

HUMAN CAPITAL CONTINUED

TRAINING AND DEVELOPMENT

Northam's training and development programmes provide the support employees need to improve their competence and knowledge in the workplace and to grow as individuals. The programme includes:

- Legislative training (skills, health and safety)
- Learnerships
- External specialised training
- Bursaries and study assistance
- Adult education and training (AET)
- Mentorship
- Succession planning
- Job specific and refresher training

Northam's training and development policy stipulates that emphasis be placed on the competence and competitiveness of employees as well as their personal development. The impact of training and development interventions is assessed in order to ensure that these interventions positively influence workplace behaviour.

In FY2016, the group spent a total of  R21.0 million on training and development at Zondereinde (FY2015: R21.8 million) and  R3.2 million at Booyseindal (FY2015: R3.3 million). This is equivalent to 1.2% of the total wage bill (FY2015: 1.5%).

ZONDEREINDE

Literacy is important to Northam as it improves employees' ability to communicate effectively and clearly. AET is available to all employees on a part-time basis and the company is accredited to offer AET up to General Education and Training Certificate (GETC) level or National Qualifications Framework (NQF) Level 1. In FY2016, 456 employees (FY2015: 349) attended the AET programme at Zondereinde.

Northam offers electrical, plater/boilermaker, rigging, underground mining and rock-breaking learnerships to qualifying employees. In FY2016, 13 Zondereinde employees (FY2015: 13) participated in learnership programmes.

Zondereinde's bursary programme offers bursaries to second-year students in the fields of mining, electrical, mechanical and metallurgical engineering. Successful bursars are subsequently entered into a two-year graduate internship programme before they are appointed to the Northam workforce.

In FY2016, eight students received support to the value of R0.6 million for mining-related engineering degrees (FY2015: eight students supported at a cost of R0.9 million). The current bursary programme includes eight black females in line with the group's strategy to increase female participation in professional occupations.

Zondereinde also offers in-service training to participating individuals during their vacations.

BOOYSEINDAL

A study of the literacy levels among indirect employees has revealed that they have an average minimum AET level 4 or Grade 9 qualification, thereby obviating the need for AET for employees. Northam has therefore prioritised the facilitation of AET classes for local community members in order to improve their access to employment opportunities in the future. An independent service provider from the local community provides these classes. Given that the adjustment to the SLP has not yet been approved, there were no community AET classes in the year under review. (In FY2015, 10 community members were enrolled and five completed the course.)

A total of 18 employees participated in learnerships (14 men and 4 women) in the fields of mining, engineering and processing.

Booyseindal's bursary programme offers bursaries to first year students in the fields of mining, electrical, mechanical and rock engineering and mine survey, areas of study that support the group's SLPs. These bursaries place emphasis on assisting students from Booyseindal's surrounding communities.

Zondereinde – learning assistance breakdown FY2016

	Expenditure (R'000)	Number of people	HDSAs %	Women %
AET	2 739	456	65	7
Learnerships	2 202	13	23	23
Bursaries	586	8	100	100
Study assistance refunds	60	7	57	43
External training and skills development	4 437	1 054	55	4.5
Internal training and skills development	10 983	2 711	56	7
Total	LA 21 007	4 249	56	6

Booyseindal – learning assistance breakdown FY2016

	Expenditure (R'000)	Number of people	HDSAs %	Women %
Learnerships	1 619	18	100	22
Bursaries	–	1	–	–
External training and skills development	1 011	96	66	23
Internal training and skills development	588	229	82	19
Total	LA 3 218	344	90	19



Northam's training and development programmes provide the support employees need to improve their competence and knowledge in the workplace

HUMAN CAPITAL CONTINUED

NORTHAM'S ACCOMMODATION AND HOUSING STRATEGY

The living conditions of employees is a key concern for Northam. The MPRDA and the Mining Charter provide the group with direction in respect of the provision of accommodation and housing for all employees.

Review of accommodation strategy

The group began laying the foundation for a roll out of enduring accommodation solutions. To this end, the board of directors approved a comprehensive strategy to provide further accommodation opportunities to all employees. The strategy will focus the group's efforts for the next five years.

Accommodation strategy 2020

- The strategy promotes home ownership as the preferred sustainable tenure option while acknowledging that rental, residence units and company accommodation will also be required. Northam cannot provide any one accommodation type in isolation, something that is further necessitated by the geographic diversity of our mines.
- The role of Northam is that of a facilitator, creating an opportunity for employees and using its financial and other resources to secure best prices and quality. It is up to employees to choose to take up these opportunities.
- Accommodation provided to staff must be secure, decent and affordable. An employee must be confident that his or her tenure is legally secure, that it is affordable on his/her salary and that it is well designed and of quality construction.

The strategy takes account of the economic conditions prevailing in the industry. Implementation is based on a five-year roll-out programme. Building programmes will be demand driven within the constraints of the group's financial position as well as serviced land. The strategy represents a commercially and financially prudent use of group resources.

Elements of the strategy

Elements of the strategy include:

- the continued refurbishment of existing residences at Zondereinde into single rooms, upgrade of the visiting quarters and the improvement of social amenities around the residences
- the building at Zondereinde and Booyensdal of
 - freehold home ownership units for Northam employees
 - freehold home ownership units for public participation
 - freehold rental units for Northam employees
- various financing options.

PROGRESS TO DATE

Zondereinde

A total of 2 408 employees are provided with a living-out allowance while another 2 834 live in residences provided by Northam. The living-out allowance for each category forms part of wage negotiations between Northam and organised labour.

Booyensdal

Booyensdal employees and indirect employees live predominantly in the towns and villages surrounding the operation, including Mashishing (formerly Lydenburg), Steelpoort, Burgersfort, Ngwaabe and Jane Furse. The majority of employees and indirect employees have elected to receive living-out allowances.

Residences

Our residence improvements will be completed in FY2017. The residence de-intensification programme is 85% complete with 2 440 rooms converted to single accommodation. The completion of our residence apartment upgrades remains a high priority and the density target of one person per room will be met by the end of calendar year 2016.

Employees in residence accommodation are provided with meals, which are overseen by a dietician who draws up meal plans and monitors energy, macro and micro nutrient content. An average of 7 050 meals were offered to employees every day during FY2016.

Home ownership

Home ownership solutions as part of the new housing strategy will be directed at permanent staff and indirect employees, taking into account that the Booyensdal operations will ramp up towards the end of the decade requiring additional labour.

During the past financial year, 30 employees have benefitted from this initiative – 11 units at Mojuteng, 5 units at Mogwase and 14 units were purchased on the open market.

Mojuteng

Northam introduced the Mojuteng home ownership scheme to promote home ownership among its Zondereinde employees.

The site is situated in Northam town, approximately 22km from Zondereinde. Employees are offered a home loan, a debt consolidation facility and a structured housing subsidy, which helps employees to increase disposable income levels and results in higher home loan approval rates. Of the available 54 stands, a number of new units were constructed in FY2016 and a total of 7 new housing units have been sold to employees during the financial year, increasing the total units sold to 398 since the start of the project.

Mogwase

To meet short-term demand and provide more options, 24 free-standing units were procured at Mogwase. A total of five units were sold to employees during FY2016.

Open market

In addition to the employer developments, Northam also provides qualifying employees and indirect employees the opportunity to procure houses on the open market, further promoting home ownership. Northam assists with a partial interest free loan amount.

In November 2015, the chairperson of the SE&HR committee, Ms TE Kgosi handed over keys to Mr Solly Magugu, the first employee to benefit and purchase a house in Northam town. Mr Magugu joined Northam in 2000 as a general labourer. He obtained numerous certificates and completed a number of courses in order to progress to Strata Control Officer.

Mr Pieter Pretorius also benefited from the housing strategy. Mr Pretorius, a general engineering supervisor, recently bought a house in Mashishing through this scheme. He

started his career at Booysendal as an electrical foreman. The strategy is building momentum with the next 10 applications in process.

Future plans

Northam has acquired land in Northam town and Mashishing and environmental and geotechnical studies are being conducted as part of the proclamation process. Bulk services negotiations between local municipalities and Northam have started. The professional team is appointed and prototype designs have been completed.

Northam will commence construction of home ownership and rental units towards the end of FY2016 and plan to start with the new affordable housing projects units during the following financial year.

The group will continue to review the level of funds locked up in company-owned housing to determine whether such housing can be made available to staff for home ownership.

End goals

The successful conclusion of the accommodation strategy, combined with Northam's efforts to date, mean that the majority of the workforce will have access to decent accommodation opportunities by the close of FY2020. The provision of this tenure will promote our employees' interest and workplace contribution to Northam. The strategy will ensure that the group exceeds its Mining Charter obligations, create significant social capital and should enhance Northam's standing as an employer of preference.



Mr Solly Magugu receives the keys to his house in Northam town



Mr Pieter Pretorius bought a house in Mashishing through the Northam housing scheme

HUMAN CAPITAL CONTINUED

COMMUNICATING WITH OUR EMPLOYEES

At Northam we encourage open communication. Employees are encouraged to raise issues of concern and interest via the formal and informal structures in place, including through human resources structures, line management and union structures. Relations with employees and organised labour are governed by recognition agreements and conditions of employment in legislation.

As a company, Northam recognises that more can be done in the area of communicating directly with its employees. At Zondereinde, the company has recently completed a comprehensive communications review, and is currently putting in place a formalised structure and staff to support a re-invigorated communications drive at this operation.

HUMAN RESOURCES STRUCTURES

A senior manager, tasked with overseeing the operation's human resources function, is in place at each operation and reports to a general manager. The general managers and chief executive are ultimately responsible for the management of human capital while the SE&HR committee assumes board level oversight of the management of human capital.

The SE&HR committee, which complies with the Companies Act in terms of its social and ethical obligations, is also responsible for ensuring that employees are equitably and fairly rewarded in alignment with company standards and industry peers. It is further responsible for governance of employment contracts and the remuneration packages of senior management, ratifying their appointments, setting mandates, approving short term incentive schemes and bonuses, and overseeing shares in line with the Northam share incentive plan (SIP).

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

All employees, indirect employees and suppliers have the right to freedom of association and to act out this freedom within the bounds of the law, collective agreements and the rights of others. Employees and their elected representatives must shoulder the duties and responsibilities that pertain to this right.

Wages and other conditions of service are negotiated on an annual basis, or less frequently, as determined by the wage agreement in place. At Northam operations, unions registered with the Department of Labour, which represent at least 15% in any particular bargaining unit, receive organisational rights including:

- Access to the workplace, allowing qualifying unions to recruit members and host meetings on mine property outside of working hours
- Access to payroll deduction facilities
- The opportunity to elect employee representatives for internal disciplinary processes
- Paid leave for representatives to allow them to carry out union-related duties

When a registered union reaches a representative threshold of 33.3% within a bargaining unit, it acquires the right to bargain for that particular unit, and to reach agreement on wages and other conditions of service.

The group aims to engage in good faith to reach agreement on matters such as wages, conditions of service and other matters of mutual interest.

MINE-BASED HUMAN RESOURCES DEPARTMENTS ARE RESPONSIBLE FOR THE IMPLEMENTATION AND ACHIEVEMENT OF HUMAN RESOURCE PRIORITIES, INCLUDING ALL ASPECTS OF THE MINING CHARTER:

	Training and development		Mentorship and talent management		Recruitment and retention
	Succession planning		Career plans		Employment equity programmes
	Labour relations		Human resource development		Stakeholder and compliance management

ZONDEREINDE

At Zondereinde, employees are divided into three bargaining units. Category 2 to 8 comprises operator level employees, Category 9 miners and artisans, and Category 10 officials. A total of **LA** 88% of the workforce in these bargaining units is covered by collective bargaining agreements.

Recognised union representation at Zondereinde FY2016 (permanent employees)

	Category 2 to 8		Category 9		Category 10		Total	
Complement	5 292	(%)	338	(%)	346	(%)	5 976	(%)
NUM	4 604	87.0	149	44.1	123	35.6	4 876	81.6
Solidarity	15	0.3	58	17.2	99	28.6	172	2.9
UASA	29	0.5	87	25.7	71	20.5	187	3.1
Total	4 648	87.8	294	87.0	293	84.7	5 235	LA 87.6

Organised labour consultation structures at Zondereinde

Employment equity and training committee	- consulted on issues relating to employment equity and human resource development - reviews the group's employment equity, recruitment, and training and development policies - ensures procedural equity and transparency
Six-a-side committee	- comprises management and organised labour - tasked with the smooth progress of hostel de-intensification programme
Corporate social investment committee	- oversees all mine community and rural development initiatives - reviews and approves all applications regarding CSI, local economic development (LED) and socio-economic development.
Joint health and safety structure	- Statutory component of the Mine Health and Safety Act No 29 of 1996 - organised labour participates in this process to ensure the group adheres to safe operating practices (For more information see <i>Safety and health</i> section on page 55.)

BOOYSENDAL

At Booyseendal, mining contracting company Murray and Roberts Cementation Proprietary Limited (MRC) and plant contracting company Minopex South Africa Proprietary Limited (Minopex) are currently unionised and hold regular structured meetings with recognised unions. A total of 87% of the MRC workforce and 64% of the Minopex workforce belongs to a union.

Recognised union representation at Booyseendal FY2016 (permanent employees)

	Category 2 to 8		Category 9		Category 10		Total	
Complement	51	(%)	9	(%)	78	(%)	138	(%)
NUM	24	47.1	–	–	–	–	24	17.4
Total	24	47.1	–	–	–	–	24	LA 17.4

HUMAN CAPITAL CONTINUED

WAGE AND CONDITIONS OF SERVICE NEGOTIATIONS

Northam management continually seeks to build constructive and progressive relationships, and to avoid unnecessary work stoppages, which would inevitably have a negative impact on the group's performance and the welfare of employees. The group has an established protocol and communication strategy in place to deal with industrial action, which includes maintaining open channels of communication with unions, employees, shareholders and investors, labour relations experts, mediators and facilitators, security services and the media.

The group also acts in compliance with the Labour Relations Act No 66 of 1995 and may use established processes, inclusive of legal relief when necessary, to bring any form of industrial action to a swift resolution. The group is committed to engage and negotiate with any union that achieves the necessary representation levels.

PERFORMANCE IN FY2016

Labour relations remains a challenging area for the mining industry as a whole. Management seeks to increase and intensify the engagement process with unions and to deal swiftly with any issues arising.

ZONDEREINDE

In July 2015, a three-year wage settlement was reached with the representative union, the NUM, which helps provide certainty and stability at this operation for a sustained period.

Tragically, on 5 June 2016, Mr Mthetheleli Somaxhama, a Zondereinde employee was killed in an act of violence in Northam town, approximately 20 kilometres from the mine. Following this incident, sporadic acts of intimidation and violence spread to the mine. Another employee, Mr Theminkosi Mhlabeni, was sadly killed in these clashes on June 6 in the vicinity of the mine. Operations at the mine were temporarily suspended. Management, employee representatives, security and the South African Police Service (SAPS) worked together to calm the situation, to ensure that operations could resume as soon as practicably possible and to allow safe passage for employees.

On 7 June, management urged employees to return to work as calm returned to the mine. On 9 June and 14 June, the Minister of Mineral Resources, Mr Mosebenzi Zwane, visited Zondereinde to help resolve tensions. Operations finally resumed on the evening of 14 June, following the SAPS's disclosure that they had made a number of arrests in connection with the two murders.

Subsequent to the above incidents, Northam has put into place various additional security measures which include an increased security presence on mine and an underground hotline to report any issues. In cooperation with the SAPS the group is also in the process of installing CCTV cameras and constructing police posts at key areas in the town of Northam.

Apart from the unprocedural labour-related issues described above, there were no strikes at Zondereinde during the year.

BOOYSENDAL

In October 2015, a three-year wage agreement was concluded between MRC and its representative unions, AMCU, NUM and Solidarity across MRC operations. This agreement was consequently applied at Booysendal, with the ensuing stability contributing to the consolidation of the ramp-up to steady state production.

Civil unrest took place in the form of protests by communities in the Steelpoort Valley in July, October and December 2015. Protesters blocked roads and disrupted transport which meant employees were unable to travel to work safely. This resulted in 21 days of underground production losses although only five milling days were lost as processing continued from the surface stockpile. For more information, please go to the *Social capital* section on page 66. There were no strikes recorded at Booysendal during the year.

The current leadership model is being reviewed to determine what aspects can be adjusted to accommodate the changing labour climate, with an emphasis on succession and communication.

HUMAN RIGHTS AND CODE OF ETHICS

Northam upholds the basic labour rights of the Fundamental Rights Convention of the International Labour Organization (ILO), through the implementation of fair employment practices. Our policies and practices comply with South Africa's labour legislation and regulations. All employees are treated fairly, irrespective of origin, race or gender.

Northam's SE&HR committee monitors support and respect for the protection of internationally-proclaimed human rights, ensuring that Northam is not complicit in human rights abuses. Systems are in place to deal with issues of discrimination and human rights breaches.

Northam's code of ethics clearly safeguards the rights of all employees to a working environment free of discrimination on the basis of race, gender, sexual orientation, religious belief, political affiliation, age or disability.

All Northam employees are expected to adhere to our code of ethics. Supervisors and managers are required to take all reasonable steps to ensure that the people for whom they are responsible are aware of and uphold the guidelines set out in the code. These steps include consistent demonstration of exemplary behaviour, activities to foster a culture in which employees understand their responsibilities and feel comfortable to raise concerns without fear of retaliation or victimisation, ensuring mandatory policies, standards and procedures are accessible and understood, and responding promptly to legitimate concerns.

In FY2016, whistle-blowing and ethics hotline awareness was revitalised using pamphlets distributed at both operations.

SAFETY AND HEALTH

The safety and health of Northam employees is of paramount importance and takes precedence over all production objectives. We are guided by extensive legislation and regulations, notably the Mine Health and Safety Act No 29 of 1996. The company seeks to comply fully with applicable safety and health legislation, and to ensure that all employees adhere to group safety standards.

Key features of Northam's health and safety structure and systems

Responsibilities	- The health, safety and environmental (HSE) committee, a subcommittee of the board, is responsible for overseeing compliance with health and safety laws and regulations that may have an impact on the group. - Operational health and safety is the responsibility of the general manager at each operation. - Day-to-day safety management is delegated to the operational managers, who are supported by the mine health and safety departments. - Operational and joint management and employee health and safety committees meet, at a minimum, on a monthly basis.
Policies, procedures, reporting	- The operations maintain policies and procedures, detailed records and reports on safety matters, accidents and their severity, transgressions and remediation work. This information is analysed and used to improve safety performance. - Reports on safety and health are submitted to the HSE committee, which is tasked with safety and health matters for further review and oversight.
Training	All employees and indirect employees receive safety induction training on an annual basis, and intermittently during the year, for example, when they return from leave.
Equipment	Personal protective equipment (PPE) is supplied to employees and a comprehensive code of practice guides the allocation of PPE for occupational-specific requirements.

PARTICIPATORY APPROACH

Northam encourages the participation of employees and management in all safety and health matters. Employees may also participate in the union's safety and health committees through their elected officials.

Safety structures at Zondereinde and Booyseendal

Zondereinde	A joint management and employee-represented health and safety committee meets on a monthly basis or more frequently if required. The committee's main focus is on empowering employees to take responsibility for their own health and safety, and the health and safety of others, by identifying and reporting potentially hazardous situations. The committee is responsible for: - identification of critical issues that may affect the safety and health of employees and the environment - inspections, audits and accident investigations - identification of areas for training and development - providing PPE
Zondereinde and Booyseendal	Operational HSE committees are chaired by general managers, meet monthly, and are attended by two full-time safety and health representatives elected by employees. Safety representatives attend mine production meetings and receive safety training. 44 safety representatives were trained at Booyseendal's training centre in FY2016.
Booyseendal	Two health and safety committees are in place, one for the plant and one for the mining operations, which meet monthly and quarterly respectively. Issues of concern are discussed and incidents and accidents are reviewed, and common risks and their remedies are discussed.

HUMAN CAPITAL CONTINUED

SAFETY PERFORMANCE IN FY2016

All safety-related incidents are considered very seriously at Northam, and continuous efforts are made to reinforce operational standards and responsibility.

Analysis of safety incidents indicates that injuries are generally associated with the following activities and/or materials:

- Material handling
- Falls of ground
- Trucks and tramming
- Slips and falls
- Winches and rigging
- Moving machinery
- Ventilation
- Hydropower

Focused training and disciplinary measures manage the prevalence of behaviour-based safety transgressions. Disciplinary measures include counselling; verbal and written warnings; suspension; and dismissal. The Du Pont safety management programme was replaced by the Chamber of Mines' recommended safety system in FY2016. The Chamber's Cultural Transformation Framework has therefore been adopted and implemented at both operations.

Northam defines a lost time injury (LTI) as an injury which results in one to 13 days of lost time while a reportable injury (RI) is an injury which results in lost time of 14 days or more. The LTI and RI incidence rates are based on 200 000 man-hours worked.

No fatalities were reported during the year under review (FY2015: no fatalities).

ZONDEREINDE

Traditionally, handling of materials and falls of ground have been the main contributors to injuries at Zondereinde – with employees involved in construction, development and stoping activities most at risk.

In FY2016, Zondereinde achieved 5 million fatality free shifts. A total of 159 LTIs were reported, of which 92 were reportable. The primary causes of LTIs in FY2016 were related to the manual handling of material and minerals and to falls of ground.

Overall the operation's LTIIR was  1.92 per 200,000 hours worked (FY2015: 1.31) and the RIIR was  1.11 (FY2015: 0.94). The group will continue to focus on reinforcing and encouraging the correct behaviour of individuals. This will be achieved by continuous, internal and external behaviour change interventions. Measures will be put in place to support, encourage and coach employees to continuously conduct

thorough and proper workplace hazard identification and risk assessment in order to institute proper action and withdraw when required.

The DMR imposed six Section 54 safety-related work stoppages at Zondereinde during the year under review, four of which related to underground. The stoppages were all section or incident specific, relating to a range of safety issues.

To date, Zondereinde has applied the following Mining Industry Occupational Safety and Health (MOSH) preventative measures:

- Hearing-protection devices
- Netting with bolting
- Entry examinations and making safe
- Proximity detection system
- Falls of ground hazard identification system (FOGHIS) - equivalent to the Trigger Action Response Plan (TARP) system.

Lost time injury incidence rate per 200 000 hours worked – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
 1.92	1.31	1.70	1.50	1.91

Reportable injury incidence rate per 200 000 hours worked – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
 1.11	0.94	0.86	0.83	0.88

Fatal injury incidence rate per 200 000 hours worked – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
0.00	0.00	0.00	0.01	0.02

BOOYSENDAL

No fatalities have been recorded since inception of the mine in 2010. In September 2015, Booyseendal achieved two million fatality-free shifts. Booyseendal's LTIIR was  0.44 (FY2015 0.54).

The DMR imposed one Section 54 safety-related work stoppage at Booyseendal during the year under review.

In FY2016, Booyseendal recorded 11 LTIs of which eight were reportable. The primary causes of LTIs for FY2016 were related to trucks and tramming and materials handling. Compliance with standards and procedures remains a challenge. In order to mitigate this, the mine employs a high visibility of safety staff who work irregular shifts. We also conduct extensive coaching as part of our Hlokomela Tau! – Watch out for the Lion (danger)! – campaign.

The Think falls of ground initiative continued to be one of the key focus areas during FY2016 and has resulted in significant improvements in examination techniques. Visible felt engagement interventions take place every Monday and Friday, involving management at all levels, to ensure that employees are entering their worksites safely. Any deviations are rectified immediately and superior performance rewarded.

During FY2016, to encourage and reward superior performance, a competition was launched which focused on improvement in the spheres of incidents and accidents and in production. Prizes included a light delivery vehicle.

Lost time injury incidence rate per 200 000 hours worked – Booyssendal

FY2016	FY2015	FY2014	FY2013	FY2012
LA 0.44	0.54	0.27	0.53	0.19

Reportable injury incidence rate per 200 000 hours worked – Booyssendal

FY2016	FY2015	FY2014	FY2013	FY2012
LA 0.32	0.41	0.21	0.33	0.05

Fatal injury incidence rate per 200 000 hours worked – Booyssendal

FY2016	FY2015	FY2014	FY2013	FY2012
0.00	0.00	0.00	0.00	0.00

HEALTH PERFORMANCE IN FY2016

The primary occupational health risks identified at Northam in FY2016 were tuberculosis (TB), noise induced hearing loss (NIHL) and occupational lung disease. We aggressively target HIV/AIDS and TB with emphasis on prevention, through educational initiatives and community involvement, as well as a monitored employee wellness programme, which includes the provision of antiretroviral treatment (ART). We also focus on drug and alcohol abuse, and their effects on employee performance.

NORTHAM HEALTHCARE SERVICES

We provide employees and indirect employees with an integrated and holistic healthcare service, for primary and occupational health, through the Platinum Health medical aid scheme.

Healthcare services are offered to all employees and indirect employees who belong to the scheme and to their families. A network of doctors, specialists and dentists is contracted to the scheme. As well as localised health care, scheme members also have access to the Netcare® and Life® networks countrywide.

Programmes designed specifically for occupational health include:

- Wellness
- Medical surveillance
- Injury-on-duty management
- Occupational and chronic disease management
- Rehabilitation and back-to-work programmes
- Emergency care

Healthcare services at Zondereinde and Booyssendal

Zondereinde	• Healthcare services provided on site and at a network of medical facilities where employees live • Five hospitals available to employees in the area • On-site paramedics with emergency response vehicles, social workers and physiotherapists • Comprehensive TB and HIV/AIDS management programme administered by Platinum Health at the operation
Booyssendal	• Medical facilities located in Mashishing, Middelburg and Nelspruit • On-site emergency facility with four 24/7 paramedics available for the treatment of accidents, injuries and minor health issues • On-site professional nurse • Two on-site ambulances on permanent standby with backup facility at Dwarsrivier and Thorncliffe, approximately 15 and 12.5 kilometres respectively from Booyssendal mine • Access to helicopter services

HUMAN CAPITAL CONTINUED

HIV/AIDS

Northam has a comprehensive HIV/AIDS policy in place which covers employee care, education programmes, respects information confidentiality and promotes non-discrimination. All Northam employees have access to professional counselling and support including voluntary counselling and testing (VCT) and ART.

The Northam HIV/AIDS programme focuses on the following:

- Encouraging employees who are HIV-negative not to participate in high-risk behaviour through the mass distribution of condoms, the treatment of sexually transmitted infections (STIs) and a peer education programme
- Early detection and identification of HIV to limit high-risk behaviour among those infected and to start them on a treatment regime that can prolong healthy living (the VCT programme underpins this objective and provides the necessary counselling)
- Encouraging infected employees to participate in the wellness programme, which includes the provision of ART. Comprehensive counselling is provided to ensure that employees understand and accept the long-term implications of participating in the ART programme.

Zondereinde

Zondereinde's HIV/AIDS programme comprises:

- Health education
- Clinical management (VCT, pre- and post-test counselling, adherence testing and counselling, prevention of mother-to-child transmission, and HIV treatment)
- Laboratory investigations
- Peer educators

Zondereinde's peer educator programme includes 20 employees who form part of the support structure that provides counselling and training for employees infected and affected by HIV/AIDS.

In FY2016, 1 834 employees were registered on the VCT programme (FY2015: 1 250). Of these, 302 tested positive.

Employees registered for VCT – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
1 834	1 250	1 049	1 088	1 659

Booyseendal

Booyseendal continued with its wellness and disease management policy and programme implemented during FY2015. The programme is an effective method to promote health and wellness amongst our employees as well as our indirect employees.

Our programme:

- promotes a healthy lifestyle
- addresses chronic or life-threatening diseases such as HIV/AIDS and TB
- covers injuries which may result in a medical disability or occupational incapacity such as STIs, cancer, heart disease, chronic obstructive airways diseases, diabetes, asthma and hepatitis
- consists of a variety of activities including health education, medical screening, health coaching, weight management programmes, wellness newsletters and fitness educational information

Booyseendal's HIV/AIDS peer education group is managed by a contracting company, Minopex. Booyseendal is also in the process of training peer educators for MRC employees. The aim is to educate employees about chronic illness, the spread of contagious diseases and prevention measures. Employees are encouraged to undergo VCT and Booyseendal ensures that effective intervention, assistance and referral systems are in place. They also manage the distribution of promotional material for HIV/AIDS prevention.

VCT is done under the auspices of the wellness programme. In FY2016, 319 employees were registered on the VCT programme (FY2015: 459). Of these, 13 tested positive. Employees requiring treatment are referred to the relevant medical practitioner.

TUBERCULOSIS

TB is a serious opportunistic infection and is the leading cause of death for people living with HIV. Northam runs a highly effective, directly-observed treatment regime, which is aligned with the TB guidelines of the World Health Organization.

Zondereinde

In FY2016, 75 new cases of TB (FY2015: 111) were identified at Zondereinde. A total of 46 employees remained on TB treatment at the end of FY2016 (FY2015: 60).

New cases of TB – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
75	111	97	70	85

Booyssendal

In FY2016, eight new cases of TB (FY2015: four) were identified at Booyssendal. Eight employees are receiving TB treatment.

New cases of TB – Booyssendal

FY2016	FY2015	FY2014	FY2013	FY2012
8	4	6	2	3

NOISE INDUCED HEARING LOSS

Prolonged exposure to hazardous noise causes loss of hearing acuity, which occurs gradually and is known as noise-induced hearing loss (NIHL). Excessive noise exposure is one of the most pervasive health hazards in mining.

Northam ensures that it is legally compliant by guaranteeing that the noise associated with underground equipment is contained to below 110dBA. All Northam employees are issued with PPE to ensure that exposure to noise levels above 85dBA over an extended period is limited.

Training in the use of PPE and prevention of NIHL is ongoing and forms part of the mines' hearing conservation programme overseen by a hearing conservation committee, which meets quarterly.

Zondereinde

In FY2016, 69 incidences of NIHL were reported to be investigated for compensation (FY2015: 27), of which 16 were compensable (FY2015: nine).

New cases of NIHL reported to be investigated – Zondereinde

FY2016	FY2015	FY2014	FY2013	FY2012
69	27	20	43	44

Booyssendal

Booyssendal has a hearing awareness campaign in place. A hearing conservation committee holds quarterly meetings. In FY2016, 31 new cases of NIHL were reported to be investigated (FY2015: 18). Two of these were referred for compensation (FY2015: five) of which one received compensation (FY2015: one).

New cases of NIHL reported to be investigated – Booyssendal

FY2016	FY2015	FY2014	FY2013	FY2012
31	18	41	28	19

OCCUPATIONAL LUNG DISEASE

Bushveld Complex rock does not contain quartz, thereby eliminating the threat of silicosis and occupational lung disease (OLD). In addition, the use of hydropowered mining equipment at Zondereinde reduces employee exposure to both noise and dust. Neither Zondereinde nor Booyssendal reported any cases of silicosis or OLD.

DRUG AND ALCOHOL TESTING

Drugs and alcohol are not tolerated in the workplace. Tests are conducted on a daily basis, and particularly after any safety incident. Employees who test positive are subject to disciplinary procedures with assistance and rehabilitation offered to overcome dependency.