

We also have a deep commitment to constant communication with our workforce including twice yearly mass meetings with the CEO, information sharing and input via union representatives.

Our performance

The Randgold workforce is an essential partner in the business. We have high retention rates with a voluntary staff turnover of less than 2% in 2016, and we take pride in the number of employees who feel that Randgold is 'my company'. Randgold also supports several initiatives to foster a culture of shared ownership and shared responsibility.

These include share and bonus schemes for both senior and ordinary employees. Senior employees share ownership of the company through a share system based on a three-year vesting policy. Ordinary employees are awarded a range of incentives such as an efficiency bonus - based in part on safety performance, production and excellency bonuses.

We also finance benefits such as a 24-month interest free loan to help workers acquire a motorcycle. This also drives wider business goals such as catalysing entrepreneurialism in local communities, enhancing worker satisfaction and reducing dependence on Randgold's services such as an employee bus.

A key milestone achieved in 2016 was the launch of our In Reach programme to improve the flow of information to employees and create ambassadors within the business. It aims to further increase both shared ownership and workforce communications. The owner mining initiative highlighted in last year's sustainability report continued its progress at Loulo's underground mine in 2016.

Extra curricular activities across the group included celebration of the Ramadan feast and Tabaski day in Mali and Côte d'Ivoire, while the annual Morila River Run saw 25 teams of employees, community members, contractors and a Morila women's team compete.

TRAINING AND SUCCESSION PLANNING

Our policies

Excellent training is key to our sustainability. We manage a variety of formal and informal training programmes designed to deliver the skills required to run a world-class gold mining business.

Informal training is constant in the Randgold culture and includes skills shadowing, mentoring and on the job training. Formal training includes partnership arrangements with top ranking global universities such as Harvard School of Business, London Business School and the Graduate School of Business in Cape Town, as well as executive development certifications such as our 'finance for non-financial managers' course.

Prioritisation of skills development is based on our succession planning – including a board-approved matrix that develops workforce skills to plug emerging gaps. We constantly monitor and re-assess both employees and our own training programmes, and support the cross-pollination of opportunities across the group operations.

We also run a stagiaire industry placement programme for students from host country colleges.

Our performance

There was a sevenfold increase in the number of employees receiving formal training in 2016 with 2 218 employees receiving training (approximately 19% of our workforce), compared to 302 people in 2015. We invested over \$870 000 in these programmes.

Senior and ordinary employees benefited from a wide range of training and skill certifications in 2016, including:

- **Safety-related courses** - such as advanced incident investigation and underground vehicle simulators.
- **Management systems** - such as ISO 14001, ISO 45001 and OHSAS 18001.
- **Core business skills** - such as finance for non-financial managers, supply chain, rock mechanics, welding, drilling and blasting.
- **Sustainability related skills** - such as pump installation and maintenance, waste management and local artisan training.

On the executive development side, over 60 senior staff attended our finance for non-financial managers course in 2016 and a number of senior group executives and operational managers attended courses at Harvard School of Business and the Graduate School of Business in Cape Town, among other placements.

FIGURE 11: INDIVIDUAL MINE RETENTION RATES

	Voluntary turnover			Total turnover		
	2016	2015	2014	2016	2015	2014
Loulo-Goukoto	2.0%	1.0%	2.0%	4.0%	2.0%	6.0%
Morila	1.0%	0.2%	1.0%	2.0%	15.0%	3.0%
Kibali	2.0%	2.2%	3.0%	3.9%	4.7%	8.6%
Tongon	1.3%	2.6%	2.4%	1.9%	2.8%	6.6%

EMPLOYEE SPOTLIGHTS: A MISSION TO KEEP LEARNING

Fiston Asimade

Fiston is a 30 year old from the Watsa region near our Kibali mine in the DRC. He joined Randgold in 2010 during the construction of the mine, helping initially on the construction for the Kokiza village relocation. During that time Fiston proved himself to be an enthusiastic and skilled worker, and he was invited to take part in testing and, based on the results, was sent to Tongon to learn about gold processing and train in metallurgy.

Fiston explains, *"I am proud to have learned metallurgy and to work for Randgold. And my family are proud of me too, we were all excited when I went to Tongon because I had never left DRC before. At school I graduated with a diploma in maths and physics but we had no money for me to go to university. This has been an opportunity for me to do well, so I am working hard. I never thought I would get an opportunity like this in my life."*

Fiston's hard work has paid off, he has excelled at his job and was promoted from reagent operator to supervisor, and he is determined to progress further. *"I am on a mission to keep learning, I want to become a foreman and then a head of department, and I also want to develop agriculture in our community. Before Kibali Durba was a village, now it is a town. We used to have huts but now we have houses with iron roofs. We have good schools and hospitals. We can see more opportunities for the future and I want to help with that."*



Fiston Asimade

He adds, *"There are more opportunities for the future and my children will be well educated, they can go to university if they want to."*

Nicholas Tatsima-Samaki

Nicholas is a 27 year old from the village of Surur near Kibali. He joined Randgold as an assistant operator in the plant in 2013. Clever and dedicated, Nicholas has been promoted twice in three years and is now a crushing supervisor.

Nicholas explains, *"I have some qualifications as a mechanic, but when I left school there was not much work so I was doing small jobs like construction to get money, and made about \$80 - \$100 a month. Working at Kibali, I have got some new skills and met some good people who are happy to help me and teach me new things. I want to have some more training to become a head of department and, if I work hard and keep learning, I know Randgold will keep helping me to achieve that."*

"Also our world has changed, it used to take three weeks to go to Aru now we can go in three hours. There are banks, there is more business and opportunities, our hospitals didn't used to have any equipment, now they are better. We even have a football stadium and the whole area is proud of this and excited to go."



Nicholas Tatsima-Samaki

Alongside formal training, our workforce received significant informal training – such as skills shadowing. The value of this can be difficult to quantify, however, we estimate that each full time employee at our mines receives approximately 24 hours of informal training and skills development every year.

We also welcomed approximately 600 local student stagiaires to participate in practical training sessions across all our operations.

INDUSTRIAL RELATIONS

Our policies

The right to freedom of association is enshrined in law in all our countries of operation and we welcome all forms of labour union representation among our workforce. Our partnership approach underpins all our industrial relations.

Union representatives participate in the leadership of our mines for example by attending each mine's quarterly board meetings, and are able to view and comment on management's presentations and voice any general issues of concern. They also participate in management cost reviews and regular dialogues with each mine's general manager.

Our CEO Mark Bristow meets with union representatives during board meetings, at strategic planning meetings (at least annually), at ad hoc meetings and through holding mass employee meetings at each mine twice a year. All staff are invited to attend these public forums and they provide an important opportunity for staff to raise issues or ask any questions they feel important directly with the CEO.

A key policy in our prevention of strikes and stoppages is the signing of a Mine Level Agreement (MLA) at each mine that is reviewed every three years. MLAs are agreed between the local unions and management and set out mutually agreed rules for each mine on detailed items such as salary increments or the parameters of acceptable behaviour in a strike situation.

Our performance

We estimate that approximately 85% of our employees are union members with the remaining 15% set apart only due to a long term incentive programme we introduced for senior employees.

Industrial relations was generally calm across all mines in 2016. There were three industry-wide strikes totalling 12 days during May, June and July in Mali. This included a five day strike from 27 June to 1 July, although this did not significantly affect production. The strikes were a result of national union issues rather than any conflict specific to Randgold's mines. In each case all employees were reminded that we respect their right to adhere to a legal strike though they must not prevent employees willing to work to exercise such right. The strikes were only partially followed by Randgold unions and employees, did not significantly impact production and anecdotal evidence suggests our work attendance rates on these national strike days were much higher than our industry peers in the country.

There were also many strikes that were avoided during the year due to our active and constant communication with employees and their representatives, helping them to agree to packages that benefit all in the business. For example, in Côte d'Ivoire we intervened to prevent a contractor-related strike over cost of living rises and helped the supplier in question to resolve the issue directly with the unions.

The MLAs for both Loulo and Tongon mines were signed and renewed for another three years in 2016. A small number of positions were retrenched in 2016 as part of closure planning for our Morila mine, which is due to cease operational life in 2019.

ARTISANAL MINING

Our policies

Illegal artisanal mining (ASM or *orpailleurs*) took place on four of our sites in 2016: the Loulo-Goukoto permits in Mali; the Tongon permit in Côte d'Ivoire; and our Kibali concession in the DRC.

The presence of these miners on our sites is problematic because there is no monitoring of human rights infringements such as child labour. Their activity, if not structured, can increase poverty, degrade land, increase insecurity and release dangerous chemicals, including cyanide and mercury, into the environment and water supply. For example, at the Loulo-Goukoto complex, water testing of the Falémé River conducted downstream of ASM sites showed high levels of contaminants and dangerous pollutants in the river.