

# Swakop Uranium SUSTAINABILITY REPORT 2019



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# GENERAL INFORMATION

01

## General Information

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About This Report

Message to Stakeholders

About Swakop Uranium

Corporate Culture



Milling area of Husab Mine

## About This Report

This Sustainability Report of Swakop Uranium reports on the year of 2019.  
This report discloses our activities and performance areas relevant to sustainable development.  
This report can be downloaded from [www.swakopuraniu.com](http://www.swakopuraniu.com)



Ion exchange columns at Husab Mine

## MESSAGE TO STAKEHOLDERS

It is with great pleasure that we introduce our first Annual Sustainability Report since commencing operations at the beginning of 2014. 2019 was an important year for Swakop Uranium. We reshaped the company in terms of culture and organization and strengthened relations with all stakeholders. The year 2019 had allowed us to gain a better understanding of what a future Swakop Uranium should look like and how the vision will be realized.

Similar to the evolution of civilizations, Swakop Uranium is growing through many achievements and lessons learned from past experiences.

Some of our most notable achievements include the successful performance test of the processing plant, the implementation of the Mining Shift Superintendent system, which resulted in a more centralized and efficient operating system. We also saw notable improvements in procurement and contractor management which had been a challenge since commissioning. Efforts have also gained returns in terms of benefits to those SU has helped. SU is committed to making a bigger difference in sustainable development of the Company, the Community, as well as Namibia at large, in the following years.

The new Company Culture was rolled out in 2019 and well received by the organization as a whole. "Doing Things Right in One Go" and "Safety First, Quality Foremost, Pursuing Excellence" have become directions and motivations for the whole organization to move forward. We are proud to say that we have seen significant growth in organizational cohesion and we are set to continue growing in this direction. Skills competitions have promoted skills development of our employees and quarterly as well as annual exceptional employees have motivated many other employees to develop their own potentials. This positive trend has continued to inspire more and more people.

The front line operation and equipment utilization remained areas that require improvement. Management system and management basics were also challenging areas, which negatively impacted operations. Improvements in these areas will become a key focus in 2020. In the process of strengthening our own weakness, we see many opportunities for further growth as a company.

As a team, we discovered that we can only learn and grow from our mistakes. We learned a lot by acknowledging that we are not where we need to be and that more still needs to be done. As a leader, I strongly believe that it is only through this self-reflection that we can grow.

It is through achievements and lessons that we reaffirm and recommit to realizing our vision and mission. To achieve this, as a leader, I have the task of ensuring that the necessary systems are in place and aligned to achieve our business objectives, safely and cost-effectively.

My obligation towards each SU employee is to ensure that their talent is discovered and developed and to encourage all employees to adhere to the 4D code of conduct (Disciplined, Diligent, Dedicated and Developed). As a leader in the Namibian uranium industry and the world at large, I believe, it is only through team development that SU can achieve its business targets.

As we successfully transitioned from construction to production phase, our immediate priority is to answer the question "How do we become more sustainable?"

Uranium mining is not new to Namibia. However, the industry has been affected by the global depressed uranium market for many years, even though new statistics give hope for a near-future recovery. SU endeavours to be a leading global pioneer in producing U3O8 cost-effectively and efficiently with minimized harm to our planet.

We continually explore new systems and technologies which allow us to produce uranium by adopting the safest methods of extraction, processing and recovery.

As we move forward into the future, SU remains committed to our vision and mission, cognizant to the fact that to ensure our success, we need to continually review our business systems by benchmarking against global best practices. We encourage efficient use of resources. By doing so, we become sustainable.

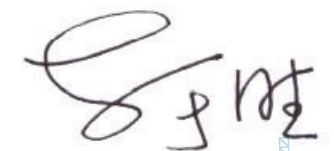
SU remains committed to the development goals of the government of Namibia and Sustainable Development Goals of United Nations. As part of our business objectives, we will continue to empower local businesses in various ways and to build a more sustainable company, contributing to creating a more sustainable society at large.

As we ramp up, SU will continue to invest in people development, by empowering its work-force through internal and external training programs and prioritizing succession planning, as this is key to sustainability.

Our business strategy and execution plan speak to our brand slogan "More than Mining". We endeavour to make a difference not only in mining but also in other important spheres to help usher in a more developed and prosperous society.

We aim to create value for all of our stakeholders, invest and support Namibian social development programmes, promote industrial development, help build a developed and prosperous society and pursue sustainable and coordinated development.

Further to this, we will align and execute our business strategy with diligence to create a competitive advantage, to drive continuous improvement and to invest in improving the collective skills and knowledge of our human capital.



Cai Yusheng  
Chief Executive Officer, Swakop Uranium

# ABOUT SWAKOP URANIUM



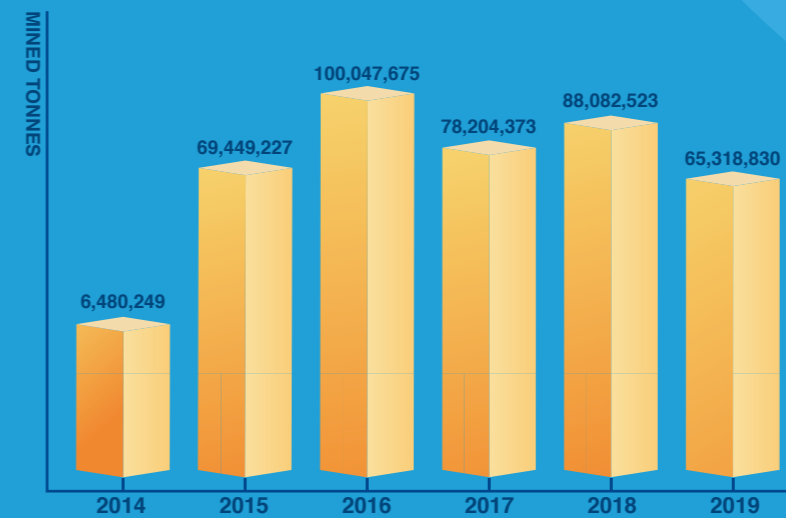
Husab stone

The Husab Mine is located in the Namib Naukluft Park of Namibia and is headquartered in Swakopmund, Namibia. Our operation includes the full spectrum of the mining value chain: Exploration, Extraction and Processing.

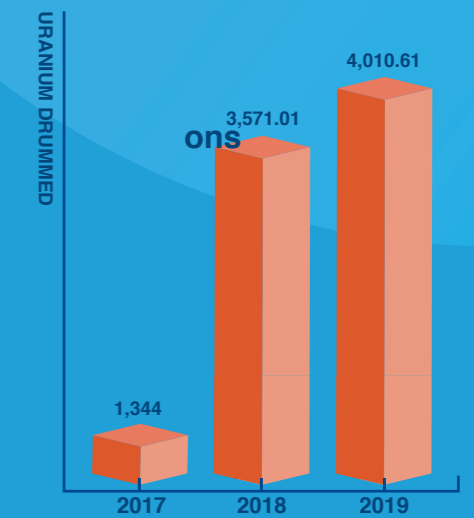
Swakop Uranium is a Namibian registered mining company, jointly-owned by China General Nuclear Power Corporation, China-Africa Development Fund and Namibian state-owned Epangelo Mining. Swakop Uranium started the construction of the Husab Mine in February 2013. In 2016 the first drums of Uranium were produced. Since then, SU has been ramping up its production and produced 4,010 tons of U3O8 in 2019. At full production, Husab will place Namibia as the 2nd largest uranium producer in the world. At SU we are driven by a High-Performance culture and boast a globally diverse workforce who are proud of the company values. According to the Chamber of Mines Namibia, the employment of over 1600 permanent employees as at 31 December 2019 and approximately 500 contractor employees makes SU the largest employer in the mining industry in Namibia.

SU management system is certified to standards of ISO 14001:2015, ISO 9001:2015 and OHSAS 18001:2007 by Lloyd's Register Quality Assurance.

Mined Tonnes 2014 - 2019



Drummed Tons



## SU Milestones

12 March **2014**  
Mining first blast

08 May **2014**  
Mining operate commencement

04 June **2016**  
Hot commissioning

09 April **2016**  
100 million tonnes mined

26 June **2016**  
First ore from zone 2

31 December **2016**  
First product drummed

11 October **2019**  
Main area performance test passed

22 May **2020**  
Monthly tons milled reached 1 million



As a Namibian mining company, Swakop Uranium embraces cultural diversity, a unique strength brought about by our majority shareholder—CGN. CGN's well-established processes, systems and practices, together with cultural integration, will support SU to move forward into a bright long-term future.

## CORPORATE CULTURE

Swakop Uranium thrives under our trans-national partnership. The cross-cultural collaboration gives us a unique competitive edge. Our culture at Swakop Uranium is guided by our core value of "Doing things right in one go" and our basic principles of "Safety First, Quality Foremost, Pursuing Excellence". We regard these as an affirmation of our promise to our stakeholders to conduct business responsibly.

Our vision is to be a world-class Namibian uranium company and having successfully gone through the various phases of our operation, which includes construction and commissioning, we have now shifted our focus to ramping up to full production. We are confident that Swakop Uranium will be successful.

Our mission is to produce uranium efficiently and responsibly, we intend on achieving this by always prioritising safety, by applying cost-effectiveness and by being environmentally compliant. Our Team is essential to the successful delivery of the SU strategy and to sustaining business performance over the long term. Management is committed to accelerating the development of our people, to growing and strengthening our leadership capabilities and to enhancing employee performance.



As at 31 December 2019, Swakop Uranium is the biggest employer in the Mining sector in Namibia and more than 96% of the total workforce are Namibians. This figure is indicative of our commitment to empowering local talents.

To succeed, we understand that alignment at all levels in the company is pivotal to our plans. We embrace a culture that promotes "joint-effort and joint success" and for this, we have a clearly defined code of conduct for both management and staff. The code of conduct blueprints what an employee of the company should be—Disciplined, Diligent, Dedicated, Developed. These are the four characteristics of a model SU employee. For management the following traits are necessary to lead our elite workforce: Role Model, Accountability, Business Savvy, Integrity.

Much effort goes into ensuring that these qualities are representative of our human capital. We live by our code of conduct by placing none above the other, as all the elements are equally crucial to our success.

Ultimately, we aspire to be an organization of excellence and synonymous with world-class. We will continue to revisit our business systems by adopting and implementing best practices and following the example set by our parent company CGN. Swakop Uranium has passed the first hurdles to attain its vision. The future looks promising. Now more than ever we are dedicated to making valuable contributions to our society by engaging our stakeholders on matters relating to the prosperity of our society. This speaks to our brand slogan of more than mining.



# SUSTAINABLE DEVELOPMENT PRIORITIES

02

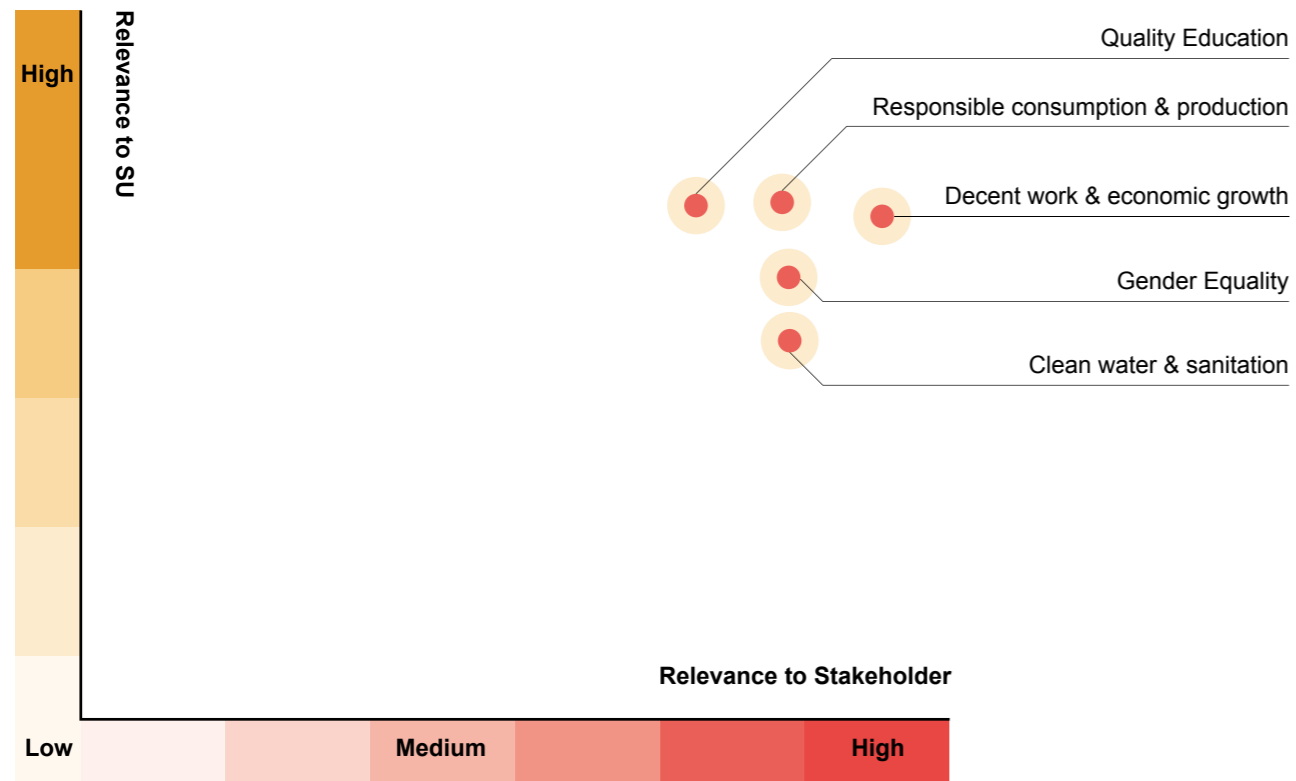
**Sustainable Development Priorities**

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# SUSTAINABLE DEVELOPMENT PRIORITIES

We have integrated sustainability into every aspect of our business activities, by strengthening the connection between our business activities and UN's Sustainability Development Goals as well as the Government of Namibia's NDP5 and Harambee Prosperity Plan.



“Swakop Uranium’s Husab Mine represents the single largest investment of a Chinese company on the African continent, and the operation is destined to become one of the largest uranium mines in the World. The development of this giant underpins the important role that Namibian uranium mining plays for the country’s economy and indeed the supply of uranium as a green energy mineral to the World. Already the largest employer in the Namibian mining sector, the Husab Mine will contribute to the socio-economic development of Namibia and her people for many years to come.”

— Dr Gabi Sneider, Executive Director  
Namibia Uranium Association

# STAKEHOLDER RELATIONS

03

## Stakeholder Relations

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Engagement Methods

# STAKEHOLDER RELATIONS

Our stakeholders are vital to our long-term success in sustainability. It has always been one of our priorities to develop strong and meaningful relations with our stakeholders. We continually engage our stakeholders to harvest suggestions on how we can make a difference in the sustainable development of our Company, our Community, our Region and Namibia at large. Our goal is to establish a sustainability footprint nationwide and make a meaningful contribution to Namibia.



Chinese Vice Premier Mr. Zhang Gaoli visits Husab Mine in 2017



H.E. President Hage Geingob and First-Lady Madam Monica Geingos visit Husab Mine.



H.E. Pirkko-Lisa Kyostila, Finland's Ambassador to Namibia visit Husab Mine in 2019



Honorable Saara-Kuugongelwa Amadhila, Prime Minister of the Republic of Namibia at the Husab Mine Training Section



French Ambassador



University of Namibia students at the Open Pit with Timo Ipangelwa, Mining Department Head of Department at Husab Mine.



University of Namibia students visits Husab Mine in 2019



# Engagement methods

Swakop Uranium's stakeholders include investors, employees, customers, governments, communities, and suppliers. We engage with our stakeholders on all aspects of our operations, as guided by the Company's Stakeholder Engagement Procedure, and strive to maintain mutually beneficial relations at all times.



## Partnerships

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This method mainly applies to our Internal Stakeholders and from time to time our External Stakeholders such as the GRN, Affiliates and Suppliers.

## Participation & Consultation

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These are typically two-way engagements aimed at reaching joint learning, decision and action.  
e.g. Workshops, Forums, visits, competitions, events, etc.

## Push and Pull Communication

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These are usually one-way engagements aimed at notifying our stakeholders on developments and activities happening or which are to happen in the future, e.g. SU Facebook page, DingTalk, SU homepage, etc.

## Mine visits

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Swakop Uranium have hosted various high-level delegations and take the highest honour of having hosted leaders of Namibia, China and other countries:

- Founding Father and First President of Namibia, H.E. President Sam Nujoma
- President of Namibia, H.E. President Hage Geingob and First Lady Madam Monica Geingos
- Former President of Namibia, H.E. President Hifikepunye Pohamba
- President of Mali, H.E. President Ibrahim Boubacar Keita
- President of Zambia, H.E. Edgar Lungu
- Vice Premier of China, Mr. Zhang Gaoli

**SAFETY  
FIRST**

**04**

**Safety First**

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Occupational Health & Safety

Radiation Control

# SAFETY FIRST



**“Nothing starts without Safety at SU, as an employee I feel proud to be part of a company that values my Safety”**  
— Lenon Shaava, Diesel Mechanic, Mining Maintenance Department

The promotion of a consistent safety and zero harm culture to our people was the focus since operations started. Our safety and occupational health policy and procedures applies to all employees and contractors on site. They are made in compliance with national health laws and regulations by the government of Namibia, as well as international best practices.

Inspired by the safety philosophy of our mother company CGN, the health and safety our employees are of paramount importance at SU. A significant amount of resources is allocated to ensure that our people go home safely at the end of each workday.

## Occupational Health & Safety

In 2019 our key occupational health and safety objectives were zero death or major injuries, zero major equipment damages, zero radiation protection failures, zero concealments of incidents and zero penalties from the government. These targets were communicated to all teams at the beginning of 2019 during the Annual Company Event and are contained in SU’s guiding documents of 2019.

All new employees are required to complete a mandatory safety induction; this also applies to all visitors to site. Safety meetings are held at regular intervals and employees attend annual medical check-ups to ensure that they are physically fit to work for Swakop Uranium.

We continually explore new methods and technologies and update our systems to ensure a safer working environment for all employees and visitors to the Husab mine.

Employees are actively engaged in matters of safety and occupational health, through mechanisms such as SHE Representatives, daily toolbox talks, safety newsflash, incident reports, frequent training, safety competitions, etc.

Given the nature of our operation, we are fully aware of the risk of radiation exposure. Informed by comprehensive data collecting and assessments, we have implemented controls measures geared to ensure that our employees’ radiation exposure are well below Namibian and international limits.

## Radiation Control

At Husab Mine radiation monitoring is conducted in five ways:

- Similar Exposure Group (SEG) Monitoring
- Personal gamma exposure monitoring
- Work Area Monitoring
- Uranium-in-Urine (U-in-U)

**Radiation control measures include the following:**

**Contamination Control:** This exercise scans for contamination on employees leaving the Final Product Recovery (FPR) which is deemed to be a high-risk area. Tools and equipment leaving site are also scanned for contamination. A limit of 0.4 Bq/cm<sup>2</sup> for non-fixed contamination is allowable and a limit of 4 Bq/cm<sup>2</sup> for fixed contamination.

**Source detection at exit points:** Security officials perform scans at exit points of the mine to ensure that no radioactive material leaves site without authorization.

# ENVIRONMENT

05

## Environment

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Preservation

Waste Management

Energy Use

# ENVIRONMENT

“Swakop Uranium is passionate about protecting our environment, especially since we operate in a National Park and need to conserve our Namibian heritage for generations to enjoy”

– Carlene Binneman, Superintendent: Environment



## Preservation

Swakop Uranium's Husab Mine operates in the north-eastern corner of the Namib Naukluft National Park, one of the oldest national parks in Namibia. The mine is located between two ephemeral rivers. There is a high level of biodiversity in the areas of SU's Mining and Exclusive Prospecting Licenses, including certain protected, endemic/near-endemic species and species of conservation significance. In line with Namibian legislative requirements, a biodiversity environmental baseline impact assessment/study was conducted during the feasibility stage of the mine.

This study highlighted the different soils, habitats, distribution of wildlife and vegetation and site sensitivities. Based on the findings and recommendations from this impact study, management measures were put in place to mitigate the impact of operational activities on the local and regional environment. These measures can be found on the Husab Mine and its associated linear infrastructure.

Swakop Uranium has made a comprehensive Environmental Management Plan (EMP) aimed at preventing adverse impact on the environment SU operates in. The EMP is further broken down into procedures and work instructions during implementation. These are updated regularly. Internal compliance monitoring is conducted with all departments through site inspections and audits. External audits are

conducted on a bi-annual basis. Bi-annual reports are compiled and submitted to the Namibian Government. Regular meetings and site visits are held with government stakeholders to ensure continual compliance.

Studies are ongoing to better understand our potential impact on certain species through a five-year scientific research programme with Gobabeb/NERMU. Swakop Uranium has applied for the development of an on-site nursery to commence with restoration and rehabilitation trials. The Company Biodiversity Action Plan has also been developed and is continually being reviewed as new information comes to light.

One of the species of conservation importance is the Welwitschia (*Welwitschia mirabilis*). During exploration activities, a survey was carried out to determine the exact number of individual Welwitschia plants found in the surrounding Welwitschia plains area. The result was well over 52 000. Permitted excavations were carried out to better understand the root structure and ecohydrology of this plant. Plants that would be damaged by construction activities were relocated. More studies are ongoing to better understand this living fossil plant.





## Energy Use

Swakop Uranium currently generates up to a maximum of 15MW of power from the steam turbine which utilizes heat discharged from the Acid Plant. Additionally, Swakop Uranium is also at an advanced stage of building a 12MW photovoltaic solar plant. These two sources will help reduce energy demand from the national grid and further reduces Swakop Uranium's carbon footprint.

## Waste Management

SU waste management approach complies with Namibian and international standards. All required effluent permits are acquired and up to date for the Husab Mine. Ongoing quality and quantity monitoring systems and programmes are in place. Only treated effluent is allowed to be released into the environment, in line with the legal parameters.

Radioactive waste is handled differently and is disposed of on-site either at the waste rock dump or in the tailings storage dam.

All waste going off-site is accompanied by a safe disposal certificate, which is requested from the end locations where the waste is either recycled, landfilled or incinerated.

Hazardous waste is transported in closed containers to the required end destination by a registered waste management contractor. Radioactive waste remains on site.



Groundwater boreholes are in place to locate potential pollution plumes. These boreholes are being monitored internally every month and quarterly by a specialist consultant, using external laboratories.



Husab Mine Acid Plant

# WORKFORCE



## **Workforce**

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Recruitment

Namibianisation

Employee Development

Industrial Relations

Employee Wellness

# WORKFORCE

I have truly learned a lot working for Swakop Uranium, I see things differently, my respect and interest for other cultures has also grown. This is truly a world-class company and the best in terms of diversity.”

—Fillipus Shityeni, Assistant Team Leader, Load & Haul, Mining

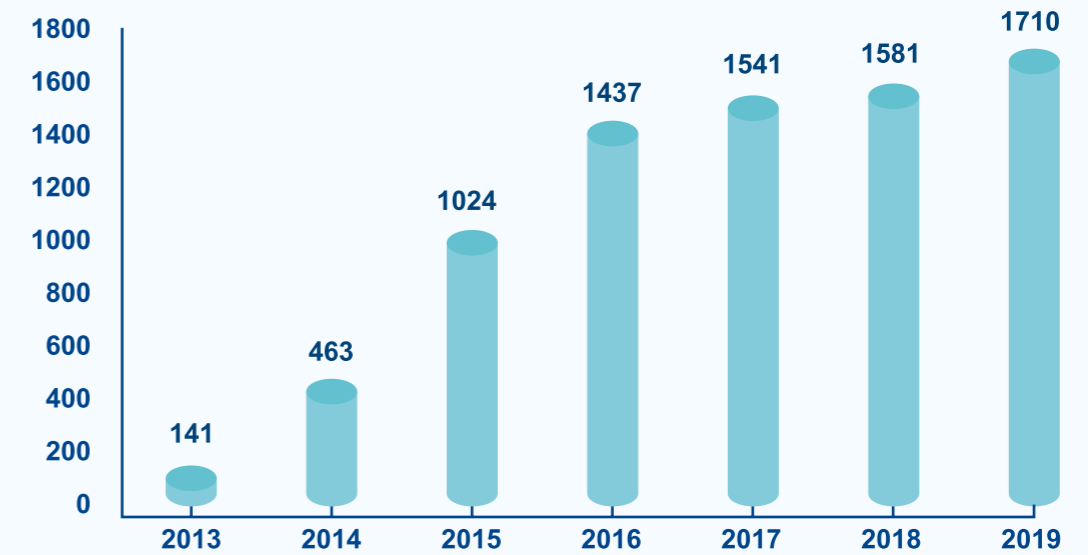
“Labour relations is very stable, all stakeholders are committed to have sound labour relations”

—Michael Undari, Senior Employee Relations Officer, Human Resources Department



During the construction period, Swakop Uranium created over 4,500 temporary jobs, contributing the economy by helping to reduce unemployment, alleviate poverty and empower contractor employees with skills development that can be used for other construction projects. Now Swakop Uranium is in its 3rd year of operation. It has approximately 600 contractors and 1,600 permanent employees, making it the biggest employer in Namibian mining sector.

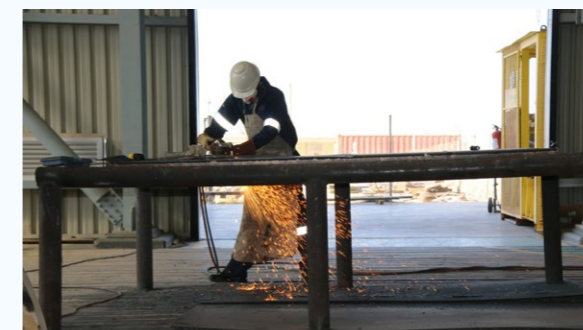
Employment Indicator 2013-2019



## Recruitment

Our goal is to be an ‘Employer of Choice’ through the application of world-class employment practices, by using our Human Resources Management Procedure as a base, the company strives

- 01 to appoint and retain the right person, in the right position at the right time
- 02 maintain a competitive edge through our remuneration and benefits strategies
- 03 achieve business excellence through our human resources development drivers



## Namibianisation

Swakop Uranium boasts a workforce of over 1700 employees and a Namibianisation ratio of 96%. Only 4% of the total employees are foreigners, of which 2.4% are Majority Shareholder secondees and 1.8% Expatriates. 92% of the workforce is from previously disadvantaged group. Women represent 11% of the total workforce. Swakop Uranium has further committed itself to employing more women at all levels, as well as persons with disabilities.

Swakop Uranium remains committed to the implementation of the Affirmative Action National Policy. The Company has an established Affirmative Action Consultative Committee and its activities are governed by the AA Charter. The committee meets quarterly to discuss matters about AA. The Company and its management team are in full support of the Affirmative Action Act. In 2019 the Company continued to drive its Affirmative Action policy in tandem with the Namibianisation Plan.



Training future artisans for Namibia



Tessa Tshiningayamwe, SU Bursar and currently on the Graduate Program

## Employee Development

Professional talents are absolutely vital for SU to realise its long-term business objectives. SU has invested greatly in identifying talents and developing our employees. Since 2014 more than N\$29 million has been spent on training related projects.

Our basic principle "Safety First, Quality Foremost, Pursuing Excellence" informs our attitude towards talent development. Since 2019, the company has focused on multi-skilling to further empower our people so that the employees can better adapt to an ever-changing labour market. SU also has skills transfer programmes where employees can learn from each other and improve themselves.

Swakop Uranium adopts an on-demand and planned learning approach. Professional development is available to employees at all levels in the company at all times.

## Employee Self-study Program

As part of our continued efforts to build an elite workforce the company had in 2019 implemented the Employee Self-study Program. Through this program the company assists employees to obtain formal tertiary qualifications by providing financial assistance to employees who are registered with reputable and accredited tertiary institutions. The scheme invites applicants through an internal advert annually in October after which the relevant HOD will review whether the qualification is in line with the employee's role and the company's general plan for the employee's career development and submit a recommendation.



Sebby Asino, SU Bursar and now a qualified Metallurgist

## SU Bursary Scheme

The SU Bursary Scheme is a full scholarship award granted to young Namibians. The scheme is designed to broaden access to tertiary education for young learners, especially those who were previously disadvantaged. The Bursary is open to all Namibians and is awarded on merit. The scheme aims to equip Namibians with the necessary qualifications and expose them to various practical aspects of their fields. After successful completion of these programmes, the bursars are then appointed into substantive roles and are further groomed for potential leadership positions within the Company.

Swakop Uranium has been awarding bursaries to Namibians in the fields of Extraction Metallurgy, Chemistry, Surveying, Electrical Engineering, Power Engineering and Mechanical Engineering since 2011. We are proud to say that most of these bursary recipients have become highly successful professionals who will further grow to be the backbones of the development of Namibia.



Silvanus Elias, SU Bursar and now a qualified Mechanical Engineer

## 2019 Training focus

01 Performance Analysis

02 Course Design

03 Facilitation

04 Evaluation of Learning

This approach to training has worked to our benefit and we have seen significant improvement in productivity. We believe this approach works best because it investigates the issue by analysing performance data and then prescribes the best method of training to improve performance. More than 1600 people received at least one training course in 2019.

### Some of the training offered internally are listed below

- First-Line Supervisory Training
- Ammonia Induction
- First Aid Training
- Light Delivery Vehicle Training
- High Performance Culture Training





Mr. Cai Yusheng (CEO, Swakop Uranium) and Mr. Timotheus Katjuande (Chairperson, Mine Workers Union of Namibia)

## Industrial Relations

As at 31 December 2019, Swakop Uranium is the biggest employer in the mining industry in Namibia, with a total workforce of 1710 employees. Since the commencement of the Husab project, Swakop Uranium had been committed to maintaining harmonious labour relations at all times by identifying and addressing risks that may potentially influence work climate negatively.

During the construction of the Husab mine employees were covered by a substantive agreement between Metal and Allied Workers Union and SU which was in effect, until 31 December 2015. After the completion of construction and commencement of operation, the company started to work with the Mineworkers Union of Namibia (MUN). The Company actively engages the Union regularly on any matter that may have an impact on the employees.

Swakop Uranium has two categorized groups of employees, namely the Bargaining Unit (BU) and Non-Bargaining Unit. BU employees are represented by MUN who are the voice of the employees and negotiate on behalf of all employees who fall under the Bargaining Unit. In 2019, SU and MUN signed a three-year substantive wage agreement. The negotiation concluded in a record time of just three days. The agreement was welcomed by employees and other stakeholders, who applauded both parties for demonstrating maturity at the negotiation table and putting the people first at all times.

In 2019, the Company contracted an independent external service provider to carry out a work-climate engagement survey. Over 1000 employees participated in the survey. The results were communicated to all employees. Improvements informed by this survey are ongoing.

## Employee Wellness

Swakop Uranium values the importance of work-life balance and promotes healthy life-styles in our employees. The Company holds regular team-building excursions, wellness day activities, as well as sports events such as Annual Sports Day. Health Tips are also frequently shared among employees to create awareness.

2019 SU Sports Day



# EMPOWERING HOST COUNTRY AND PARTNERS

07

## Empowering Host Country and Partners

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Tax Contributions

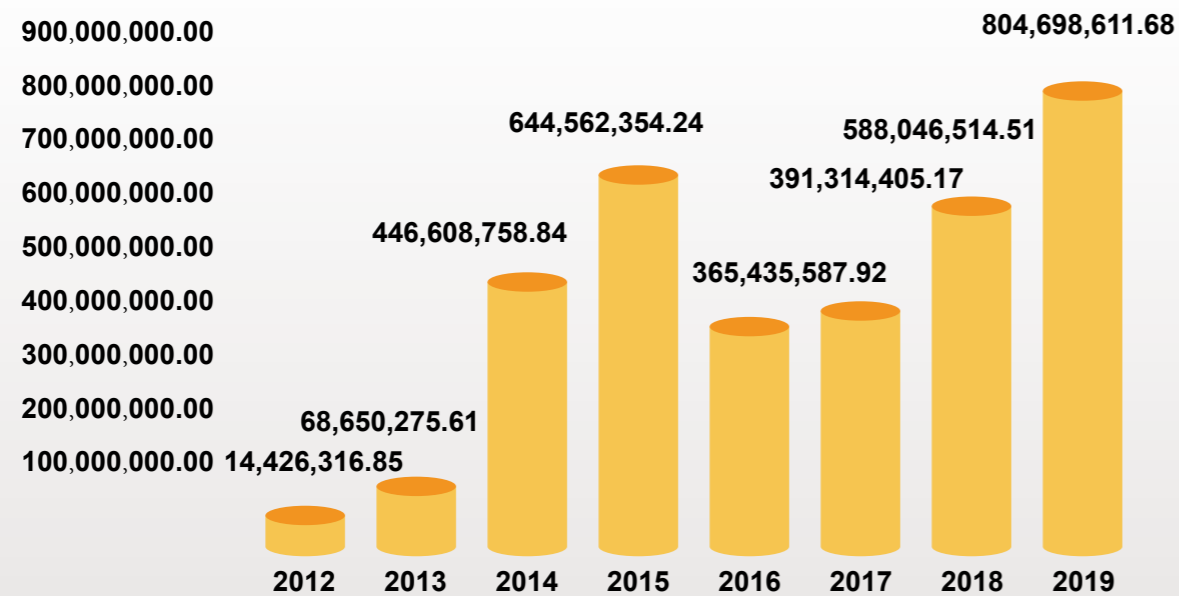
Procurement Policy

Spending on Local Procurement

# EMPOWERING HOST COUNTRY AND PARTNER

## Tax Contribution

**Tax Contribution in NAD**



## Financial Information

<b>Financial Year 1 January – 31 December</b>	<b>Exploration Expenditure in 2019</b>	<b>EXPORT LEVY PAID IN 2019</b>	<b>LOCAL PROCUREMENT SPEND IN 2019</b>
	N\$1.5 million	N\$17 million	N\$3.837 billion
<b>Turnover in 2019</b>	<b>Profit in 2019</b>	<b>DIVIDENDS PAID IN 2019</b>	<b>EXPENDITURE ON CSR IN 2019</b>
N\$6.328 billion	N\$337 million	Nil	N\$ 3 million
<b>WAGES &amp; SALARIES PAID IN 2019</b>	<b>CORPORATE TAX PAID IN 2019</b>	<b>TOTAL PROCUREMENT SPEND IN 2019</b>	<b>EXPENDITURE ON TRAINING AND SKILLS DEVELOPMENT IN 2019</b>
N\$889 million	Nil	N\$4,669 billion	N\$9.5 million
<b>FIXED INVESTMENT IN 2019</b>	<b>ROYALTIES PAID IN 2019</b>		
N\$150 million	N\$225 million		





SU and NAMCOR signing 5-year bulk fuel supply and maintenance contract, worth 3 billion dollars

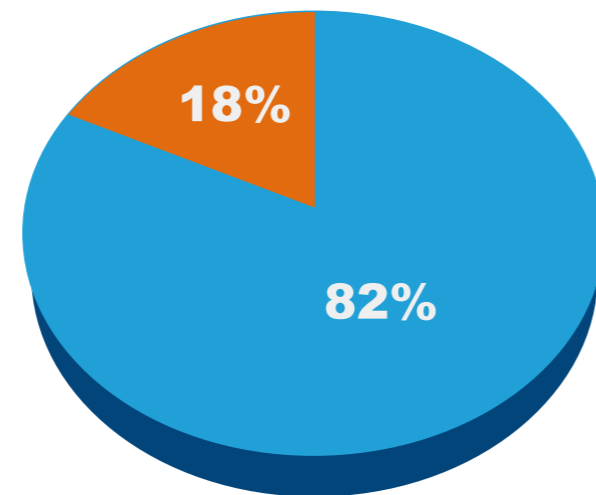
## Local Empowerment

Swakop Uranium procurement requirements are designed so that Namibians can enjoy maximum benefits through a prospering economy by only awarding tenders to Namibian registered businesses. In 2019, the company continued to embrace the exercise and re-affirmed our commitment to supporting the local business community by awarding a Diesel and Lubricants supply contract to state-owned NAMCOR.

Swakop Uranium's procurement as at 31 December 2019 totalled N\$4,669 billion, of which N\$3,837 billion accounted for local procurement. These figures are an indication of the company's commitment to empower our country through our procurement practices. Local suppliers remain our procurement partners of choice.

## SU Procurement

Swakop Uranium's procurement runs into billions of dollars per annum. The company follows a course of optimum value and efficiency by applying the best professional purchasing practices in the Supply Chain Management. The Company strives to ensure that the process is transparent, and fair competition prevails.

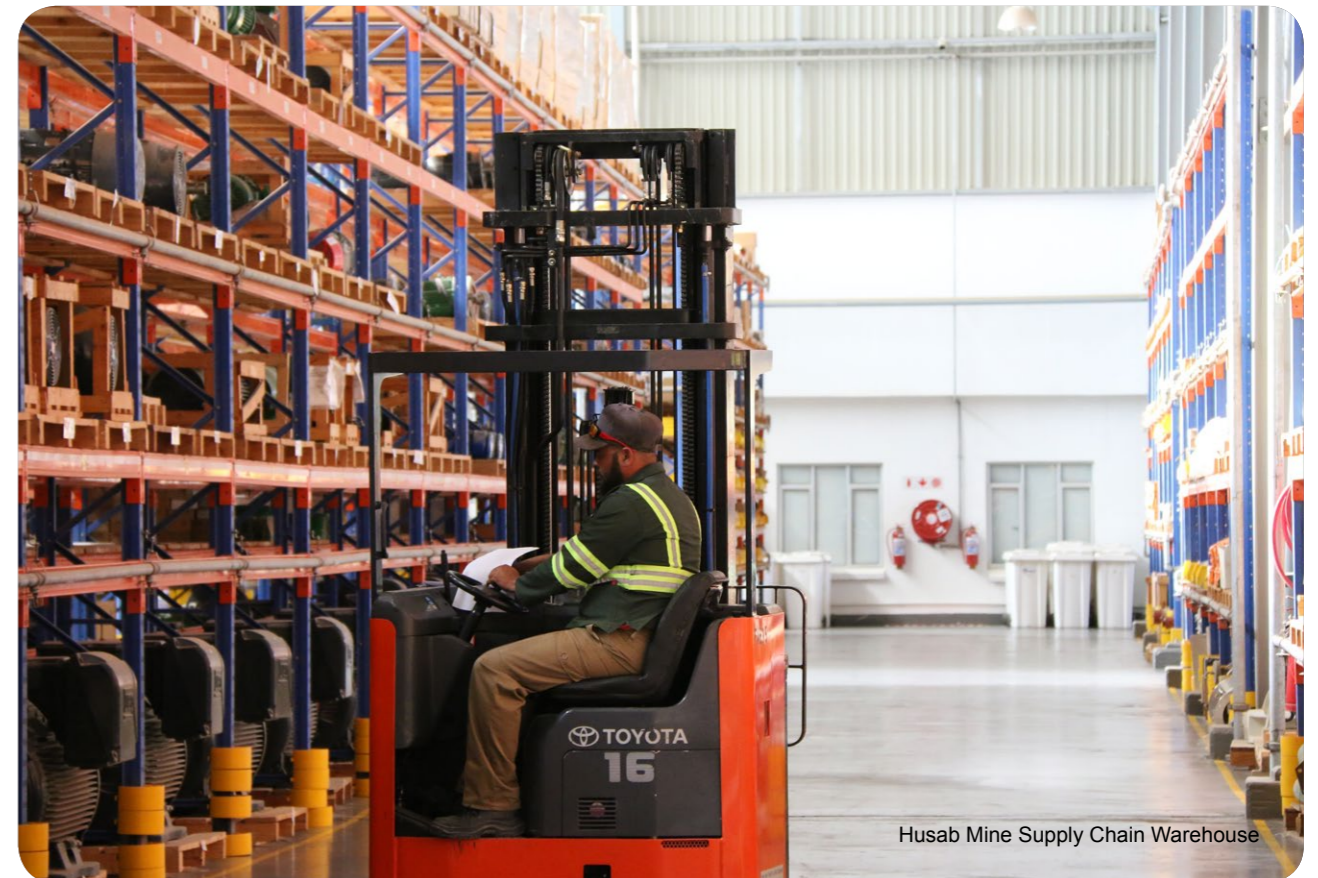


### 2019 Procurement Performance

- Local Procurement
- Non-Namibian Procurement

"Swakop Uranium is empowering local companies by providing opportunities to benchmark their capabilities, product and service offerings to the mining sector. It is investing into the growth of Namibian companies and the creation of job opportunities for Namibians"

– Reynier Du Preez, Executive: Supply & Logistics, NAMCOR



# CONTRIBUTION TO COMMUNITY

08

## Contribution to Community

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CSR Approach

2019 CSR Activities

# CONTRIBUTION TO COMMUNITY

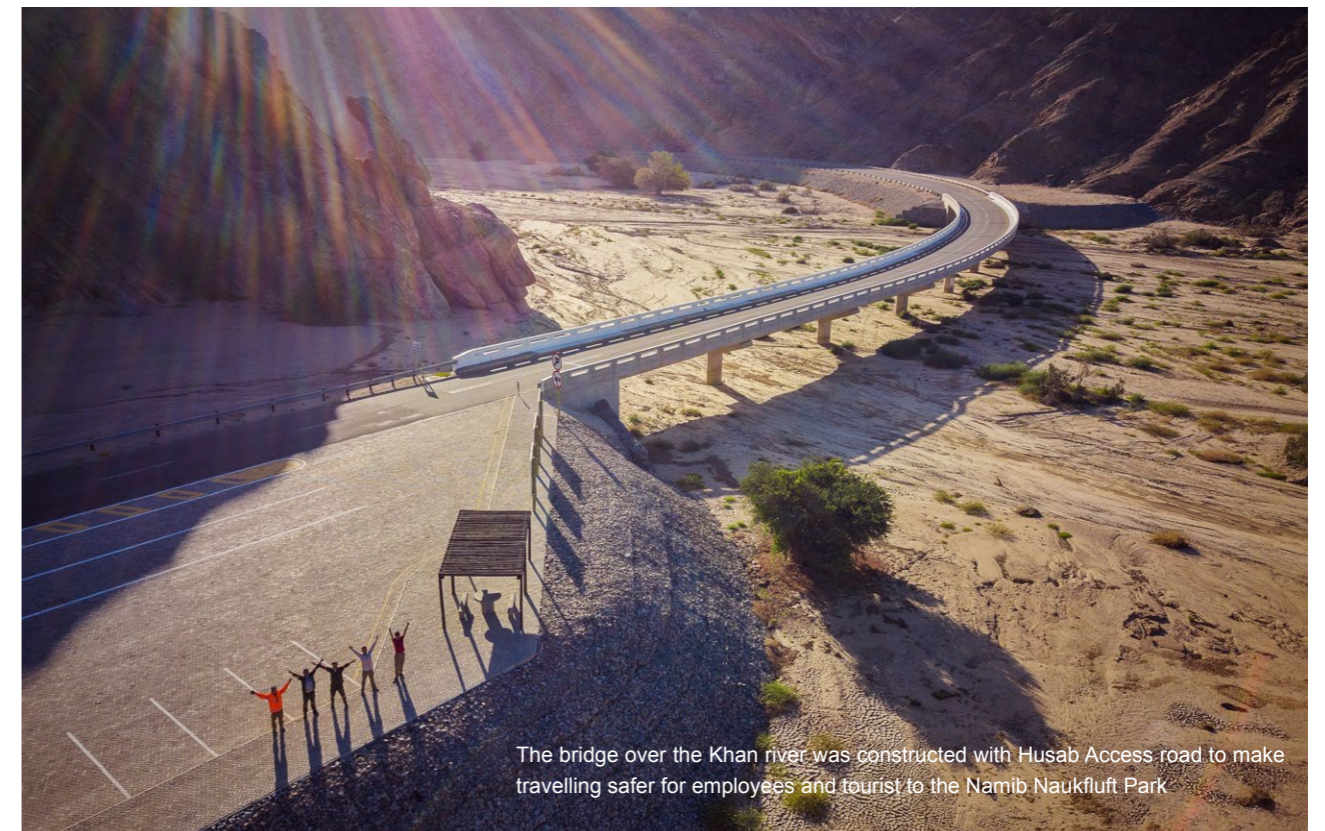
Given our diverse environment which spans a variety of cultural, economic and social landscapes, establishing good relationships built on trust with our host community is fundamental to acquiring and maintaining our social license to operate.

We understand the influential role that Swakop Uranium can play in the development of the Erongo region and Namibia at large. We strive as far as possible to nurture harmonious relationships with our host community. For many years, mineral wealth contributed to Namibia's development. This recognition has led to heightened expectations from our stakeholders concerning the role Swakop Uranium can play in contributing to development.

The socio-economic issues most prevalent in our host community include unemployment, low economic growth, and lack of access to services including healthcare, sanitation, education etc. while concerns regarding food security remains a daily reality.



Swakopmund Mayor, Paulina Nashilundo inspecting the SME Vendor units constructed with wood donated by Swakop Uranium



The bridge over the Khan river was constructed with Husab Access road to make travelling safer for employees and tourists to the Namib Naukluft Park

## CSR Approach

In setting our CSR approach, we are guided by a set of global and National development standards framing our approach to social contribution. Focus areas include:

- Community Support
- Education and Childhood Development
- Health & Well-being
- SME Development & Poverty Alleviation
- Sound Environmental Management

The Company established the Swakop Uranium Foundation (SUF) in 2009. Our sustainability initiatives are partially managed through SUF. Since its inception, SUF has made over NAD 10 million in donations.



Swakop Uranium organizes Mid-Autumn Treasure Hunt at Private School Swakopmund

## 2019 CSR Activities



SU donates to National Disaster Emergency Fund

### Drought Relief

Historically, Namibia has always been affected by severe droughts. Over the years since the commencement of the Husab project, the company has demonstrated true patriotism by making considerable donations to the National Disaster Emergency Fund, more recently, in 2019 the company made a donation of N\$250,000.00 in aid of the measures to cushion the effects of drought in Namibia.

### Husab Marathon

The first Husab Marathon was held in 2015, with just over 200 participants. In 2019, the Swakop Uranium Foundation held its 5th Annual Husab Marathon with the theme "Fit for Life" with a whopping 1400 participants coming from across the country. The Husab Marathon was initiated to integrate the employees of Husab into the various communities of Namibia but more so to promote health and wellness. The annual event also serves as a platform for athletes to prepare for international competitions. The marathon is the only event on the Namibian sporting calendar in this category which charges no participation fees. The event continues to grow in numbers and popularity on an annual basis.



Chinese Ambassador to Namibia Zhang Yiming participates in Husab Marathon

• Through its strategic focus of Education & Childhood Development, SU Foundation has over the years endeavored to support programs aimed at bringing proper education to Namibian children, by channeling funds to building and maintaining school infrastructure, supply of books and computers, school feeding programs, etc. SU Foundation has a Memorandum of Understanding with the Regional Directorate of Education and has over the years donated more than N\$500,000 to ensure learners successfully complete formal education.



• SU supports talented employees to represent Namibia in international competitions

• Ellie Nowases, an Arandis agricultural entrepreneur, receives training on integrated hydroponic technology sponsored by SU Foundation.

• SU helps disabled runners to achieve beyond their physical limitation (below picture of a frequent Husab Marathon athlete, Tate Israel)



• SU Foundation donates beds, mattresses and blankets countrywide to help uplift the living conditions of the needy.



• SU cares dearly about the environment. More than 250 people participated in the SU cleanup efforts under the flag of National clean-up campaign. Employees joined by their families, together with Swakopmund residents in the Erongo region, participated in the activities to clean along the beaches in and around Swakopmund.



• Swakop Uranium upgrades the street vendors of the Single Quarters Food Market by donating wood pellets to the Swakopmund Municipality, contributing to the prevention of diseases such as Hepatitis E which is commonly spread in unhygienic environment and has affected many Namibians this year even killing some.



• Swakop Uranium donated exam support equipment worth N\$50, 364 to learners at the Swakopmund Secondary School. The support from SU, especially the scientific calculators, will give the learners a strong kick-off that they otherwise would not have in their final grade 12 examinations.



# CORPORATE GOVERNANCE

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## Corporate Governance

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Company Policy

Board of Directors

Executive Committee

Internal Control System

Risk Management

# CORPORATE GOVERNANCE

Corporate Governance is the vehicle which drives our business operations and we are committed to promoting good governance and ethics within all areas of our business. To achieve this, the company continues to enhance and align its governance structures, policies and procedures to support its operations. The Company governance guards the relationship between the Shareholders, Board of Directors and Top Management.

## Company Policy

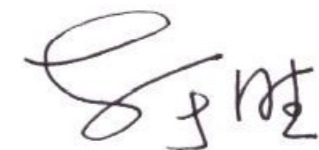
Swakop Uranium owns and operates the Husab mine, located near Swakopmund on the west coast of Namibia. Husab is one of the largest uranium mines and processing plants in the world. The Company's mission is to produce uranium efficiently and responsibly. With our vision to be a world-class Namibian uranium producer, we strive towards a culture which is based on a core value of "Doing Things Right in One Go" and the basic values of Transparency, Respect, Inclusiveness and Value-Oriented. The attitude of all employees is guided by a Code of Conduct represented by the 4Ds (Diligent, Disciplined, Dedicated and Developed). In addition to the 4Ds, management is further expected to be Role Models, Accountable, Business Savvy and have Integrity. We believe in "Safety First, Quality Foremost, Pursuing Excellence". This forms the foundation of the Company's brand slogan of "More than mining".

Swakop Uranium management's commitment towards Safety, Health, Environment & Quality (SHEQ) is to establish and maintain a suitable, adequate and effective management system based on the requirements of ISO 9001, ISO 14001 and ISO 45001 (OHSAS 18001), in order to achieve its strategic business objectives. The management system covers all activities having a direct impact on the quality of product, performance, health and safety of personnel, environment and/or stakeholders. Management further commits to assure that:

- All employees and persons working for or on behalf of Swakop Uranium, its stakeholders and other interested parties are made aware of this statement.
- Adequate information, instruction, resources and training is provided to enable employees and contractors to understand business requirements to perform their work safely and efficiently through consultation and participation with employees and their respective stakeholders for the continual improvement of the management system and business requirements.

- All activities comply with applicable legislation, regulations, permit requirements, Namib-Naukluft National Park rules and/or other requirements.
- Company objectives and targets are efficiently planned. The Company's performance is measured and monitored. Performance improvement is continually implemented and monitored through corrective action, improvement and preventive action, benchmarking, management reviews and audits. Internal and external issues that can affect the Company's strategic objectives and plans are also considered.
- SHEQ objectives are established in a way where programs and responsibilities are communicated, understood, assigned, monitored and reviewed to prevent injury, ill health, environmental impact and quality non-conformances for the improvement of the management system and achievement of continual improvement.
- Risks, opportunities and control measures are continuously and appropriately identified by assessing hazards/aspects, risks/impacts and quality non-conformances and are reported, documented, prioritized, implemented, communicated, monitored, effectiveness evaluated, reviewed and managed/eliminated for health, safety, environment and quality to ensure achieving set objectives.
- Resource use is optimized, and air, water and soil pollution is prevented, reduced and controlled through monitoring, reporting and continually reviewing activities; and that activities are carried out with responsible rehabilitation and mine closure in mind.
- Adequate, sustainable, reliable and value driven relationships are established by satisfying customer requirements, through regular reviews of requirements and careful quality control to ensure that product realisation and service delivery meet or exceed customer expectations.

Together with the Executives of the Company, I am committed to provide the resources necessary to all employees to meet our objectives and to realise a sustainable operation in accordance with the applicable requirements, and to encourage all initiatives towards performance and management improvement.

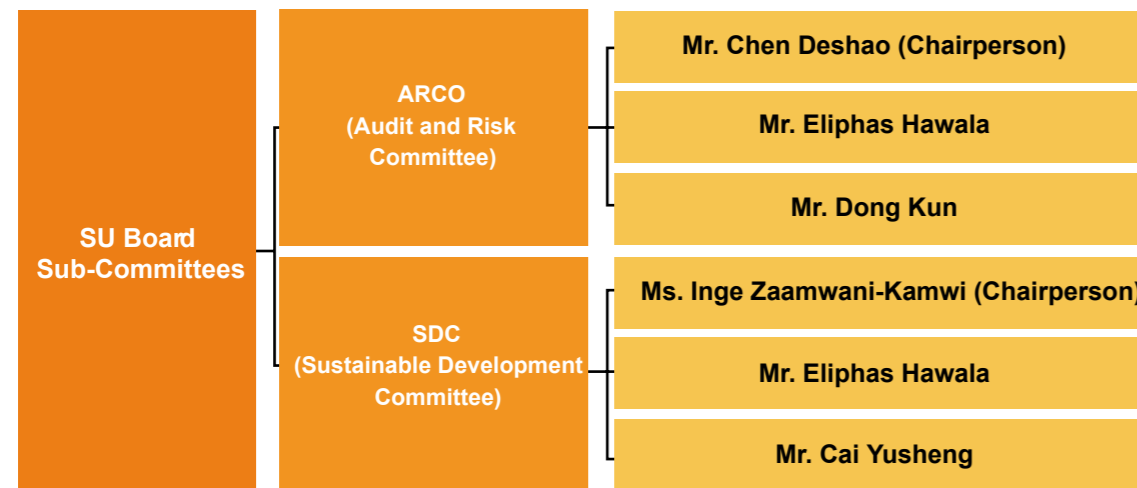


Cai Yusheng  
Chief Executive Officer, Swakop Uranium

## Board of Directors

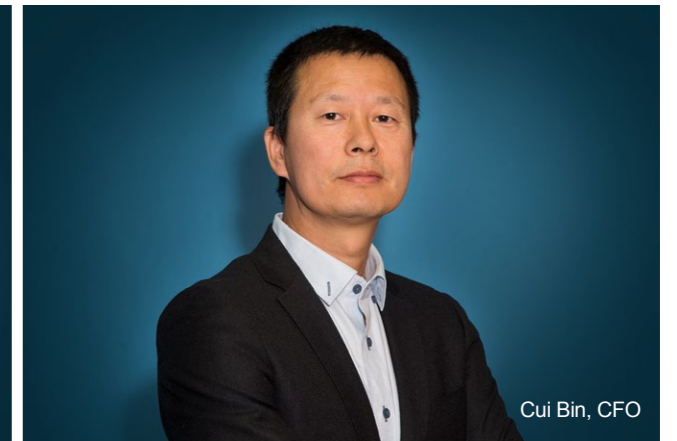
The Board is appointed by the Shareholders to manage its interest in the Company and are responsible for determining the Company's strategic direction.

The Board has two sub-committees, namely Audit and Risk Committee (ARCO) and Sustainable Development Committee (SDC). ARCO's primary responsibility is to oversee the Company's financial reporting and risk management processes and activities on behalf of the Board. SDC ensures that the Company operates with a view to being sustainable in the long-term, and that due consideration is given to all stakeholders as part of its decision-making process.



## Executive Committee

The CEO has the overall authority and responsibility for creating, planning, leading, managing, implementing and integrating the strategic direction of the Company with assistance from the Executive Committee (EXCO).





# COMPLIANCE

The compliance of applicable laws, rules, codes and standards applicable to the Company should be proactively and systematically managed by the company and compliance should be regularly monitored and reported to the Board of Directors.

## Internal Control System

Swakop Uranium's ethics and anti-corruption procedures outline the governing principles and ethical values at the company. We strongly believe that the success of our business is dependent on the total confidence we earn from our employees and stakeholders by strictly enforcing company regulations.

Our procedures promote the avoidance of relationships or activities that might impair, or appear to impair, the ability to make objective and fair decisions when executing tasks. Staff members therefore have to disclose any relationship or activity which may give rise to a conflict of interest. The procedures regulate gifts, gratuities and business courtesies, as well as meals, refreshments and entertainment offered by those we do business with.

We regularly provide training on company regulations. All recruits of Swakop Uranium have to undergo such training before their appointments are confirmed. This is further complemented by awareness campaigns.

SU's Ethics Committee is tasked to investigate breaches to regulations. The company has a dedicated email address where breaches can be reported and which protects the identity of whistle-blowers. The company has established a dedicated whistle-blower hotline to encourage employees to make good faith reports of suspected fraud, corruption or other improper activity.

## Risk Management

The purpose of SU risk management is to ensure that all identified risks (internal and external) remain within the risk appetite for the achievement of the Company's strategic and operational objectives. During the development of risk management model, special emphasis is placed on key operational, strategic, financial and safety risks which, if negatively impacted, could halt the normal operations of the organization.

Compliance and Risk Management (CRM) conducts risk assessments and the continuous monitoring, overseeing, evaluating and improving of SU's risk management processes. Risks, including emerging and existing ones, are identified and assessed annually. Control strategies are implemented and their effectiveness monitored throughout the year. Risk Management Report is compiled annually and submitted to ARCO for review and the Board for approval.



Risk management strategy workshop

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