



IMPLATS  
Distinctly Platinum



SUSTAINABLE DEVELOPMENT REPORT 2019

Supplement to the annual integrated report 30 June 2019

VALUE  
OVER VOLUME

# 2019 SUSTAINABILITY PERFORMANCE SUMMARY



## NAVIGATION

For easy navigation and cross referencing, we have included the following icons within this report: Our strategies and strategic objectives to make referencing between our report suite easier. With this report we also include additional information relating to online topics.

### Strategic objectives and strategies

Our strategic objectives are defined as the deliberate goals established to achieve our vision and mission, underpinned by our values, while our strategies define how the Company will achieve these strategic objectives.



Information available elsewhere in this report



Information available on our website

## STRATEGIC OBJECTIVES

REPOSITION IMPALA TO THE LOWER HALF OF THE COST CURVE



ENHANCE THE COMPETITIVENESS OF OUR PORTFOLIO



OPTIMISE THE VALUE CHAIN



OPTIMISE BALANCE SHEET AND CAPITAL ALLOCATION



IMPROVE ORGANISATIONAL EFFECTIVENESS



PROTECT AND STRENGTHEN OUR LICENCE TO OPERATE



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IMPALA PLATINUM HOLDINGS (IMPLATS) IS ONE OF THE WORLD'S FOREMOST PRODUCERS OF PLATINUM AND ASSOCIATED PLATINUM GROUP METALS (PGMS). WE ARE LISTED ON THE JSE LIMITED (JSE) AND WE ARE A CONSTITUENT OF THE FTSE 4 GOOD EMERGING INDEX.



FTSE4Good

IMPLATS IS INCLUDED AMONG THE TOP 100 COMPANIES IN THE VIGEO EIRIS BEST EMERGING MARKETS PERFORMERS RANKING FOR CORPORATE ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY.



The purpose of this report is to provide our stakeholders – including those who work for us, local communities, non-governmental organisations, investors, customers, businesses and governments – with a transparent account of how we addressed the most material sustainability issues our Company faced during 2019. The report forms an important part of our annual integrated reporting process, and ideally should be read in conjunction with our Integrated Report 2019.



**OUR REPORTING SUITE**  
Additional information available online at [www.implats.co.za](http://www.implats.co.za)



**INTEGRATED REPORT**



**ANNUAL FINANCIAL STATEMENTS**



**MINERAL RESOURCE AND MINERAL RESERVE STATEMENT**

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## OUR APPROACH TO REPORTING

### BOUNDARY AND SCOPE

The information in this report relates to the financial year 1 July 2018 to 30 June 2019. The report covers the following operations over which we have direct management control and for which we set and implement policies and standards: Impala, Marula and Zimplats. Our previous sustainability reports covered our non-managed associate operation Mimosa (Midlands Province, Zimbabwe) in which we have significant investment. The operational performance of this and other non-managed entities is reviewed in our integrated report. As far as possible, performance data is reported to facilitate comparability with our previous performance and that of our peers. Data reported for previous years has been restated to exclude non-managed operations where applicable. Our last Sustainable Development Report was published in September 2018, covering the 2018 financial year.

### MATERIALITY

The content of the report is informed by Implats' strategy and focuses on our performance relating to those social, economic and environmental issues that have been identified as having a material impact on the long-term success of the business. While the report is of interest to all our existing and prospective stakeholders, it is focused primarily on addressing the interests and feedback of socially responsible investment (SRI) analysts and investors, as well as sustainability professionals. Our approach to identifying our material issues is described on page 29.

### REPORTING STANDARDS

This report has been compiled in accordance with the GRI Sustainability Reporting Standards, the FTSE/JSE SRI requirements, and internally developed guidelines on reporting guidelines, which are available on request. We have provided a separate more detailed response to the GRI Standards in a comprehensive GRI response table, available at [www.implats.co.za/implats-annual-reports.asp](http://www.implats.co.za/implats-annual-reports.asp). Implats is a signatory to the principles of the United Nations Global Compact (UNGC) and this report serves as

our advanced level UNGC Communication on Progress (CoP), outlining our support for its broader development objectives and our work on implementing the principles. Our integrated reporting process has also been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the IIRC's International <IR> Framework, the King Code on Corporate Governance 2016 (King IV), the JSE Listings Requirements and the Companies Act, 71 of 2008.

### MEASUREMENT UNITS

Monetary amounts referred to in this report have been expressed in South African rand (R) and US dollars (US\$). Where appropriate, and to facilitate comparability, we have presented the amount in South African rand (R). During the reporting period, the average cost of US\$1 was R14.20. We have used a total production of 19 469 kilotonnes milled (this accounts for tonnes of ore milled at our managed operations – Impala, Marula and Zimplats) (2018: 19 355 kilotonnes milled) to calculate intensity or efficiency ratios for water, carbon dioxide and energy consumed. Performance data is for the respective financial year period unless calendar year data is specified.

### INDEPENDENT ASSURANCE

Independent assurance over selected sustainability key performance indicators has been provided through a partnership between PricewaterhouseCoopers (PwC) and Nexia SAB&T (which is a 90% black-owned and 48% black women-owned assurance firm). The scope of the assurance, the selected performance information and the independent statement of assurance are provided on page 117.

### BOARD APPROVAL

Following approval of this report by the STRC, the board collectively reviewed the content of this report and confirms that it believes this Sustainable Development Report 2019 addresses our material issues and is a balanced and appropriate presentation of the sustainable performance of the Group.

# OUR VISION, MISSION AND VALUES

## OUR VISION

TO BE THE WORLD'S BEST PGM PRODUCER, SUSTAINABLY DELIVERING SUPERIOR VALUE TO ALL OUR STAKEHOLDERS

## OUR MISSION

TO MINE, PROCESS, REFINE AND MARKET HIGH-QUALITY PGM PRODUCTS SAFELY, EFFICIENTLY AND AT THE BEST POSSIBLE COST FROM A COMPETITIVE ASSET PORTFOLIO THROUGH TEAM WORK AND INNOVATION

## OUR VALUES

WE RESPECT, CARE AND DELIVER



### OPERATIONAL EXCELLENCE

- Eliminate fatal injuries
- Improve LTIFR by 20%
- Improve efficiency and productivity – >410t/employee costed
- Achieve operating cost of R25 500 – R26 500/Pt oz refined

### CAPITAL MANAGEMENT

- Effective capital structure
  - Target net debt to EBITDA of <1
  - Appropriate liquidity to fund Group strategy
  - Operate well within debt covenants
- Effective capital allocation strategy

### BUSINESS DEVELOPMENT

- Deliver Impala Rustenburg restructuring
- Implement decision on Waterberg
- Ongoing optimisation of portfolio prioritising low cost, mechanised, Pd/Rh rich, cash generative assets
- Maximise market development and industry participation to increase demand

### ORGANISATIONAL DEVELOPMENT

- Increase leadership capacity and capability
- Strengthen management reporting systems
- Implement culture transformation

### ESG EXCELLENCE

- Compliance with statutory requirements including Mining Charter and SLPs
- Strengthen stakeholder engagement
- Promote host community employment and procurement
- Manage environmental impacts
- Zero level 4 and 5 incidents
- Effective waste, water and energy management strategies
- Implement occupational health and safety initiatives

OUR BUSINESS AT A GLANCE

SOUTH AFRICA

IMPALA

**Ownership:** 96%-owned / 4% employee share ownership trust

Impala has operations on the western limb of the world-renowned Bushveld Complex near Rustenburg in South Africa. This operation comprises a 10-shaft mining complex and concentrating and smelting plants. The base and precious metal refineries are situated in Springs, east of Johannesburg.



**753 800oz**  
Refined Pt production

**0.049**  
FIFR

**5.42**  
LTIFR

**49.4%**  
Contribution to Group platinum production

**870m**  
Average current depth

**14.04**  
TIFR

**4**  
Fatalities

**>15 years**  
Life of mine (LoM1)

**39 523**  
Number of own employees and contractors

IRS

**Ownership:** A division of Impala

Impala Refining Services is a dedicated vehicle to house the toll refining, metal concentrate and matte purchases built up by Implats. IRS provides smelting and refining services through offtake agreements with Group companies (except Impala) and third parties. IRS is situated in Springs, east of Johannesburg.

IMPLATS IS STRUCTURED AROUND SIX MINING OPERATIONS AND IMPALA REFINING SERVICES (IRS), A TOLL REFINING BUSINESS. OUR OPERATIONS ARE LOCATED ON THE BUSHVELD COMPLEX IN SOUTH AFRICA AND THE GREAT DYKE IN ZIMBABWE, THE TWO MOST SIGNIFICANT PGM-BEARING ORE BODIES IN THE WORLD.

Implats is structured around six main operations: Impala Rustenburg, Zimplats, Marula, Mimosa, Two Rivers and Impala Springs – with a total of 24 underground shafts. Our operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, two of the most significant PGM bearing ore bodies in the world. The structure of our operating framework allows for each of our operations to establish and maintain close relationships with their stakeholders, while operating within a Group-wide approach to managing the economic, social and environmental aspects of sustainability.

As at 30 June 2019 our major shareholders were Investec Asset Management (14.9%), Public Investment Corporation (PIC) (10.4%), Coronation Fund Managers (7.43%) and Allan Gray (6.1%), with the balance of the shares held by various public and non-public shareholders. (Refer to the annual financial statements.) PGMs are primarily platinum and its associated by-products: palladium, rhodium, ruthenium and iridium, which usually occur in association with nickel and copper. PGMs are a relatively rare commodity – only around 500 tonnes (excluding recycling) are produced annually, of which less than 230 tonnes are platinum – yet they play a progressively more important role in everyday life, such as autocatalysts to control vehicle emissions, in the production of LCD glass and as hardeners in dental alloy.

This year, the Group produced 3.07 million ounces of PGMs (2018: 2.90 million ounces), which included 1.526 million ounces of platinum (2018: 1.468 million ounces). Our markets are in South Africa, Japan, China, the US and Europe. We have a workforce of approximately 50 712 employees and contractors. We have no seasonal employees.

ZIMBABWE

ZIMPLATS

**Ownership:** 87%-owned / 13% minorities

Zimplats' operations are situated on the Zimbabwean Great Dyke south-west of Harare. Zimplats operates four underground mines and a concentrator at Ngezi. The Selous Metallurgical Complex (SMC), located some 77 kilometres north of the underground operations, comprises a concentrator and a smelter.



**269 900oz**  
Pt in matte (including concentrate sold)

**0.064**  
FIFR

**0.45**  
LTIFR

**16.8%**  
Contribution to Group platinum production

**240m**  
Average current depth

**0.90**  
TIFR

**1**  
Fatalities

**>20 years**  
Life of mine (LoM1)

**7 117**  
Number of own employees and contractors

MIMOSA\*

**Ownership:** Implats (50%) / Sibanye-Stillwater (50%)

Mimosa is jointly held by Implats and Sibanye-Stillwater. Its operations are located on the Wedza Geological Complex on the Zimbabwean Great Dyke, 150 kilometres east of Bulawayo. The operation comprises a shallow underground mine, accessed by a decline shaft, and a concentrator.



**122 100oz Pt**  
Pt in concentrate

**0.110**  
FIFR

**0.53**  
LTIFR

**7.7%**  
Contribution to Group platinum production

**180m**  
Average current depth

**1.69**  
TIFR

**1**  
Fatalities

**>11 years**  
Life of mine (LoM1)

MARULA

**Ownership:** 73%-owned / 27% Tubatse Platinum (Pty) Ltd, Mmakau Mining (Pty) Ltd, Marula Community Trust

Marula is one of the first operations developed on the relatively under-exploited eastern limb of the Bushveld Complex in South Africa. Marula is located in the Limpopo province, some 50 kilometres north-west of Burgersfort.



**83 000oz**  
Pt in concentrate

**nil**  
FIFR

**13.4**  
LTIFR

**5.3%**  
Contribution to Group platinum production

**300m**  
Average current depth

**21.67**  
TIFR

**0**  
Fatalities

**>15 years**  
Life of mine (LoM1)

**4 072**  
Number of own employees and contractors

TWO RIVERS\*

**Ownership:** Implats (46%) / African Rainbow Minerals (54%)

Two Rivers is a joint venture and is situated on the southern part of the eastern limb of the Bushveld Igneous Complex some 35 kilometres south-east of Burgersfort in Mpumalanga, South Africa.



**147 200oz**  
Pt in concentrate

**nil**  
FIFR

**2.35**  
LTIFR

**9.5%**  
Contribution to Group platinum production

**400m**  
Average current depth

**6.95**  
TIFR

**0**  
Fatalities

**>20 years**  
Life of mine (LoM1)

\* Non-managed



TOTAL IMPLATS (MANAGED OPERATIONS)

IMPLATS IS A LEADING PRODUCER OF PLATINUM AND ASSOCIATED PLATINUM GROUP METALS (PGMs)



**1 526 200oz**  
Refined Pt production

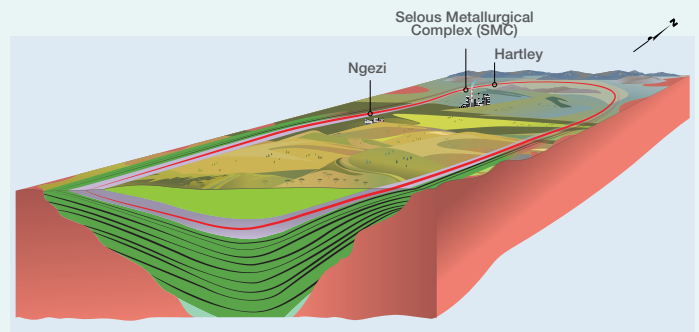
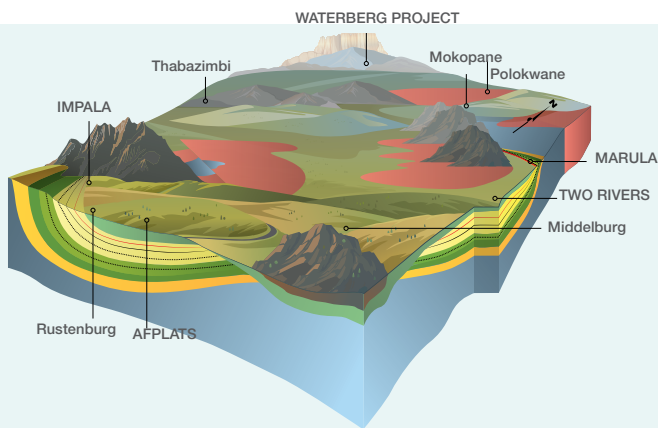
**0.047**  
FIFR

**5.30**  
LTIFR

**50 712**  
Number of own employees and contractors

**12.70**  
TIFR

**5**  
Fatalities



THE BUSHVELD COMPLEX (SIMPLIFIED)

- Granite
- Upper and Main Zone
- Upper Critical Zone
- Lower Critical Zone
- Lower Zone
- Marginal Zone
- Transvaal Sequence
- Merensky Reef
- UG2 Reef
- ... Chromitite Layers

THE GREAT DYKE (SIMPLIFIED)

- Granite
- Websterite
- Dunite/Harzburgite succession
- Dunite
- Bronzite
- Main Sulphide Zone
- Chromitite Layers









A review of our business model and operating context is provided in our Integrated Report.








## SUPPORTING GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

Launched in 2015, the Sustainable Development Goals (SDGs) are United Nations-led goals (17) setting the global agenda to end poverty, protect the planet and ensure prosperity for all by 2030. The SDGs provide an invaluable common framework for organisations across all industries and sectors to work together for a better future. Implats is committed to playing its role in the attainment of these goals, supporting government and working with other stakeholders to build thriving communities. This work builds on our ongoing commitment to the UN Global Compact and its 10 principles, to which we have been a signatory since 2008. This year we looked at our social and environmental activities against the SDGs, to help us prioritise

### THE TOP PRIORITIES FOR IMPLATS

DESCRIPTION	SDG	REPORTING INDICATOR	OUR CONTRIBUTION OR RELEVANT DISCLOSURES	PAGE REFERENCE
END POVERTY IN ALL ITS FORMS EVERYWHERE		Percentage of workers that earn an amount equal to or above national minimum wage of R3 500 per month R42 000 per annum	The lowest earning employee at Implats earns a total remuneration (TR) in excess of R180 000 per annum and 90% of employees earn a TR between R180 000 and R500 000 per annum	46
ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES		<ul style="list-style-type: none"> <li>Our TB incidence rate versus national</li> <li>Reduction in AIDS deaths in service</li> </ul>	<ul style="list-style-type: none"> <li>Our TB incidence rate is 337 per 100 000 people (SA operations) versus estimated national average of 567 per 100 000</li> <li>50% reduction in Aids deaths in service since 2015</li> </ul>	39
ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION PROMOTE LIFE LONG LEARNING OPPORTUNITIES FOR ALL		<ul style="list-style-type: none"> <li>Company skills development spend</li> <li>Company spend on community education initiatives</li> <li>School infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>R465 million skills development spend (SA operations)</li> <li>R38 million spend on bursaries, learnerships and community schools support initiatives</li> <li>Upgraded infrastructure at five community schools in FY2019</li> </ul>	48, 66 – 68
ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS		<ul style="list-style-type: none"> <li>Representation of women at all levels in the Company</li> <li>Gender mainstreaming initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Women represent 11% of the workforce</li> <li>Five out of 13 board members are female</li> <li>22% of managers are female</li> </ul>	53 – 57
PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL		<ul style="list-style-type: none"> <li>Number of permanent employees in the Group</li> <li>Ongoing reduction in LTIFR</li> <li>Inclusive procurement</li> </ul>	<ul style="list-style-type: none"> <li>31 429 permanent own employees in South Africa (32 673 in FY2018) and 3 332 in Zimbabwe (3 262)</li> <li>A 12% year on year improvement in LTIFR</li> <li>This year we procured goods and services to the value of R1.67 billion from businesses in our host communities (tier 1) in South Africa, a 19% improvement year on year</li> </ul>	32,56,77
REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES		Company Gini coefficient versus mining industry and all industries	A Gini coefficient of 0.252 versus 0.418 and 0.429 for mining and all industries	46

those goals that we believe are most important to our business. From this process, we have identified the SDGs below. We aim to continuously review our underlying contributions to the SDGs, all of which underpinned by our collaboration with various partners and stakeholders (SDG 17 – partnership for the goals), to inform the development of our commitments and to integrate these into our business strategy.

DESCRIPTION	SDG	REPORTING INDICATOR	OUR CONTRIBUTION OR RELEVANT DISCLOSURES	PAGE REFERENCE
MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE		Deliver projects that meaningfully mitigate social challenges in our host communities	This year we spent R86.2 million on social projects in South Africa and US\$3.8 million in Zimbabwe. A selection of these projects were independently reviewed for impact and the majority were rated as “good”	69
TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS		Climate impact reduction targets: <ul style="list-style-type: none"> <li>• Reduce Scope 1 emissions by 2% on 2017 levels by 2020</li> <li>• Reduce scope 2 emissions by 5% on 2008 levels by 2020</li> </ul>	<ul style="list-style-type: none"> <li>• 3% increase in scope 1 emissions on 2017 levels</li> <li>• 26% increase in scope 2 emissions on 2008 levels</li> </ul>	88 – 90
CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT		Ongoing operational efficiency improvements to ensure at least 40% of water consumed is recycled	We managed to recycle 42% of the water we consumed	86
PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS		Implement concurrent rehabilitation to reduce closure liabilities and improve rehabilitation outcomes	R58 million spent on rehabilitation initiatives (R44 million in FY2018). R1.49 billion in provisions for environmental rehabilitation at year-end (R1.23 in FY2018)	98
STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT		Implats is committed to playing its role in the attainment of the SDGs by supporting government and working with other stakeholders to build thriving communities. Our socio-economic development initiatives and tax contributions help improve livelihoods by improving access to healthcare, housing, education, clean water and sanitation	The total amount of tax payments to government for the reporting period was R2.34 billion in South Africa and US\$82 million in Zimbabwe	61

**STATEMENT BY THE  
CHAIRPERSON OF THE SOCIAL,  
TRANSFORMATION AND  
REMUNERATION COMMITTEE**

**VALUE  
OUR  
PEOPLE**

**IMPLATS REMAINS IN A STRONG POSITION  
TO ENSURE SUSTAINABLE VALUE-CREATION  
FOR ALL OUR STAKEHOLDERS. TO DO SO  
WITHOUT HARM IS OUR ONGOING INTENT.**

**Mpho Nkeli**

Chairperson: social, transformation and remuneration committee



It gives me pleasure to introduce Implats' annual Sustainable Development Report, and to share some high-level reflections about our sustainability performance over the year. I encourage you to also refer to the review by my colleague, CEO Nico Muller (page 11), for his reflections on issues critical to Implats' longer-term sustainability, including the Group's progress in optimising and repositioning the Impala Rustenburg operation.

This has been a very encouraging year for Implats, with improved operational and financial results accompanied by a predominantly positive sustainability performance. Tragically, however, five employees lost their lives at our managed operations during the year. Any loss of life is unacceptable, and we remain unwavering in our commitment to achieving and maintaining our vision of zero harm across all operations. The Group's progress this year was underpinned by maintaining our social legitimacy, ensuring appropriate investment in our employees and communities, minimising our environmental impacts, and being accountable to our stakeholders. Our ongoing efforts to build and maintain trusted relationships with all stakeholder groups have been critical in enabling us to meet our commitments, and to manage expectations and challenges.

Details on these issues are provided in the respective sections of this report, which supplements our Integrated Annual Report. I invite you to share your feedback on this report in terms of our performance and the quality of disclosure. Frank feedback from stakeholders is essential to foster greater accountability and helps us deliver more effectively on our sustainability goals.

## GROWING EXPECTATIONS FOR SUSTAINABILITY DISCLOSURE

In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on environmental, social and governance issues. **Implats is highly rated among its peers in demonstrating socially and environmentally responsible practices and good governance.** In line with our commitment to making lasting positive contributions to the communities around our operations, we are developing our understanding of how we can optimise our contribution towards the attainment of the United Nations Sustainable Development Goals (SDGs). This work builds on our ongoing commitment to the UN Global Compact and its 10 principles.

To monitor and improve our sustainability reporting, we engaged external advisory services for a consecutive year to provide a critique on our most recent Sustainable Development Report. This 2019 report aims to address the recommendations made in the evaluation of our 2018 report, which was generally well received as demonstrating a year-on-year improvement in quality and disclosure.

## VALUING OUR PASSIONATE WORKFORCE

The turnaround in our business, reflected in improved safety performances and productivity – especially at our more challenging mines, Impala Rustenburg and Marula – is driven by our people. As part of our organisational culture transformation process, we are embedding our improved approach to valuing, developing and empowering our people.

We maintain a focus on instilling organisational discipline and having the right leaders in place who understand our vision, path and strategic objectives. **This year, new appointments were made to our executive committee team that not only enhance our leadership capabilities but help drive the transformation imperative. The representation of historically disadvantaged South Africans (HDSA) at this level of our organisation has improved from 25% in FY2018 to 55%.**

We have also taken decisive steps to improve our approach to creating an environment conducive to gender equality and to address barriers to the employment, retention and the advancement of women. To enhance our ethical culture, we are developing a formal ethics programme to be rolled out across the Group, which will include training, awareness, monitoring and reporting.

The sustained good relations the Group enjoys with employees and their union representatives has been evident throughout the restructuring undertaken at Impala Rustenburg, as well as the wage negotiations which commenced in July 2019.

Sustaining our focus on passionate, resilient safety leadership and mining discipline is imperative to deliver on our commitment to eliminate fatalities and reduce levels of injuries and harm. Regrettably, 36 new cases were compensated for hearing loss this year. While we still use some equipment at Marula which emits noise levels above the industry 2024 milestone target limit of 107dB, the rollout of replacement units will be completed in FY2020.

In managing the principal non-occupational health risks facing our employees – pulmonary tuberculosis (TB) and the associated human immunodeficiency virus (HIV) co-infection – we have kept levels of both under control, with improvements in most performance indicators. In promoting employee wellbeing, we are enhancing our financial wellness programmes, to mitigate mental health challenges associated with financial difficulties, especially over-indebtedness.

We endeavour to enable our employees to reside with their families in decent housing and within easy commuting distance of work. We have conducted accommodation and living-out allowance surveys among our workforce at Impala Rustenburg, Marula and Impala Springs, to inform our housing strategies at the respective operations. Our primary objectives are to facilitate home ownership, and to reduce levels of employees living in backyard dwellings and informal settlements around our operations.

## INVESTING IN OUR COMMUNITIES

In seeking to build and maintain our social licence to operate, we invest in socio-economic development initiatives aligned with our legislated transformation requirements. We engage proactively with community representatives and government officials at all levels to maintain constructive relationships with local stakeholders and manage expectations. This has been vital in the face of growing frustration and community activism in many of the communities neighbouring our South African operations, with escalating community demands directed at our operations, relating primarily to employment and

## STATEMENT BY THE CHAIRPERSON OF THE SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE

procurement. The appointment this year of a dedicated Group executive for stakeholder relations has provided additional oversight and support in managing stakeholder issues. Notwithstanding the seven-day operational disruption at Marula this year due to community unrest, I am pleased with the progress made in improving community relations and mitigating unrest in a challenging operating environment at the mine.

Details on our collaborative efforts to address challenges, including community leadership disputes, are provided on pages 27 and 62. Priorities are to secure a sustainable resolution to the ongoing disputes around the governance and distribution of the community-managed dividends from the Makgomo Chrome project, and to ensure more inclusive efforts to achieve and maintain stability around the operation.

**Much of our attention this year was directed at mitigating the socio-economic impacts on our employees and communities due to the Impala restructuring process.**

**The outcomes to date are more positive than we initially envisaged, notably the success of our job-loss avoidance measures undertaken in consultation with our employees and unions, government, and community leadership.** Our improved operational performance and the positive price environment for palladium and rhodium have supported our efforts to increase local procurement opportunities in the face of increasing demands from our local communities.

We have delivered effectively on our commitments in our social and labour plans (SLPs) at our South African operations, although Impala Rustenburg and Marula await a response to their request for a two-year extension of the implementation period to complete certain infrastructure projects. Our third generation SLPs focus on supporting sustainable job creation. Our South African operations have continued to make good progress in increasing localised and preferential procurement, particularly with black-owned and black women-owned suppliers.

In Zimbabwe, amid a downturn in the socio-economic economic climate, Zimplats maintained cordial relations with its communities, ensuring uninterrupted business operations. The operation continues to deliver pleasing results through its local procurement and local enterprise development activities. In support of government's efforts to place mining at the centre of economic reform initiatives, Zimplats has initiated enterprise development and industrial linkages in underground roof support manufacturing and is developing a high-impact commercial livestock project that incorporates community involvement. **This year, Zimplats also responded quickly and contributed meaningfully to relief efforts for the following national disasters: a major cholera outbreak, tropical cyclone Idai, and trapped artisanal miners.**

### ENVIRONMENTAL STEWARDSHIP

We have maintained a good performance across key areas of responsible environmental stewardship. **All operations are now certified against ISO 14001:2015 for their environmental management systems.** This year there were no major non-compliances at our operations. The number of limited impact (level 3) environmental incidents recorded remained largely unchanged.

The majority of energy savings have already been realised at our operations. Additional efficiency improvement initiatives will require substantial capital. **Water use remains a critical priority and we continue to meet our target of ensuring that 40% of the water used is recycled.** All operations are sensitive to the amount of waste they generate. To this end, **we recycled 70% of our non-mineral waste against a 60% target and reduced the amount of hazardous waste disposed to landfill by 38%.**

A focus this year has been the introduction of South Africa's long-delayed Carbon Tax Act. We assessed the potential carbon tax liability for Impala Platinum and continue to evaluate our approach to reducing our emissions. Another focus has been tailings dam integrity, which is under increased scrutiny following several serious tailings dam breaches internationally in recent years. We have further scrutinised our practices and identified areas for improvement to ensure we comply with world-class Canadian standards for tailings dam management.

### CONCLUSION AND APPRECIATION

Looking to the future, I believe there is still more that we can do to ensure that the Group achieves its aspirations to be a sustainable, profitable and safe PGM-focused organisation. We must continue to cultivate a culture of performance and care in order to deliver on our commitment to zero harm. Further, there remains scope for us to extend our efforts in promoting employment and local socio-economic opportunities through our procurement and enterprise and supplier development activities. I encourage management to continue engaging with communities and to leverage partnerships with business, government and labour to address the challenges facing the sector and society at large.

In closing, I express my thanks to our CEO, Nico Muller, for his transformative leadership, as well as my colleagues on the STR committee, the management team and all employees for their work towards delivering on Implats' sustainability commitments. I convey my particular appreciation to community leaders and the government for their collaborative efforts. I believe our progress this year sets us up well for further value growth and delivery on our commitments relating to zero harm, transformation, socio-economic development and environmental protection.



## CEO STATEMENT

# EVOLVE AND ADAPT

THIS HAS BEEN A YEAR OF SIGNIFICANT PROGRESS FOR IMPLATS IN STRENGTHENING OUR COMPETITIVE POSITION AND ENSURING WE HAVE A TRULY SUSTAINABLE BUSINESS. THE STRATEGIC CHOICES WE HAVE MADE, AND THE ENERGY AND PURPOSE WE PUT INTO CARING FOR OUR PEOPLE AND BUILDING A HIGH-PERFORMANCE CULTURE, ARE STARTING TO DELIVER THE DESIRED BUSINESS OUTCOMES AND ORGANISATIONAL CULTURE. IN BECOMING MORE AGILE AND RESILIENT AS A BUSINESS, WE CAN CREATE GREATER SUSTAINABLE VALUE, ENHANCING OUR ROLE IN SOCIETY.

**Nico Muller**  
CEO



## CEO STATEMENT

The Group's improved operational performance this year, supported by stronger palladium and rhodium market prices and higher sales volumes, saw a welcome return to profitability and cash generation. This was achieved against a challenging socio-economic backdrop characterised by growing community activism in the lead up to the national elections in South Africa, operational disruptions caused by the crisis at Eskom and the commencement of wage negotiations at year-end. In Zimbabwe, foreign currency shortages and natural disasters introduced further complexity into an already difficult operating climate. We have, however, navigated these and other challenges, without major incident, through effective collaboration with our stakeholders.

As we progress on our trajectory to being a value-focused PGM producer, we are mindful of the issues critical to Implats' longer-term sustainability:

- delivering on our commitment to zero harm
- the successful restructuring of Impala Rustenburg over the next one and a half years
- fostering and embedding our desired organisational culture of performance and care
- addressing growing levels of community activism
- proactively responding to the legislative and policy environment in South Africa and Zimbabwe.

I welcome this opportunity to reflect on our progress and to share some forward-looking perspectives on these focus areas.

### REPOSITIONING

Strong palladium and rhodium fundamentals are expected to persist for the foreseeable future, but the near-term outlook for platinum remains muted. In this environment it is imperative we continue to focus on repositioning our operations on the western limb of the Bushveld Complex to withstand longer-term sustainability risks. We are one year into a three-year, phased process to radically transform Impala Rustenburg into a leaner, more focused and profitable operation, to support the future success of the Group. We have made a good start and are tracking well against our goals.

**The smooth execution of phase one of the Section 189 consultative process entailed a reduction of 1 329 jobs and was finalised with no major discord or disruption. Through various job-loss avoidance measures – including transferring employees to vacant positions at the 16 and 20 growth shafts, natural attrition, reskilling, voluntary separation and business improvement initiatives – we restricted the number of forced retrenchments to 117.** This achievement is a testament to the constructive engagements and good relationships we maintain with our employees and unions, the government and community leadership. Our ability to navigate these challenges together augurs well for managing the second and third phases, which will be more challenging. The improved price environment for palladium and rhodium has improved the economics of the shafts we earmarked as non-core and has enhanced strategic optionality in how we pursue the restructuring of our larger, high-cost operations with a reasonable life of mine – 12 and 14 Shafts.

The strategic changes we effected at Marula last year have ensured a sustainable business turnaround. Following a strong first half, Marula's performance was impacted by power disruptions and a seven-day community stoppage in the third quarter. The operation's overall improved financial and operational performance will support the construction of a new tailings dam facility at the mine.

### CULTURE

The vital role our people play in delivering on Group strategic objectives cannot be understated as we traverse our transformation. It has been gratifying to see the positive change in our workforce dynamic, motivated by concerted efforts to put our people at the centre of our business model and strategy. **Two years into our revised people strategy, we are well advanced in shaping a new organisational culture across our operations. At the heart of this change process, is the implementation of our Leading the Implats Way programme.** Based on a care and growth leadership methodology, the programme is building the leadership competencies we aspire to embed across the organisation, with a focus on middle management and supervisory levels. This work is supported by our renewed impetus on skills development, teamwork, innovation, recognition and communication.

We have good communication and relations with our employees and recognised unions, which provides a robust foundation for negotiating a new three-year wage agreement for the Impala Rustenburg and Marula operations. In preparing for the talks, which began early July, we had intensive engagements with the leadership of the Association of Mineworkers and Construction Union (AMCU), in which I was personally involved. Recognising the potential for labour unrest, we deepened our understanding of potential risks and mitigation measures to support a positive outcome. Our discussions with the AMCU leadership have been encouraging and we are confident of an outcome that will ensure employees continue to receive a fair and equitable wage while safeguarding the financial sustainability of our organisation.

### SAFETY

It has been a personal priority to foster a culture of collective responsibility, ensuring safety is an inherent part of daily action and thinking, fully integrated in all we do. That we continue to experience serious safety incidents, in which five employees died this year at our managed operations, is tragic. After the first fatality in the first quarter at Impala Rustenburg, we operated fatality-free until the fourth quarter, when we had our first fatality at Zimplats since August 2013 (FY2014), and three further fatalities in separate incidents at Impala Rustenburg. We thoroughly investigated each incident and acted on lessons learned.

**We are encouraged by the ongoing improvement in our safety performance across our South African operations and particularly at Impala Rustenburg under the leadership of CEO Mark Munroe. The Group continues to perform favourably relative to the overall industry. Zimplats' consistent safety record, notwithstanding the fatality this year, was recognised with various safety awards for outstanding performance.** Our safety performance before

the fourth quarter incidents was our best ever and industry leading, recording all-time low fatality and injury frequency rates. But until we deliver a fatality-free workplace we cannot be satisfied with our progress. We continue to experience high-risk behaviour at Impala Rustenburg and Marula. We will not waver in our focus on effective, resilient safety leadership and operational discipline.

## COMMUNITIES

Compounding deep-seated challenges of high unemployment and poor service delivery from local government, community sentiment this year was heightened by divisions and factions within communities. **The lead up to the national elections aggravated tensions and saw an escalation of complaints and demands directed at our operations, most of which were related to employment and procurement. We managed the challenges by maintaining good, trusting relations with community leadership.** Marula was the only operation disrupted by community protest.

## LEGISLATIVE AND POLICY ENVIRONMENT

Significant strides were taken by the South African and Zimbabwean governments to support economic development and investment in the mining sector. **In South Africa, the new Mining Charter (Mining Charter III of 2018) creates a more supportive environment for the reindustrialisation of South Africa. However, it contains several provisions that are a cause for concern. We are confident that with the right engagement through the Mineral Council SA, these uncertainties will be resolved.**

In Zimbabwe, President Emmerson Mnangagwa relaxed the indigenous policy that impeded foreign direct investment in the country for more than a decade, prompting much-needed investment inflows. **While we continue to engage closely with the government on indigenisation and beneficiation policies to resolve areas of uncertainty and support positive outcomes, our priority has been addressing the economic and fiscal policy constraints of the country.**

## POSITIVE OUTLOOK

Amid a groundswell of public opinion in support of climate legislation, politicians can no longer put it on the back burner. We are confident the products we mine will make an increasingly important contribution to a greener world, with PGMs playing a critical role in autocatalysis and pollution control in the automotive sector. South Africa is in a strong position to progressively decarbonise its energy mix cost effectively and in a jobs-rich manner, without undermining the security of electricity supply. The country can have relatively low-cost clean electricity by using its resource advantages in solar and wind to generate hydrogen, for use in platinum-catalysed hydrogen fuel cells to produce emission-free mobile and stationary electricity as well as heat.

A major step forward was taken this year in implementing our fuel cell development roadmap. **A special economic zone (SEZ) for fuel cell development is in development under the auspices of the Gauteng Industrial Development Zone initiative, situated on Implats land adjacent to our refineries in Springs. We intend to use the SEZ platform to build on our current partnership initiatives, develop skills capacity and leverage our infrastructure for fuel cell manufacturing and deployment.**

We are optimistic about the sector's longer-term future and the opportunities available to the Group, but acknowledge the challenging price environment and global macroeconomic uncertainty, which point to a turbulent three to five years ahead. Our strategic change initiatives position our portfolio exceptionally well for future profitability, even at low platinum prices. Every step of our progress is underpinned by our people. I thank everyone within the organisation for their contribution. Together we are enabling our great organisation to evolve and adapt – to become stronger and more sustainable, for the benefit of all stakeholders.





*Impala Rustenburg 14 Shaft*





# OUR GOVERNANCE AND MANAGEMENT APPROACH

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Implats is committed to maintaining the highest standards of good governance in order to promote quality decision-making and ensure the execution of these decisions within a disciplined framework of policies, procedures and authorities.



## SUSTAINABILITY GOVERNANCE

Implats is committed to maintaining the highest standards of good governance in order to promote quality decision-making and ensure the execution of these decisions within a disciplined framework of policies, procedures and authorities.

### OUR MANAGEMENT APPROACH

We have a structured and systematic approach to managing our most significant social, economic and environmental impacts and to addressing the material interests of our priority stakeholders.

**Board level:** At board level, sustainability issues are addressed through the following committees:

- The social, transformation and remuneration (STR) committee monitors and oversees the company's activities relating to:
  - social and economic development, including the Company's standing in relation to legal requirements of relevant legislation and prevailing codes
  - good corporate citizenship, including business ethics and the Company's contribution to community development
  - consumer relationships, including the Company's advertising, public relations and compliance with consumers
  - labour and employment
  - management's implementation of appropriate risk management plans and risk response.

The STR committee's workplan is assessed against its terms of reference to ensure that all matters therein are brought to the attention of the committee over an annual cycle. The committee has delegated the oversight for health, public safety and environment to the health, safety, environment and risk (HSER) committee and the oversight of ethics to the nominations, governance and ethics (NGE) committee. The committee's workplan is regularly assessed to ensure adequate coverage of the matters laid out in the committee's terms of reference and attendance to critical matters.

- The social, ethics and transformation (SET) committee acts as a sub-committee to the STR. The committee undertakes complementary work examining and addressing social and ethics-related issues impacting employees and communities with a focus on Impala Rustenburg operations.
- The HSER committee guides strategy, assesses the adequacy and appropriateness of HSER policies, standards and procedures and reviews Group-wide performance and risk management practices quarterly. The committee also investigates and reviews all major incidences within the ambit of its work.
- The audit committee oversees the appointment of the assurance provider for non-financial performance each year. The results are presented to both the audit and STR committees with the necessary recommendations and action.

The Group's risk function is disseminated throughout all committees, except the NGE committee.

Further details of the composition and activities of these board committees are provided in our Integrated Report.

**Executive level:** At an executive level, sustainable development falls under the responsibility of the executive committee (exco), which is responsible for reviewing performance in terms of the Group's non-financial indicators. The Exco lends support to the board's HSER committee,

STR committee, SET committee and audit committee. In September 2018, we appointed a dedicated stakeholder relations executive.

**Performance evaluation:** Sustainability objectives form part of the key performance indicators (KPIs) against which Implats' management and executives are measured.

### PEOPLE MANAGEMENT

**Focus areas, policies and procedures:** Management of our employees is headed up by a dedicated Group executive for human resources reporting to the CEO. The scope of work includes remuneration, human resource development, talent management and employment equity. Group policies and procedures on people management issues are established at corporate level and apply at our operations. All contracting employees are vetted and assessed according to our own internal standards. Our policies and procedures are aimed at contributing to sound employee relations, attracting and retaining talent and ensuring the continuous development of our employees, while offering opportunities for career progression with a particular emphasis on women and within our South African operations on historically disadvantaged persons (HDP). This year we have introduced talent councils at all levels in the organisation to support talent management and a gender mainstreaming committee at Impala Rustenburg.

**Transformation:** Each operation has a transformation committee comprising representatives from management, unions and women, as well as various other stakeholder groups who contribute to overseeing and advancing transformation at each operation. The operational committees report to the Group STR committee.

**Community:** Our operations also have community forums, at which issues of concern to local communities – such as employment opportunities, skills development, procurement, community development projects and health, safety and environmental performance – are discussed. Issues arising from these community forums are relayed to the operational committee and, ultimately, to the Exco. These are elevated to the STR committee quarterly and to the board as required.

### MANAGING HEALTH, SAFETY AND ENVIRONMENTAL (HSE) ISSUES

Group and site-specific HSE policies, procedures and standards are in place to ensure compliance with legislative requirements and support our vision of zero harm. Responsibility for implementing HSE policies and procedures rests with line management. All operations submit quarterly performance reports to the board-appointed HSER committee. Group and operational level HSE specialists support line management to implement the strategy and to monitor and manage performance.

The Group's environmental team has close links with operational and project management and is involved in due diligence exercises in connection with acquisitions and the development of strategic initiatives. Policy implementation is enhanced by our commitment to maintaining ISO 14001 certification for our environmental management systems.

The Group's internal auditors and external auditors conduct regular compliance audits. In addition to the ISO 14001 certification, the refineries are signatories to Responsible Care® and retained their certification. We follow the International Council on Mining and Metals (ICMM) guidelines to improve our approach and practices. Key sustainability data are externally assured.

Zimplats and Impala Springs are certified to the ISO 45001 standard which replaced the widely-implemented OHSAS 18001. Impala Rustenburg and Marula have identified and are addressing compliance gaps relating to the standard with a view to achieving certification. This year we rolled out the health and safety management systems standards at all non-certified operations.

Various internal and external review and assurance programmes ensure that priority unwanted risks are identified and that adequate controls are in place to manage them. A detailed review of our risk management practices is provided in our Integrated Report.

### MANAGING OUR SOCIAL IMPACTS

Our approach to social performance is informed by our values and our business and ethics principles; all our operations apply high social performance standards in line with our sustainable development policy, community policy and legal frameworks of the countries in which we operate. We seek to engage with affected communities to avoid, prevent and mitigate adverse impacts of our activities, and to build development opportunities. We invest in developing and maintaining constructive relationships with the stakeholders and communities around our operations. This is essential to maintain and strengthen our socio-political licence to operate. Inclusive stakeholder engagement underpins our approach to respecting human rights and to responding to legitimate stakeholder aspirations and concerns. Extending the positive benefits of mining, notably by creating opportunities for local businesses and associated job creation, also promotes social stability and builds resilience within communities to prosper beyond mine closure.

### MANAGING OUR INVESTMENTS IN SOCIO-ECONOMIC DEVELOPMENT

The sustainable development department at Impala Rustenburg manages the socio-economic development initiatives at our South African operations. A technical team is responsible for implementing the projects, working with the stakeholder-engagement department. We identify community projects based on a needs analysis, undertaken in consultation with stakeholder representatives from communities, local government and employees.

The sustainable development project steering committee reviews the proposed projects after due diligence. Once approved by the project steering committee, the projects are recommended to the Chief Executive Officer for approval. In Zimbabwe, sustainable development initiatives are implemented and managed by the stakeholder engagement executive supported by technical personnel from the operations.

Each year an independent verification is conducted on selected social projects, based on the financial, legal and reputational risk as well as to determine impact, progress and potential remedial action where a project faces possible failure. A summary of this can be found on page 69.

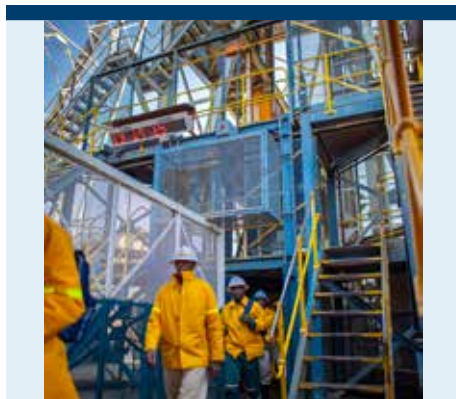
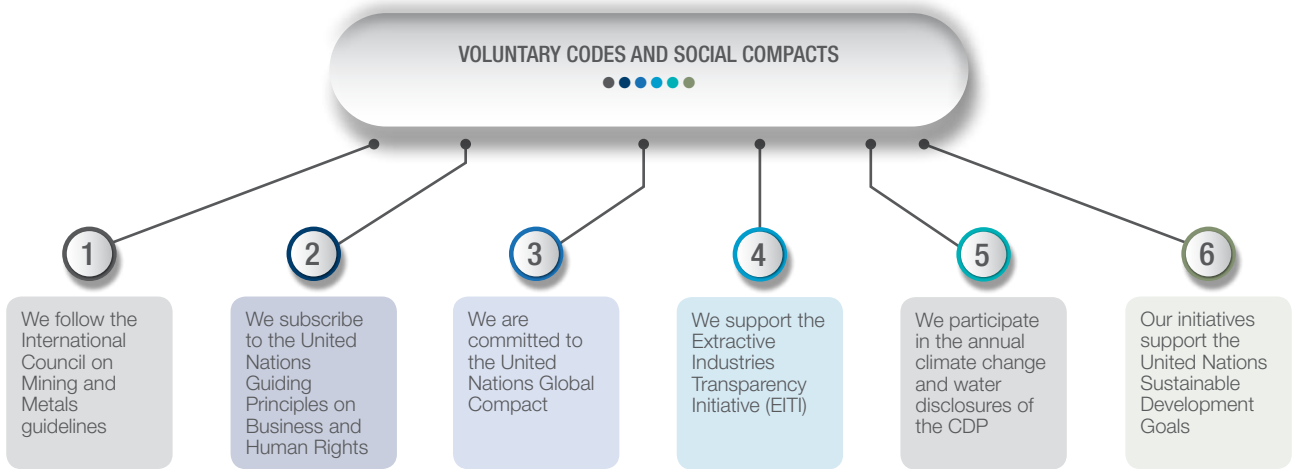
### SUPPLY CHAIN MANAGEMENT

We have a large and diverse base of more than 2 200 suppliers from which we procure goods and services including heavy equipment, process chemicals, fuel and lubricating oils, labour, explosives, underground support grinding media, drilling equipment, electrical equipment, safety clothing, tyres and many more.

There is an increasing expectation of business to demonstrate accountability in ensuring responsible business conduct by all parties in corporate supply chains. We have clear principles that guide the selection of reputable contractors with the right skills and value systems to do specific tasks that we are not able to do. **All our suppliers are apprised of our policies and business practices and are expected, as a minimum, to abide by these principles in their business conduct and practices at all our operations. These include requirements regarding health and safety, environmental protection or respecting human rights.** We conduct ad hoc supplier audits against our standards on various criteria. These focus on safety and environmental practices. We recognise the need to strengthen our approach to monitoring labour practices. **In the year under review, there were no incidents of supplier non-compliance.**

We are redeveloping an online portal aimed at ensuring that all our suppliers are legally compliant. We focus on increasing our levels of expenditure with local and black-owned suppliers and on developing existing procurement capacity in the areas close to our operations. We also support initiatives to stimulate local manufacture and technology development, thereby increasing our contribution to empowerment. Increased pressure is being exerted during all interactions with untransformed suppliers to improve the pace of transformation.

# SUSTAINABILITY GOVERNANCE



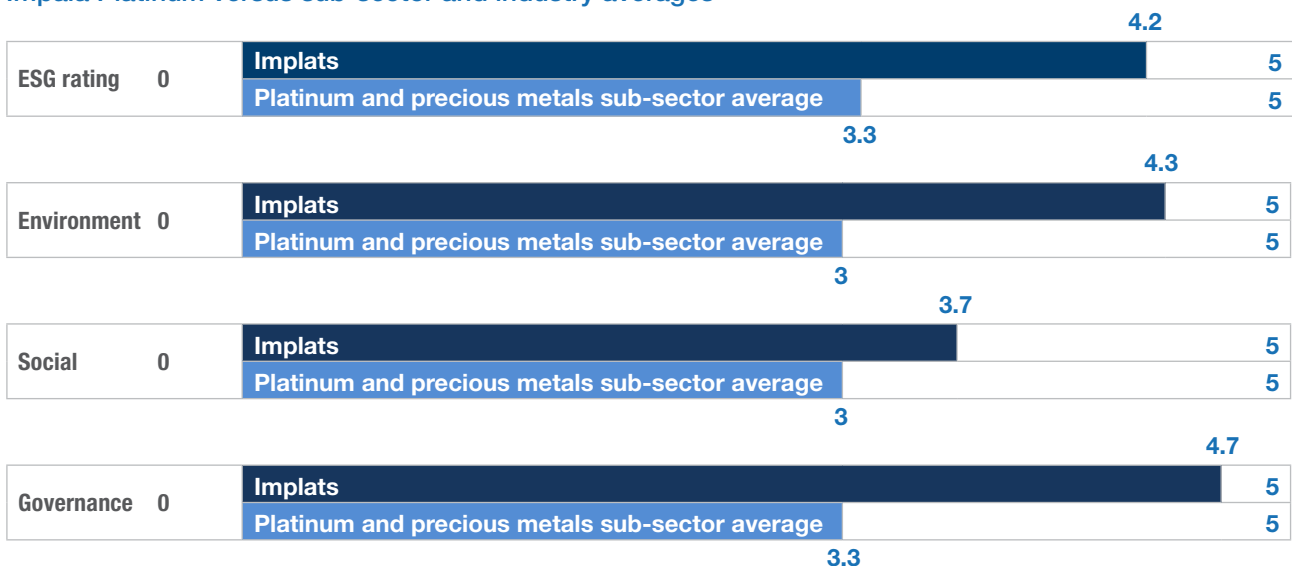
## RESPONSIBLE INVESTMENT – IMPLATS HIGHLY RATED AMONG ITS PEERS

In the 2018 Index, Implats scored an overall ESG rating of 4.2 out of 5, versus the platinum and precious metals subsector average of 3.3 out of 5.

In recent years, the sustainable development agenda has been gaining ground, with an increasing number of investors and asset managers focusing on responsible investment. Disclosure concerning environmental protection, social responsibility and corporate governance (ESG) assists investors to make a more holistic assessment of the sustainability and impact of investee companies and businesses on society and the environment. Implats periodically has its performance reviewed by ESG analysts and is an ongoing constituent of the FTSE/JSE Responsible Investment Index Series, which is designed to identify South African companies that demonstrate socially and environmentally responsible practices and good governance. In striving to materially improve our rating beyond that of sub-sector peers, we remain committed to improving our safety performance (reducing lost time injury frequency rate and recorded fatalities) and meeting targets set for a reduction in greenhouse gas emissions. The next assessment will be in December 2019.

### FTSE INDEX 2018

#### Impala Platinum versus sub-sector and industry averages



Source: FTSE Responsible Investment Index

## UPHOLDING BUSINESS ETHICS AND INTEGRITY

### OUR ALIGNMENT WITH UNGC PRINCIPLES

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

The Implats board assumes overall responsibility for the effectiveness of internal controls, risk management and governance, and guides management with the aim of achieving business objectives. We are committed to promoting the highest standard of corporate governance, ensuring that our practices comply with the expectations of the King IV Code of Corporate Governance for South Africa 2016. Further details are provided in our Integrated Report.

### REINFORCING A GOOD CORPORATE CULTURE

Implats aspires to embed an ethical culture in the Company through its corporate values, by leading in a manner that demonstrates an ethical tone at the top, and the implementation of an ethical management programme. We maintain a zero tolerance stance on fraud, corruption, misconduct or dishonesty. We will not associate with any organisation that is implicated in state capture or fraudulent activities unless they have cleared their name. We will extricate ourselves from any incumbent contracts identified as being inappropriate once a viable alternative is available to ensure business continuity. We expect all our employees, business partners, contractors and associates to conduct themselves in accordance with the Implats code of ethics (code) and our fraud, corruption and whistleblowing and related governance policies.

**Ethical leadership and accountability:** The Group chairman is vocal in providing visible ethical leadership. The executives and line management are responsible and accountable for the implementation of the code, the policy, and the associated procedures and ethical management practices. The board has delegated oversight of the code, policy and procedures to the NGE committee.

**Ethics management programme:** This year we conducted an ethics management audit across the Group to assess the adequacy of our internal controls. In response to the audit findings we are implementing action plans to address areas identified for improvement. We are developing a formal ethics programme in line with the framework of the Ethics Institute of South Africa. Key actions include undertaking a formal ethics risk assessment process at a Group and subsidiary level, with the participation of Exco and the board sub-committees. This will inform the development of our approach and action plan to roll out a consistent ethics programme which will include training, awareness, monitoring and reporting. This will aim to ensure that we achieve a consistent level of awareness, integration and ethical culture across the Group.

**Code of ethics:** The Implats code addresses issues relating to conflict of interest, the prevention of unauthorised dissemination of Company information, the acceptance of donations and gifts, and the protection of the Company's intellectual property and patent rights. It also describes the disciplinary action – including dismissal or prosecution – that is taken in the event of any contravention of the code. We have continued to raise awareness around the code and ethics hotline. Employees without access to a computer are trained on the code as part of their induction process and refreshed on it when they return from compulsory leave.

**Electronic portal:** We implement an electronic system that enables employees to access the code, the training material and to make declarations of financial interests and gifts online. The platform assists with reinforcing a good corporate culture and is reviewed by Group compliance function and the Company Secretariat. This year we have introduced stricter controls to manage and oversee the Implats Declaration System. There has been an increase in the number of gift declarations since 2016 which indicates improved level of awareness and adherence by employees.

**Protection of personal information:** Implats has adopted the Protection of Personal Information Management policy. Current priorities include the development of an online training solution to address organisational requirements under personal information sharing and security breaches.

**Fraud, corruption and whistleblowing policy:** This policy highlights our commitment to creating an environment that encourages an anti-fraud and anti-corruption culture, informed by our organisational core values and our respect for open and honest communication. Implats will not tolerate any act of fraud and corruption, committed by any staff member. The audit committee has oversight on all whistleblowing reports, follow-ups and close-outs. Appropriate, consistent and immediate action (including dismissal and legal action) is taken against those persons committing fraud and corruption irrespective of the length of service or position in the organisation.

**Ethics hotline (0800 005 314):** Implats has a toll-free ethics helpline, managed and operated independently by KPMG, to facilitate the confidential reporting of alleged incidents. This is available to all employees, contractors, stakeholders and community members to anonymously report suspected fraud, corruption and any form of irregularity and unethical behaviour. All reported allegations are investigated, each to its logical conclusion and disciplinary action taken against perpetrators identified.

**Consequence management:** We implement a consistent consequences management approach to addressing ethics transgressions. The Ethics Office provides oversight in assessing and tracking management actions in response to confirmed findings as recorded in forensic audit reports.

## UPHOLDING BUSINESS ETHICS AND INTEGRITY

### Our 2019 performance

There were 100 cases reported across the Group, representing a 28% increase on the 78 cases recorded in 2018; 73% of the incidents were at the South African operations, with the remainder in Zimbabwe.

Of the 100 cases reported, 20 were reported through the whistleblowing hotline, compared to 20 in FY2018 (SA operations only).

The classification of the allegations and outcomes in each category is provided in the table below.

#### No human rights-related incidents were reported in this period.

There were 13 founded cases of fraud and theft (FY2018: 11), one related to fraud and 12 related to theft of goods.

In total, 13 of the 19 total founded cases for the year resulted in 16 employees being processed through internal disciplinary procedures, resulting in seven dismissals and four verbal and/or written warnings. Five cases were referred to a third party and one employee in respect of one case resigned prior to disciplinary action being taken.

The founded cases decreased from 22% of the total cases reported last year to 19% of the total cases this year.

### Number of fraud/ethics-related cases reported Group-wide in the 2019 financial year

Nature of allegation	Investigation pending	Allegations unfounded	Allegations founded	Insufficient evidence	Total
BEE fronting	23	0	0	0	23
Conflict of interest and corruption	14	1	0	6	21
Fraud and theft	6	9	13	4	32
Misconduct and other	12	5	6	1	24
<b>Total</b>	<b>55</b>	<b>15</b>	<b>19</b>	<b>11</b>	<b>100</b>



# RESPECTING HUMAN RIGHTS

OUR ALIGNMENT WITH UNGC PRINCIPLES
<b>Principle 1:</b> supporting and respecting the protection of internationally proclaimed human rights
<b>Principle 2:</b> ensuring we are not complicit in human rights abuses
<b>Principle 4:</b> eliminating of all forms of forced and compulsory labour
<b>Principle 5:</b> the effective abolition of child labour

Related to the overall wellbeing of our people and that of our wider stakeholders is our commitment to human rights.

## OUR APPROACH

Respect for human rights is an integral part of the Company's code of ethics and values. Our human rights policy commits us to full compliance with applicable legislation in the regions in which we operate, as well as to implementing the human rights principles in the UNGC. Our approach is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs).

**We welcome the Minerals Council's adoption of a human rights framework that outlines a set of management practices to guide members in demonstrating a responsible approach to respecting human rights. The framework is largely based on the UNGPs, though not exclusively.** While it uses several international principles of human rights standards as its basis, it has identified the following priority areas for the industry: environmental management and conservation; health and safety; governance and ethics; security and human rights; transformation; human rights in the workplace; land-use and resettlements; and development of grievance mechanisms. The framework encourages compliance with existing laws, taking adequate measures for prevention, mitigation and provision of mediation where impacts are not avoidable.

In driving improvements in our practices, our main focus over the last two years has been to align all of our security operational practices to the Voluntary Principles on Human Rights (VPSHR) as defined by the United Nations.

In the workplace, we uphold the basic human rights of the International Labour Organization through the implementation of fair employment practices. **We have clear policies and processes in place to ensure observance of human rights, including the right to freedom of association and collective**

**bargaining, the eradication of child and forced labour and non-discrimination.** Observance of these rights is required of all our operations and suppliers, irrespective of location. At our operations, we have policies and processes in place to ensure that we do not employ any under-age or forced labour. **No incidents of employing under-age individuals or forced labour were reported in FY2019. The age profile of employees engaged by the Group in the year is presented in our detailed performance table on page 106.** We track implementation of human rights issues through monthly reports. Procedures are in place to ensure channels are available to deal with unfair practices. **All employees receive human rights training as part of their induction process.** We aim to raise awareness around human rights through various communications with employees.

Contractors are expected to abide by our Company policies, practices, standards and the constitution of the countries in which they are operating. We recognise the need to further improve our monitoring of contracted labour on human rights issues. Through stakeholder engagement processes, material community issues pertaining to human rights are addressed in community forums.

## SECURITY AND HUMAN RIGHTS

There remains a risk of civil unrest in the areas around our South African operations. We employ our own personnel and contract third-party services to protect our people and our assets. Enhancing the interface between the South African Police Service (SAPS) and our own security response is critical to avoiding any escalation of conflict.

**VPSHR:** Under the directive of the CEO and with senior commitment and oversight, over the past two years we have implemented a high-level plan of action to ensure the organisation's readiness to become a signatory to the VPSHR. This included conducting a gap analysis against the requirements of the VPSHR at Impala Rustenburg, Impala Springs, Marula and Zimplats. **All material gaps have been identified and addressed ensuring that we have the necessary controls to mitigate identified risks and ensure compliance.** This year we made substantial progress to ensure operational and tactical compliance from a security point of view. This included our security service provider putting key policies in place and completing security risks assessments. Several activities are still ongoing such as engagement with the South African Police Service to ensure alignment in terms of how a threat situation would be responded to.

## OUR MATERIAL SUSTAINABILITY ISSUES

We identify our strategic business objectives, and our material sustainability focus areas through our structured internal risk management process, and with consideration to the views and interests of our stakeholders. The Implats risk management process is aligned with ISO 31000, the international risk management standard.

### RISK MANAGEMENT AND PRIORITIES

Our risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. This process enables the board and senior managers to take decisions regarding the possible trade-off between risk and reward, and assists them to identify and pursue appropriate strategic growth opportunities informed by the Group’s risk appetite and risk tolerance levels.

Our risk management process comprises the following steps:

- Identification of operational objectives (linked to Implats strategy)
- **Establishing the context:** We consider the nature of the internal and external operating context (reviewed in our Integrated Report) and the views and interests of our stakeholders
- **Identifying the risk:** We establish the cause of the risk and evaluate all possible impacts (both positive and negative)
- **Analysing and evaluating the risk:** With the aid of risk information management systems (CURA and ISOMETRIX), we identify and assess what this means for the achievement of our objectives, determine the risk rating (by severity and likelihood), identify and assess the controls (both existing or new)

- **Treating the risk:** We consider all options to establish the most appropriate response for each identified risk
- **Monitoring and reviewing the risk:** We interrogate both the internal and external environment for material changes, monitor the progress of risk treatment actions to assess their effectiveness in improving the risk rating
- **Reporting the risk:** Each board sub-committee takes responsibility for the risks relevant to it, although overall oversight is vested in the HSER. Quarterly committee reports to the board include a formal risk review.

### Group risk profile

The Group risk profile is continually reviewed and updated on a quarterly basis. As at June 2019, the top 10 risks identified are shown below and on page 23. The ranking is based on residual severity and likelihood, after taking into account the effectiveness of controls currently in place. We also monitor mining industry- wide emerging risks and our efforts to mitigate these risks, which include organised crime and cyber security threats. As illustrated the risk profile is relatively consistent with a year ago. The top three risks remain unchanged, risks 4, 8, and 9 are retained in the register, and risks 5, 6, 7, and 10 have been elevated into the top ten. The key stakeholder issues associated with the top ten risks are highlighted on pages 24 to 29.

Residual risk matrix and top residual risks



Risk number	Risk description as June 2019	Risk trend compared to 2018
1	Ability to return Impala Rustenburg to cash neutral/positive position	→
2	Weak balance sheet	↓
3	Sustained depressed PGM basket prices and its impact on cash flow and liquidity	↓
4	Deterioration in safety performance	↑
5	Zimplats: Availability of foreign currency	●
6	Maintaining our social licence to operate and our stakeholder relations	●
7	Failure to comply with legal and regulatory requirements throughout the value stream	●
8	Reduced production flexibility and smelting operations at Impala Rustenburg and Zimplats	↓
9	Challenged capacity and efficiencies of management layers at South African operations	↑
10	Security of water supply in South Africa (Bojanala and Impala Rustenburg)	●

Key: ↑ up ↓ down → flat ● new



Implats Group Executives conducting a women in mining audit underground at Impala Rustenburg 1 Shaft

# OUR MATERIAL SUSTAINABILITY ISSUES

## ENGAGING OUR STAKEHOLDERS

Implats recognises the need for an effective stakeholder engagement function, aimed at building and sustaining value-enhancing relations with all key stakeholders to secure and maintain our social licence to operate. Stakeholders are defined as those who are interested in, or are affected by our business, as well as those who have a material influence on our ability to create value.

Implats' stakeholder engagement philosophy takes into account King IV™\* and the overarching AA1000 Assurance Standard principles of materiality, inclusiveness and responsiveness. Consistent with last year, we currently have six priority stakeholder groups (Zone 1), requiring high-level ongoing care and responsiveness to sustain mutually beneficial relations. The priority level (zoning) of our stakeholder groups is based on the level of influence these stakeholders have on the business, the assessed effectiveness of existing engagement processes, and the level of alignment/change required in the relationship to meet our value-creation goals.

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## Appointment of Group executive for stakeholder relations

In September 2018 we appointed a dedicated Group executive for stakeholder relations. Principal responsibilities include, among others:

- Co-ordinating development of the Group's stakeholder engagement policy, strategy and targeted priority engagement initiatives
- Supporting business units and executive management with targeted stakeholder engagement strategies/initiatives
- Enhancing relations with all key stakeholder groups through targeted engagement strategies/initiatives
- Overseeing and guiding the implementation of the Impala Rustenburg strategic review outcomes
- Building on the meaningful progress achieved at Marula to secure a sustainable resolution of the chrome/community dispute
- Assisting the Group to navigate the political landscape in Zimbabwe.

The initial focus has been on assessing our material issues and current practices and identifying strengths and areas for improvement. This will inform the development of an overarching stakeholder centric system to assist our operations with systematically monitoring and managing their stakeholder engagement activities and coordinating information to head office. The uniform, integrated approach will facilitate a more effective multi-stakeholder engagement and outcome driven process.







**Key issues in 2019**



The following table provides an overview of the key stakeholder issues requiring a high level of engagement and strategic response during FY2019. The link between these key issues and the Group top 10 risks as well as a self-assessed measure of the quality of our relationship with the various stakeholder groups is also given. In FY2020 and beyond, we aim to build on the objective, quantifiable relationship assessment pilot project we presented last year.



Key issue	Related Group risk	Our key response measures	Outcome/outlook	Page reference
<b>EMPLOYEES AND UNIONS</b>				
<b>Quality of our relationship</b>				
Job security concerns amid Impala Rustenburg restructure	<p>1</p> <p>6</p>	We continue to engage with union leadership at all levels, with a focus on maintaining trust. We have implemented job-loss avoidance measures including the transfer of employees to vacant positions at the 16 and 20 growth shafts, natural attrition, reskilling, voluntary separation, and business improvement initiatives. We have also implemented a proactive communications strategy and targeted engagement process to address employee concerns and inform them of progress.	We sustained cordial relations and a cordial industrial relations climate throughout the Section 189 process for Phase 1 of the restructuring process, which was concluded by January 2019 with 1 329 people exiting the organisation; forced retrenchments were limited to 117 people. The roll out of Phase 2 and Phase 3 (closing 1, 9 shafts and associated overheads) is in progress, and we continue to maintain close consultations with our employees and unions, government, and community leadership.	51
Negotiation of three-year wage agreement	<p>1</p>	In preparation for the negotiations that started in July 2019, we conducted a detailed analysis of the internal and external factors that might impact the negotiations process, and we identified key risks to mitigate and monitor. This involved communicating closely with our employees and all relevant stakeholders, with intensive engagements at all levels with union leadership, particularly with the Association of Mineworkers and Construction Union (AMCU). Recognising the potential for labour unrest in the form of a strike, we assessed the potential forms of industrial action that employees may take, and developed prospective mitigation actions in each case.	We remain optimistic of a peaceful, constructive wage negotiations process and the implementation of a new wage agreement that not only benefits employees but secures the financial sustainability of the Group.	52
Employee safety	<p>4</p>	Our renewed focus on safety leadership and mining discipline has driven significant improvements in our safety performance. Sadly, however, five work-related fatalities occurred this year. Each of the tragic incidents has been subject to a rigorous independent investigation, with learnings shared across the Group and management actions taken to improve controls and prevent recurrence.	Failure to identify hazards and respect risks are routinely identified as contributing factors in significant and fatal incidents. Our culture change initiatives will go a long way in building resilient safety leadership and enforcing operational discipline.	32 – 38

## OUR MATERIAL SUSTAINABILITY ISSUES


Key issue	Related Group risk	Our key response measures	Outcome/outlook	Page reference
<b>EMPLOYEES AND UNIONS CONTINUED</b>				
<b>Quality of our relationship</b> 				
Deficit in leadership competencies especially at middle management and supervisory levels	<p>9</p> <p>1</p>	We defined the leadership competencies we aspire to create and embed across the organisation, and developed the Leading the Implats Way programme, based on the Care and Growth model which focuses on people and their development. This has been rolled out across all management.	By empowering our people to “lead the Implats Way”, we are supporting the transformation towards our desired organisational culture of care and performance, driving organisational success through our people.	45 – 49
Addressing barriers to gender equality as highlighted by a Commission of Gender Equality study at Impala Rustenburg and Implats Head office	6	We have taken decisive steps to improve our approach to creating an environment conducive to gender equality and to address barriers to the employment, retention and the advancement of women. We have introduced a gender mainstreaming policy, designed campaigns on sexual harassment, revised graduate programmes for the advancement of women and improved facilities on our mines for females.	Implats has always strived to ensure a conducive environment for female employees and welcomed the opportunity to voluntarily participate in the study. The results have enhanced our approach to creating an enabling environment for gender integration.	54
<b>COMMUNITIES</b>				
<b>Quality of our relationship</b> 				
Disproportionate community reliance on the organisation for employment, procurement and social investment	6	The organisational restructuring has impacted the levels of employment and recruitment. This is exacerbated by the shortage of critical skills in the mine communities. To address this, the organisation invests in skills development initiatives that make members of local communities employable and promotes employment through our local procurement practices and social projects. In the year under review, we also increased our local host community procurement spend (tier 1) by 23% to R1.6 billion at Impala Rustenburg and by 82% to R70 million at Marula.	Impala has a policy of employing people from communities close to our operations where possible and will continuously develop community members and identify opportunities for entrepreneurs in the mine lease area.	45 – 50, 62 – 80
Attendance fee for Mine Community Engagement Leadership Forum (MCLEF) officials at Impala Rustenburg	6	MCLEF meetings at Impala Rustenburg were suspended in February 2019 to address the request from officials. Impala and its social partners, the Royal Bafokeng Nation (RBN) and Rustenburg Local Municipality (RLM) oppose this request as officials are salaried employees. Under the guidance of the RBN, RLM and DMR, the forum is being restructured to ensure greater efficiency and that information on social investments, procurement and employment opportunities flows unabated to our communities.	MCLEF meetings will commence in FY2020. We have maintained effective communication with our communities through our good working relationship with the RBN and RLM.	62

Key issue	Related Group risk	Our key response measures	Outcome/outlook	Page reference
<b>COMMUNITIES</b>				
<b>Quality of our relationship</b> 				
Disruption to Marula operations due to community unrest	6	Disputes around the governance and distribution of the community-managed dividends from the Makgomo chrome project remain the most pressing community challenge at Marula and the cause of intra-community leadership disputes. Together with community representatives, the DMR and SAPS, meaningful progress has been made towards resolving the disputes. The parties have entered into a peace agreement which will ensure that operations are not disrupted, enabling Marula and Makgomo Chrome to create further value for their respective beneficiaries.	It is the intention of all parties to secure a long-term sustainable resolution to secure peace and stability around the mining operation, and to ensure the benefits from the chrome project are received in good faith and used to develop and benefit the Marula host communities. The community related disruptions in March 2019 remain the only recorded operation disruptions at Marula in the year.	62
Establishment of a formal, inclusive and effective community engagement structure at Marula	6	An independently facilitated process involving DMR, local and provincial government, commenced in March 2019 aimed at creating an all-inclusive platform through which Marula will engage with its host communities to ensure peace and stability around the operation. Marula has also launched a quarterly newsletter to enhance community communications and appointed a service provider to assist in identifying enterprise and supplier development initiatives in the community.	Good progress has been made in resolving community unrest at Marula. Plans are in place to broaden communication channels with communities to provide timeous, honest and accurate information.	62
<b>GOVERNMENT – SOUTH AFRICA</b>				
<b>Quality of our relationship</b> 				
Economic and social impacts of the Impala Rustenburg restructure	1 6 7	We continue to manage the engagement process with government proactively and with due care and sensitivity. We aim to actively demonstrate our willingness to work collaboratively with all social partners to mitigate the unintended socio-economic impacts of the restructuring process as far as possible.	We aspire to sustain good relations and engagement processes with all stakeholders. We are actively pursuing initiatives to minimise job losses and continue to implement our social economic development initiatives.	51, 62 – 80
Completion of second-generation SLP commitments (2014-2018) within set timelines at Impala Rustenburg and Marula	6 7	Implementation of certain SLP infrastructure projects was delayed due to the late approval of SLPs (related to the 2014 platinum strike), amendments to the SLPs requested by stakeholders and more recently as a result of financial constraints. To counter this, Section 102 applications were submitted to the DMR to extend the SLP implementation period by two years, to December 2020.	We await a response to the requested time frame extensions and remain confident of a positive outcome. Impala will complete all but two of its outstanding projects in 2019. Marula has one outstanding project, a major road construction project in partnership with Roads Agency Limpopo.	64 – 66

## OUR MATERIAL SUSTAINABILITY ISSUES

Key issue	Related Group risk	Our key response measures	Outcome/outlook	Page reference
<b>GOVERNMENT – SOUTH AFRICA CONTINUED</b>				
Quality of our relationship				
Compliance with provisions of the new Mining Charter 2018	7	<p>The Charter contains a number of provisions that are a cause for concern in terms of attainability and growing the industry.</p> <p>We are confident that with the right engagement through the Mineral Council South Africa, uncertainties will be resolved, notably in terms of procurement requirements and empowerment credits on renewal and disposal of a mining right.</p>	We await finalisation of the judicial review process currently underway.	80
<b>GOVERNMENT – ZIMBABWE</b>				
Quality of our relationship				
Economic challenges in Zimbabwe	5	Zimplats management has continuously engaged with government on economic issues amid increasing tensions provoked by cash and foreign currency shortages that have impacted the availability of fuel, basic commodities and pharmaceuticals.	We will maintain ongoing targeted engagements with the leadership of the Zimbabwean government. Our priority has been to assist in addressing economic and fiscal policy challenges. Positive developments for the sector in the year include the deferment of the export levy on unbeneficiated PGMs for a further two years, a formal increase in the surrender value of export revenues and the relaxing of the contentious indigenisation policy.	80
Tailings dam risk to communities	6	Following a lengthy engagement process with local authorities, the resettling of families currently residing in the zone of influence of the SMC tailings dam was formally approved for implementation by government.	Zimplats is now proceeding with the relocation process.	95
Disaster relief efforts following tropical cyclone Idai's devastation in March 2019	6	In support of government's efforts, Zimplats dispersed ZWL\$500 000 over three months, to procure food, medical equipment, fuel, water purification chemicals and larvicide.	Our contribution to disaster relief efforts was favourably received and contributed positively to the lives of ordinary Zimbabweans.	72
<b>SHAREHOLDER AND INVESTMENT COMMUNITY</b>				
Quality of our relationship				
Financial performance and implementation of strategic review	1 5 2 6 3 7 4	Our response measures include: Ongoing review and prioritisation of spend including optimisation of Group cash balances and debt, ongoing cost control, initiatives to improve operational efficiency, and rigour and conservatism around monthly forecasting and over budgeting process.	We aspire to ensure sustained investor confidence and support. In July 2019, Implats successfully incentivised the holders of its US\$250 million 3.25% convertible bonds to exercise their conversion rights, significantly strengthening our financial position.	Integrated report



Key issue	Related Group risk	Our key response measures	Outcome/outlook	Page reference
<b>SHAREHOLDER AND INVESTMENT COMMUNITY CONTINUED</b>				
Governance, disclosure and contributions toward environmental, social and governance (ESG) related matters	<p>6</p> <p>7</p> <p>10</p>	<p>In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on ESG issues.</p> <p>Implats is committed to making lasting positive contributions to our people, the communities around our operations and the environment.</p>	We will continue developing our understanding of how we can attain our ESG objectives while positively contributing towards the SDGs and our ongoing commitment to the UN Global Compact and its 10 principles.	18
<b>CUSTOMERS</b>				
<b>Quality of our relationship</b> 				
Attracting and retaining customers through innovation and quality	<p>3</p>	<p>Engagements were held throughout the year with customers to maintain good relations. This included hosting the CEOs and executives of several of our major customers. Strategic review meetings were held for both the World Platinum Investment Council (WPIC) and the Platinum Jewellery Development Association to identify gaps in current strategies and formulate a way forward to stimulate demand for PGMs.</p>	<p>The demand for our metals remains strong. Our bi-annual customer satisfaction survey will be completed in the 2019 calendar year.</p>	Integrated report

**OUR MATERIAL SUSTAINABILITY FOCUS AREAS**

For the purposes of our sustainability disclosure and management approach, we have identified three material sustainability focus areas and an associated set of material issues. These focus areas and issues were identified through an internal materiality process that involved the input of senior management representatives and corporate sustainability practitioners. The structured process involved a consideration of: the findings of the Group risk process; the material interests and concerns of our key stakeholders; an assessment of our most significant impacts on human, social and natural capital; Implats’ approach to creating value; the impacts of the challenging business context; inputs from ESG analysts; the GRI Sustainability Reporting Standards; and the United Nations Sustainable Development Goals.

**Focus areas and issues**

- Through this process we agreed the following material sustainability focus areas:
- **Safe and effective people who respect and care**
    - Delivering on our commitment to zero harm
    - Employee and contractor safety
    - Employee health and wellbeing
    - Shaping our organisational culture
    - Investing in employee relations
    - Attracting, retaining and developing talent
    - Promoting diversity and transformation

- **Building social capital**
  - Our economic and social value added
  - Investing in community development in South Africa and Zimbabwe
  - Accommodation and living conditions
  - Procurement, enterprise and supplier development
  - Legislative policy environment
- **Conserving natural resources and mitigating impacts**
  - Environmental legal compliance
  - Water stewardship
  - Climate change and energy management
  - Air quality management
  - Managing our mineral residue and non-mineral waste
  - Land management and biodiversity

The sections of our Sustainable Development Report that follow have been structured to reflect these focus areas and issues.



*Chrome spirals at Marula*





03

# SAFE AND EFFECTIVE PEOPLE WHO RESPECT AND CARE

## KEY FEATURES

**5** recorded fatalities

**28%** improvement in FIFR

**26%** reduction in new pulmonary TB cases

**50%** reduction in Aids deaths since 2015

**Good progress** with transformation at all management levels

**Phase 1** of restructure successfully completed

**HR strategy** guiding progress in creating our desired organisational culture

## OUR ALIGNMENT WITH SDGS





## EMPLOYEE AND CONTRACTOR SAFETY

Our business is about our people. We are fostering a culture that cares for and develops people so that we motivate an engaged and productive workforce. We aim to attract the best people in the industry and to drive professional and personal development to enable everyone to fulfil their potential.

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Reduction in fatal injuries year-on-year</p> <p>Improved safety performances in most areas, placing the organisation in a favourable position relative to the overall industry</p> <p>Visible felt leadership and improved consequence management delivering tangible results</p>	<p>Five fatalities: one at Zimplats and four at Impala Rustenburg</p> <p>215 days of lost production due to Section 54 stoppages</p> <p>Improvements in safety performance notwithstanding, we continue to experience incidents of high-risk behaviour resulting in fatalities and serious injuries</p>	<p>Eliminating fatalities and reducing levels of injuries; each operation is expected to achieve at least a 20% year-on-year improvement in their LTIFR performance</p> <p>Building resilient safety leadership and enforcing operational discipline</p> <p>Intensifying supervision on critical activities at the work face</p>

Safe production is non-negotiable and ensuring the safety of our employees and contractors underpins all that we do and remains key to delivering on our commitment to zero harm. Nothing is more important than making sure everyone returns home safely after a day's work. We are fostering a workforce culture of performance and care. We train, equip and empower our employees to work safely every day.

Our renewed focus on passionate, resilient safety leadership and mining discipline has driven significant improvements in our safety performance but we are not yet where we must be in terms of no lives being lost. By focusing on leadership visibility, interaction and coaching, we are changing the way people behave. Our progress is supported by our sustained expenditure and effort in implementing safety initiatives, technical solutions and training across the Group.

### Our 2019 performance

We deeply regret the loss of five of our colleagues at our operations this year (see page 35). Any loss of life is unacceptable and we remain unwavering in our commitment to achieving our vision of zero harm. Each of the tragic incidents has been subject to a rigorous independent investigation, with learnings shared across the Group and management actions taken to improve controls and to prevent recurrence. Failure to identify hazards, respect risks, not following standard operating procedures and inadequate supervision and oversight are routinely identified as contributing factors in significant and fatal incidents.

Our safety performance has continued to improve across our South African operations and particularly at Impala Rustenburg, under the leadership of CEO Mark Munroe. The Group continues to perform favourably relative to the overall industry. Zimplats had attained 10.2 million fatality-free shifts before recording a fatality this year. The Zimplats consistent safety record received various safety recognition awards for outstanding performance in the Zimbabwe mining industry. Our Group level key lagging and leading safety performance indicators are provided on the following page.



Key lagging indicators

Category	Target	2019 actual	2018 actual	Variance %	Achievement against target	2020 target
Fatal injuries	0	5	7	29% ↓	No	0
Fatal injury frequency rate	–	0.047	0.065	28% ↓	–	–
Reportable injury frequency rate	2.36	3.96	4.00	1% ↓	No	2.36
Lost time injuries recorded	–	561	648	13% ↓	–	–
Lost time injury frequency rate	5.41 (10% year-on-year improvement)	5.30	6.01	12% ↓	Yes	20% year-on-year improvement
Permanent disability injuries	–	24	41	41% ↓	–	–
Medical treatment case frequency rate*	–	7.40	6.85	9% ↑	–	–
Total injury frequency rate**	–	12.70	12.86	1% ↓	–	–
Dangerous occurrences (excluding fatalities)	–	34	42	19% ↓	–	–

\* Medical treatment case frequency rate (MTCFR), which includes any injury that requires more than first-aid treatment.

\*\* The total injury frequency rate (TIFR) – a measure of all recordable injuries, including fatalities, lost-time injuries and medical treatment cases.

- Our lost time injuries (LTI) were mostly attributable to falls of ground, equipment material handling, rail bound tramming and slipping and falling. During this reporting period, 75% of LTIs became reportable injuries compared to 67% the previous year
- In 2019, 91% of dangerous occurrences were at Impala Rustenburg operations, unchanged from 2018

Key leading indicators

Category	2019 Actual	2018 Actual	Variance %
Regulatory stoppage instructions (Section 54s and 55s)	90	93	3% ↓
Proactive internal stoppages	2 846	4 453	36% ↓
VFL engagements*	26 223	45 807	43% ↓
Planned task observations	73 764	84 495	13% ↓

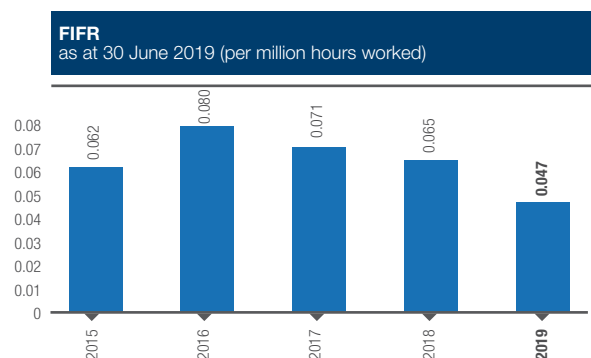
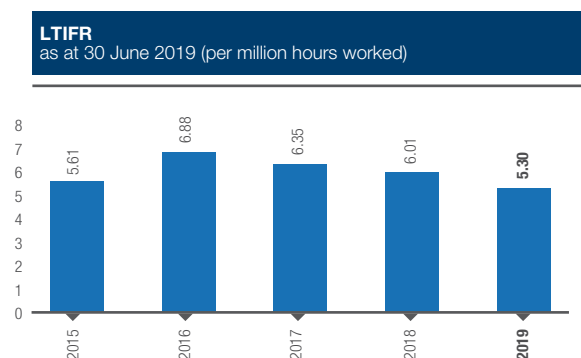
\* Against target VFL engagements of 26 043.

- Section 54 stoppage instructions issued (45) continue to be restricted to the area where the danger/non-conformance was observed. Eighteen of the stoppages impacted production with a total of 215 days of lost production. Analysis of Section 54s and our internal stoppages shows that the majority continue to be issued for non-compliance with winch rigging and support operating standards.
- We achieved 97% compliance in our road behaviour testing on the roads that cross mine property (125 721 checks and 3 179 transgressors), as compared with 98% compliance last year; our target is 100%.
- We conducted 1 917 789 breathalyser tests (2018: 2 568 641) throughout our operations in line with Company policy of zero alcohol in the workplace. As a result, 213 tested positive, representing a 34% decrease on the 324 individuals who tested positive in 2018. Disciplinary action was taken against all employees testing positive.
- We conducted 52 764 induction training interventions in order to ensure that all new and ex-leave employees are trained.

## EMPLOYEE AND CONTRACTOR SAFETY

In the year, nine of our 14 managed sites maintained or achieved safety millionaire and multimillionaire fatal free status.

Operation	Total progressive fatality-free shifts worked	Progressive fatality-free stretch of time
Rustenburg Services	12 923 286	17 years, 11 months
Springs Refineries	11 788 204	22 years, 9 months
14 shaft	3 793 002	3 years, 5 months
9 shaft	2 932 362	6 years, 10 months
6 shaft	2 420 890	6 years, 6 months
1 shaft	2 113 115	2 years, 4 months
Marula	1 683 240	1 year, 9 months
20 shaft	1 519 555	1 year, 9 months
12 shaft	1 176 299	1 year, 9 months



Fatal injury frequency rate (FIFR) per million hours worked	2019	2018	2017	2016	2015
Impala Rustenburg	0.052	0.075	0.083	0.107	0.070
Impala Springs	0.000	0.000	0.000	0.000	0.000
Marula	0.000	0.121	0.103	0.000	0.111
Zimplats	0.064	0.000	0.000	0.000	0.000
<b>Group</b>	<b>0.047</b>	0.065	0.071	0.080	0.062

Lost-time injury frequency rate (LTIFR) per million hours worked	2019	2018	2017	2016	2015
Impala Rustenburg	5.71	6.88	7.73	7.91	5.29
Impala Springs	0.23	0.00	1.22	0.72	0.50
Marula	13.41	11.63	5.79	9.56	18.20
Zimplats	0.45	0.19	0.21	0.58	0.88
<b>Group</b>	<b>5.30</b>	6.01	6.35	6.88	5.61

Fatal incidents

**IN MEMORIAM**

**This year, five of our colleagues tragically lost their lives in the course of work at our operations.** In remembrance, the names of these individuals are: Mr Semoko Mokhethi; Mr Richard Mapuranga; Mr Martin Ludick; Mr Justino Magumane; and Mr Ohaletse Niklaas Molaetsi. We extend our sincere condolences to the families, friends and colleagues of the deceased. Recognising the severe impacts of their loss, we offer family support across our operations in South African and Zimbabwe. Principal areas of assistance include: specialised trauma counselling for dependants and counselling for co-workers; providing Group insurance cover for funeral expenses and a benefits pay-out to the family according to the rules of the respective fund; offering specialised trauma counselling for dependants and counselling for co-workers; offering employment at Implats for a family member; providing ongoing financial assistance for the schooling of children of the deceased (from pre-school to tertiary level). We visit the families at least annually to monitor their wellbeing, educational progress and to demonstrate ongoing support.

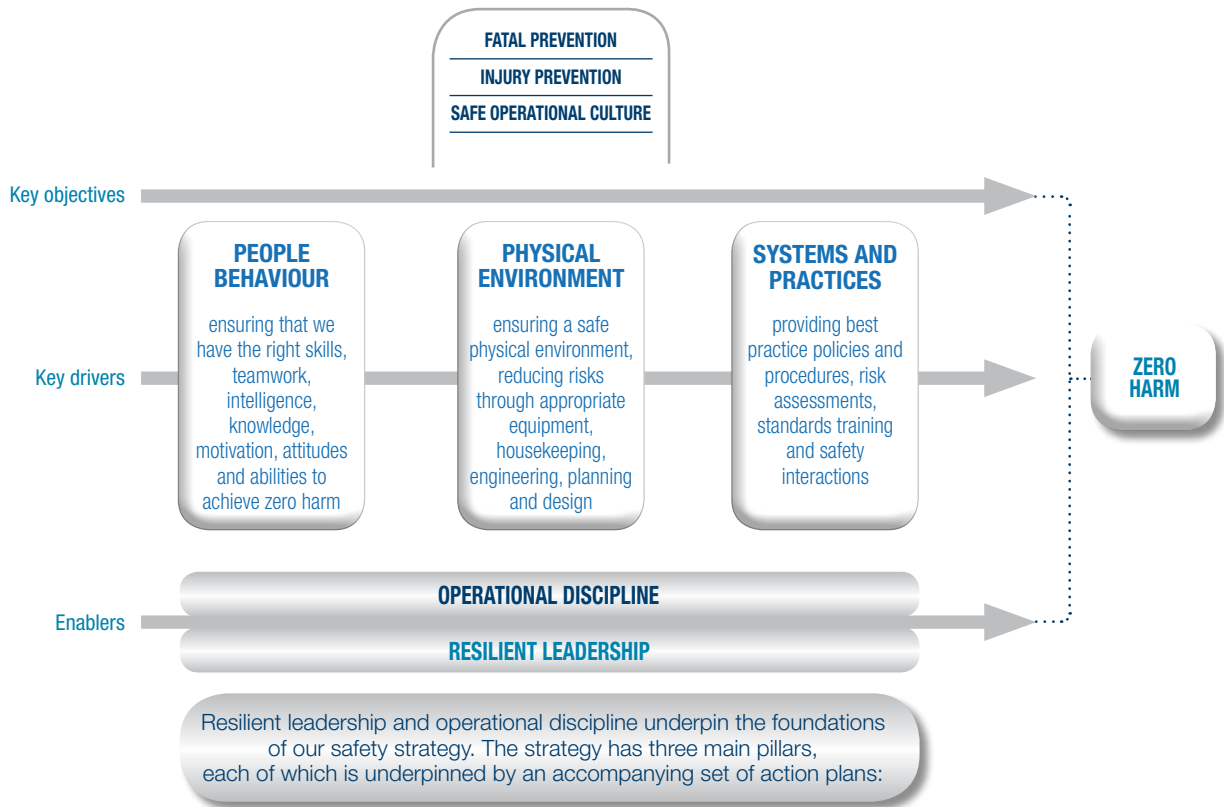
The root causes of each incident is investigated and remedial actions implemented in an attempt to prevent a repeat occurrence. With human error being a contributor to many incidents, our priority remains to cultivate a culture of operational discipline to ensure full compliance and commitment to safe working practices. The details of our fatal incidents and a summary of remedial actions and learning points are given below.

Fatal incidents in FY2019	Outcome of investigation
Mr Semoko Mokhethi fell to his death when a tip door opened while he was standing on it. Impala Rustenburg No 16 Shaft (09/09/2018)	<b>Remedial action and learning points:</b> Improve standards and improve training of locomotive operators. Enforce operational discipline and safe production rules. Isolate/barricade critical zones in tip areas. Allocate additional harnesses to all tip areas. Longer term, re-engineer inspection platform for all tip areas and move controls to platform. Risk assess all additional engineering options and implement as required.
Mr Richard Mapuranga was fatally injured in a fall of ground incident – rock fragments caused multiple blunt force injuries, at Mupfuti mine, Zimplats (05/04/2019)	<b>Remedial action and learning points:</b> Review procedures to enhance communication. Introduce a system for initial assessment by geo-tech and overseer miner prior to support preparation. Review of strata control training to identify opportunities to enhance judgement and procedures. Extend the training of rock support team assistants to enhance competency in identification of structures. Investigate deployment of virtual reality training on high-risk tasks to enhance proficiency when carrying out tasks. Include accident reconstruction videos to enhance accident tailgating and general awareness. Continue with roll out of barring down cages in risk areas as defined by increased height and ground conditions. Explore other appropriate scaling technology.
Mr Martin Ludick slipped and fell while working at heights at Impala Rustenburg UG2 plant (18/04/2019)	<b>Remedial action and learning points:</b> The risk assessments for all the critical tasks were reviewed and signed off. All employees involved in the critical tasks have received refresher training and assessments on identified issues including workplace hazard identification, working at height requirements, safety harness practices, refresher training for supervisors, and consequence management for non-compliance. Special instruction issued to re-enforce procedural compliance on Processing Life Rules.
Mr Justino Magumane was fatally injured in a tramming incident – caught between a hopper and the frame of a ventilation door, at Impala Rustenburg No 11 Shaft (15/05/2019)	<b>Remedial action and learning points:</b> Mine overseer, shift boss and miner training sessions instituted with regards to tramming through ventilation doors. High Level Internal investigation commenced to identify absent and failed defences. External third-party expert appointed to evaluate organisational and system errors. Original Equipment Manufacturer sourced to conduct analysis and sign-off on track installation remedial measures.
Mr Ohaletse Niklaas Molaetsi was fatally injured in a fall of ground incident at Impala Rustenburg No 10 Shaft (17/06/2019)	<b>Remedial action and learning points:</b> Investigation indicates that the deceased entered an area which had not been declared safe. Reinforce the importance of the Trigger Action Response Programme (TARP) and reinforce barring along sidewall of gullies. Planning process was reviewed and amended. No person to work alone in stopes. In all gullies where no siding is carried ensure that roof bolt support is installed as per standard.

# EMPLOYEE AND CONTRACTOR SAFETY

## IMPLATS SAFETY STRATEGY MODEL

Operational discipline is achieved when the specific activities necessary for the successful daily operation of Implats operations are running as they should be. These activities include setting objectives, goals, targets, standards and practices, and most importantly the behaviour of people.



Our safety strategy strives to foster a safe operational culture and achieve our vision of zero harm. The strategy is informed by external and internal reviews of our safety systems and culture, and by a continual analysis of the root causes of all fatal, reportable and lost-time incidents.

The principal safety risks facing our employees and contractors relate to falls of ground, moving machinery, transportation, working at heights, electrical or release of stored energy incidents and isolation/lock-out. Fatigue and stress management is another focus area. A review of strategic interventions and developments to mitigate safety risks during 2019 is summarised on the following page. Further details of our safety performance are provided in our performance tables on page 110.

## FOCUS AREAS AND DEVELOPMENTS DURING FY2019

We maintained a focus on changing the safety culture at our more challenging Impala Rustenburg and Marula Mines where we have the greatest number of employees and continue to experience high-risk behaviour.

**Strategy implementation and monitoring:** At Impala Rustenburg and Marula, each operation develops and implements a 90-day safety plan to support the achievement of defined objectives aimed at addressing weaknesses identified in their current status. At Marula, the process has been inhibited by a limitation in safety resources and competencies. Supporting performance standards form the basis for proactive measuring and monitoring of individual and team safety performance. We are rolling out the CURA risk management tool at Impala Rustenburg and Marula operations in order to standardise operational safety risk management standards and practices. In 2020 we will repeat the safety culture assessment across the Group to measure the effect that the initiatives have had on improving the safety culture of our people.



**Resilient leadership:** We have aggressively embedded visible-felt leadership at Impala Rustenburg and Marula. This includes a monthly campaign on a specific safety risk and reinforcing critical safe behaviours through awareness, hazard identification and coaching as part of weekly VFL interventions. The review of standards and the practical application of the standards in the workplace is tangibly improving the level of team competencies and workplace conditions. We have implemented formal leadership training and development initiatives to address gaps identified in current leadership skills. All managers have received training in Leading the Implats Way (see page 43). We monitor progress through improved performance management processes (see page 47).

**Training:** We continue to invest in enhancing our frontline supervision and providing safety coaching in critical areas based on analysis of safety trends. Supervisory guidance includes miner overseer hotspot plans and a supervisory standard daily checklist to ensure that teams are aware of safe requirements for production in their specific area.

### Every manager and general manager has received incident cause analysis method (ICAM) training this year.

Training provided last year on the application of the consequence management process in a consistent way has improved consequence management at our operations. Training is provided for newly elected health and safety representatives and periodic refresher training is offered to established health and safety representatives.

**Incident and injury investigations:** We have improved the quality and efficiency of our safety incident reporting and communications. The timeous recording, analysis and public showcasing of any lost time injury (LTI) in the workplace is assisting in mitigating levels of LTIs. We have put concerted effort into promoting the identification, reporting and investigation of high potential incidents (HPI); these are incidents that could have resulted in fatal or multiple fatal accidents. All HPIs are investigated through the ICAM process to identify critical learnings to share across the Group to prevent similar accidents. To improve the quality of the investigations and the team's competencies, HPIs are reviewed weekly by senior management.

### We monitor the quality of injury investigations and the effective implementation of recommendations and findings.

**Critical risk management:** Eliminating fatalities is our first imperative. To this end, we have set up a task team to support all our operations in implementing fatal risk control protocols. Enhancing our critical controls to mitigate risks relating to falls of ground and scraper winch operations, is a particular focus. This includes monitoring and improving the quality of our trigger action response plans (TARP) reporting for managing critical situations. Chief safety officers and managers conduct early shifts with the focus on the quality of entry examination and safe declaration processes performed by the miner and team.

**Critical safe behaviours:** We continue to entrench critical safe behaviours at Impala Rustenburg operations for rock drill operators, scraper winch operators, locomotive operators, panel operators and trackless machine operators. This is driven through safety representative and supervisory monitoring interventions. We focus on monitoring, measuring and reporting on performance based on the critical behaviours of people in the workplace.

**High-risk behaviour:** We use a psychological assessment tool to identify behavioural characteristics that predict at-risk/unsafe work behaviours and seek to mitigate risks through individualised developmental initiatives. We analyse data sets (including medical, human resources, financial, disciplinary, production) to identify employees at high risk of having a safety incident. We monitor and seek to mitigate the level of risk, through a formal counselling process.

**Technical solutions:** We continue to implement best practice technical initiatives and to assess new technological advances. Initiatives implemented include the use of roof bolts and netting to protect against falls of ground, rolling out fire retardant conveyor belting, enhanced central electronic blasting system, fire detection systems, electronic scraper winch signalling devices, and proximity detection systems (PDS) on mobile equipment.

**Regulatory and sector initiatives:** We continue to implement the cultural transformation framework developed by the Minerals Council South Africa Mine Health and Safety Council (MHSC), and to embed the Mining Charter II's health and safety commitments. In 2018, the Minerals Council, through the CEO Zero Harm Forum, initiated a number of measures to address a regression in safety performance in the South African mining industry. Implats participates fully in these efforts and the sector's recommitment to a shared vision of zero harm. We supported the national day of safety and health in mining campaign to visibly and publicly recommit to the shared goal of zero harm, Impala Rustenburg ran a month-long campaign at its operations and held four targeted events to demonstrate leadership and promote commitment at all levels.

## EMPLOYEE AND CONTRACTOR SAFETY



### IMPLATS “WE CARE” EDUCATIONAL SUPPORT PROGRAMME

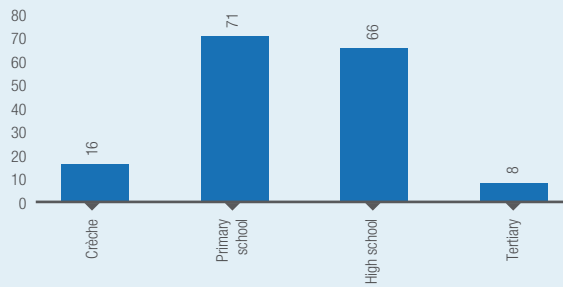
The programme’s current tertiary students are pursuing degrees and national diplomas in commerce, human resources, education, dental therapy and tourism to name a few.

The role of the We Care programme is to provide schooling necessities to children of employees who lost their lives as a result of an incident at work. Since its inception in 2009, the We Care programme comprised of support and funding for crèche, primary and high school going children. In 2013 the programme was extended to beneficiaries who, through the high school programme, had qualified to attend tertiary institutions.

Below is a breakdown of the total number of beneficiaries currently attending crèche, primary school, high school and those who have enrolled at a registered tertiary institution.

The tertiary programme has seen six individuals obtain qualifications in disciplines ranging from public administration to electrical and chemical engineering.

**We care programme school statistics**  
as at 30 June 2019



**161**

learners currently supported

**6**



tertiary qualifications obtained since 2013

**60%**

pass rate at tertiary level

## EMPLOYEE HEALTH AND WELLBEING

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Pulmonary TB and HIV levels kept under control, with improvements in most performance indicators</p> <p>Adherence to HIV and TB treatment remains high at 95% and 100% respectively</p> <p>Replaced all of 170 Premfit roof bolters at Impala Rustenburg with modified units that have ensured that noise levels emitted are below 107dB</p> <p>A reduction in the number of cases compensated for hearing-loss</p> <p>Zimplats mental health initiatives deliver positive outcomes</p>	<p>Noise-induced hearing loss remains the main occupational health risk facing our employees. In all, 36 new cases of noise induced hearing loss were compensated for hearing loss</p> <p>At Marula, the trials of machines which were deemed to be suitable replacements for the stope rock drills that emit noise levels above 107dB have not been successful due to technical and design challenges</p> <p>A total of 811 employees applied for medical disability benefits as a result of HIV-related disorders</p>	<p>Complete the replacement of Premfit stope rock drills at Marula to ensure that noise levels emitted are below 107dB</p> <p>Timeously identify sick employees and seek to manage their recovery</p>

The principal health risks facing our employees are pulmonary tuberculosis (TB) and the associated human immunodeficiency virus (HIV) co-infection, both of which are of epidemic proportions in southern Africa. The major occupational health risk associated with our mining activities is noise-induced hearing loss (NIHL). Other risks relate to lifestyle health risks, including smoking, nutrition and mental wellbeing.

### OUR STRATEGIC APPROACH

Our health strategy addresses both occupational and non-occupational health and is focused on preventing harm to our employees. It is structured around three main pillars:

- wellness;
- education; and
- treatment.

The occupational health strategy focuses on ensuring that all occupational health risks are identified, mitigation controls are in place to eliminate occupational health hazards at source, and that any ill health is detected and treated early and efficiently. Every employee undergoes a medical screening examination at least once a year. Any abnormalities detected are referred for further diagnostic investigation and treatment. Any potential disability is referred to independent third parties for assessment and possible compensation.

Our strategy on non-occupational health focuses on ensuring that all employees have access to affordable healthcare so that all health stressors can be identified, managed and treated. Implats has extended its shared responsibility to include the health of dependants of employees, as well as broader investments in community healthcare projects. The delivery and funding arrangements depend on the local medical facilities and service providers. For further information on our investments in community health, please refer to pages 42 and 72.

We have ongoing initiatives to educate our employees and reinforce messages around managing health hazards. To address some of the lifestyle-related health factors, we have implemented activities related to culture transformation, financial wellbeing and wellness. Our strategy guides our approach to achieving the occupational health milestones set for the South African mining industry, across all our operations, including those in Zimbabwe. The 2024 health milestones include targets for HIV, TB, silicosis and NIHL.

### OUR 2019 HEALTH FOCUS AREAS AND PERFORMANCE

Number of employees	2019	2018	Variance %
New pulmonary TB cases	111	149	26 ↓
TB incidence rate per 100 000 (SA)	337*	530	39 ↓
Number of new HIV cases	509	646	21 ↓
Number of voluntary counselling and testing (VCT) cases	12 093	12 028	1 ↑
Number of HIV+ employees on antiretroviral therapy (ART) (net enrolment at year-end)	5 730	5 771	1 ↓
Employees with NIHL shift >10%	64	102	37 ↓
Medical incapacity cases related to HIV	811	836	3 ↓

\* National incidence rate estimate in South Africa is 567 per 100 000 people.

## EMPLOYEE HEALTH AND WELLBEING

**Monitoring employee health:** This year, 66 579 occupational medical screening examinations were conducted, of which 49 579 were periodic, 5 645 exit examinations and 11 355 pre-placement. No previously unknown occupational illnesses were detected. The integration of occupational and clinical care information as well as sick leave records continue to assist with our management of patients on chronic medication programmes and the identification of high health risk employees.

**Pulmonary tuberculosis (TB):** Implats takes an integrated approach to managing TB and HIV due to the co-infection rate. The number of new cases of pulmonary TB diagnosed for employees decreased by 26% year-on-year, to 111. We recorded a further 37 new cases of pulmonary TB among contractors, bringing the total number new cases of pulmonary TB diagnosed to 148 across the Group (195 in FY2018). Six of the new cases of pulmonary TB diagnosed among employees and contractors were found to be multiple drug resistant (MDR) TB, all at Impala Rustenburg. The MDR risk remains relatively well controlled and will be further mitigated by a new treatment regime which reduces the treatment duration from 18 months to nine months. Over 70% of new TB cases diagnosed have a co-infection with HIV.

**At our South African operations, the annualised incidence rate of 337 per 100 000 employees remains well below the estimated South African average of 567 per 100 000 citizens and Implats remains on track to achieve the 2024 mining milestones for TB.**

All cases of pulmonary TB are submitted for disability assessment to third parties and then to the Department of Health's Medical Bureau of Occupational Diseases for recording and final assessment.

**HIV/Aids:** Our HIV/Aids policy, which covers activities across all our operations, ensures patient confidentiality, non-discrimination and highlights our commitment to ARV treatment programmes. All employees and contractors are counselled and offered HIV testing at annual medical examinations as well as at wellness days and at all Group medical facilities. Our HIV prevalence rate is estimated at 23% based on available data for Impala Rustenburg, level with the last four years. We continue to register high levels of participation in counselling and our company-funded and managed HIV-wellness programmes. 12 093 employees underwent VCT, an increase of 1% year on year. 5 730 employees are receiving ART treatment through our company medical facilities. The number of employees receiving ART through external medical aids or government health facilities is not known. All patients diagnosed HIV-positive undergo extensive counselling by a multidisciplinary medical team consisting of nurses, doctors, social workers and peer educators in order for them to accept their status and, most importantly, to start and be compliant with ART treatment.

**Adherence to treatment for HIV and TB remains level with the last two years at 95% and 100% respectively.**

Failure to adhere to long-term treatment and the associated challenge of drug resistance remains a concern, and all patients are closely monitored.

**Chronic illness:** We have also maintained a focus on identifying and managing patients with other chronic conditions (the main conditions being hypertension and diabetes) and assessing whether they are still fit to perform their duties, particularly underground, safely and productively. The majority of patients are doing well from a treatment perspective and remain fit to perform their duties. We focus on early identification of cases for early initiation of appropriate adjustments to treatment and occupational fitness.

**Noise-induced hearing loss (NIHL):** NIHL is the main occupational health risk facing our employees.

We reduce the noise levels emitted by our equipment by adhering to the "buy quiet" philosophy and by muffling machines. Work places are closely monitored for noise levels and demarcated accordingly.

**We provide all employees exposed to noise with custom-made hearing protection devices (HPD) and have enhanced the education and training of employees across the Group on the risks and effect of exposure to noise both in the work environment and outside of work.**

NIHL, however, remains a Group and an industry challenge.

We conduct annual audiometric examinations to detect any early deterioration of hearing before permanent NIHL develops. Employees found to have an early hearing loss shift of 2.5% to 5.0% undergo formal counselling on the effects of noise and the importance of wearing hearing protection in designated noise areas. The risk of exposure to high noise levels outside of the workplace, in bars, shebeens and music festivals is also explained.

Employees who are found to have a hearing shift of between 5% and 9.9% from baseline undergo a formal incident investigation process to try and determine where and when the exposure occurred and to also emphasise the wearing of hearing protection in designated areas, and avoiding noise exposure at home.

**All employees who have an NIHL shift of more than 10% are submitted for independent third-party assessment of disability and compensation if the hearing loss is deemed to be due to work-related exposure.** This year, 64 cases were submitted for assessment compensation, with 36 cases deemed by third-party assessment to be compensable noise induced hearing loss. (FY2018 – 102 submissions and 65 compensated).

**Good progress has been made with the silencing of equipment, particularly the roof bolter drill machines used in our Impala Rustenburg UG2 operations and the remaining 22 machines are scheduled to be replaced in 2020.**

At Marula Platinum, the trials of machines which were deemed to be suitable replacements for the stope rock drills that emit noise levels above 107dB have not been successful due to technical and design challenges. The Marula stope rock drills will now be replaced in FY2020.



**Pneumoconiosis:** The risk of contracting pneumoconiosis (silicosis) at our operations is extremely low due to the very low levels of alpha quartz in the rock mined. The average dust concentration trends recorded remain below 10% of the occupational exposure limit (OEL). Real-time dust monitors are installed at high-risk locations underground to detect potential excessive dust volumes. Nevertheless, all employees are checked for signs of silicosis at annual occupational health screening examinations. **This year, seven employees and 12 contractors were diagnosed with silicosis. All of these cases have historical gold mine exposure and have been submitted for assessment of disability and compensation.** We provide INH prophylaxis to current known silicosis patients to reduce TB infections. Implats continues to be represented on the SA Occupational Disease Advisory committee.

**Diesel particulate matter (DPM):** We continue to monitor exposure to DPM, which presents a potential occupational carcinogenic risk. The risk of exposure to DPM is mitigated by adequate ventilation, low sulphur diesel replacement and DPM exhaust filters in underground diesel combustion engines. All underground locomotives are electric and therefore do not emit DPM.

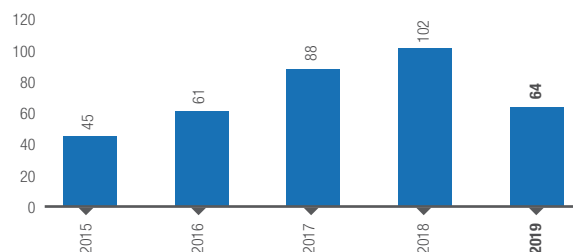
**Musculoskeletal stress:** We have completed ergonomic risk assessments in both high and low risk work environments and implemented monitoring and corrective measures to prevent musculoskeletal disorders.

At our Zimplats operations, we have addressed a concerning increase in the reporting of low back pain, notably among machine operators. **Through replacement screening, education of employees, engagement with the OEMs on ergonomics, PPE provision and rehabilitation of employees who already have back pathology, the number of new cases has reduced to nine and 67% of the 117 previously reported cases have returned to normal duties.**

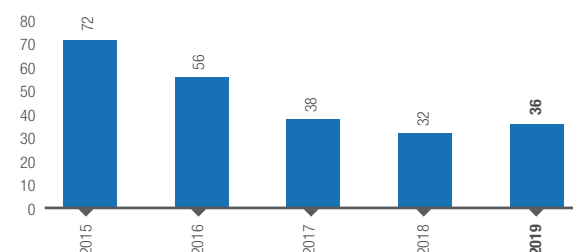
**Mental wellbeing:** To promote emotional wellbeing, and to support employees with early symptoms and signs of emotional stress, all operations facilitate access to professional support. All employees have access to an employee assistance programme and to various other resources aimed at encouraging wellbeing. Mental health challenges are often related to financial difficulties. We are placing an increasing focus on assisting employees who are over-indebted (see below). Zimplats has consolidated its mental health support programme with a special focus on the management of drug and alcohol-related issues. The initiatives are delivering tangible results; there were fewer incidents of domestic violence at Turf reported, fewer incidents of breathalyser alcohol positive readings, and 90% of employees that were reported to be needing therapy underwent therapy with positive outcomes.

**This year Zimplats received an award in Wellness Leadership at the Institute of People Management of Zimbabwe (IPMZ) excellence awards.**

**NIHL**  
as at 30 June 2019 (submitted for compensation)



**Aids deaths in service**  
as at 30 June 2019

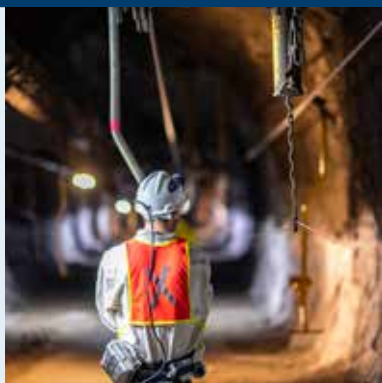


**Fatigue:** Fatigue is a complex, multi-factor challenge that has many potential effects. To manage and control this potential safety and health risk, we look to balance workloads, staffing and shift scheduling. Employees receive training on how to manage fatigue and we provide all employees working underground with a mid-shift, high-energy meal.

**Medical aid and non-occupational medical care:** Various medical scheme options exist across the Group to cover non-occupational health. The Impala Medical Plan (IMP) has 26 200 employees and dependants across Impala Rustenburg, Marula and Impala Springs. The IMP contribution rates remain competitive in the industry.

**Elected health and safety structures:** Our elected health and safety representatives play an important role in assisting and advising management on health and safety issues and on challenges facing our teams. At Impala Rustenburg, the re-election of health and safety AMCU representative structures saw only a small minority of our current HSE leadership at the shafts and at a branch office level re-elected. We are providing extensive formal and informal training of the new leadership to equip them for their next five-year term of office.

## EMPLOYEE HEALTH AND WELLBEING



### CUTTING DEBT AND BUILDING FINANCIAL AWARENESS

#### Impact of financial wellbeing initiatives

Employee over-indebtedness remains a concern in the mining industry and continues to affect many of our employees across our operations. **Over the last five years, we have implemented various initiatives aimed at assisting employees with financial literacy, planning and mitigating indebtedness. The impact of these initiatives is monitored through our payroll office by measuring the number and value of garnishee, maintenance and administration orders instituted against our employees.**

Employee indebtedness is also included in the induction process for new employees and reinduction of employees returning from long-term leave.

The impact of our financial wellbeing initiatives can be clearly seen at our largest operation, Impala Rustenburg where we have seen substantial decreases in garnishee and administration orders from their peak in October 2014 to June 2019 as depicted in the table below. Employee maintenance orders have also decreased over this time period but increased in value with rising employee salaries and affordability. The improved debt position of our employees notwithstanding, we will work with our principal union to identify further employees who are in need of debt counselling and intensify efforts to encourage more employees to use our financial wellbeing services.

#### Impact of financial wellbeing initiatives – Impala Rustenburg indebtedness measures from October 2014 to June 2019

	June	October 2014	June 2019	Variance %
Garnishee Orders	Number	2 978	299	90% ↓
Administration orders	Number	1 438	1 020	29% ↓
Maintenance orders	Number	2 919	2 619	10% ↓
Total value of orders	R million	5.1	4.2	18% ↓

Zimplats also monitors garnishees received and through payroll checks identifies suspected cases of over indebtedness. In response to the growing challenge, the operation intensified its financial management literacy awareness and training, which is extended to spouses. Zimplats has a dedicated mental health programme which assists in addressing the impacts of employee indebtedness. Heavily indebted employees are referred for additional counselling.



### CHINHOYI PROVINCIAL HOSPITAL RECEIVES NEW DENTAL AND LAUNDRY EQUIPMENT

Approximately US\$133 000 of dental and laundry equipment was donated to Chinhoyi Provincial Hospital in Mashonaland West Province, Zimbabwe. Chinhoyi Provincial Hospital is the largest provincial hospital in the country.

**As a result of the support provided by Zimplats, the hospital has moved away from only conducting tooth extractions, to providing preventive care and conservative management of dental problems. There is a notable increase in the number of patients seen by the dental Department at Chinhoyi Hospital, from 10 per month prior to the installation of the dental chair, to an average of 113 per month between September 2018 and March 2019.** The donation of laundry equipment has enabled the hospital to not only increase its operational capacity, but also ensure a safe working environment for its staff.

Furthermore, the hospital has been able to provide laundry services to some of the district hospitals. Previously, the hospital was unable to meet its daily laundry requirements.

# SHAPING OUR ORGANISATIONAL CULTURE

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Defined the culture we want and developed a culture roadmap to achieve our desired outcomes</p> <p>Developed and rolled out the Leading the Implats Way programme across all management</p> <p>Organisational change programme is delivering positive results</p>	<p>Resistance to culture change, especially at Impala Rustenburg</p> <p>Climate survey results identified areas for improvement, notably the need to build resilient leadership capability</p>	<p>Driving organisational success through our people</p> <p>Implement and sustain culture transformation over the next three to four years</p> <p>Zimplats to construct a team building centre at Ngezi</p>

## OUR COMPANY CULTURE “TAGLINE”: “WE ARE IMPLATS AND WE WILL DETERMINE OUR DESTINY”

Our organisational culture is essentially the way we conduct ourselves in everything we do. At Implats, we are implementing a cultural change programme across the Company aimed at cultivating a culture of performance and care; a culture where the values, beliefs, attitudes and behaviours that we share set us apart and make Implats unique and special.

In 2018 we conducted a number of interventions to establish the current and desired state of the Implats culture. This included an initial in-depth organisation climate survey with participation from 20% of our workforce (10 052 employees) at Impala Rustenburg, Marula and Impala Springs. This provided insights into our culture and we held focus groups with employees to unpack and validate the climate survey results and clarify areas for improvement. Key themes identified included the need for enhanced leadership development, skills development, team work, innovation recognition activities and communications. We have articulated what our desired culture should be and the steps to get there. We are implementing a culture roadmap aimed at shifting behaviours to eliminate mediocrity and complacency and nurture a “one team” ethos and culture with each member being a proud brand ambassador who understands their role in contributing towards the strategic objectives of the organisation. In delivering on this ambition, we recognise the need to empower our managers to communicate more directly and effectively with their workforce and teams, to build greater levels of trust and respond to diverse HR-related issues, including health, wellness and financial wellbeing. This is being driven through the implementation of our Leading the Implats Way programme, reviewed opposite. Zimplats has constructed a team building centre at Ngezi.

Creating sustained culture transformation requires the steadfast long-term commitment of organisational leaders, a strong commitment and desire by key influential champions, coupled with a significant investment in the design and implementation of targeted people strategies that are specifically aimed at shifting the culture. To ensure that behaviour is changed in a sustainable manner every operation will develop a culture change programme in support of the Group defined culture and ensure implementation thereof. In the latter part of 2019, we will conduct dipstick surveys at each operation to determine if improvements have been made. A full culture survey will be conducted in mid-2020.

Our progress will also be reflected in performance indicators such as productivity, labour turnover, safety performance, and levels of absenteeism. We recognise that it takes time for a new culture to be apparent and that full results of the change initiative may only be seen in a few years.

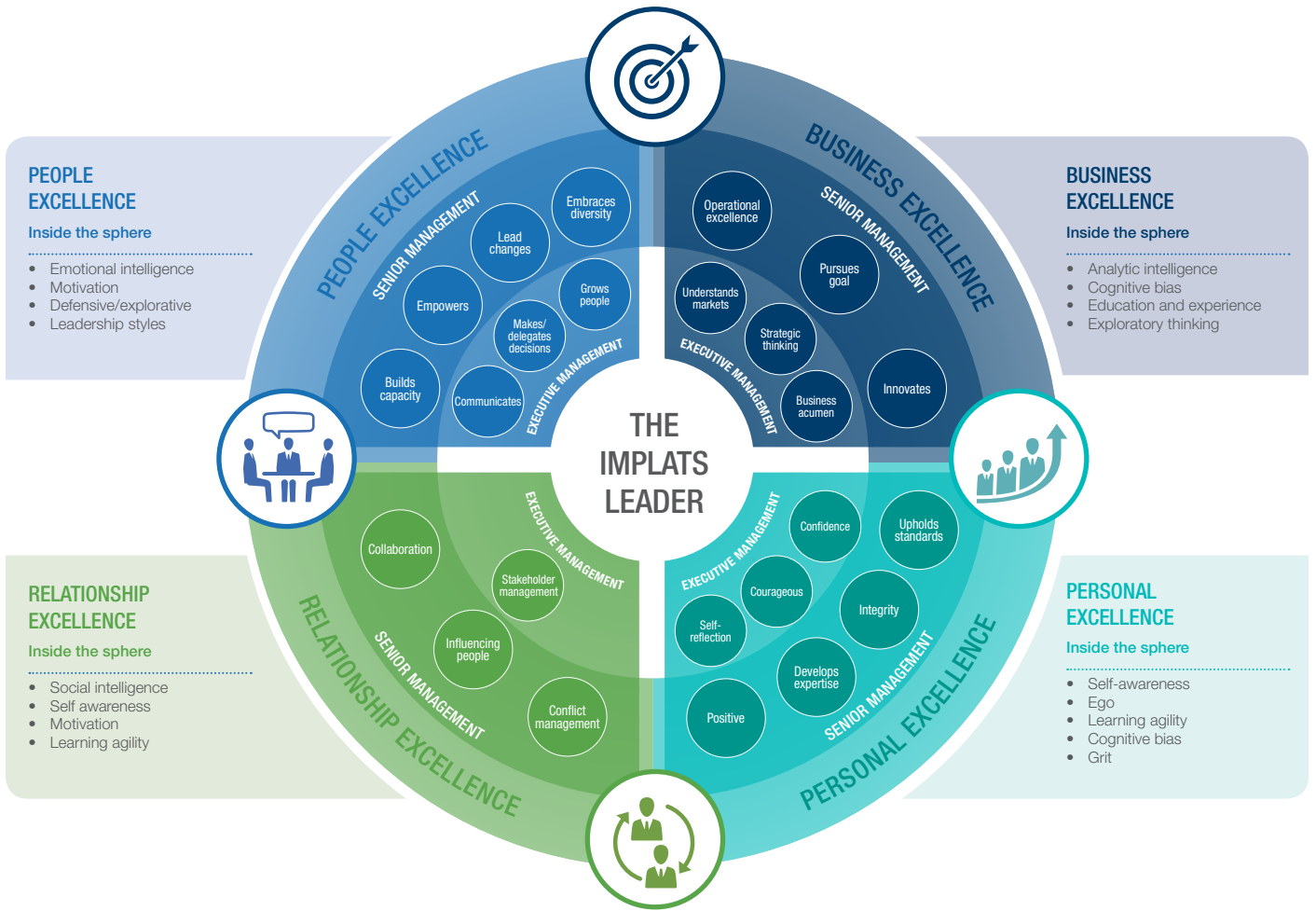
## LEADING THE IMPLATS WAY

A key outcome of the organisational climate survey undertaken last year was the recognition that the leadership of the organisation, especially at middle management and supervisory levels, needed to be empowered to “Lead the Implats Way”. **We have defined the Implats leadership competencies we aspire to develop and embed across the organisation to assist in driving the desired behaviours to take the business forward. These competencies will be used during recruitment, succession planning and human resource development processes. To build this resilient leadership capability we have developed a Leading the Implats Way leadership programme. This is based on the Care and Growth leadership methodology which focuses on people and their development.** The programme includes psychometric testing to assess individual needs and a two-day training session facilitated by an external service provider. We have rolled out the training to all managers and are cascading the programme to supervisory and union leadership level. Impala Rustenburg has allocated R47 million for FY2020 for implementing the Care and Growth and Leading the Implats Way programme.

Our leadership agenda focuses on inputs, not outputs. Key aspects addressed include coaching on how to communicate, understand the work environment and motivate people, proactively identify and respond to concerns and opportunities, set clear KPIs and make sure the right individual development plans (IDPs) are in place.

The performance management system based on the balanced scorecard methodology for each line manager will have a high rating on targets for managing people, aimed at ensuring their direct accountability for improving the organisational climate for their areas of work.

# SHAPING OUR ORGANISATIONAL CULTURE



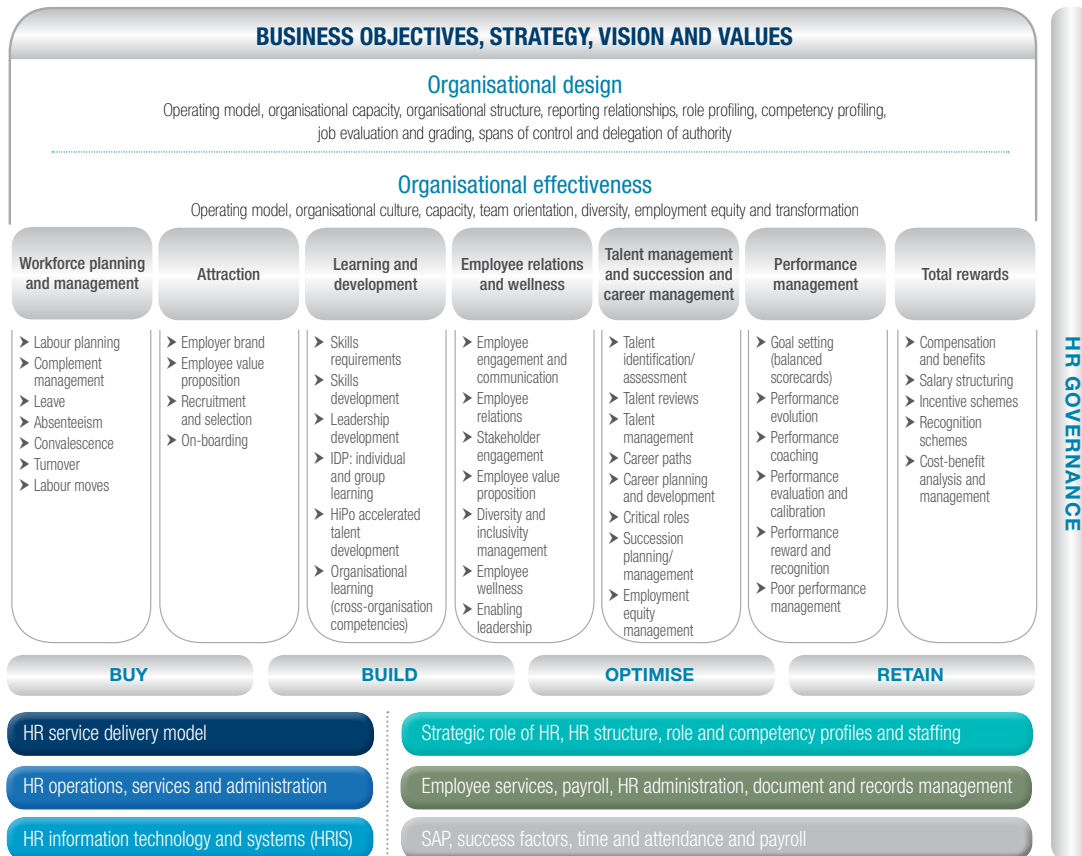
# ATTRACTING, RETAINING AND DEVELOPING TALENT

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Human resource strategy guiding progress in creating our desired organisational culture</p> <p>Implementing balanced performance scorecards (at individual, operational and Group level)</p> <p>Reviewed our CEO and Exco succession planning</p> <p>Implats minimum wage approximately 3.4 times higher than the national level</p>	<p>A reduction of 1 532 jobs, with 117 forced retrenchments</p> <p>Loss of technically skilled people and challenges in attracting scarce skills</p> <p>Attracting and retaining women at remote locations such as Marula</p> <p>Resistance to change in transforming our company culture</p> <p>33% of new employees sourced from host communities in South Africa</p>	<p>Building leadership capacity and capability</p> <p>Rolling out the Leading the Implats Way programme to lower levels</p> <p>Strengthening management reporting systems</p> <p>Creating a learning organisation</p> <p>Improving employee productivity and efficiency</p>

As the business evolves to where it needs to be, we strive to implement an effective people strategy that promotes a people focused, safety conscious culture and supports the business in developing, acquiring and retaining the right skills to meet current and future business needs. We are fostering a culture of high performance, delivery and accountability, through an organisational structure that is fit for purpose, resourcing this structure with the best capability and empowering our people to deliver results.

## OUR STRATEGIC APPROACH

### Implats human resources framework





## ATTRACTING, RETAINING AND DEVELOPING TALENT

### Strategic HR framework

We are one year into our five-year human resource (HR) strategy, which is guiding our progress in creating our desired organisational culture. Our HR framework is designed to ensure that we have the necessary building blocks and tools in place to drive our requisite workforce culture and capability. Our approach centres around instilling organisational discipline, enhancing people engagement and people management capabilities, empowering our line managers to take responsibility for people management, and ensuring effective performance management to deliver on objectives. The HR framework depicts a set of integrated organisational human resources processes that cover the entire employee life-cycle from acquisition, performance management, development and succession planning. We have developed a detailed roadmap for each pillar of our framework, to chart our progress over the next three to four years to achieve our desired outcomes.

We recognise that organisational effectiveness is dependent on each element/sub-system of the HR value chain functioning efficiently both independently and interdependently. While our approach is top down in terms of our leadership team providing strategic direction, we strive to make sure we have the right leaders in place who understand our vision, path and strategic objectives, and develop the teams around them to deliver in their respective roles. We are committed to implementing sound and consistent practices in order to ensure that Implats is perceived as a fair, equitable and transparent employer, with a compelling employee value proposition.

### Focus areas enabling our cultural change

In developing a high-performance culture, key interventions undertaken in FY2018 included: developing a performance management framework for the Group, which provides for a greater focus on people; revising our approach to remuneration; and aligning this with our performance management framework. This year we have been implementing and optimising the use of these systems. Last year we aligned our approach to talent management and succession planning with our organisational design and performance and reward processes. Focus areas this year included: aligning our business plans to individual performance objectives and talent management; strengthening our succession pipeline for key positions within the Group; developing more decisive and effective middle-management capability and employee engagement; and instilling a learning culture, with training interventions focused on meeting business needs and delivering in terms of return on investment. Further details are provided on the following pages.

### Remuneration

Since October 2018, we have been implementing a revised remuneration structure for all managers within the organisation. The new structure is designed to align shareholder interests to that of executives in terms of rewards and to support a culture of performance, delivery and accountability. The revised incentive schemes aim to link short term delivery to medium and long-term delivery, so that we can sustainably deliver on our business plans year on year. We have identified fewer, more focused KPIs for the short-term performance, which has focused managers' attention on the key business metrics.

Through our performance management programme, we have committed to offering attractive remuneration and employment benefits, together with effective incentives. We undertake regular benchmarks of pay and conditions to ensure that we remain competitive. In a highly competitive market for scarce skills, especially technical skills, we are competing for talent in South Africa and across Africa where compensation models are different. Following a market review, we have increased our remuneration levels in order to attract the right talent. For details of our remuneration practices, please refer to our Integrated Report.

### WAGE GAP ANALYSIS

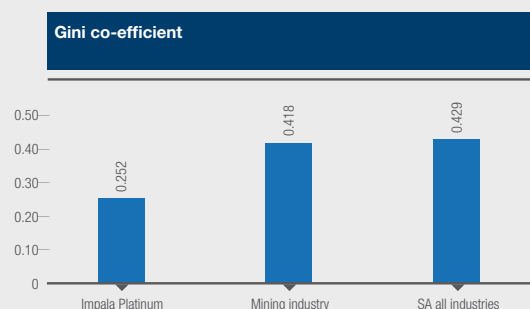
This year PwC was requested to calculate Implats' internal Gini co-efficient and compare it to the Gini co-efficient of the following industries:

- The Mining circle; and
- The South African National (all industries) circle

The Gini co-efficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents. It ranges from 0 to 1, where 0 represents a completely egalitarian income distribution, and 1 represents extreme inequality. The graph below shows a comparison of Implats' Gini co-efficient to the modified Mining and South African National (all industries) Gini co-efficient benchmark.

**The results of these calculations indicate that Implats' Gini co-efficient changed favourably from 0.274 in the prior year to 0.252 in 2018. Implats has a more equal level of income dispersion than the modified Mining average of 0.418 and the modified South African national average of 0.429.**

The reason for the higher equality within Implats is most likely attributable to the fact that the lowest earning employee earns a total remuneration (TR) in excess of R180 000 per annum, with 90% of the employees earning a TR between R180 000 and R500 000 per annum and less than 2% of employees earning a TR above R1 million per annum.



### Performance management process

Our performance management process aims to align people's individual goals with the business goals, with effective systems in place to measure and manage their performance. The system relies on automated data integration and updates. A key element is the implementation of a balanced performance scorecard, consisting of the following four key performance areas and elements against which we measure our performance and aim to incentivise behaviour that supports the attainment of business goals:

- financial (converted into safe operational delivery);
- business optimisation;
- people; and
- social licence to operate.

Clear strategic objectives were set across the four pillars of the scorecard for the year in review. Individual scorecards are in place from top level down to junior management. We also have operation level scorecards, as well as a Group scorecard with bonus parameters. Scorecard assessments include informal quarterly assessments, with two formal performance assessments, mid-year and at year-end. Once all performance ratings are determined, we do a calibration at operational and Group level to ensure the performance outcomes are aligned to business outcomes. The final performance assessment reflects business performance against objectives.

Targets in the production bonus scheme for employees in our bargaining unit relate to safety, cost and production.

### Talent management

We have reviewed our talent management framework and introduced a nine-box matrix which is based on performance and potential. We are building richer performance records to inform the positioning on the matrix. All our managers undertake a psychometric assessment to assess their ability to operate at a higher level and complexity. For each box we have a talent management strategy.

We have introduced talent councils at all levels in the organisation to promote a learning organisation, provide career advancement opportunities and to ensure that the organisation has a healthy internal pool of qualified candidates that may be considered for advancement. Within each discipline we have created job families with career paths, for example in mining, the path from miner to shift boss, mine overseer and mine manager. We have identified the skills and competencies required for each position. We assess and identify potential successors for each position and implement individual development plans to develop their readiness to move to the next role.

**We have introduced talent councils at all levels in the organisation to promote a learning organisation, provide career advancement opportunities.**

We implemented a succession management framework to identify and manage potential successors for all critical positions within the organisation. A particular focus this year was on CEO and Exco succession. This included conducting leadership assessments based on our leadership competency framework (see page 43), 360 reviews for each Exco member, and an external mapping of the market to identify potential candidates.

### Training with a purpose

As part of creating a learning organisation, our approach is to train with a purpose. Every training product must be aligned to a business requirement and we must be able to quantify the impact (both financial and other) of the training intervention based on the business requirement. This philosophy is now embedded in the design, methodology and implementation of our training. We recognise the benefit of measuring return on investment (ROI), to ensure that our training adds value and achieves its purpose. Factors taken into consideration include the goal, current knowledge of the employees, their feedback, and performance results. We have analysed the ROI of all our top priority training initiatives across our operations. This process assists in shaping our training interventions and making training decisions for the future.

### Recruitment and selection

Standardising and aligning recruitment and selection practices in the Company is paramount in the empowering of line managers and creating the confidence with employees that the processes are fair and transparent. We have strengthened our recruitment standards to ensure that we bring in the right talent to contribute to creating, embedding and sustaining our desired culture. In assessing a potential candidate for promotion or new hire we also incorporate a psychometric assessment to ensure that they operate at the right level and have potential to grow into other roles.

## SMART SCHOOL FEE FUNDING

To assist our employees who pay for school fees in having more take home pay we have developed a "Smart funder programme" which facilitates a tax benefit by deducting school fees directly from salaries (up to a certain limit of salary). The fees are directed to the respective school and employees can save on their monthly salaries up to 7%. **We have successfully piloted the scheme at Impala Springs, with 35 people currently on the programme.**

Approximately 14 000 schools are registered on the scheme's directory. We plan to implement the programme at Marula and thereafter at Impala Rustenburg.

# ATTRACTING, RETAINING AND DEVELOPING TALENT

## PERFORMANCE MEASURES

### MEASURING THE IMPACT AND VALUE OF EMPLOYEE TRAINING

The ability to measure the impact and value of employee training and development has been a historical challenge in the business world as measurements can be subjective. **In measuring the return on investment (ROI) of employee training various factors need to be taken into consideration, such as the goal, current knowledge of the employees, their feedback, and performance results.** It is also important to note that training is not a one-time event. It is a continuous process wherein employees learn and master the skills they need to grow in the job. In the year under review, various operations conducted an analysis to confirm the impact of the learning, the value it brought and whether programmes instituted were cost effective. A select few are summarised below. Learning agility is clearly the direction and future for corporate learning and **Implats recognises the benefit of measuring ROI to ensure that all efforts are linked to organisational goals and objectives.** Learning agility is the best indicator of potential as it links the developments of our people to the skills required in the future and the ability of our people to develop skills that the business requires will create a stable and sustainable workforce for the long term.

Operation	Programme	Reason for instituting programme	Objective	Cost	Return on investment
<b>Impala Rustenburg</b>	No 10 Shaft improvement project	The intervention was introduced to improve the operational culture, safety and overall mining efficiency.	Applying the leadership Care and Growth model to effect culture change and fully engage employees.  Focus on back to basics in mining through on the job observations and coaching.	<b>R7.4 million</b>	<b>R76 million gain in revenue</b> from the Shaft for FY2019 compared to FY2017 and FY2018 combined due to improved efficiency and safety performance.
<b>Impala Springs</b>	Mechanical seals	To reduce mechanical seal-related plant stoppages and associated cost.	To supplement artisans' existing knowledge on installation, operation and early failure detection of mechanical seals.	<b>R44 000</b> for 15 delegates over a period of two days.	26% recorded decrease in mechanical seal failure versus FY2018 resulting in a <b>R1.2 million saving.</b>
<b>Marula</b>	Plumber training	Cost reduction and employee empowerment (asset optimisation).	Train own employees (current plumbing assistants) towards plumbing learnership attainment.	<b>R17 000</b>	<b>Elimination of contractor costs of up to R45 000/month.</b>
<b>Zimplats</b>	Mental health programme	To improve productivity and employee engagement and reduce safety risks.	Reduce drug and alcohol abuse.  Reduce safety incidents associated with stress.  Assist employees in need of mental health therapy.	<b>US\$500 000</b>	<b>90% of employees that were reported to be needing therapy underwent therapy with positive outcomes.</b>  <b>Reduced reported incidents of domestic violence at Turf. Reduced incidents of breathalyser alcohol positive readings.</b>

**Skills development expenditure:** Our training programmes have been reduced in recent years as a result of cost constraints. This year our South African operations invested R465 million (2018: R481 million) on skills development; this was 4.8% of annual leviable payroll, against our target of 5%. Ninety-three percent of employees received training (2018: 89%). We have suspended our novice miner intake until 2020 and bursar and learnership programme intake until 2021. At our Zimbabwean operation, we spent US\$1.3 million on skills development (2018: US\$1.7 million). The Group average number of hours of training per employee was 68 (South Africa operations, 2018: 93); each contractor received an average of 106.5 hours of training (2018: 79.7).

## Human resource development expenditure at our South African operations (excluding mandatory skills development levy) in 2019

Training area	Number of participants	% HDSA representation	% women representation	Total R million
Non-artisan learnerships (Level 2 and 3 rock breaker qualification obtained)/DMR blasting certificate	116	100	10.3	18.88
Artisan learnerships	146	100	32.2	28.9
Adult education and training (AET)	211	99.5	6.6	12.13
Bursaries and scholarships	78	93.6	44.9	11.09
Internships and experiential trainees	54	100	57.4	4.47
Portable skills training (skills outside of mining industry) for Section 189 employees	434	86.6	11.5	11.73
Portable skills training (skills outside of mining industry) for employees	93	98.9	3.2	2.19
Transfer of skills and capacity building of mine communities	0	0	0	0
Other school support and post-matric programmes – School teacher mentoring programme – High school student development	2 527	100	55.2	8.20
<b>Total</b>	<b>3 659</b>	<b>99.6</b>	<b>43.3</b>	<b>97.59</b>

Note: The remainder of the training spend (R367 million) in South Africa was for other training initiatives such as learner mining official, blasting certificate, ex-leave, licensing, other external training and safety and skills programmes and includes man-day cost of attendees.

**Adult education and training (AET):** We continue to provide AET at our mining operations. The average literacy rate of our workforce is 88%. During the year, 211 employees were enrolled for AET across our South African operations, representing a 10% decrease year on year. At year-end, after taking into consideration employee completions and dropouts, the net enrolment was 103 people.

**Workforce movement:** At our South African operations, a total of 2 788 employees left the Company (of which 90% were at Impala Rustenburg) and 1 661 new employees were recruited. Zimplats increased its headcount by 4% this year to 3 332 employees, including casuals, mainly for research and/or development work at Bimha mine and Mupani mine.

**Skills turnover:** The restructuring process at Impala Rustenburg continues to impact our employee turnover (the number of permanent employee resignations as a percentage of total permanent employees, including voluntary separation packages), which was 8.7% down from 10.5% in 2018. We aim for a total employee turnover below 7.5% per annum. Turnover of miners at our South African operations was 11.8% for the year (2018: 16.3%). Turnover of rock drill operators was 9% (2018: 8.2%). Turnover of shift supervisors was 13.9% (2018: 26%). Turnover at our Zimplats operations was 3.7% (2018: 4.2%).

**Promoting local employment:** Implats has a policy of employing people from communities close to our operations where possible. Despite efforts to hire more local people, migrant workers continue to play an important role in the industry, particularly for rock drill operators and winch operators who come principally from the Eastern Cape, North West, Northern Cape and Lesotho. The restructuring process at Impala Rustenburg challenges our ability to recruit externally. This year, 33% of new employees at our South African operations were sourced from host communities. The shortage of critical skills in the mine communities has led to recruitment from labour sending areas. At year-end, 90% of employees in South Africa were South African nationals. We continue to invest in skills development initiatives in our local communities, and promote local employment through our local procurement practices (see page 76).

**Employee share ownership:** The Group's current employee share ownership trust (ESOT), introduced in 2016, holds 4% of the issued shares in Impala Platinum Limited in a trust on behalf of the employees of Impala. Zimplats has an ESOT that received its first dividend during FY2018 and continues to be favourably received by employees.

## INVESTING IN EMPLOYEE RELATIONS

### OUR ALIGNMENT WITH UNGC PRINCIPLES

**Principle 1:** supporting and respecting the protection of internationally proclaimed human rights

**Principle 3:** upholding the freedom of association and the effective recognition of the right to collective bargaining

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Sustained good relations with employees and their union representatives</p> <p>Phase 1 of restructuring process completed without disruption and with minimal eventual retrenchments</p> <p>Constructive wage negotiation process in progress</p> <p>Zero person days lost due to industrial action this year</p>	<p>117 retrenchments resulting from phase 1 of the Impala Rustenburg restructuring</p> <p>Employee and union concerns about job losses as a result of restructuring process over the next two years</p>	<p>Implement a new wage agreement that not only benefits employees but secures financial sustainability of operations</p> <p>Maintain high levels of employee engagement and continuously monitor and seek to mitigate employee relations related risks</p> <p>Ensure that forced job losses are minimised</p> <p>Continue to strengthen relationships with AMCU leadership</p>

**Through collaborative efforts, we have maintained stable and constructive labour relations and partnerships with unions at all our South African operations, and a strong workforce culture at our Zimbabwe operations.**

### OUR STRATEGIC APPROACH

We maintain high levels of employee engagement based on the shared values of respect and care, collaborative relationships with unions, and effective communication with employees. This is necessary to ensure our employees are treated with respect and care, fairly rewarded for their contribution, empowered to raise concerns, safely engaged in their daily duties, and able to deliver on their organisational goals.

Our labour-relations policy deals with freedom of association, recognition of unions, discrimination and the rights of employees and contractors. We strive to achieve full compliance with labour legislation and to work closely with unions to resolve all internal disputes through dispute resolution mechanisms and within the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA).

We are committed to sharing all relevant information timely, openly and honestly with employees and unions. Innovative and modern communication tools in use include an e-communication platform, Let's Talk, at Impala Rustenburg operations, which enables direct communication with employees through mobile technology. The Team Spirit employee newsletter is issued every quarter, providing an

internal medium to communicate developments and testimonials and input from employees. Marula distributes an employee newsletter every month.

### KEY ISSUES

The employee relations climate at our South African operations continues to present a material risk in relation to delivering on the Group's strategic objectives. The potential for volatility remains and has been intensified by the difficult market conditions, which necessitated a major labour restructuring process at Impala Rustenburg that remains in progress over the next two years. The restructuring process has heightened stakeholder concerns about job losses.

Another material issue this year has been the wage negotiations with unions that started in July. We developed and implemented proactive communications strategies and targeted engagement processes to mitigate identified risks (see page 52).

We have placed an emphasis on strong direct engagement processes and relationship building between all levels within the organisation to grow trust and shared values. This has been supported by initiatives to capacitate management and union leaders to build effective and quality relationships with their teams.





## FIRST PHASE OF TRANSFORMATION OF IMPALA RUSTENBURG COMPLETED SUCCESSFULLY

In response to challenging market conditions, in August 2018 Implats commenced a fundamental transformation of Impala Rustenburg to secure the long-term sustainability and profitability of the operation. **Successfully transforming Impala Rustenburg over the next two years will result in a profitable operation by FY2021 and ensure the sustainable delivery of benefits to all our key stakeholders, including securing 27 000 jobs for the long term.**

The restructuring process may potentially have an impact on 9 000 direct jobs and 4 000 contractor positions over the implementation period.

**Employee rationalisation is inevitable in a restructuring process of this nature and due care is taken to ensure that forced job losses are minimised as far as possible through various job-loss avoidance measures.** These include the transfer of employees to vacant positions at the 16 and 20 growth shafts, natural attrition, reskilling, voluntary separation, business improvement initiatives and exploring commercial options to exit shafts that do not fit our long-term portfolio. A priority throughout the two-year implementation period is to ensure that we engage constructively with our many stakeholders including the union, government and community leadership.

### OUTCOMES

In FY2019, we successfully executed phase one of the Section 189 consultative process. This entailed a reduction of 1 532 jobs and was finalised with no major discord or any operational disruption. **By identifying and implementing mechanisms to minimise the impact of the job losses at the lease area and the surrounding communities, we restricted the number of forced retrenchments to 117.**

### SUPPORT FOR EMPLOYEES

We maintain concerted efforts to support our employees in understanding and managing the challenges associated with the change process. For example, **we offer financial and psychological counselling to help employees cope with the stresses associated with job loss. Employees who are on chronic medication are afforded three months of treatment and referred to hospitals/clinics near their area of residence to continue treatment. We also offer housing assistance for three months. The voluntary separation packages include the opportunity to receive training to the value of R10 000 in a chosen 'portable skill' aimed at providing the individual with skills to utilise in other occupations/jobs in the future.** Courses are offered in: basic electrical and home appliances; welding and cutting; poultry farming; bricklaying and plastering; plumbing and pipe laying; basic sewing; and business skills (entrepreneurial or computers).

**During FY2019, 434 employees completed the 5 – 15 days training session and received certificates, as well as start-up equipment for their chosen field. Total expenditure on the portable skills training programme was R11.73 million.**

The Rustenburg operation also gives employees identified for permanent incapacitation on retiring age of 62+ years the opportunity to attend portable skills training, in line with our policy of portable skills for employees. Ninety-three people attended these courses in the latter part of FY2019.

### NEXT STEPS

We are in the process of rolling out phase 2 and 3 of the Impala Rustenburg restructure (closing 1 Shaft and 9 Shaft and associated overheads). We continue to inculcate the message that jobs can only be saved/guaranteed through safe and profitable performance and increased productivity.

## INVESTING IN EMPLOYEE RELATIONS

**Unionisation:** Currently 83% of permanent employees in South Africa, and 18% of employees in Zimbabwe, are covered by collective bargaining agreements (excluding management). These agreements address salary and benefit reviews, the participation of unions in decision-making at different forums and consultation and notice periods regarding any significant organisational changes. The minimum notice period for any organisational change at Implats is 30 days.

### Workforce indicators (at year-end)

Operation	Total employees <sup>1</sup>	Year-on-year headcount variation (%)	Dominant union representation
Impala Rustenburg	27 217	5 ↓	AMCU <sup>2</sup> – 72%
Impala Springs	933	–	NUM <sup>3</sup> – 54%
Marula	3 308	1 ↑	AMCU – 88%
Zimplats	3 326	2 ↑	AMWUZ <sup>4</sup> – 18%

<sup>1</sup> Permanent own employees.

<sup>2</sup> Association of Mineworkers and Construction Union.

<sup>3</sup> The National Union of Mineworkers.

<sup>4</sup> Associated Mine Workers Union of Zimbabwe.

### PLANNING FOR SUCCESSFUL WAGE NEGOTIATIONS

The current three-year wage agreement in place for Impala Rustenburg and Marula operations concluded at the end of June 2019. In preparation for the negotiations with recognised unions, we conducted a detailed analysis of the internal and external factors that might impact the negotiations process, and we identified risks to be mitigated and monitored. This involved communicating closely with our employees and stakeholders to support a positive outcome.

Recognising the potential for labour unrest in the form of a strike, we have assessed the forms of industrial action that employees may take, and developed prospective mitigation actions in each case. **We have ensured intensive engagements on all levels with union leadership, in particular with the largest labour organisation in the sector, the Association of Mineworkers and Construction Union (AMCU). In the lead up to the wage negotiations, we have also conducted training on negotiations with union leaders.** Three years ago, relatively smooth negotiations were concluded, with AMCU accepting a 12.5% wage increase for the lowest-paid workers.

The platinum belt remains a challenging industrial relations environment in South Africa and we are once again optimistic of constructive wage negotiations and the speedy conclusion and implementation of a new wage agreement.

**Zimplats:** Stable industrial relations prevailed at Zimplats throughout the year. The Company has various platforms and structures in place to foster effective internal communication and dialogue.

**Mine modernisation:** We are mindful that while the progressive shift towards mechanisation and automation of mines will bring substantial economic, operational and safety benefits, it will have social consequences, notably concerns around job losses. We believe that if the concept of modernisation is implemented correctly, it will be able to achieve the real objective of a sustainable mining industry in South Africa that is mutually beneficial for all stakeholders. For example, automation presents the opportunity for mines to employ a more diverse workforce, notably women and older people, by removing the need for physical strength working underground. Automation will also bring different forms of job creation as it allows mining to go into areas that were previously regarded as unsafe and/or uneconomic. We nonetheless recognise that in planning our progress with automation it is imperative to engage with employees and the unions and to address their valid concerns.

# PROMOTING DIVERSITY AND TRANSFORMATION

## OUR ALIGNMENT WITH UNGC PRINCIPLES

**Principle 6:** the elimination of discrimination in respect of employment and occupation

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Five out of 13 board members are female</p> <p>Good progress with transformation at Exco level, increasing HDSA representation from 25% to 54% and increasing female HDSA representation at middle management level from 18% to 20%</p> <p>Implementing targeted interventions to advance gender mainstreaming</p> <p>We employ 1 272 people with disabilities, representing 4% of the workforce</p> <p>Five-year EE plans developed and will be submitted to Department of Labour</p>	<p>Aligning our strategy and targets with the revised 2018 Mining Charter (Mining Charter III) expectations</p> <p>Limited ability to recruit externally</p>	<p>Promoting women representation especially at junior management level</p> <p>Recruiting and retaining HDSAs with critical skills</p> <p>Reinforcing an environment conducive to gender equality</p>

**Our commitment to employee diversity is driven not only by strong compliance requirements, but also by the belief that a more diverse organisation is ultimately more competitive.**

### OUR STRATEGIC APPROACH

This year we have revised our diversity and employment equity strategy and action plans at our South African operations to align with the revised Mining Charter III targets and our progress during the year in implementing plans and policies to aid the advancement of women in the workplace and fostering our desired organisational culture. Our operational transformation steering committees play a key role in driving the strategic plans.

Our approach focuses on addressing the following issues:

- Meeting and ideally going beyond the legislated employment equity targets within the Mining Charter and Employment Equity Act, with a particular focus on management and Exco positions
- Integrating transformation and employment equity considerations within our talent-management activities, and retaining key talent as far as possible, aiming for turnover of less than 7.5% per annum
- Accelerating the recruitment, development and promotion of designated groups into occupational levels that are underrepresented
- Advancing gender mainstreaming with a focus on improving the representation and role of women in mining, supervisory and management positions
- Inculcating a corporate culture and value system to advance inclusion and transformation, supporting the cultural transformation strategy for the South African mining industry.

**Employment equity plans:** The Company's five-year Employment Equity (EE) plan (FY2015 to FY2019) came to an end. All the operational transformation steering committee(s) completed the analysis of the new five-year EE plan (FY2020 to FY2024), and are in the process of finalising the combined EE plan for the Group which will be submitted to the Department of Labour. In developing these plans, our analysis and target setting included consideration of our Social and Labour Plan (SLP) and BBBEE requirements.

**New Charter requirements:** In line with the Mining Charter III, we have developed five-year plans which we submitted in March 2019. We welcome the introduction of targets for women at the various levels and the five-year timeframe to achieve targets. However, given the history of the mining industry and the nature of work especially at lower levels it will be a challenge to achieve the women representation targets especially at junior management level and natural attrition alone will not create the necessary opportunities/vacancies to achieve targets.

## PROMOTING DIVERSITY AND TRANSFORMATION



### EFFECTING MEANINGFUL CHANGE IN THE GENDER EQUALITY ARENA

This year we have taken decisive steps to improve our approach to creating an environment conducive to gender equality and to address barriers to the employment, retention and the advancement of women. Our activities have been informed by the outcome of a gender mainstreaming study undertaken by the Commission for Gender Equality (CGE) in South Africa at Implats Head Office and Impala Rustenburg. **Gender mainstreaming is about purposefully introducing women into the workplace and establishing plans and policies designed to aid their advancement in the organisation.** The key objective in the mining industry is to have sufficient representation of women at all levels.

**Impala has always strived to ensure a conducive environment for female employees and welcomed the opportunity to voluntarily participate in the CGE's gender mainstreaming study and gain a better understanding of our strengths and areas for improvement. The results of the study identified a number of areas where we can improve our approach to creating an enabling environment for gender integration.**

We have reviewed and acted on the recommendations of the study, implementing the following targeted interventions to address priority areas identified.

- In addressing the need for better structures and improved capacity and resources to drive gender mainstreaming, we have established a gender mainstreaming committee at Impala Rustenburg chaired by the chief executive of Impala Rustenburg. The committee held focus group sessions with female employees to gain further insight into concerns and expectations. We are in the process of establishing Gender Mainstreaming Forums at all our operations
- We implemented a communication drive on gender mainstreaming to various forums including presentations to the transformation steering committee, articles on sexual harassment in our *Team Spirit* (internal newsletter) and video clips that will support the Company's commitment in addressing sexual harassment
- We have drafted a gender mainstreaming policy and a strategy document that will be cascaded down to all employees as part of a ZERO Tolerance campaign on sexual harassment
- To assist with addressing issues around gender mainstreaming we compiled and distributed to all operations the following policies: gender equality and mainstreaming; harassment, bullying and victimisation; sexual harassment; employee wellness; and diversity
- We have reviewed and significantly revised our graduate programme to address barriers to advancing women
- Improvement of our change house facilities for female employees and ablution facilities underground are ongoing
- We are implementing a diversity and inclusion training programme across our operations aimed at addressing the challenges of a diverse workforce and increasing cultural awareness.

Monitoring and reporting on progress with regard to the above will be ongoing as we continuously strive to make the required improvements for our employees.

**OUR PERFORMANCE**

**Developing HDSAs:** Employees participating in our training and development programmes during FY2019 were 99% HDSA and 43% women. Total investment in the training and development of HDSAs was R97.1 million. To continuously improve and to achieve transformation at all levels, we focus on the following initiatives for high-potential employees:

- Accelerated training programmes within one of the available career paths
- Career progression plans
- Skills transfer: mentoring individuals to a level where they are skilled to take over the relevant position
- Bursary holders: to ensure the appointment of students on completion of studies at tertiary institutions
- Experiential training for graduates to obtain a qualification
- Mentorship programme (informal) to upskill individuals who are identified as candidates for management positions
- Headhunting/recruiting of the best talent through credible recruitment agencies and at tertiary institutions.

**Succession pool:** The demographics of our succession pool place emphasis on the inclusion of HDSA candidates (currently at 70%). Preference is given to internal candidates, with 64% of opportunities realised through promotions.

**Equitable representation:** We made good progress this year in promoting equitable representation at all levels at our South African operations as we achieved and in all cases exceeded the Charter’s targets (see table on page 56). This year we made very good progress at Exco and senior management level,

increasing HDSA representation from 25% to 54% and from 48% to 51% respectively. At senior management level we appointed a mine manager, CFO Rustenburg, and Executive: Corporate Affairs (female). We also increased female HDSA representation at middle management from 18% to 20% by promoting a training manager and Group management accountant. Reporting against the new Charter targets will commence in March 2020. The focus going forward will remain on identifying where opportunities can be created for African females at all levels, with the aim of creating a greater pool to promote into management levels.

Advancing the representation of women remains a focus area. We continue to implement “women in mining” initiatives and to ensure a good representation of women in mining training programmes (see table on page 49).

**At our South African operations, the number of women employed in management positions was 22% (143) at year-end. Significant progress was made at senior management with women representation, where there was an increase of six women (4%), taking women representation at this level from 16% to 20%. Women make up 11% of our total workforce, with 9% in the core disciplines of mining, engineering, projects and metallurgy.**

We employ 1 272 people with disabilities, representing 4% of the workforce.



Mine employees attending an operations briefing at Impala Rustenburg



## PROMOTING DIVERSITY AND TRANSFORMATION

**Gender wage ratio:** Gender does not play a role in determining salary levels for our employees. Qualifications and experience are the key determinants. Across the organisation as a whole, the female-to-male pay ratio for our South African operation is 1.08:1. The reason for this is that the majority of our male employees are lower level (relative to female employees), skewing the male pay downwards. In Zimbabwe it is 1.32:1.

**Recognition:** Zimplats was recognised as the first runner up for the Diversity Impact Award, at the IPMZ Human Resources Excellence Awards, acknowledging the inclusivity of its workforce.

### HDSA in management (South Africa)

	2019				2018			
	Mining Charter target %	HDSA %	Total number of employees/ members	HDSA employees/ members	Mining Charter target %	HDSA %	Total number of employees/ members	HDSA employees/ members
Board	40	61	13	8	40	50	10	5
Exco	40	54	11	6	40	25	8	2
Senior management	40	54	91	51	40	51	85	43
Middle management	40	54	191	103	40	50	198	100
Junior management	40	64	342	218	40	63	351	221
<b>Total management</b>		<b>59</b>	<b>652</b>	<b>386</b>		<b>57</b>	<b>652</b>	<b>371</b>

Note: Senior management representation is E level (excluding Exco), middle management is D upper and junior management is D lower. The total number of HDSA employees employed at management positions, above the supervisor level (excluding non-executive Board members) is 378.

### Employment equity at our South African operations (as at end of FY2019)

Level	Total in service	Total HDSA employees	% HDSA
F – Top management	5	2	40
E – Senior management	101	55	54
D – Professional qualified	533	321	60
C – Skilled technical	4 605	3 769	82
B/A – Semi-skilled and discretionary decision making/unskilled	26 185	23 173	88
<b>Total permanent</b>	<b>31 429</b>	<b>27 320</b>	<b>87</b>
Non-permanent employees	95	89	95
<b>Total</b>	<b>31 524</b>	<b>27 409</b>	<b>87</b>

Reporting against the new Charter will commence in March 2020. The focus going forward will remain on identifying where opportunities can be created for African females at all levels, with the aim of creating a greater pool to promote into management levels.



**IMPALA RUSTENBURG APPOINTS ITS FIRST FEMALE MINE MANAGER**

Nonkululeko Thandiwe Mabusa has set the bar high for other women in the mining industry as she became the first female mine manager appointed at Impala Rustenburg.

“I am a firm believer that when at first you don’t succeed you should keep trying until you do. Tenacity and perseverance are important qualities needed for a successful career.” Nonkululeko Thandiwe Mabusa – mine manager, Impala Rustenburg.

Nonkululeko was awarded an Impala bursary in 2005 to study mining engineering at the University of Witwatersrand. She conducted her vacation work at Impala Rustenburg and finally obtained her honours degree in 2009. In 2010, Nonkululeko was offered employment at Impala as a mining engineer in training graduate (C5) and was subsequently promoted to mining engineer in training graduate (D1) in September 2014. She was placed in the practical training programme for graduate mining officials which also exposed her to the technical services departments. She obtained her national rock breakers certificate in 2012 and was then appointed as a miner. In 2013 she shadowed as a shift supervisor and in 2014 was appointed as an acting shift supervisor. She has also achieved her mine manager’s certificate of competency (metalliferous mines).

Her hard work and determination continues in her work. She has proven that if you do what you are doing to the best of your ability, it will enhance your exposure, build your experience and enable you to reach your full potential. Nonkululeko was appointed in her new role in March 2019.

**Zimbabwe operations**

Our workforce at Zimplats has 99.9% indigenous representation. Women account for 7% (239 of the 3 298 permanent employees), a level maintained since 2014 despite a restriction on external recruitment for non-critical skills in response to the tough economic environment. Targets have been set for recruiting and advancing women into higher positions; increasing the appointment of women into professional and managerial grades has been driven through strategic development initiatives. Women accounted for 9% of promotions over the last two years, with a significant number being appointed into grades B3 and B4 (mining mobile and processing equipment operators), which have traditionally been dominated by male employees.

Zimplats respects and cares for the disadvantaged members of society and promotes inclusive participation in socio-economic activity. The operation places a focus on promoting greater levels of compassion for people with albinism.

**ZIMPLATS UPHOLDS ITS SUPPORT FOR PEOPLE WITH ALBINISM**

Recognising that a healthy community embraces diversity and inclusion, Zimplats launched a campaign in 2017 in partnership with the Ministries of Labour and Social Welfare and Health and Child Care and a group called Friends with Albinism, to support people with albinism. The campaign’s key objectives were: to educate people on what albinism is; to address issues of stigma and discrimination; and to drive acceptance of the integration of people with albinism in all spheres of life. The campaign included facilitating the distribution of sun protection materials in the form of skin creams, hats, lip balm and, where required, spectacles for people with albinism across the country. The campaign was very effective and continues to expand into more remote parts of Zimbabwe. Building on the positive impacts delivered and recognising the value of partnerships in executing such a project, this year Zimplats has also partnered with Stanbic Bank to assist people with albinism to acquire spectacles to mitigate their visual challenges. Optinova Eye-care, a specialist in eye care provider, has also provided free eye tests for people with albinism.



*Learners from Platinum Village Primary School which is part of the Platinum Village housing development*







# BUILDING SOCIAL CAPITAL

## OUR ALIGNMENT WITH SDGs

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>
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## KEY FEATURES

**R86.2 million** in socio-economic development spend, 77% on SLPs

**US\$3.8 million** in socio-economic development spend in Zimbabwe

**3 420 houses** built to date

**82%** increase to R70 million in local-to-site (tier 1) procurement spend at Marula

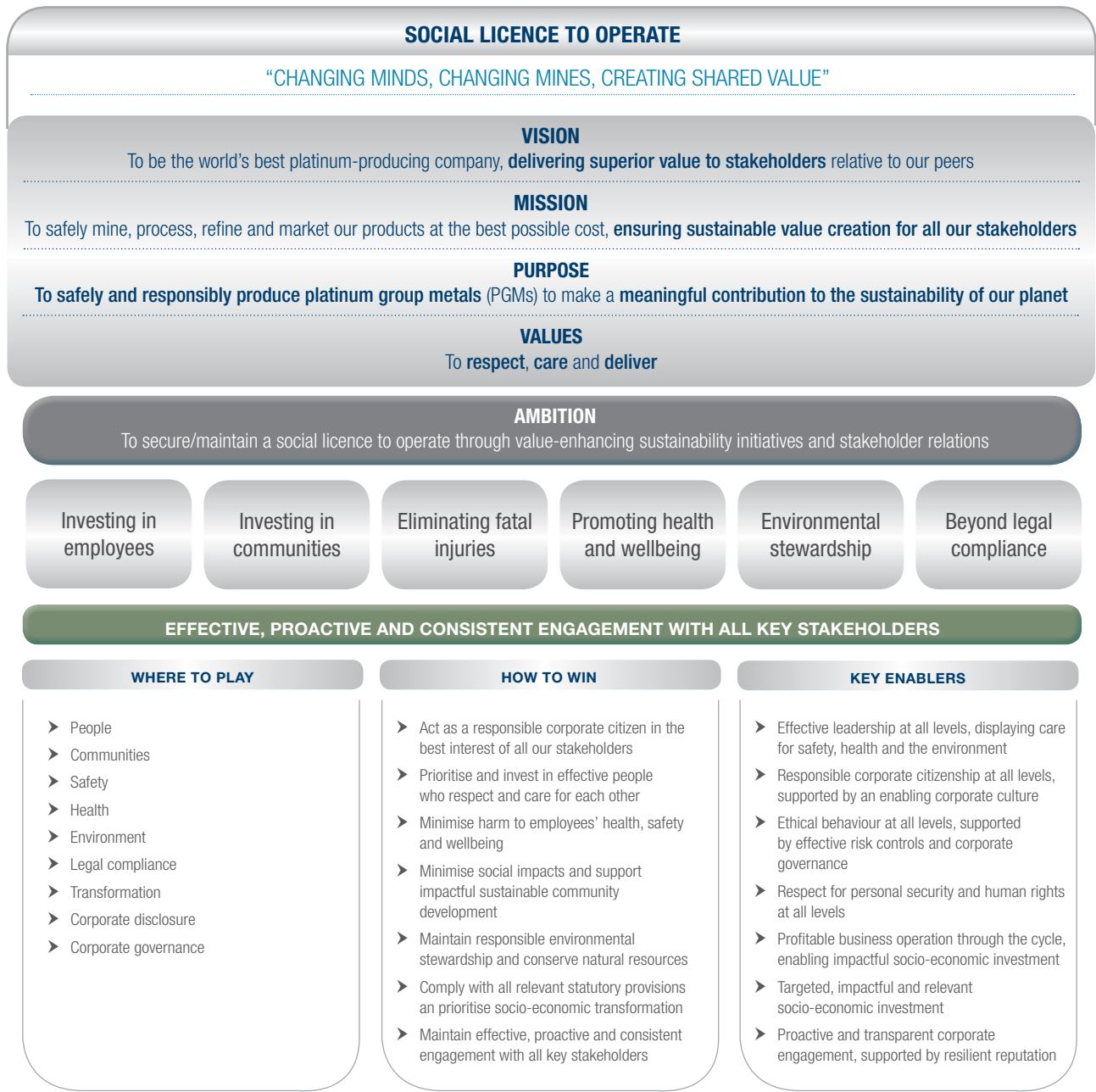
**23%** increase to R1.6 billion in local-to-site (tier 1) procurement spend at Impala Rustenburg

**11% increase** to US\$124.5 million in spend with local indigenous owned businesses in Zimbabwe

**Full compliance** with Mining Charter requirements

## SOCIAL CAPITAL AND LICENCE TO OPERATE

In FY2018, we compiled the following definition and framework to illustrate our understanding and approach to maintaining our social licence to operate. This will evolve in line with our business strategy, in response to the diverse and complex nature of what needs to be prioritised to secure and maintain a social licence to operate over time.





**OUR ECONOMIC AND SOCIAL VALUE ADD**

It is through our core activities – employing people, paying taxes and procuring from host communities and countries – that we make our most significant contribution to socio-economic development in both South Africa and Zimbabwe.

This year, the value distributed directly by Implats to various shareholders amounted to **R43.4 billion** (R32.7 billion in FY2018) and an increase in value of **R3.2 billion** to shareholders (R1.1 billion diminution in shareholder value in FY2018).

	2019 (R million)
Value distributed	43 444
Consumables, services and metal purchased	(25 015)
Labour and other*	(13 695)
Finance cost	(1 041)
Value retained for shareholders/(diminution in shareholders' value)	(3 222)
Other	(471)

\* Including labour cost capitalised.

**TAXATION**

We are committed to ensuring good tax governance. All our operations are required to comply with their legal obligations and responsibilities in relation to their tax affairs. Our approach to tax supports the principles of transparency and proactive engagement with tax authorities, governments and other relevant stakeholders. Tax matters are governed through the finance department and the audit committee provides oversight.

The government of Zimbabwe's proposed 15% export levy on unbeneftiated platinum was reduced to 5% on concentrates and 2.5% on matte and the effective date was deferred to 1 January 2022.

A breakdown of our PAYE/profit taxes and royalty taxes by country is provided below.

**Implats' taxes paid directly to government by category and country\***

	South Africa (Rm)**	Zimbabwe (US\$m)***
Profit taxes	288	14
Employee PAYE	1 711	19
Royalties taxes	128	20
Other		
– Unemployment Insurance Fund	111	–
– Skills Development Levy	97	–
<b>Total</b>	<b>2 335</b>	<b>82</b>

\* Reporting in line with the Extractive Industries Transparency Initiative (EITI).

\*\* Excludes Two Rivers.

\*\*\* Excludes Mimosa.



Marula operations landscape

## INVESTING IN COMMUNITY RELATIONS

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Continued delivery on our commitments in our social and labour plans (SLP) in South Africa</p> <p>At Impala Rustenburg, despite an escalation in community demands and challenges with community leadership, we maintained cordial relations with neighbouring communities</p> <p>Amid a downturn in the socio-economic climate, Zimplats maintained cordial relations with its communities, ensuring uninterrupted business operations and continued delivery of projects that meaningfully mitigate social challenges</p>	<p>Despite general improvements in relationships with Marula communities, the operation lost seven days of production because of a community protest in March ahead of national elections</p> <p>Growing levels of community frustration and activism around Impala Rustenburg and Marula operations, with increasing expectations of our operations to deliver greater socio-economic benefits, particularly employment and procurement opportunities</p> <p>The final two phases of the Impala Rustenburg restructuring will impact the extent of our socio-economic benefits to communities</p>	<p>We commit to working with our social partners to address community concerns as best we can, and in accordance with our financial means</p> <p>Collaborating in creating an all-inclusive platform for engaging with host communities at Marula, to mitigate the risk of community unrest</p> <p>Securing a sustainable resolution to the governance and distribution of the community-managed dividends from the Makgomo chrome project</p> <p>Completion of outstanding SLP infrastructure projects at Impala Rustenburg and Marula</p>

### IN SOUTH AFRICA

#### A challenging context

There is ongoing frustration and community activism in many of our neighbouring communities, particularly among the unemployed youth. High unemployment and slow service delivery from local government has resulted in increased demands made on mines from neighbouring communities in terms of providing jobs, procurement opportunities and social investment delivery. The challenging market conditions continue to impact our budget for social investments, increasing the importance of managing stakeholder expectations and seeking innovative ways to deliver further social return with less funding. While there was an escalation in community demands and protest action around our operations in the lead up to the national elections in May 2019, the election period was relatively peaceful.

#### Effective engagement

To mitigate our community-related challenges, we have continued to engage constructively with community representatives and authorities to promote peace and stability and to communicate effectively on our SLPs and other social commitments. We strive to play a strong integrating role with all affected community stakeholders – including traditional leadership structures, local, provincial and national government, community representative organisations, and youth movements. The most significant community-related issues we managed this year were at Impala Rustenburg and Marula, as reviewed below.

#### Impala Rustenburg

Our robust engagement with our communities was challenged following the suspension of the Impala Mine Community Leadership Engagement Forum (MCLEF) in February 2019 due to councillors demanding a R4 000 per councillor meeting attendance fee. We maintained effective communication with communities through alternative channels with the assistance of the Rustenburg local municipality (RLM) and the Royal Bafokeng Nation (RBN). We envisage that MCLEF meetings will be reinstated in the first quarter of FY2020.

We have proactively managed engagements with our communities to demonstrate our commitment to mitigating any negative socio-economic impacts associated with the downsizing of the operation. Our ability to recruit from our host communities has been impacted by the organisational restructuring process, as we focus on employee redeployment and reskilling. We continue to ensure that community leaders are kept informed of all our recruitment drives and the necessary requirements.

#### Marula

In March 2019, Marula experienced a seven-day operational disruption as a result of election-related community demonstrations incited by intra-community leadership disputes around the governance and distribution of the community-managed dividends from the Makgomo chrome project. Implats contributed towards setting up the project as a means of sharing the financial benefits of chrome processing with the communities.

Despite recent disruptions, there has been good progress in mitigating community unrest at Marula. This has been supported by our continued engagement with community representatives and government officials to strengthen communication lines and relationships. Recognising the need for more inclusive efforts to achieve and maintain stability around Marula, an independently facilitated process is underway, involving the DMR, local and provincial government, to establish an all-inclusive platform through which Marula will engage with its host communities. As a sign of commitment towards securing a sustainable resolution to chrome/community disputes, parties have entered into a peace agreement aimed at eliminating disruptions to Marula mine and chrome operations.



**MARULA COMMUNITY COMMUNICATIONS**

**Plans are in place to broaden communication channels with communities in order to provide timeous, honest and accurate information.**

At Marula, communication is a key initiative in the work to regain trust and promote a greater understanding within local communities of the long-term economic viability of the mine. Developments regarding mine operations, community projects and enterprise and supplier development initiatives are distributed in the local area via a quarterly newsletter. The newsletter is printed in English and will soon be available in Sepedi.

Currently, the community listens to three key regional radio stations. Management is looking to release key messages using this medium. Social media is another avenue being explored to communicate employment, study and procurement opportunities with youth groups.

**IN ZIMBABWE**

**Challenging context**

Zimbabwe's economy has faced an escalation of challenges during the review period. Growing unemployment and inflation, as well as shortages of foreign currency, have had a major impact on the daily lives of ordinary Zimbabweans and have hampered the government's ability to deliver services and address community development deficiencies.

**Effective engagement**

Despite the difficult operating environment, Zimplats continues to enjoy cordial relations with its communities, ensuring uninterrupted business operations and the efficient roll-out of social investment projects in partnership with the community.

Quarterly engagement forums at Zimplats continue to provide an effective channel of communication with community leaders. The forums provide an opportunity to develop levels of understanding of the business, its successes and challenges, while also allowing the community an opportunity to register specific concerns. As the biggest player in the

country's mining industry, Zimplats continues to be viewed as a critical contributor to the future of Zimbabwe, and a responsible host community tenant. The greatest challenge facing mine communities remains the issue of youth unemployment, which is estimated at 80%. More than 60% of Zimplats' mining employees come from the local community and the Company is forging stronger partnerships with communities through investment in income-generating activities that have the potential to create sustainable employment.

Zimplats continues to monitor and implement measures to mitigate the risk of illegal settlements on the mining lease. The operation is working with the local authority to progress the legal eviction of 26 families residing adjacent to Bimha Mine. We are committed to ensuring that the process is managed without violation of human rights.

## INVESTING IN COMMUNITY DEVELOPMENT

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Our investment in community development: R86.2 million in South Africa, of which 77% was on SLP projects; and US\$3.8 million in Zimbabwe</p> <p>Twelve projects reviewed for socio-economic impact obtained a 'good' or 'adequate' rating</p> <p>Created 652 jobs in delivering our SLP infrastructure projects</p>	<p>Impala Rustenburg and Marula await approval of extension of implementation period for outstanding second generation SLP infrastructure projects</p> <p>Ensuring 100% compliance in terms of stated commitments in SLPs at all times as per Mining Charter 2018 (Mining Charter III) will be challenging</p>	<p>Implementation of Impala Rustenburg and Marula third generation SLPs</p> <p>Developing the Zimplats high impact commercial livestock project</p> <p>Continue to engage the CSOT and Zimbabwe government in light of the new thinking around indigenisation which indicates a shift from equity participation to empowerment initiatives</p> <p>Promote host community employment and procurement opportunities through our various social projects</p>

The challenging socio-economic contexts in which we operate highlight the need for sustainable community development as a commercial and social imperative.

### IN SOUTH AFRICA

#### Social investment

Our social economic development (SED) investments comprise specific initiatives that are defined in our SLPs, and our corporate social investment (CSI) projects. Many of these projects are delivered in partnership with government, development agencies, communities and non-governmental organisations. Each of our operations facilitates organised volunteering activities for our employees to support host communities.



#### SWIMMING POOL CONTAINER SPONSORED AT IMPALA SPRINGS

Impala Springs is fulfilling a significant role in curbing the risk of drowning among children in disadvantaged communities by supplying portable, fully-functional Learn-to-Swim containers as part of a CSI project. Until such time as adequate swimming pool facilities are available to all schools across the country, drowning will remain one of the leading causes of accidental death among the youth in South Africa.



#### MARULA MINE LIGHTS UP GA-MASHISHI AND GA-KGWETE VILLAGES

In line with Marula's commitment to uplift local communities, the mine has enabled the electrification of 130 households at Ga-Kgwete village and a further 77 households at Ga-Mashishi village through various CSI projects.

## SLPs

Each of our operations implements a five-year SLP, as required under the Mineral and Petroleum Resource Development Act (MPRDA). The SLPs are developed through a consultative process with the respective municipalities' Integrated Development Plans (IDPs), Traditional Authority Plans and host communities. The plans are reviewed and revised where necessary, including prioritisation of projects.

### Delivering on our commitments

We have continued to make progress in delivering on our second generation SLP commitments (SLP II) and have contributed significantly towards community infrastructure development. Our various education-related initiatives provided bursaries and learnerships to our community members and employees, and much need support (facilities and training for teachers) for schools in our areas of operation. Another focus has been to develop host community-based

entrepreneurs in an effort to equip them with the necessary skills to grow and sustain their business.

At Impala Rustenburg and Marula, the implementation of certain SLP II infrastructure projects has been delayed, initially due to the late approval of the SLP (the SLP was approved a year late due to community unrest related to the 2014 platinum strike) and in recent years, hampered by financial constraints. The operations have lodged applications with the DMR to extend the implementation period to complete the outstanding projects to December 2020. We have maintained regular follow-ups with the DMR to facilitate approval. Details of the SLP projects in progress at Impala Rustenburg as well as their estimated completion dates are listed in the table below. Marula has one SLP project outstanding which is a joint venture construction of a road with the Roads Agency Limpopo (RAL). This project was a late addition to the SLP and was undertaken at the request of the RAL.

## SLP II infrastructure projects undertaken at Impala Rustenburg

Project name	SLP Commitment	Estimated completion date (calendar year)	Jobs created	Local procurement
Freedom Park – Clinic Construction	R10 000 000	2020		
Freedom Park – Sports Facility Construction	R8 000 000	2020		
Freedom Park – Community Infrastructure Upgrade	R50 000 000	2019/2020		Sourcing in progress
Mogono -Renovation of Community Hall	R2 000 000	2019		Sourcing in progress
Luka – Roads and Storm Water Channels	R16 000 000	Complete	105	100%
Luka/Mogono – Construction of Recreational and Sport Facilities	R20 000 000	2020		Sourcing in progress
Luka Makgotla Offices Upgrade	R4 000 000	Complete	170	76%
Kanana – Construction of Multi-Purpose Centre and Library	R15 000 000	Complete	141	100%
Kanana – Roads and Storm Water Channels	R4 000 000	Complete	35	100%
Lefaragatlhe – Construction of Sport Facility	R2 000 000	2020		Sourcing in progress
School Infrastructure	R50 000 000	Complete	135	86%
Boitekong Attenuation Dam Rehabilitation	R20 700 000	2019	11	100%
Library and Community Halls Capacitating Labour Sending Areas	R5 000 000	2020		
Luka Water Project	R30 000 000	Complete	40	100%
<b>Total</b>	<b>R236 700 000</b>		<b>652</b>	



## INVESTING IN COMMUNITY DEVELOPMENT



### IMPLATS SCHOOLS INFRASTRUCTURE UPGRADE PROJECTS

Implats undertook to upgrade facilities at Berseba and Dimapo Primary Schools. This flagship community project was officially handed over to the North West Department of Education and Sport Development (NWDoESD) on 30 April 2019. The management and maintenance of both schools will be the direct responsibility of the Education Department in the North West province. Members of the community in both villages of Berseba and Bethanie demonstrated their appreciation to Implats for restoring dignity to and improving the learning environment of their young children. Other school infrastructure projects carried out this year include upgrade of facilities at Tswako Mohlala Primary School and the expansion and renovation of the beloved historic Karabo crèche and early development centre in Marula.



### IMPLATS SCHOOL SUPPORT PROGRAMME

Implats' School Support Programme aims to improve four major contributors to quality education, namely: improving school facilities, enhancing academic quality, developing leadership, and developing social skills. The programme provides mentorship for educators – focusing on capacity to teach effectively in numeracy and literacy, management support for the principals, sports coaching for the learners, and sports coaching skills for the educators. The initiative provides opportunities for mine community students to be employed as part of the programme. There are 10 schools currently supported, including the Combined Platinum Village Primary and Secondary Schools in Rustenburg, which Implats constructed in partnership with the North West Department of Education and the Impala Bafokeng Trust. The schools became operational in 2017 and learner intake has now increased to 1 700 students.

A breakdown of our community investments is presented on page 67. Highlights and an independent review of a selection of the projects undertaken in the year is detailed on pages 68 and 69. Our efforts to improve the accommodation and living conditions of our employees are highlighted on pages 74 and 75.

#### Mining Charter III expectations

The new Mining Charter requires mining rights holders to ensure 100% compliance in terms of stated commitments in their SLPs at all times. This can be challenging in instances where delays encountered are due to factors outside of the Company's control. For example, in recent years, delays in approval of SLPs, financial constraints and community leadership contestation have hindered progress on some SLP projects and community engagement processes.

#### *Marula: Focus on education and small-scale infrastructure*

The third generation SLP (SLP III) for Marula focuses on education and skills development, healthcare, small scale infrastructure projects, community empowerment, and partnerships in local municipalities. Marula received DMR approval for its SLP III in June 2019.

#### *Impala Rustenburg: focus on job creation and economic activity*

In light of the downsizing and cost-containment measures at Impala Rustenburg, targets for the operation's SLP III are relatively conservative and do not include high cost infrastructure project commitments. Recognising the imperative of job creation to reduce poverty and economic exclusion among the youth, the operation has shifted its local economic development strategy to focus on collaborating with government, the Royal Bafokeng, and other mining companies, to identify and implement high employment-generating projects through public-private partnerships. We are researching opportunities to catalyse job creation in particular in the agriculture and manufacturing sectors. Impala Rustenburg is awaiting DMR approval for its SLP III.

South African operations socio-economic development expenditure

Programme	Total 2019 Rm	Total 2018 Rm	Total 2017 Rm
Empowerment of community structures	5	10	5
Health, safety and environment	2	1	1
Education	35	53	38
Infrastructure	29	53	47
Sport development	3	2	3
Enterprise development	2	10	11
Community welfare, arts and culture	10	8	1
<b>Total socio-economic development</b>	<b>86</b>	137	106
<b>Housing and living conditions</b>	<b>200</b>	270	265
<b>Total sustainable development</b>	<b>286</b>	407	371



Road construction at Impala Rustenburg's Platinum Village housing development

## INVESTING IN COMMUNITY DEVELOPMENT

### HIGHLIGHTS FROM IMPLATS' SOCIAL INVESTMENT PROJECTS UNDERTAKEN IN FY2019

#### Infrastructure

Infrastructure projects accounted for approximately a third of Implats' social investment spend in South Africa, at R29.4 million. These included road construction projects in Rustenburg and Limpopo, construction of boreholes and water supply infrastructure, construction of a sports facility, school and community infrastructure upgrade projects. **The largest spend on the infrastructure projects was on the Luka Water Scheme upgrade project which accounted for 62% (R18 million) of the total spend on infrastructure. This project benefited community members in Luka villages in the North West province, and created business opportunities for four local companies that employed 40 community members for the duration of the project.**

Sunrise View is an Implats housing development programme built between 2007 and 2013 to provide employees with access to decent and affordable accommodation. The area is characterised by a floodline, with over 103 households in the 1:100 year floodline zone, which creates significant risks to their safety and wellbeing. Thirty-one of these houses were flooded in December 2010 and January 2011 when a 1:5 years flood event occurred. Several measures were taken at the time to address this issue and in FY2019, Implats implemented additional remedial measures at a cost of R5.2 million for the area designed to respond to 1:50 and 1:100 flood events bringing much needed security and peace-of-mind to residents.

#### Education

**Education initiatives in the form of bursaries, learnerships and school support projects remain Implats' highest social investment spend in South Africa, accounting for 43% (R38.2 million) of 2019 social investment.** Implats did not enrol new learners on its bursary and learnerships programmes this financial year due to financial constraints, but plans are in place to do so in FY2020. Implats remains committed to invest in education programmes and will continue to support students in every possible way.

Learnerships:	<b>119</b> students	Cost: R29 million
Bursaries:	<b>44</b> students supported	Cost: R3.9 million
Schools support programme:	<b>10</b> schools supported	Cost: R6.1 million

#### Enterprise and supplier development programmes

Implats is committed to the support and development of local SMMEs through its enterprise and supply development programmes.

#### **A total of R2 million was spent in enterprise development (ED) and supplier development (SD) programmes.**

Nine SMME owners have been trained and mentored through the business incubator programme offered by Raizcorp and Aurik. The primary objective of ED and SD is to ensure that Implats creates sustainable and profitable local black businesses.

Implats is committed to contributing to the economic transformation of South Africa. It is for this reason that in 2018, Implats entered into a partnership with the Awethu Project. The partnership is aimed at facilitating the participation of previously disadvantaged individuals in the mining sector. To this end, formal agreements for the Awethu Share Scheme Project were signed in the financial year and consist of a R9 million interest-free loan to Awethu that is being utilised as investment capital for buyout transactions which will see an identified black South African acquire a 51% stake in a mining engineering firm.

#### **Our Zimplats operation has committed US\$900 000 to the Zimplats Cattle Ranching Project.**

This is an ED programme aimed at providing sustained shared value for Zimplats and the community. This will be achieved by implementing the project within the existing Zimplats mining lease area (ML37) through a legally binding agreement in the form of a tripartite joint venture named Palmline Investments Private Limited. The entity is constituted by Zimplats, which has a 30% stake; Servcor, a private company and project technical partner, with a 55% stake and three Local Enterprise Development (LED) partners, with a 5% stake each. If successful, the intervention will deliver return on investment, ensure protection of the mining lease area from illegal invasions as well as contribute to the livelihood of communities in the mining lease area. Further, the project will facilitate the initiation of Community Social Responsibility (CSR) interventions through which paddocks for use as grazing land by the local community will be established.

## INDEPENDENT REVIEW OF SELECT PROJECTS BY TRIALOGUE AND CLASSIC ORIENTAL CONSULTANCY

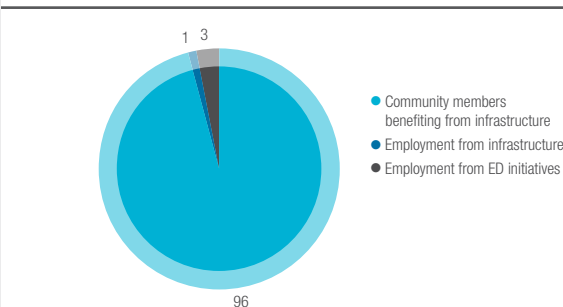


Trialogue and Classic Oriental Consultancy were appointed to undertake an independent review and assessment of the social economic impact of Implats' social investments. **Trialogue and Classic Oriental Consultancy reviewed 12 projects: eight infrastructure projects and four enterprise development projects. Of the 12 projects, 10 were in South Africa and two in Zimbabwe.**

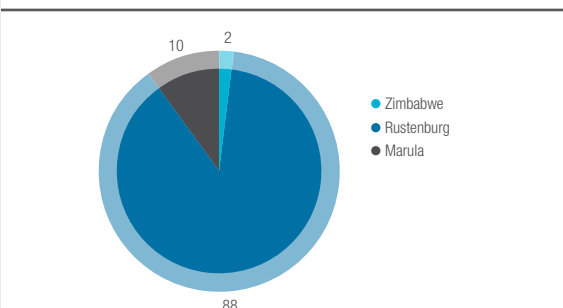
The 12 reviewed projects accounted for R40 million of social investment spend in South Africa (equivalent to 35% of total SED spend in South Africa) and US\$1.033 million social investment spend in Zimbabwe in the same period.

**The social investment expenditure on the reviewed projects benefited 28 406 people with 99.9% of these beneficiaries being black.** In South Africa, the majority of beneficiaries were community members benefiting from infrastructure projects. The estimated number of beneficiaries of completed infrastructure programmes is 27 690, of which over 16 000 are community members that benefited from the Luka water scheme; a further 880 people benefited from employment opportunities from the Enterprise Development initiatives and at least 258 people benefited from employment opportunities created through the infrastructure projects. Not counted in these numbers is the Kanana Multipurpose Centre which is expected to benefit a further 11 000 community members.

**Beneficiaries by type of project as at 30 June 2019 (%)**



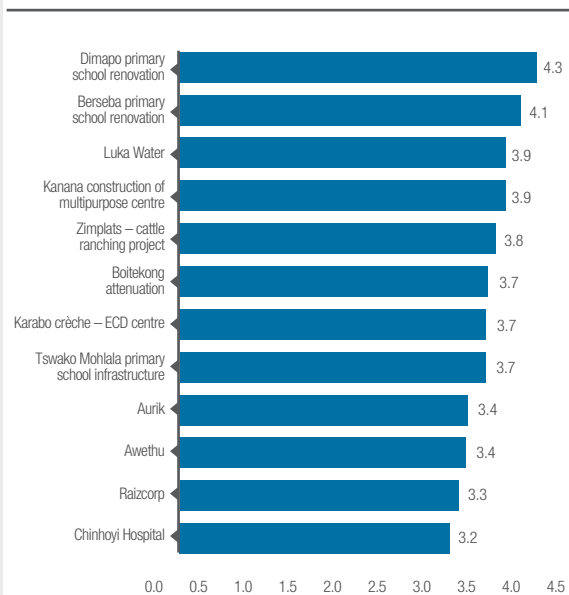
**Beneficiaries by geography as at 30 June 2019 (%)**



### Projects reviewed

Each of the 12 projects was reviewed using one of three review frameworks: infrastructure, enterprise development or social development. The frameworks cover 22 criteria against which projects are reviewed in the following categories: use of Implats funds, project design, implementation, results (impact), sustainability and risk level. Projects are rated “exemplary”, “good”, “adequate”, “poor” or “defective”. **Of the 12 projects reviewed, eight were rated as good (with scores between 3.5 and 4.5 out of five), with four projects scoring “adequate” (with scores between 2.5 and 3.5).**

**Overall scores for individual projects reviewed as at 30 June 2019**



Implats has achieved most of the objectives related to the 12 projects reviewed: of the 21 objectives associated with the 12 projects, 13 have been achieved and nine have been partially achieved. On average, projects scored best in the “use of Implats funds” category, and weakest in the “sustainability” category as some of the projects carry high elements of dependency risk as beneficiaries may expect support from Implats beyond the scope of the projects.



## INVESTING IN COMMUNITY DEVELOPMENT



### LUKA WATER SCHEME UPGRADE PROJECT

The Luka Water Scheme Upgrade project forms part of Implala Social Labour Plan (SLP). The upgrade involved the construction and installation of UPVC pipelines and pumping stations over a 6km distance, and the refurbishment and fencing of a water reservoir. The facility benefits villages located in the Implats mining lease area that have faced challenges with water supply in the past. The project provided employment for 78 people. According to Kgosana Mogono, the leader of Mogono community, the project has met a critical need in the community because water is a basic necessity. He further adds that the investment made by Implats will go a long way to improve access to basic services and relieve the burden of Lekgotla la Mogono to provide water to the community. Community members are also highly appreciative of the project.



### KANANA MULTIPURPOSE CENTRE

The Kanana Multipurpose Centre is an indoor sport facility that consists of basketball, netball, five-a-side football, change-rooms and ablution facilities. The facility also consists of a computer lab and library/information hub as well as three offices with a boardroom that will be used by administration staff. The centre will also be used as the administration office for villages in the Central Region. It is constructed on land owned by the Royal Bafokeng Nation (RBN). While the region in which the centre is located has a population of around 11 000 people, it is expected to benefit over 30 000 people from surrounding villages. The centre will be officially launched by the end of calendar year 2019. Kanana Multipurpose Centre was constructed as part of Implala's current SLP.



### IMPLATS TEAMS COMMEMORATE MANDELA DAY

#### Our operations facilitate organised volunteering activities for our employees to support host communities.

Several teams from the Implala Platinum operations commemorated Nelson Mandela Day by volunteering 67 minutes of their time to make a meaningful difference in the lives of those in nearby mining communities.

The activities included assisting with renovations at Kutlwanong School of the Deaf, and donating groceries to the Phokeng Orphanage, Atlegang Day Care Centre and Tapologo Orphanage at Freedom Park. Employees at Marula dedicated their 67 minutes to painting Ntoshang Primary School at Ga Mahlokwane.



**IN ZIMBABWE**

Zimplats seeks to identify and implement socio-economic development projects in line with the needs and priorities of the neighbouring communities. The projects are aimed at supporting the Company’s business strategy, which emphasises the importance of engagement, forging partnerships in the development process and in managing stakeholder expectations, with particular emphasis on those areas that affect the social licence to operate. The operation’s community development activities fall into the broad categories of health, education, income generation (for example agricultural projects) and local enterprise development, and sports development.

Community spend continues to be constrained as a result of cost-management strategies in response to the challenging operating environment. We focus on low-cost, high-impact investments and explore partnerships with development partners that result in shared costs.

A breakdown of our community investments is presented in the table below.

**Zimplats’ socio-economic development expenditure (US\$000)**

Programme	2019	2018	2017	2016	2015
Education	184	233	161	161	299
Sports development	1 658	1 929	1 133	1 492	52
Income generating projects	11	515	41	66	530
Health and safety	1 455	1 936	1 181	119	22
Community project on albinism	0.33	461			
Other	478	890	592	91	68
Total socio-economic development expenditure	3 784	5 967	2 235	1 931	973
Housing and living conditions	—	—	—	1 085	5 474
Total sustainable development investment	3 784	5 967	2 235	3 016	6 448



Zimplats humanitarian drive following tropical cyclone Idai (see page 72)

## INVESTING IN COMMUNITY DEVELOPMENT

### FOCUS AREAS AND DEVELOPMENTS

#### Health and safety

Zimplats donated laundry and dental equipment to the Chinhoyi Provincial Hospital which is the main referral hospital for Mashonaland West Province and receives patients from seven district hospitals within the province (see page 42).

Community safety initiatives are gaining momentum. These include: working with partners in implementing road safety initiatives; managing veld fires; managing disease outbreak; responding to national disaster; and promoting awareness around the risks that may arise from adverse weather. These initiatives are co-ordinated by community safety committees that are held quarterly.

#### Education

To date, Zimplats has invested over US\$400 000 in the Zimplats-UZ Professorial Chair, through which we contribute towards developing human capital for the mining sector. Zimplats has enhanced access to potable water at three schools in the communities surrounding its operations by installing solar powered boreholes with water storage tanks and a bush pump.

#### Income generation, enterprise and community development

Building on success of a commercial livestock project Zimplats implemented in Ngezi in 2016 aimed at improving the herd quality and reducing the livestock mortality rate in the area, Zimplats has embarked on a commercial cattle ranching project through a joint venture that brings together a special purpose vehicle established by Zimplats, three local enterprises and a technical partner (see page 68). This initiative seeks to develop a unique and integrated community development model with commercial value while harnessing sustainable livelihoods for communities. The project is expected to cover a total of 11 000 hectares on the Zimplats mining lease, thereby creating a case for harmonising mining and agricultural activities, while protecting the Company's resource from illegal settlement. The project entails producing export beef and milk by establishing a dairy and beef cattle

project with community involvement. The latter will produce the grains and grass for stockfeed production. The project will involve an initial introduction of 1 000 dairy cattle and 500 commercial beef cattle, Wagyu cattle (Japanese breed). The introduction of new technologies will improve herd genetics for project and community benefit.

#### Sports development

Zimplats continues to invest in sports development in Mashonaland West Province. The Company supports two premier league teams for netball and soccer, thereby providing income-generating opportunities for youth drawn from various areas around the province and the country as a whole. The Company also invests in sporting events that support the development of talented youth from the grassroots level in Mhondoro-Ngezi and Chegutu districts.

#### Community Share Ownership Trust delivers increasing value

The Mhondoro Ngezi Community Share Ownership Trust (CSOT) continues to function effectively and make significant strides in developing districts around Mashonaland West Province. The Trust has proceeded with a number of income-generating projects for the benefit of communities and also assisting institutions in enhancing delivery of social services. Some of the major CSOT achievements in the year under review are summarised below:

- Donated two ambulances to Zvimba District for Rafingora and Chivhere Clinics.
- Constructed an X-Ray building at Banket Provincial Hospital
- Empowered 20 groups of farmers through provision of resources to undertake commercial egg production. A total of 36 000 layer chicks were produced which are now producing table eggs at 70% production capacity. Production is undertaken at three community-based chicken cluster houses
- 25 farmers were assisted in commercial production of red onions
- 29 farmer groups were assisted with establishing bee-keeping facilities.

### RESPONDING TO NATIONAL DISASTERS

In September 2018, Zimbabwe, especially Harare, experienced a major cholera outbreak, with 7 000 cases recorded. The government of Zimbabwe mobilised resources from all sectors of the economy. Zimplats donated US\$20 000 worth of assistance: antibiotics for treating 1 000 patients, 1 350 litres of intravenous fluids for resuscitation, and water treatment chemicals for up to 4 000 households.

**In March 2019, Zimbabwe experienced torrential rainfall caused by a tropical cyclone Idai in the south east of the country. The cyclone resulted in more than 300 deaths, a similar number of people reported missing and the destruction of community livelihoods and property. It is estimated that 50 000 households/250 000 people, including 120 000 children, were affected. Zimplats responded to the appeal from the government of Zimbabwe by pledging ZWL\$500 000, to be disbursed over three months, to procure food, medical equipment, fuel, water purification chemicals and larvicide.**

Zimplats also assisted the government during the Battlefields mining disaster, in which 32 artisanal miners were trapped in two flooded mines following heavy rains in Mhondoro Ngezi. Zimplats' participation in the rescue efforts contributed significantly to the rescue of eight miners who survived and the retrieval of those killed. The Company provided equipment used during the rescue efforts, and deployed a technical team led by a senior member of mine management. Government applauded Zimplats for its contribution and this was widely published in both electronic and print media.

# ACCOMMODATION AND LIVING CONDITIONS

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Census among 17 000 Impala Rustenburg employees shows that the overwhelming majority of our employees (79%) live in formal decent accommodation with water, electricity and adequate sanitation</p> <p>Completed the bulk infrastructure for 1 000 stands for the final two phases of the housing project at Impala Rustenburg's Platinum Village</p> <p>Platinum Village Phase 2 – construction of 516 houses and 54 apartment units successfully completed.</p> <p>Zimplats secured serviced stands for 230 employees</p>	<p>Approximately 4% of our employees reside in informal settlements and a further 17% rent formal, serviced backyard dwellings that have shared ablutions (inadequate sanitation)</p>	<p>Facilitating home ownership</p> <p>Encourage employees living in backyard dwellings and informal settlements at Impala Rustenburg to make use of available decent Company accommodation</p> <p>Revising the housing strategies for Marula and Impala Springs, informed by survey outcomes</p> <p>Assisting employees retrenched as part of Impala Rustenburg restructure manage or settle their home loan obligations</p>

## IN SOUTH AFRICA

The Company's investment in the accommodation and living conditions of employees is a pillar of our contribution to the wellbeing of our host communities, and an area where we are recognised as leaders across the sector. We endeavour to enable our employees to reside with their families in housing that is stable, healthy, of adequate size, serviced with water, sanitation and electricity, and within easy commuting distance of work. Census among 17 000 Impala Rustenburg employees shows that the overwhelming majority of our employees (79%) live in formal, decent accommodation with water, electricity and adequate sanitation.

### Our contribution at a glance

Over the last 11 years the Company has invested more than R4 billion in accommodation around its South African operations, of which R200 million was invested this year. To date we have constructed 3 420 houses of which 90% have been sold to employees. The vast majority of the houses are in the Sunrise View and Platinum Village housing

developments at our Impala Rustenburg operations. These projects were delivered in partnership with government, developers and the Royal Bafokeng Nation and include bulk infrastructure (roads, electricity, water, health, sewerage) and schools. Impala Rustenburg operations provide 4 140 residence units (converted from hostel buildings by 2013), of which 308 are family units.

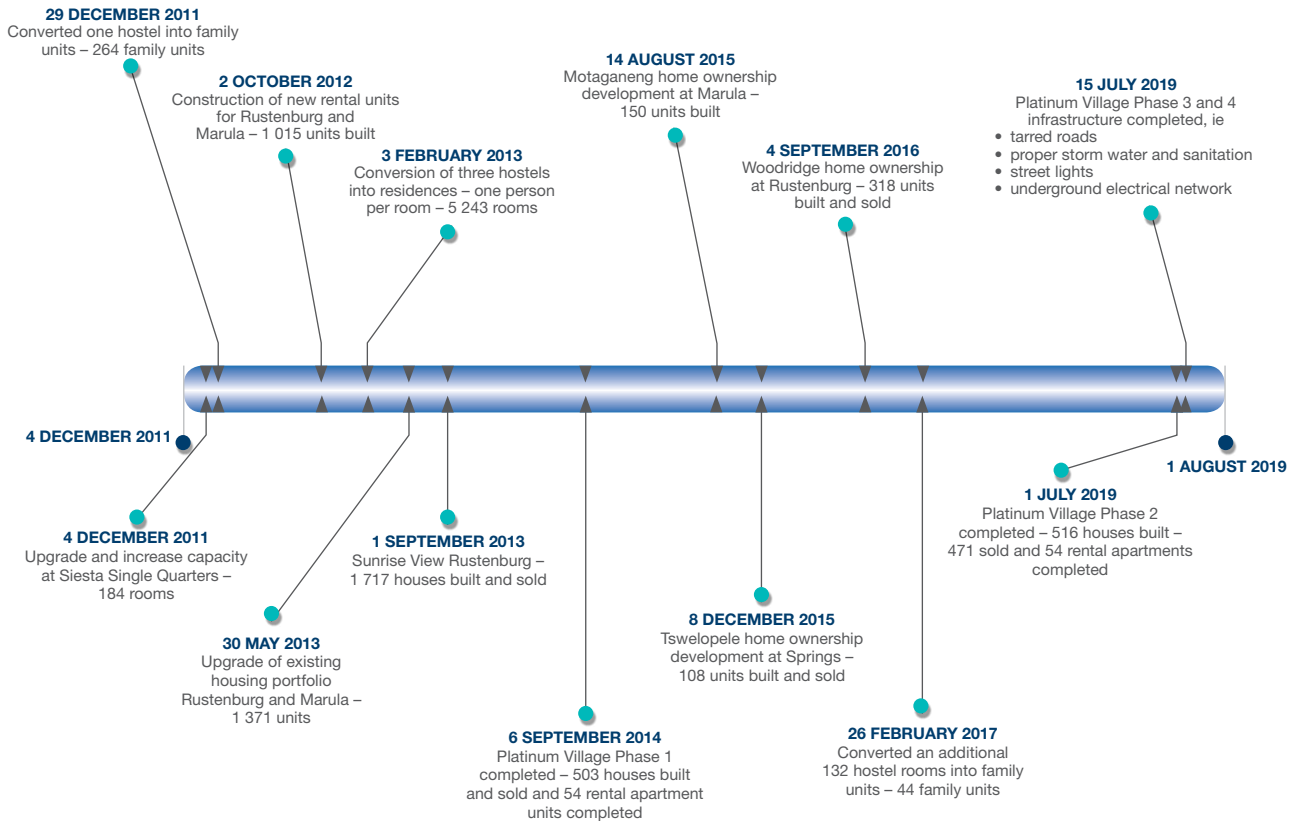


Platinum Village housing development



# ACCOMMODATION AND LIVING CONDITIONS

## HOUSING STRATEGY ACCOMPLISHMENTS



### OUR STRATEGIC APPROACH

In striving to ensure that all our employees live in decent conditions we provide choices such as renting of Company-owned houses, single-accommodation residences, family units and home-ownership initiatives. Implats offers its employees opportunities for home ownership at cost and assists with an interest free loan of between 20% and 30% of house value over a 20-year period. This interest-free loan is registered as a second bond on the property. The Company provides a living-out allowance (LOA) benefit (R2 450 per month) to enable employees who do not participate in the home ownership scheme to access decent accommodation for themselves.

### FOCUS AREAS AND DEVELOPMENTS

#### Accommodation and living out allowance surveys

In 2018 we conducted a census in Rustenburg, focused on the living conditions of employees receiving the LOA. The study included the participation of 17 000 employees in job bands A, B and C. The results provided detailed insight into where employees are residing, the levels of home ownership, the types of dwellings in use, perceptions of current accommodation offerings, and the amount of money being used for accommodation. The study findings indicated that: 79% of employees reside in decent accommodation; 16.8%

of employees rent formal backyard dwellings and 4.1% live in informal settlement; 98.8% of employees who receive a LOA reside in the Rustenburg area while they are working at the mine; and 68% of employees have secondary accommodation in other areas.

**The majority of employees live in a formal serviced structure with water and electricity. However, adequate sanitation, specifically for those workers residing in backyard dwellings, remains a challenge.**

A follow-up sample survey of 1 000 employees was completed in October 2018 which provided further insight on current accommodation elements and the impact it has on employees. Most workers indicated that their choice of residence was due to the proximity to their workplace. The second reason was the perception that their current accommodation is “less expensive” than mine accommodation. Various interventions have been designed to address these findings. A further survey will be undertaken in FY2020.

In FY2020 we will conduct similar accommodation and living out allowance surveys at Marula and Impala Springs. The outcomes of the surveys will inform the housing strategies at the respective operations.

## Impala Rustenburg

This year we completed the bulk infrastructure for the final two phases of the vibrant Platinum Village project in Rustenburg at a cost of R100 million. We are engaging with various developers to build houses on these serviced stands based on demand.

There are 2 008 employees currently paying back interest-free loans for their purchased homes. We are mindful of potential financial impacts of retrenchments as a result of the restructuring of our operations. This year the majority of employees affected were able to settle their bonds. To mitigate the negative impacts of loss of employment, we offer various concessions and assistance. These include: allowing 180 days to settle the interest-free loan (second bond); accommodating the option to pay affordable instalments on the second bond; working closely with the employee and financial institutions to manage the process of non-payment should it occur; and assisting employees who wish to sell their homes.

We have adequate accommodation options available for those employees identified through our surveys as living in less than ideal conditions. These include single-residence rentals, family-rental units and houses for sale through our home ownership schemes. We are engaging with our unions to raise awareness of these options and to promote greater uptake.

## Marula

Marula has recruited employees primarily from the mine lease area (four farms). Home ownership options are available in proclaimed municipal areas such as Burgersfort but there is low appetite for these houses as most employees are happy to live in decent accommodation within their villages close to Marula Mine. We are in discussions with a financial institution that specialises in funding for developments on tribal land to assist qualifying employees to build or upgrade housing in this area.

**Low appetite for these houses as most employees are happy to live in decent accommodation within their villages close to Marula Mine.**

## Legislative developments

Implats complies with all legislation in terms of housing and living conditions. We have exceeded the 2010 Mining Charter targets with respect to housing and are in a favourable position in terms of the 2018 Charter obligations. In March 2019, a draft Housing and Living Conditions Standard for the Minerals Industry was released, which seeks to ensure that adequate housing, healthcare services, balanced nutrition and water are provided to mine employees in South Africa. In May 2019, Implats submitted its comments on the draft standard and contributed to those submitted by the Minerals Council South Africa on behalf of the industry.

## IN ZIMBABWE

The focus in recent years has been on Company-provided rental accommodation (single quarters, houses and apartments) and a facilitated home ownership scheme. However, there has been limited progress in expanding our housing stock and facilitating opportunities for home ownership due to Company cost constraints.

**Approximately 70% of the workforce lives in Company housing and 30% receive a living-out allowance, which is equivalent to 20% of the basic salary.**

There are no informal settlements around the mines. At Ngezi, the employee housing stock totals 2 087 units, comprising 1 410 Company-owned houses and 677 core houses which are on the employee home ownership scheme. In addition, there is a combined housing stock of 141 houses in Norton and Chegutu where the Selous Metallurgical Complex (SMC) staff reside.

The country's risk profile continues to limit new investment into Zimbabwe thereby affecting potential funding for new national housing projects. The cost of imported building materials has increased due to shortages of foreign currency.

Implats conducts an annual housing gap assessment. Based on current staffing numbers, the projected housing gap is 991 houses across Ngezi and SMC. This is expected to increase to 1 146 houses by 2023 if no new houses are added to the current stock. To mitigate against the housing deficit, employees who do not have Company accommodation at Ngezi Mine have the option of staying in Company-provided camp accommodation. At SMC, employees that are not provided with Company houses typically rent accommodation in Chegutu or Norton. This year we engaged a property developer who has availed serviced stands in Chegutu to about 230 eligible employees to build houses on, with access to mortgages.



## PROCUREMENT, ENTERPRISE AND SUPPLIER DEVELOPMENT

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Implats exceeded the Mining Charter (second generation) procurement targets in all three categories of Capital, Consumables and Services</p> <p>Impala Rustenburg Operations increased procurement spend with “local-to-site” (tier 1) suppliers by 23%</p> <p>Marula Operations increased procurement spend with “local-to-site” (tier 1) suppliers by 82%</p> <p>Marula has appointed a company to manage community enterprise and supplier development</p> <p>Zimplats local procurement spend accounted for 71% of total annual procurement</p>	<p>Challenging targets in Mining Charter 2018 (Mining Charter III) with respect to procurement from 51% or greater South African women and youth owned and controlled businesses</p> <p>Disproportionate reliance by host communities on the organisation for procurement opportunities</p>	<p>Increase the scale of working partnerships between the South African government and large and small suppliers</p> <p>Zimplats will explore opportunities to form joint ventures with local companies in selected areas</p>

### IN SOUTH AFRICA

Preferential procurement and investments in enterprise and supplier development (ESD) provide important opportunities for social and economic transformation in our communities. Our ESD activities are an enabler for preferential procurement and in line with the Mining Charter and B-BBEE codes. Implats continues to increase investments in supporting local black-owned and black women-owned businesses.

### Our 2019 performance

#### Implats exceeded the Mining Charter (second generation) targets in all three categories of Capital, Consumables and Services.

- The table below and overleaf illustrate the total South African operations procurement performance. 74% or R6.8 billion of our discretionary procurement spend was with companies in which HDSA/B-BBEE ownership was greater than 25% as per Mining Charter (second generation) (2018: R6.7 billion, representing 73% of total discretionary spend).
- 36% or R2.8 billion of our discretionary procurement spend was with local tiered suppliers in which HDSA/B-BBEE ownership was greater than 25% (2018: R2.6 billion or 35% of total discretionary spend).

#### Percentage HDSA/B-BBEE procurement (>25%) of category's discretionary procurement (SA operations)

Category	Mining Charter target (%)	2019		2018		2017		2016		2015	
		R billion	%	R billion	%	R billion	%	R billion	%	R billion	%
Capital	40	0.7	67	0.7	57	0.7	65	0.9	74	0.9	60
Consumables	50	3.1	80	2.9	82	2.8	83	2.3	76	2.1	77
Services	70	3.0	70	3.1	71	3.2	74	2.9	74	2.4	73
<b>Total operations</b>		<b>6.8</b>	<b>74</b>	<b>6.7</b>	<b>73</b>	<b>6.7</b>	<b>76</b>	<b>6.1</b>	<b>75</b>	<b>5.4</b>	<b>65</b>

Note: Capital goods have been reported based on IFRS and Implats' accounting policies recognition criteria for capital expenditure. Suppliers with a valid B-BBEE certificate in the financial year under review contributed to HDSA spend. The Implats policy stops recognising HDSA spend from a supplier if their B-BBEE certificate expired and was not replaced within a three-month period.

**Local (tiers 1, 2 and 3) HDSA procurement (>25%) as a percentage of total discretionary procurement**

Category	2019		2018		2017		2016		2015	
	R million	%	R million	%	R million	%	R million	%	R million	%
Impala Rustenburg	2 836	38	2 556	38	2 510	29	2 387	37	2 424	42
Marula Platinum	181	10	72	8	72	8	96	11	129	18
<b>Total</b>	<b>3 017</b>	<b>34</b>	<b>2 628</b>	<b>35</b>	<b>2 582</b>	<b>19</b>	<b>2 483</b>	<b>24</b>	<b>2 553</b>	<b>30</b>

Note: Impala Rustenburg: Tier 1: Mine lease area (Bafokeng Villages, Freedom Park, Seraleng and Meriteng) Tier 2: Rustenburg municipality; Tier 3: Bojanala district.

Marula: Tier 1: Mine lease area (four farms); Tier 2: Greater Tubatse municipality; Tier 3: Greater Sekhukhune district.

**Local and preferential procurement**

**Local suppliers**

Our South African operations strive, as far as possible, to source all goods and services within South Africa, with a particular emphasis on local businesses defined as tier 1, 2 and 3 based on their proximity to our operations.

There is disproportionate reliance by host communities on the organisation for procurement opportunities and significant focus is placed on supporting “local-to-site” (tier 1) suppliers. These businesses are owned by individuals from our host communities. We achieved the following:

- Rustenburg operations increased procurement spend with “local-to-site” suppliers by 23%;** business amounting to R1.6 billion was conducted with 113 “local-to-site” suppliers. The average spend per supplier increased from R10.9 million to R13.9 million during FY2019 where the most significant impact was within the core underground mining activities.
- Marula operations increased procurement spend with “local-to-site” suppliers (tier 1) by 82%;** business amounting to R70 million was conducted with 39 “local-to-site” suppliers in FY2019. The average spend per supplier remained at R1.7 million.

**Sourcing and procurement**

Sourcing events are planned on an annual basis and provide opportunities for new entrants to participate in the supply chain of Implats through a formal term contract. Ongoing tender opportunities exist for suppliers and efforts are made by our procurement teams to invite suppliers to participate in the request for quote processes.

**Mining Charter III from 2019 and beyond**

Mining Charter III is effective from January 2019. The Charter is focused on promoting procurement opportunities for businesses owned by women and youth and also focuses strongly on creating South African manufacturing capability

by including local content requirements in the procurement scorecard. Significant focus is being placed on procurement spend from suppliers that are 51% or greater South African women and youth owned and controlled. Reaching the targets set here over the next two and five years for mining goods and services-related procurement respectively will require significant enterprise development. However, the youth-owned targets will be especially challenging. This is being dealt with by the Minerals Council South Africa, by way of a judicial review of the Charter (see page 80). The first reporting on the new Mining Charter is in March 2020 for the 2019 calendar year.

**Engagements and negotiations with existing suppliers**

Targeted engagements and negotiations with selected strategic suppliers to improve B-BBEE compliance levels remains an ongoing effort and continuously yields positive results.

**Supplier diversity**

Seven hundred (700) suppliers were contributing to the overall Mining Charter (>25% HDSA/B-BBEE) scorecard during FY2019. Sixty-three percent of these suppliers were black owned.

This year we introduced a targeted approach to increase procurement spend with black-owned businesses.

As a result of our endeavours, we increased our spend with 51% or greater black-owned business by R592 million, a 45% improvement on FY2018.

**New entrants**

Sixty-five (65) new black-owned entrants were registered during FY2019 on the Implats supply database of which 48 were 100% black-owned. In collaboration with the Royal Bafokeng Enterprise Development (RBED) in Rustenburg and the Marula community structures in Burgersfort, new “local-to-site” suppliers are continually identified, verified and validated and added to the approved supply base.

## PROCUREMENT, ENTERPRISE AND SUPPLIER DEVELOPMENT

### Fronting risks

Implats has a zero-tolerance policy relating to fronting. An external contracted party, responsible for assessing vendors, highlights potential fronting risks on an ongoing basis. The risks are quantified and subsequent actions are taken. Complex cases are escalated to the legal and forensic departments for further investigations and following the results Implats takes corrective actions in terms of its procedures.

During FY2019, no suppliers were suspended as a result of fronting.

### Incidents of non-compliance

No vendors were removed during the reporting period as a result of fraudulent or unethical misconduct.

### Online vendor portal

Impala continues its journey of on-boarding all approved trade vendors onto the SAP Ariba portal. Although responses are slow, 710 legacy suppliers have registered. Changes are being implemented to the system to improve the on-boarding time.

### Enterprise and supplier development

Enterprise and supplier development (ESD) provides important opportunities to community-based entrepreneurs. Since 2013, we have provided support to 41 local black-owned businesses through two principal initiatives Aurik and Raizcorp and helped grow our monthly spend with 28 of these businesses by more than 60%.

Mining Charter III is not specific on ESD investment targets but instead allows mines to offset ESD spend (to a maximum of 30% on mining goods and 10% on services) against procurement spend. Our current ESD activities will be refocused to increase the sourcing of new black-owned companies (with the emphasis on youth-and women-owned enterprises) from our host communities to strengthen and enhance the sourcing of mining goods and services. We plan to identify companies that are potentially ready to trade with our operations and enrol them into a three to six months programme to equip them with business skills, assist them with vendor committee presentations, register them on the mine's vendor list and provide ongoing mentoring and assistance to unlock opportunities through daily buying.

Our Marula operation has recently appointed a company to manage community enterprise and supplier development with the aim of developing and implementing a Marula Host ESD. The programme will establish a database of entrepreneurs located within Marula's host communities and assist them to access procurement opportunities.

### IN ZIMBABWE

Zimplats once again delivered pleasing results through its local procurement and local enterprise development (LED) activities. **In FY2019, Zimplats spent US\$234 million on local suppliers (including indigenous suppliers – at least 51% owned by black Zimbabweans or other previously disadvantaged groups), representing 71% of the total annual procurement spend (2018: US\$234 million; 69%).**

The Company has set a target to increase local procurement expenditure to at least 80% of total spend in the short to medium term.

### Developing local supplier capacity

Since 2013, the Company has focused on providing technical, financial and skills development support to several small and medium enterprises in Mashonaland West Province, where its operations are located. The LED programme now has a national focus with 20 participating wholly owned Zimbabwean local enterprises. Zimplats partners with these indigenous suppliers and preferentially procures goods and services from them through the structured LED programme. The local enterprises supply engineering, civil and technical solutions; transport and haulage services; catering and facilities management services; protective clothing (work suits and overalls); silica and bricks.

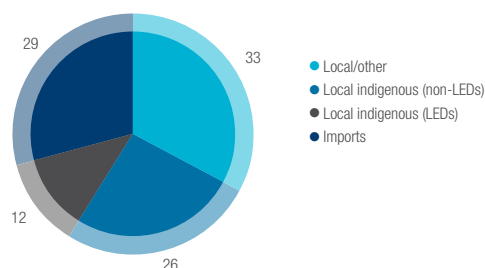
**The operation has continued to assist the targeted local suppliers commercially, financially and technically to run their operations and preferentially procured goods and services at competitive rates from them. Additional support provided includes: supply chain support; forex assistance; safety and compliance audits; creation and improvements in lines of business and development of markets for goods and services.**

In 2019, Zimplats appointed a dedicated manager to oversee its local enterprise development and local procurement initiatives. Strategic focus areas going forward are to enhance current businesses; assist in identifying business opportunities; and developing the growth capacities of the various enterprises, including through training.

### LED programme performance

Zimplats provided a secure market for the 20 LED beneficiaries, enabling revenue generation of US\$40 million for the enterprises in FY2019, to support their stability and prospects for new lines of business. The payments accounted for 12% of Zimplats' total overall procurement (see below).

**Zimplats procurement split FY2019**  
as at 30 June 2019 (%)



Zimplats procurement

	2019 (US\$'000)	2018 (US\$'000)	2017 (US\$'000)	2016 (US\$'000)
<b>Payments</b>				
Local other	109 551	122 294	172 714	122 294
Local indigenous	124 531	111 894	80 368	111 894
Imports	95 157	107 087	96 435	107 087
<b>Total</b>	<b>329 239</b>	<b>341 275</b>	<b>349 517</b>	<b>341 275</b>
<b>Percentage split</b>				
Local other <sup>1</sup>	33	36	49	36
Local indigenous <sup>2</sup>	38	33	23	33
Imports	29	31	28	31
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>1</sup> All companies registered and operating in Zimbabwe but owned by foreigners or non-indigenous shareholders.

<sup>2</sup> Companies registered and operating in Zimbabwe but with at least 51% being owned by black Zimbabweans or other previously disadvantaged groups before Independence in 1980 eg. Indians and Coloureds.

**Employment creation:** The LED programme continues to create opportunities for job creation, skills development and income generation for the benefit of the community. The 20 local enterprises in the programme collectively directly employ 2 380 people, of whom 1 200 have long-term contracts. These numbers are set to increase as the LED programme expands.

**Enterprise development and industrial linkages:** In line with the government of Zimbabwe’s Transitional Stabilisation Programme and Vision 2030 that places mining at the centre of economic reform initiatives, Zimplats has initiated enterprise

development and industrial linkages in underground roof support manufacturing and the commercial cattle ranching business (see page 72). For example, Zimplats has entered into a joint venture arrangement with Aveng of South Africa who specialise in the manufacture of roof bolts, and Grindale, a local enterprise participating on the LEDs programme, to set up a roof support manufacturing facility in Ngezi. The project initially targets a plant to supply 55 000 bolts per month to Zimplats with opportunities to expand supply nationally and regionally. The project is expected to increase economic activity in Ngezi.



Zimplats miner marking area at Ngezi mine



## SOCIAL LEGAL COMPLIANCE

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Full compliance with government policy and legislative requirements in South Africa and in Zimbabwe</p> <p>A more accommodative indigenisation policy in Zimbabwe is garnering escalating investment inflows</p>	<p>Provisions in Mining Charter 2018, especially those relating to empowerment and procurement are a cause for concern and now subject to judicial review</p>	<p>We will continue to proactively engage government in South Africa and Zimbabwe to help create a consistent and stable regulatory environment</p> <p>Compliance with statutory requirements including Mining Charter and SLPs</p>

### LEGISLATIVE AND POLICY ENVIRONMENT

Ensuring full compliance with government policy and legislative requirements in South Africa and in Zimbabwe is a cornerstone of our commitment to delivering social value and promoting socio-economic transformation. While there have been advances in the mining regulatory and policy environment that contribute to a more positive outlook for the mining sector in both countries, there are some continuing key areas of policy uncertainty. We engage proactively with government, both directly as a Company, as well as indirectly through industry representative business organisations, to build trusted and cooperative relations, with the aim of contributing to socially progressive and pragmatic legislation.

### SOUTH AFRICA

We embrace socio-economic transformation as a business imperative, and endeavour to play our full part in meeting the government’s social and economic development goals. We are committed to complying with the requirements of the MPRDA, and to meeting the expectations set out in the Broad-Based Black Economic Empowerment (B-BBEE) Charter for the South African Mining and Minerals Industry (Mining Charter).

**Mining Charter:** The Mining Charter 2018 (Mining Charter III or the Charter) and its implementation guidelines were gazetted late last year after a nearly three-year legislative process. The Charter contains far-reaching changes and introduces more onerous compliance obligations than those stipulated in previous versions. It continues to emphasise the need for increased participation of black people (previously disadvantaged South Africans) at ownership, board and managerial levels of businesses. **While the Charter is an advance on previous versions, creating a more supportive environment for the reindustrialisation of South Africa, it introduces a few provisions that are a cause for concern, which the Minerals Council South Africa is challenging through a judicial review process.** These relate to local content requirements, empowerment requirements and incentives for beneficiation. While the Minerals Council of

South Africa has embarked on a litigious path, the preference remains to engage government.

**The first reporting against the new Charter is tabled for March 2020 and will measure performance over the 2019 calendar year. Our estimated compliance level – based on self-assessed scorecards using available data and making assumptions in instances where the scoring criteria was unclear – is satisfactory.**

In March 2019, we submitted a compliance report for our performance against the previous Charter (Mining Charter 2010), as directed by the DMR (see Mining Charter scorecards on our website.)

**B-BBEE codes:** We also seek to align with the B-BBEE Act and work towards compliance with the new B-BBEE Codes of Good Practice. This year we embarked on our fourth B-BBEE verification for the Group and its subsidiaries. It is envisaged that the process will be completed in September 2019 (BEE certificates will be available on our website). In line with section 13G(2) of the B-BBEE Act, a report on our compliance will be submitted to the newly formed B-BBEE Commission.

**Other focus areas:** We continue to play a leading role in the Minerals Council of South Africa, helping to lobby on key issues and for a consistent and stable regulatory environment. We subscribe to the principles and commitments outlined in the recently introduced Human Rights Framework, and have maintained a commitment to: meeting the objectives of the President’s Framework Agreement for a Sustainable Mining Industry; aligning and positioning ourselves in terms of the National Development Plan (NDP); engaging in government initiatives relating to Operation Phakisa; and delivering on our commitments in terms of the Leaders’ Declaration on the Mining Industry Commitment to Save Jobs and Ameliorate the Impact of Job Losses.



## ZIMBABWE

Zimplats has continued to engage proactively with the government to support developments aimed at growing and diversifying the PGM industry. The mining sector is a key component of the country's economic recovery programme.

**Legislative developments:** The Zimbabwean government has embarked on a number of policies to engender a favourable environment for investors.

The government made some significant changes to the Indigenisation and Economic Empowerment Act in 2018 by lifting the 51% indigenous equity requirement for all entities save for platinum and diamond mining companies. The government has, since then, made a number of public pronouncements reflecting new thinking indicating government's intention to repeal the 51% indigenous equity requirement for the diamond and platinum mining sectors.

**On 1 August 2019, the Minister of Finance and Economic Development, in his 2019 Mid-Year Budget Review and Supplementary Budget to the Parliament of Zimbabwe, announced that platinum and diamond miners would now be removed from the reserve list and essentially that the 51% indigenous equity requirement would therefore no longer be required for platinum and diamond miners.**

The Minister stated that the Indigenisation and Economic Empowerment Act would be repealed and replaced with an

Economic Empowerment Act, which the Minister stated would be consistent with the Zimbabwe is Open for Business thrust.

**The government has suspended a proposed 15% tax on unrefined platinum exports until the end of 2022.** Zimplats is fully supportive of the government's beneficiation policies and its desire to see more beneficiation of the country's mineral resources being undertaken in Zimbabwe. The government has directed the platinum industry to build a base metals and precious metals refinery that will produce finished products for sale.

**Zimplats' performance:** Management continues to engage the CSOT and government in line with new thinking that indicates a shift from equity participation to empowerment initiatives. In the year under review, Zimplats increased its overall spend with local suppliers to 71% of total procurement spend (69% in FY2018). We continue to play a leading role in promoting industrial linkages and local enterprise development (see details on pages 78 and 79). Zimplats is engaging with platinum producers to work towards the establishment of a national refining facility.



Tailings thickener at Zimplats



*Mining infrastructure at Impala Rustenburg 14 Shaft*







# CONSERVE NATURAL RESOURCES AND MITIGATE IMPACTS

## KEY FEATURES

No “major” (level 5) or “significant” (level 4) environmental incident at any of our operations since 2013

**42%**  
of water consumed is recycled water, exceeding our target

**70%**  
of non-mineral waste generated was recycled (62% in 2018)

**TSF**  
Safety Management Audits completed

## OUR ALIGNMENT WITH SDGS



## ENVIRONMENTAL LEGAL COMPLIANCE AND MANAGEMENT SYSTEMS

OUR ALIGNMENT WITH UNGC PRINCIPLES
<b>Principle 7:</b> precautionary approach to environmental challenges
<b>Principle 8:</b> initiatives to promote greater environmental responsibility

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>No fines or non-monetary sanctions for non-compliance with environmental regulations</p> <p>We have not recorded a “major” (level 5) or “significant” (level 4) environmental incident at any of our operations since 2013</p> <p>All our operations are certified against the ISO 14001: 2015 for their environmental management systems</p>	<p>Marula has made good progress during the year in addressing the potential issuing of a compliance notice by the DMR for contraventions identified during a compliance inspection in June 2017. The majority of findings have been addressed and closed. However, due to capital unavailability, the DMR’s request to concrete roadways and parking areas around workshops was delayed and will commence in the new financial year.</p>	<p>Implement remediation plans to address environmental non-compliances</p> <p>Maintain environmental licences and permits with all relevant regulatory authorities</p> <p>Ensure no level 4 or 5 incidents</p> <p>Address the DMR’s request to concrete roadways and parking areas around workshops at Marula</p>

**We engage with the South African and Zimbabwean regulatory authorities to ensure all applicable licences and permit applications are approved and in place, and that wherever possible all requirements are met. Regulatory changes and uncertainty continue to present challenges, including delays to authorisations and financial costs associated with managing legal developments.**

### ENVIRONMENTAL LEGAL COMPLIANCE

We report any deviances from regulatory conditions and limits to authorities, and we collaborate in a transparent manner to address any compliance challenges that may arise. At our South African operations we use the IsoMetrix software to track legal compliance to licence conditions and progress on remedial actions. Zimplats has a robust system to track new environmental laws and regulatory changes or applicable amendments, and has developed detailed compliance obligations registers that are audited and reviewed regularly.

**During the year, no fines or non-monetary sanctions for non-compliance with environmental regulations, licences or permits were imposed by authorities on any of our operations in South Africa or Zimbabwe.**

Impala Rustenburg and Marula conducted independent environmental performance assessments and achieved 90% compliance and 72% compliance respectively with auditable environmental management plan (EMP) commitments. Marula has made progress during the year in addressing the potential

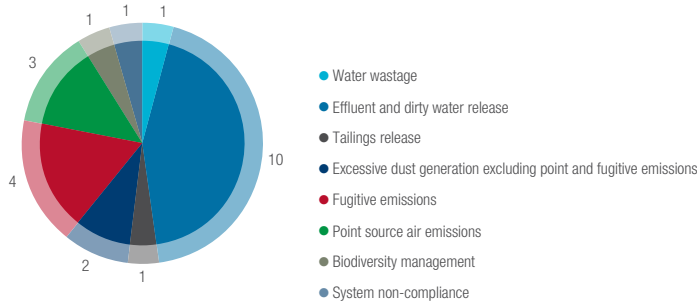
issuing of a compliance notice by the DMR, for contraventions identified during a compliance inspection in June 2017. The majority of findings have been addressed and closed out. Following delays due to capital availability, Marula is now in a position to address the DMR’s request for the concreting of roadways and parking areas around workshops; this work will be completed in 2020. We monitor and report progress in implementing these plans.

Zimplats has renewed all environmental licences and effluent discharge permits. Two new radiation-source-use licences were issued, authorising our operations to use an XRF machine imported in 2018. Additionally, a specific Environmental and Social Management Plan (ESMP) for the extension of the Zimplats SMC tailings storage facility was submitted to the Environmental Management Agency (EMA).

### ENVIRONMENTAL INCIDENTS

We have an established incident and non-conformity procedure to manage reporting, reviewing and remediating environmental impacts from incidents or substandard acts and conditions. We use a five-tiered scale to report on the impact of an environmental incident (an unplanned/unwanted event that affects the environment). The principal potential impacts of our activities on communities relate to the pollution of soil, surface water, ground water and air quality. **We have not recorded a “major” (level 5) or “significant” (level 4) environmental incident at any of our operations since 2013.** We recorded 23 limited-impact (level 3) incidents (16 at Impala Rustenburg and 7 at Marula), relatively unchanged from the 22 incidents recorded in 2018. None of the reported incidents resulted in any lasting harm to the environment.

**Group level 3 incidents in 2019**  
as at 30 June 2019 (%)



**MANAGEMENT SYSTEMS**

We continue to drive improvements through certified environmental management systems. **All our operations are certified against the ISO 14001: 2015 for their environmental management systems (EMS).** All operations have environmental authorisations with the associated environmental management plans in place.

**PROMOTING ENVIRONMENTAL STEWARDSHIP IN OUR HOST COMMUNITIES**

Zimplats cultivates a culture of caring for the environment at its operations and extends environmental awareness initiatives into its host communities through community HSE programmes. Environmental awareness sessions are conducted as part of quarterly interactions with these communities. Topical issues discussed include anti-littering, deforestation effects, fire prevention, rainy season hazards, tailings dam safety, and wildlife conservation. See page 99 for other Implats community environment awareness initiatives.



Zimplats' Ngezi operation by night



## WATER STEWARDSHIP

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Achieved our targeted 40% recycling of water</p> <p>Impala Rustenburg and Marula received amended water use licences (WUL)</p>	<p>Impala Rustenburg's WUL did not incorporate all of the amendments motivated in our amended WUL application</p> <p>Assured security of water supply within Rustenburg's Bojanala district is regarded as a top 10 business risk</p>	<p>Progress towards statutory compliance with amended water use licences</p> <p>Continue to engage with authorities to meet regulatory expectations</p> <p>Increase the percentage of water recycled and reduce the volume of water withdrawn</p>

**Water is our most significant environmental concern. The principal risks we face are increased water stress leading to potential operational disruptions, uncontrolled dirty water discharges into the environment, increasing costs associated with water supply and management, local community discontent and reputational risks.**

### WATER USE LICENCES AND PERMITS

The South African operations maintain a focus on improving levels of compliance to water use licences (WUL) in terms of the National Water Act with an emphasis on the separation of clean and dirty water systems. Both Impala Rustenburg and Marula received amended WULs in FY2019. Impala Rustenburg's WUL, regrettably, did not incorporate certain requested amendments and the operation is undertaking a further amendment application to safeguard its compliance status. Marula's new licence caters for the new tailings dam project which will be implemented in 2020.

External WUL audits are conducted every year. Several of the non-compliances identified in FY2019 audit at Impala Rustenburg relate to the specific wording of conditions of the WUL which require amending. These amendments do not compromise the protection of water resources.

Zimplats regularly participates in Zimbabwe National Water Authority (ZINWA) catchment and sub-catchment council meetings which provide a platform to work with stakeholders in stewarding water as a shared resource. Our participation in catchment councils informs our water-risk reviews and water use target setting. We have valid water abstraction agreements and permits issued by the ZINWA. We ensure compliance with water permits and agreements through internal water management committees, water-risk reviews, water balance and monitoring frameworks. The quality of effluent discharged from our operations is predetermined through regulatory processes and licensing by the Environmental Management Authority (EMA). All our water discharge points are licensed by the EMA.

We review and submit our Integrated Water and Waste Management Plans, and our Rehabilitation Strategy and Implementation Plans to the DWS annually.

### STRATEGY AND IMPLEMENTATION

Our strategy focuses on water consumption and quality management, and proposes a framework for operation-specific water conservation strategies, in line with our strategic commitment to reduce our levels of potable water usage and to increase recycled water usage. Progress in implementing our strategy is driven through our water management programme which includes a focus on driving operational excellence and engaging and partnering with our stakeholders. We place a particular focus on managing water at Impala Rustenburg, which accounts for 51% of the Group's total water consumption. We have continued the phased development and implementation of operation-specific water conservation and water demand management plans at all Impala Rustenburg operations, in line with continued efforts to increase the percentage of water recycled and reduce the volume of water withdrawn. We prioritise using grey water for our operations. We maintain a Group target of 40% water recycling, which we have achieved for the last three years.

**Impala Rustenburg:** Assured security of water in the Bojanala and Rustenburg areas is a top 10 business risk owing to the increasing pressure on local water resources from the growth in neighbouring communities, together with low rainfall and a lack of new water capacity in the north-west region. Impala Rustenburg currently uses only 60% of its potable water allocation. In mitigating security supply risks, ongoing controls include monitoring water usage, daily dashboard reporting, a water recycling process and use of alternative recycled water sources (from Water Services Trust and Rockwall dam). The operation has scavenging boreholes that collectively supply an average of 1.15MI/day. The closure of Shaft 4 has partially mitigated water demands this year. Levels of recycling vary across seasons and the operations plan to set quarterly targets accordingly. Impala Rustenburg also continues to research alternative water sources for usage and alternative storage capacity with the potential to minimise losses.

**Surface and groundwater monitoring:** We seek to minimise adverse effects of our mining activities on surrounding surface and groundwater. Poor-quality water can be harmful to the environment and human health, can affect mining and processing equipment, and presents closure liabilities. The volume and quality of water allowed to be discharged by our operations are regulated. Any unplanned discharges or regulatory breaches are investigated and reported as environmental incidents, while root causes are addressed promptly. We implement surface and groundwater monitoring networks at each operation, and we review our water risk

assessments annually. The impact on aquatic biodiversity is also being monitored. Monitoring is ongoing at predetermined points on all operations.

**Our 2019 performance data**

- Total water consumption, including water withdrawn and water recycled, decreased by 2% year on year (see table below)
- Unit consumption rate of water marginally decreased to 2.05 kl/tonne of ore milled, from 2.10 kl/tonne in 2018
- Total water recycling was 42% of total water consumed, against a Group target of 40%
- 11 limited impact water-related incidents were recorded (2018: 17)

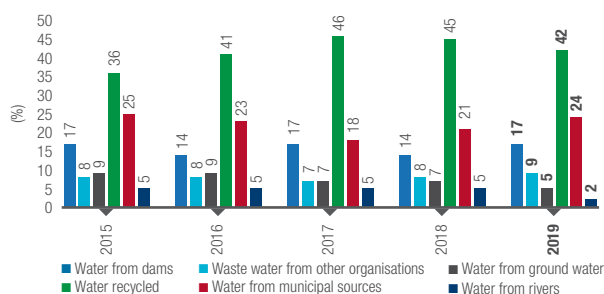


Impala Rustenburg 16 Shaft

**Leadership in disclosure:** We participate annually in the CDP’s Water Disclosure Project and achieved an A– score for our 2018 submission performance. Our CDP submission is available at [www.cdproject.net](http://www.cdproject.net) and on our website. This includes details of the total water withdrawn, consumed and recycled at each of our operations.

**Details of the total water withdrawn, consumed and recycled at each of our operations, as well as our annual submission to the CDP Water Disclosure Project (2018 financial year review), are available on CDP’s website ([www.cdproject.net](http://www.cdproject.net)).**

**Implats water withdrawn per source**  
as at 30 June 2019



Water consumption (MI)	2019	2018	2017	2016	2015
(1) Water from water service providers or municipalities	10 005	9 601	8 901	10 160	9 576
(2) Waste water from other organisations	3 806	3 935	3 301	3 762	3 104
(3) Water from rivers	0	0	0	0	0
(4) Water from dams	7 185	6 800	7 947	6 580	6 897
(5) Water from ground water	2 151	3 194	3 380	3 883	3 634
<b>Water withdrawn (1 + 2 + 3 + 4 + 5)</b>	<b>23 147</b>	<b>23 529</b>	<b>23 529</b>	<b>24 385</b>	<b>23 212</b>
<b>Water internally recycled</b>	<b>16 747</b>	<b>16 265</b>	<b>17 141</b>	<b>14 492</b>	<b>13 225</b>
<b>Total water consumption</b>	<b>39 894</b>	<b>40 670</b>	<b>40 671</b>	<b>38 817</b>	<b>36 437</b>

## ENERGY MANAGEMENT AND CLIMATE CHANGE

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Development of a special economic zone for fuel cell development is in progress</p> <p>Zimplats continues to utilise renewable energy mainly from hydro-electricity sources (Kariba dam). In total, 56% of energy consumed at Zimplats is generated at Kariba dam with the remainder (44%) derived from thermal coal</p>	<p>Introduction of carbon tax in South Africa. Majority of the energy savings have already been realised and further energy savings will require substantial capital investment</p> <p>Limited progress in reaching absolute Scope GHG emissions reduction targets as our emissions are primarily due to coal and electricity usage</p> <p>Challenge in developing more accurate and auditable data on Scope 3 emissions from all operations</p> <p>Energy security risks in South Africa and Zimbabwe</p> <p>Progress in developing a prototype fuel cell driven load haul dumper on hold due to capital constraints</p>	<p>Optimise energy use to reduce our carbon tax liability</p> <p>Use the special economic zone for fuel cell development to develop skills capacity and support fuel cell manufacturing and deployment</p> <p>Continue to work with academia on local mineral beneficiation through fuel cell catalyst and stack developments</p>

**We are committed to playing our part in the global effort to reduce greenhouse gas (GHG) emissions. This dovetails with our efforts to limit our carbon tax liability in South Africa. Our main climate-related risk is the potential impact of climate change on security of water supply for our organisation and host communities. Security of energy supply and rising energy prices are also material risks for our operations. We continue to investigate and develop opportunities to advance the role of PGMs in a clean energy future.**

### OUR STRATEGY AND MANAGEMENT APPROACH

We are progressively integrating climate change mitigation into our core business activities, and are aligning our processes with climate change and GHG emission reduction policies and legislation. Our short-term strategy and management approach focuses on driving energy and carbon savings throughout our business. This is driven by the need to reduce our reliance on the coal-based grid electricity supply in South Africa, as well as to mitigate risks and costs associated with the newly introduced carbon tax in South Africa.

We monitor and review the potential physical implications of climate change for our operations and neighbouring communities and to implement appropriate adaptation responses. The main risks relate to temperature and precipitation changes, and in particular, impacts on water security. In parallel with our carbon management strategy we implement a water management strategy to respond to climate change impacts. We continue to assess and respond to the risks and opportunities for our products, as demand for platinum from the fuel cell and hydrogen sector continues to rise in the transition to a low-carbon future.

All climate change-related information on operational impacts is reported to Exco on a quarterly basis. These risks are reported to the HSER committee of the board informing strategic business decisions. We are developing a low-carbon transition plan to support the long-term business strategy, which we aim to have completed within the next two years.

**Details of the climate change risks and opportunities for Implats can be found in our annual submission to the CDP Climate Change Programme, available at [www.cdproject.net](http://www.cdproject.net).**

### REDUCING OPERATIONAL EMISSIONS AND ENERGY USE

Management at Implats' operations is responsible for the formulation and implementation of plans to mitigate the Group's carbon footprint through emissions reduction projects. We implement incentives for the management of climate-related issues, including the attainment of targets.

**We have Group emissions reduction targets in place (see table on page 89). The current scope 2 emissions (indirect emission from the generation of purchased energy) targets are based on a 2008 and 2015 base year. Attaining these targets will be a challenge given Impala's new and deeper operations at 16 and 20 Shaft which require greater energy for transportation, ventilation and refrigeration. These targets will be reviewed in FY2020 in line with regulatory expectations.**

In South Africa, a carbon tax came into effect on 1 June 2019. We have assessed the potential carbon tax liability for Impala Platinum and continue to assess our approach to mitigating our exposure. Marula is below the minimum threshold for reporting GHG emissions (threshold: 10MW thermal energy) and will therefore not be subject to a direct carbon tax.

**Responsible energy management**

Mining and processing are energy intensive. Electricity consumption continues to account for 74% of our total energy consumption (of which 53% is consumed at Impala Rustenburg) and almost 10% of our operating costs.

**Zimplats utilises electricity from both renewable and non-renewable sources. About 56% of electricity consumed is generated from a hydro-electric power station at Kariba dam. The remainder is derived from thermal coal.**

Both Zimbabwe and South Africa face a renewed electricity security crisis. Zimplats has mitigated this by having power securitisation agreements in place with Zimbabwe Electricity Supply Authority (ZESA). In South Africa, the national power utility, Eskom, which produces electrical energy largely from coal-fired power stations, battles high maintenance costs and coal shortages that are expected to continue until 2025. Our

operations monitor the situation constantly and have emergency preparedness plans in place, including protocols to minimise the impact of unplanned power station outages and load curtailment requests from Eskom.

Energy-efficiency initiatives implemented across the Group include: underground energy-efficient lighting, optimised use of underground compressed air systems, installation of power factor correction equipment at Impala Rustenburg, and diesel performance management. At Zimplats, our focus is on installing energy efficient equipment and increasing the uptake of solar lighting and heating. The annualised energy saving at Zimplats was 2 784 112 kWh (FY2018: 1 732 152 kWh). At Impala Rustenburg we conduct real-time energy consumption monitoring and trend analysis.

In the longer term, the application of fuel cells will provide energy storage options to clip peak demand and cleaner underground operation of equipment.

**Implats absolute Scope GHG emissions reduction targets**

Type of emissions	Targeted % of emissions in scope	Targeted* % reduction from base year	Base year	Target emissions (t000)	Year in which to achieve target emissions
Scope 1	100	2	2017	392	2020
Scope 2	100	5	2008	2 568	2020
Scope 2	100	35	2015	1 883	2030
Scope 2	100	63	2015	1 072	2040

Scope 1 emissions are direct emissions from owned or controlled sources as a result of the use of fossil fuels.

Scope 2 emissions are indirect emissions from the generation of purchased energy.

\* Targets to be reviewed in FY2020.

**Data management**

Implats annually compiles and reports on the annual Group carbon footprint for all operational areas. Impala Platinum has been voluntarily calculating its Group GHG inventory since FY2008. The South African operations have complied with the GHG emissions reporting regulations that require registered facilities to report their greenhouse gas emissions (for the previous calendar year) annually, by 31 March.

Each year we conduct a GHG emissions assessment to identify areas for mitigation and efficiencies. We use a GHG handbook that provides a systematic approach to calculating our footprint across the Group and assists in meeting our carbon management and reporting requirements. Our scope 1 and scope 2 emissions are audited. Group-wide reporting of scope 3 emissions remains a challenge; renewed focus will be placed on developing a system to verify and audit scope 3 related data from all operations.

In support of society's increasing expectations for greater transparency around climate change, in FY2020 we will review our management and reporting approach in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The majority of TCFD recommendations are addressed in our CDP submissions, however, further work needs to be done to understand the potential impact of global climate change scenarios on our long-term strategic plans.

**IMPALA PLATINUM CARBON TAX IMPACT**

South Africa's long-delayed Carbon Tax Bill was signed into law in May 2019. The Carbon Tax Bill and related measures are designed to enable South Africa to meet its targets as agreed in the Paris Agreement. The minimum threshold for reporting emissions to the Department of Environmental Affairs is 10MW (thermal energy). Companies that produce direct emissions above this threshold are liable to pay a carbon tax. At Implats, only Impala Platinum will be liable to pay the carbon tax. The tax will be implemented in a phased manner, with the first phase being from 1 June 2019 to 31 December 2022 and the second phase from 2023 to 2030. The design of the carbon tax provides for significant tax-free emissions allowances ranging from 60% – 95% for the first phase. To ease the potential adverse impacts on energy-intensive sectors like mining, in the first phase there will be no impact on the price of electricity. The first phase will apply a tax rate of R120 per tonne of carbon dioxide equivalent. Allowable tax breaks will reduce the effective rate to R48 per tonne of CO<sub>2</sub>. The first levy payable to the South African Revenue Service (SARS) is due on 30 July 2020.



# ENERGY MANAGEMENT AND CLIMATE CHANGE

## OUR ALIGNMENT WITH UNGC PRINCIPLES

**Principle 9:** development and diffusion of environmental friendly technologies

### FUEL CELL TECHNOLOGY

In addressing the global decarbonisation challenge, there are increasing opportunities to use platinum-catalysed fuel cells that provide zero-emitting, carbon-free energy, in electricity and mobile applications. A fuel cell is a device that uses a source of fuel, such as hydrogen, and an oxidant to create electricity from an electrochemical process. Implats has invested around R25 million in targeted fuel cell development in South Africa in collaboration with government and academic institutions.

In implementing our fuel cell development roadmap, a major step forward this year has been the approval by government and development-in-progress of a special economic zone (SEZ) for fuel cell development under the auspices of the Gauteng Industrial Development Zone initiative. The SEZ comprises 16 hectares of land donated by Implats and is adjacent to the refineries in the Springs region. The project in partnership with various government departments is a longer-term strategic investment to facilitate platinum beneficiation. We intend to use the SEZ platform to build on our current partnership initiatives, develop skills capacity and leverage the current supporting infrastructure for both fuel cell manufacturing and deployment. This infrastructure includes the availability of pure hydrogen gas and natural gas on site, as well as an operational hydrogen refuelling station that we introduced in 2016, together with a fuel cell forklift. Implats continues to work with a partner on developing local power modules, as well as other fuel-cell componentry including storage systems and fuel cell stack, to ensure that there is a local feed into the local manufacture of fuel cells in the proposed SEZ, for domestic and foreign markets.

The prototype fuel cell forklift in operation at the base metals refinery in Springs over the last three years continues to perform well, reducing noise levels and emissions. A local power module has been designed and constructed and is currently undergoing rigorous testing. The focus for the next year is to evaluate the commercialisation potential for this system. To this end, Implats is participating in the EU hydride for mobility programme where the focus is on improving efficiencies and further reducing the cost of the metal hydride material. Capital constraints in the last few years have curtailed our progress in developing a prototype FC driven load haul dumper (LHD), bus and other stationary applications. Investigations are currently underway to identify the potential for zero carbon technologies for these.

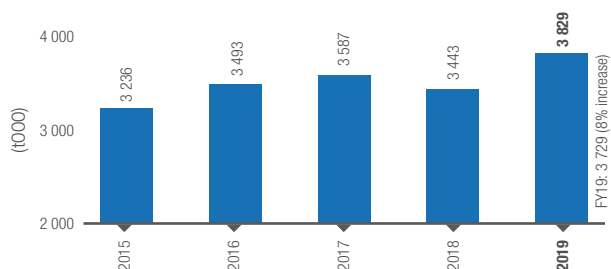
### OUR 2019 PERFORMANCE

- Total CO<sub>2</sub> emissions (scope 1 and scope 2) increased by 1% year on year due to increased production and associated increase in energy use
- Eighty-nine percent of the Group's GHG emissions (3.156 million tonnes) are associated with electricity consumption, with the balance (410 000 tonnes) mostly associated with the direct use of coal and diesel in mining operations. The use of petrol and industrial burning oil are less significant contributors. The majority of energy savings have already been realised at our operations. Additional efficiency improvements or initiatives towards green energy will require significant capital which, poses a challenge in meeting our 2020 GHG reduction targets.
- Our emissions intensity (total tonnes of CO<sub>2</sub> per tonne of ore milled) marginally increased to 0.20, from 0.18 in 2018
- Our total energy consumption (direct energy + indirect energy) was 16 863 000 GJ, up from 16 201 000 GJ in 2018. Our energy use intensity marginally increased from 0.84 GJ per tonne milled to 0.87 GJ per tonne milled

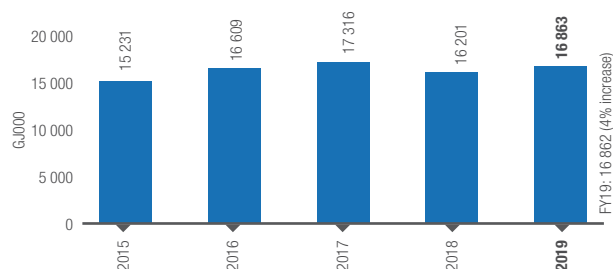
Climate change contributors	Target by* 2020	2019	2018	2017	2016	2015
Scope 1 CO <sub>2</sub> emissions (direct – fossil fuels) (t000)	392	411	382	400	372	339
Scope 2 CO <sub>2</sub> emissions (indirect – electricity purchased) (t000)	2 568	3 418	3 061	3 188	3 122	2 897
Electricity purchased (MWh000)		3 412	3 314	3 387	3 262	2 971
Direct energy (GJ000)		4 581	4 271	5 124	4 866	4 537
Indirect energy (GJ000)		12 282	11 930	12 192	11 744	10 694

\* Targets to be reviewed in FY2020.

**Total CO<sub>2</sub> emissions**  
as at 30 June 2019



**Total energy consumption**  
as at 30 June 2019



# AIR QUALITY MANAGEMENT

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>SO<sub>2</sub> emissions within the conditions of our air emission licences</p> <p>Impala Springs issued a provisional AEL, valid until February 2020</p> <p>Completion of Boiler Emissions Abatement Plant at Impala Springs</p>	<p>Zimplats SO<sub>2</sub> emission levels per day remain within the air emission licence but higher than those emitted at our South African operations</p>	<p>Ensure emissions are minimised and permit conditions realised</p> <p>Impala Rustenburg and Impala Springs are implementing targeted emissions to ensure compliance with 2020 air-emissions standards</p> <p>Zimplats will drive reductions in SO<sub>2</sub> ground level concentrations through the furnace replacement project and by upgrading equipment to eliminate fugitive emissions</p>

**The most significant air quality issue for the Group relates to the sulphur dioxide (SO<sub>2</sub>) emissions from our smelting operations at Zimplats, Impala Rustenburg and refining process at Impala Springs.**

## LICENCES AND PERMITS

Impala Springs and Impala Rustenburg are both located in priority areas as promulgated by the National Environmental Management Air Quality Act (NEMAQA) and have maintained adherence to all licence conditions.

Impala Rustenburg submitted its air emission licence (AEL) renewal application in April 2019, following close engagements with the authorities with regard to the challenge of adhering to the 2020 minimum emissions standards for one of the tertiary abatement equipment within the smelter operation. The operations have submitted a postponement application to defer the application of the standards. We are currently researching and evaluating various improvement options to mitigate Particulate Matter (PM) emissions associated with the drying operations by December 2024, by improving efficiencies at the sulphuric acid plant, and to reduce the SO<sub>2</sub> emission concentration and associated emissions at the tailgas scrubbing operations to required levels by December 2020. Impala Rustenburg has taken a precautionary approach in requesting that a more conservative SO<sub>2</sub> emissions limit be applied given that the levels of PM and NOx emissions are already in compliance with the 2020 standard. This year we conducted an air impact assessment and the dispersion model indicates that there is no significant impact on sensitive receptors as a result of Impala activities.

Impala Springs operations continued a renewal AEL application process and were issued a provisional AEL, valid until February 2020. The operation is installing equipment that will reduce ammonia and particulate matter at the two stacks within the base metal refinery, in order to comply with the 2020 air emissions standards. The majority of particulate matter is generated in the refinery's coal fired boilers. Coal is used to generate steam and heat for various refining processes.

Zimplats continues to operate within the parameters of red air emission licence category. Industry lobbying for the air emission legislation to be more practical has continued. The

current air quality regulations prescribe limits for point source emissions and do not include ambient air or ground level concentration limits. Zimplats is implementing a sulphur dioxide emission reduction roadmap to guide efforts to reduce both point source and fugitive SO<sub>2</sub> emissions from smelting operations. The Selous operation is installing a fugitive emissions capture system as part of the current furnace improvement project, to mitigate levels of emissions further and reduce the risk of exceedances.

## DATA MANAGEMENT

Impala Rustenburg, Impala Springs and Marula operations report on all air emissions for listed activities (smelter and refineries) on the national atmospheric emissions inventory system (NAEIS), submitted annually by 31 March for the previous calendar year's performance. The NAEIS has various shortcomings in measuring emissions from mining activities (outside of smelting and refining) and does not provide emission factors to reliably calculate fugitive emissions generated by platinum mining activities, including tailings dams and stockpiles.

## AIR QUALITY MONITORING AND MANAGEMENT

We work towards managing our SO<sub>2</sub> emissions to the lowest possible levels and as a minimum to ensure that we are compliant with the limits set out in our AELs. We strive to maintain SO<sub>2</sub> emissions at Impala Rustenburg at less than 16 tonnes per day.

Extensive ambient air quality monitoring networks are in place at Impala Springs, Impala Rustenburg and Zimplats operations via ambient monitoring stations. These monitoring stations measure SO<sub>2</sub> and particulate matter in line with regulatory requirements and best practices and provide an indication of ambient air quality levels and associated trends. We report the results of the ambient monitoring to the relevant authority quarterly. At Impala Rustenburg, due to the extent of the mine lease area, source allocation remains challenging as various factors can influence the ambient measured data. We investigate all SO<sub>2</sub> exceedances to determine the likelihood of our smelter operation being responsible.

Dust fallout is measured monthly at Impala Rustenburg, Marula and Zimplats. Results for the monitored facilities were all within specified permits conditions. At the Ngezi concentrator, the installation of a dust extraction system

## AIR QUALITY MANAGEMENT

at the crushing plant at the end of 2018 has significantly reduced levels of dust emissions.

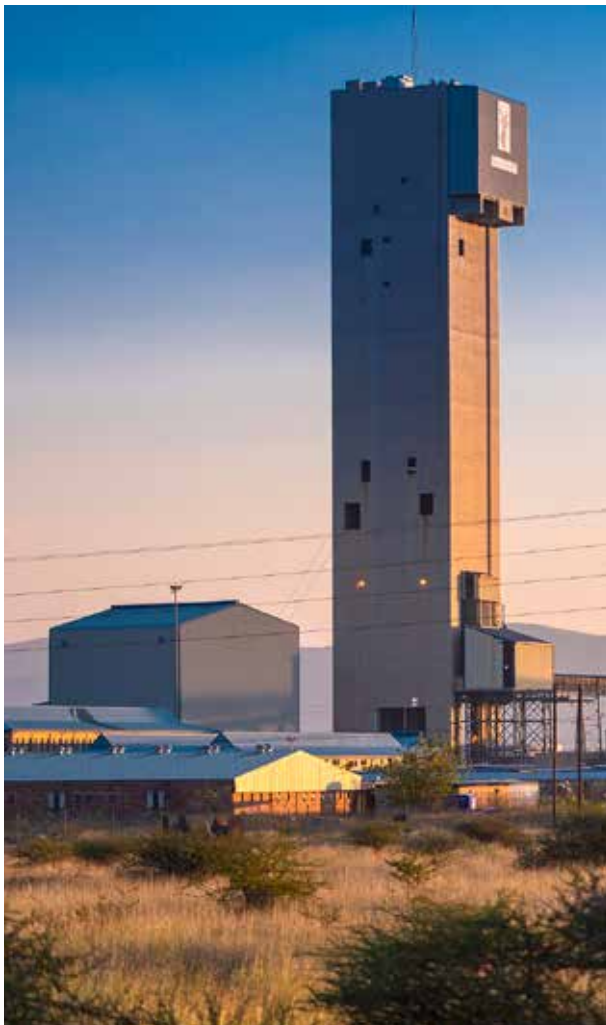
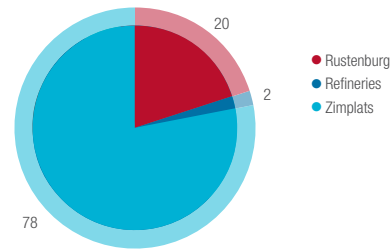
Impala Rustenburg forms part of the Multistakeholder Reference group for the Waterberg Bojanala Priority area and we participate in the Bojanala Industry task team.

### OUR 2019 PERFORMANCE

- Direct SO<sub>2</sub> emissions were within the current conditions of the AEL for our Impala Springs and Impala Rustenburg operations
- Zimplats emitted an average of 69 tonnes per day of SO<sub>2</sub>; a 15% increase from the previous year. While within the planned emission level per day, levels remain higher than those emitted at our South African operations
- Direct Group emissions of SO<sub>2</sub> were 29 635 tonnes (2018: 28 266 tonnes). Zimplats operations contributed 78% of total direct SO<sub>2</sub> emissions, while Impala Rustenburg and Impala Springs operations contributed 19% and 3% respectively

- The ambient air monitoring at Martindale Primary School (a sensitive receptor located 3km from Zimplats' smelter) recorded no annual average SO<sub>2</sub> exceedances
- Dust fallout monitoring: all external and internal sites recorded values were within acceptable limits at all operations
- Indirect SO<sub>2</sub> amounted to 30 364 tonnes (2018: 28 117 tonnes) and indirect NO<sub>x</sub> amounted to 14 535 tonnes (2018: 13 459 tonnes)
- Total Group SO<sub>2</sub> emissions amounted to 59 999 tonnes (2018: 56 383 tonnes)

**Direct SO<sub>2</sub> emission**  
as at 30 June 2019 (%)



Impala Rustenburg 16 Shaft

### LINKING OUR COMMUNITY PROJECTS TO AIR QUALITY MANAGEMENT – IMPLATS ASSISTING IN IMPROVING AMBIENT AIR QUALITY

Implats has implemented community development projects around our Rustenburg operations that are assisting in reducing air quality issues. We have paved roads in Luka and Kanana communities which have significantly reduced the levels of dust in the ambient air in these areas. Further road projects are planned for Freedom Park, and in Limpopo, our Marula operations have committed R32 million to a road infrastructure project to be implemented in partnership with the Roads Agency Limpopo (RAL). The project is anticipated to be completed in November 2019.

We are also encouraging communities to dispose of their general waste responsibly. Our Rustenburg operation owns and operates a permitted general waste disposal facility. Since 2010, the Bafokeng villages surrounding our operations have made use of the landfill at no cost. This has directly contributed towards the social upliftment of the local residents and has reduced air pollution from the informal burning of waste.



**STEAM PLANT RETROFIT ENSURES COMPLIANT BOILER EMISSION LEVELS AT IMPALA SPRINGS**

**In South Africa, legislation introduced in 2015 stipulated that levels of particulate matter, sulphur dioxide and oxides of nitrogen in any gas discharged into the atmosphere be limited to prescribed levels, with full compliance to requirements to be met as of 1 April 2020.**

In 2013, our Impala Springs refineries initiated a complex boiler emissions abatement (BEA) project aimed at reducing the concentration of these pollutants in its boiler off-gas, which historically exceeded the legal compliance requirements.

The plant consists of two key functions, a bag house reducing the concentration of particulate matter and sulphur dioxide and a selective catalytic reactor reducing the concentration of oxides of nitrogen in a manner that is compliant with requirements. The solid waste management equipment resulting from the BEA plant operation is integrated with the emissions abatement equipment and facilitates waste storage and disposal in an environmentally responsible manner.

**The project was completed in June 2019, at a total cost of R225 million,** as it entailed several phases to retrofit the BEA plant into the existing fully operational steam plant. It required new plant construction, demolitions of the redundant plant and plant tie-ins to the steam boilers. Ongoing costs include maintenance, reagent supplies (lime and ammonia) and removal of solid waste.

**The BEA plant operation has significantly reduced the concentration of the pollutants in the boiler off-gas to successfully meet the legal compliance requirements of 50 mg/Nm<sup>3</sup> for particulate matter, 400 mg/Nm<sup>3</sup> for sulphur dioxide and 300 mg/Nm<sup>3</sup> for oxides of nitrogen.**

Improvements in the boiler’s heat recovery circuit have reduced the amount of coal burned to produce steam, improving the steam plant’s operational efficiency and marginally decreasing its carbon footprint.



## MINERAL RESIDUE MANAGEMENT

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Conducted a rigorous review of the management and monitoring of all our active tailings storage facilities (TSFs) against the Canadian ICMM Standard</p> <p>Latest audits all attest to the integrity of our TSFs as well the high level of compliance to standard operating procedures</p>	<p>Audits of TSFs identified opportunities to further strengthen our practices at certain facilities</p>	<p>Through the Minerals Council South Africa, participate in a ICMM-led initiative to provide new guidelines for design, management and risk management of TSFs</p> <p>Construction of replacement tailings dam facility at Marula over the next two years</p> <p>Develop Implats guidelines for minimum requirements for management of TSFs</p>

Mining generates significant quantities of mineral residue, which affects the land through the establishment of tailings dams and waste-rock dumps, and may also influence water quality if not managed effectively.

Tailings represent a major environmental liability and the integrity of tailings dams is under increasing scrutiny following a number of serious tailings dam breaches in the mining industry in recent years, including most notably the collapse of a Vale tailings dam in Brazil in January 2019 that killed an estimated 300 people. Implats last experienced a TSF failure in 1974 at Impala Rustenburg. The TSF was decommissioned shortly thereafter and the Group has not had any other tailings integrity-related incidents. We continue to maintain high standards of tailings management and storage of mineral residue.

### OUR TAILINGS DAM FOOTPRINT

Implats has a total of six tailings storage facilities (TSFs) at Group-managed operations, of which four are active: one at Impala, one at Marula and two at Zimplats. At all our TSFs, depositing of mineral residue is wet, in slurry form. The TSF at Marula will reach the end of its useful life during 2020 and will thereafter become inactive. A replacement facility has been designed and preparations are underway for construction over the next two years.

### EFFECTIVE RISK MANAGEMENT

In FY2018, we conducted a historical performance review and deep-dive risk analysis of tailings storage facility management practices across our operations. This confirmed our belief that we have sufficient controls in place to mitigate the risk of a tailings dam failure at all our operations. While there is a very low risk of a dam failure, we are mindful that the severity could be high. This year we have further scrutinised our practices and identified areas for improvement to ensure that we comply with world-class Canadian standards for tailings dam management.

### Management controls and procedures

All our TSFs are operated and monitored using standardised operating procedures. The TSFs are all constructed on level ground, designed as “dry dams” which means that any excess accumulation of water on the dam is removed through a water gate, and the walls are kept dry through a drainage process. The greatest integrity risk is an abnormal accumulation of water that could cause the dam to overflow, eroding one of the walls and resulting in an uncontrolled release of the saturated tailings. Our dams are designed with reinforcements to cater for excessive downpours and draining requirements.



Penstock tower on a tailings storage facility – Impala Rustenburg

Each facility has an emergency action plan for potential failures which is reviewed annually. We have mapped the potential impact on mine communities and mine infrastructure in the zone of influence at each facility should there be a failure, even though there is a very low risk given the safeguards in place. Any residents in the zone of influence are made aware of emergency procedures and at our Implats operation, several mock evacuation drills have been conducted with a satisfactory response from the community.

Our operating procedures at the TSFs cater for regular inspections (daily, weekly and monthly) of pipelines, deposition areas and dams, as well as the recording of readings that indicate the retained water level in the dam walls. Management of our dams is outsourced to Fraser Alexander (FA), the largest operator, supervising 120 dams in Africa. In addition to our own operational controls to oversee the operator, independent consultants SRK provide oversight and undertake design audits. We have engaged an independent reviewer to oversee both SRK and FA for many years. All dams are operated within the required safety stability factor.

### Enhancing our practices

This year, Implats conducted a rigorous review of the management and monitoring of all our active TSFs across the Group. The audit protocol covered the TSF governance, consequence classification of structures, design requirements, water containment facilities, competent persons, engineer of record, technical review panel, operation phase stewardship and performance monitoring. The review tool incorporated industry-leading practice from South Africa, as well as ICMM

and Canadian standards on tailing facilities. While the audit findings attest to the integrity of our TSFs and the high level of compliance to standard operating procedures, they also identified opportunities to further strengthen our practices at certain facilities. Implats, through the Minerals Council South Africa, is also participating in a ICMM led initiative which aims to provide new guidelines for design, management and risk management of TSFs. This will result in increased monitoring, especially in the light of climate change. Implats will also keep a watching brief on developments through the Global Mining Professional Alliance, which has as its ultimate aim to provide research into the elimination of mineral waste facilities.

At Marula, the construction of a new TSF is expected to cost R350 million, to be provisionally funded from operating cash flows. The design of the facility will align to the latest legislation and international best practice.

Zimplats has developed a specific environmental and social management plan to cover specific impacts associated with the proposed extension of the SMC TSF.



Further disclosures pertaining to the operation and management of our tailings facilities in line with the Church of England Pensions Board: Mining Investment Register of Tailings Facilities are available at [www.implats.co.za](http://www.implats.co.za).

### OUR 2019 PERFORMANCE DATA

- Mineral tailings deposited totalled 19 296 kilotonnes
- Waste rock deposited on land totalled 613 kilotonnes

## RESETTLING FAMILIES RESIDING IN ZIMPLATS' TAILINGS DAM ZONE OF INFLUENCE

Following extensive engagements with the government in Zimbabwe, Zimplats has been authorised to resettle six families currently residing in the zone of influence of the tailings dam at Selous Metallurgical Complex (SMC). While the dam is strictly maintained and managed, and the risk of an integrity failure is very low, the relocation is an important development to mitigate the potential risk of people drowning in the event of a serious tailings dam breach. Zimplats is now proceeding with the relocation process.

## NON-MINERAL WASTE

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>All statutory requirements and site-specific obligations met</p> <p>Recycled 70% of our non-mineral waste against a 60% target</p> <p>Reduced hazardous waste disposed of to landfill by 38%</p>	<p>Waste reduction targets have not been set as the generation of waste is closely correlated with varying levels of production output</p>	<p>Ensure all waste management activities remain compliant</p> <p>Contribute to the circular economy by improving on our initiatives to avoid, reduce, reuse and recycle waste</p>

All operations are sensitive to the amount of waste they produce. Large non-mineral waste streams include: metals, rubber and plastics, oils and oil contaminated materials, dryer ash, woodchips, chemical residues and sludge. Although predominately demand driven, we have maintained a focus on non-mineral waste (hazardous and non-hazardous) recycling.

### ENSURING COMPLIANCE

Our waste management activities across the Group seek, as a minimum, to ensure compliance with evolving legislative requirements relating to waste. At the South African operations, we focus on retaining our waste licences by ensuring compliance with statutory requirements and site-specific conditions. We have waste licences in place for Impala Rustenburg (landfill site and salvage yard) and the salvage yards at our Marula and Impala Springs operations. These operations undertake annual external compliance audits. This year Impala Rustenburg’s landfill site achieved 99% compliance rate, recording only one non-conformance. The salvage yard audit recorded zero non-conformances.

Our Zimplats operations have renewed their effluent and solid waste licences. The operation is reviewing its practices in line with new hazardous substances management legislation with the aim of ensuring compliance through self-audits next year. Two new radiation sources use licences have been issued, authorising the operations to use an XRF machine imported in 2018. Zimplats is engaging with the Radiation Protection Authority of Zimbabwe (RPAZ) on the potential risks related to naturally occurring radioactive materials.

### MANAGEMENT AND KEY DEVELOPMENTS

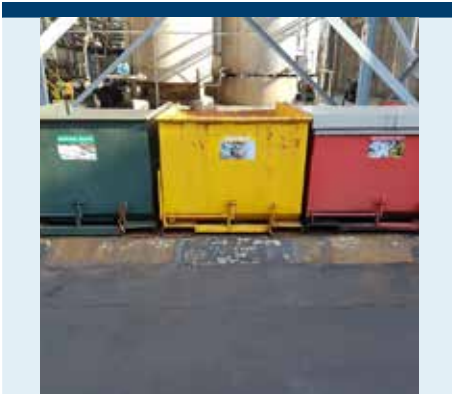
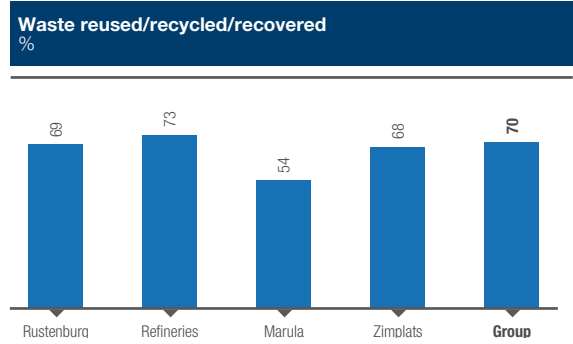
The short to medium term waste strategy continues to focus on the implementation of all statutory requirements, improving on our waste recycling initiatives, and entrenching a “cradle to grave” responsibility throughout the business. We aspire to apply the principles of the circular economy, through the “avoid, reduce, reuse and recycle” waste-management hierarchy.

**Focus on recycling:** We strive to recycle a minimum of 60% of the waste we generate. In this context the term “recycling” refers to the combined total of waste reused, recycled and recovered. This year recycling rates improved significantly at most of our operations. The emphasis is on promoting off-site recycling of scrap metal, plastics and used oil. We have not yet formulated waste reduction targets, as the generation of waste is closely correlated with varying levels of production output. We continue to investigate reuse and recycling opportunities as well as alternative disposal solutions for various waste streams. At Impala Rustenburg, we have identified numerous waste rock deposits for reuse and recycling through a local enterprise development programme. This will allow local companies to alter the post-mining landscape by not only reducing the number of mineral waste deposits, but will also help create alternative industries to mining. Zimplats has continued to expand its vermicomposting to reduce biodegradable waste generated from the operations. All hydrocarbon contaminated waste from our South African operations is diverted away from landfill to a waste recovery facility.

In South Africa, new waste tyre regulations were introduced in 2017. Waste tyres were to be stockpiled and collected for recycling through the Recycling and Economic Development Initiative of SA (Redisa). However, in 2017, the collection of tyres via Redisa was terminated. Currently at our South African operations, the management and disposal of waste tyres forms part of our tyre supply contract. The contractor stockpiles the waste tyres from our operations off-site, until alternative recycling processes are in place. Implats continues to engage in industry efforts to resolve this issue.

**Hazardous waste:** Zimplats has made good progress in its effort to identify and establish optimum disposal methods for hazardous substances used in its old base metal refinery (BMR) about 18 years ago. The operation engaged external consultants to sample and determine the hazardous substances constituents. Appropriate disposal options have been established for implementation in the coming year.

**Promoting community efforts:** Our operations engage with their communities to promote an anti-littering culture. Zimplats is particularly active in partnering with its host communities and environmental regulatory authorities to foster the spirit of creating a clean, safe and healthy environment around operations. This includes participating in the government’s national clean-up campaigns held every first Friday of the month. Impala Rustenburg is encouraging communities in surrounding villages to dispose of their general waste at Impala’s landfill site, rather than burning it as it causes air pollution. Waste is currently collected from these villages through a waste collection programme implemented and managed by the Royal Bafokeng Administration.



**WASTE RECYCLING EFFORTS AT IMPALA SPRINGS**

**We continue to investigate reuse and recycling opportunities as well as alternative disposal solutions for various waste streams.**

Impala Springs has a well-established waste recycling programme. In FY2019 the **operation recycled a total of 1 644 tonnes** of waste, of which 19 tonnes comprised paper, cardboard, plastic, glass and e-waste. **The resources saved in the year as a result of the recycling programme include 41 000m³ of landfill space, 441m³ of water, 18 MWh of energy and 287 trees.**

**OUR 2019 PERFORMANCE**

- We recycled 70% of non-hazardous waste generated, up from 62% in 2018, against a targeted 60%
- Hazardous waste to landfill totalled 8 312 tonnes (2018: 13 573 tonnes)
- Non-hazardous waste to landfill totalled 4 035 tonnes (2018: 5 323 tonnes)
- Vermicomposting manure generated from biodegradable waste at Zimplats amounted to 5.4 tonnes

Further data on the Group’s non-mineral waste (hazardous and non-hazardous) and mineral waste is provided in the appended results tables on page 115.



## MINE CLOSURE, REHABILITATION AND BIODIVERSITY

Highlights	Lowlights/challenges	Focus areas for 2020 and beyond
<p>Impala Rustenburg is implementing a progressive shaft closure decommissioning and rehabilitation programme. Although we have a statutory obligation to restore grazing as a minimum, we are constantly reviewing and aligning our post-closure land use with the demands and requirements of the land owners</p> <p>Closure liabilities at Zimplats are reducing driven by rehabilitation progress</p>	<p>Draft regulations pertaining to the financial provision for prospecting, exploration, mining or production operations in South Africa are still not finalised</p>	<p>Implement concurrent rehabilitation to reduce closure liabilities and improve rehabilitation outcomes</p> <p>Plant indigenous trees at Impala Rustenburg</p>

**Our approach to ensuring responsible mine closure emphasises the importance of designing, planning and operating a mine with closure in mind. In doing so, we aim to reduce long-term risks and liabilities to our business from an environmental and socio-economic perspective, and ensure that we leave a positive legacy when our mines conclude their operational lives. Our approach to land stewardship focuses on rehabilitation, while ensuring the protection of our water and biodiversity resources through the responsible management of mineral waste and hazardous substances.**

### CLOSURE LIABILITY AND FINANCIAL PROVISION

All our mining operations have closure plans in place. These plans are reviewed annually, and the closure liabilities and applicable financial provisions are updated accordingly. When updating our closure liabilities, we follow a methodology which is already closely aligned with the draft with South Africa’s regulations pertaining to the financial provision for prospecting, exploration, mining or production operations, which we need to comply with by the end of 2020. The revised methodology ensures a focus on concurrent rehabilitation while a mine is operational. A mine closure and decommissioning report, annual rehabilitation plan (which identify potential areas for current and future rehabilitation) and a post-mining impact assessment form part of the documents that will be submitted to the DMR. Our Zimplats operations undertake annual closure liability assessments in line with the South African assessment methodology and protocols.

### REHABILITATION

Ensuring effective rehabilitation is an important regulatory, financial and reputational issue for the Company. The Group strategy for land rehabilitation is to entrench the concept of “design for closure” throughout the operations by ensuring that all aspects of rehabilitation are defined at the project planning phase. We use innovative mine design and

concurrent rehabilitation to reduce closure liabilities and improve rehabilitation outcomes. Progressive rehabilitation can achieve significant efficiencies in equipment use, earthmoving, topsoil management and reduced closure liabilities. All tailings storage facilities have concurrent rehabilitation plans that include revegetation, dust management and water management. Impala Rustenburg is implementing a progressive shaft closure decommissioning and rehabilitation programme. This includes commencing reclamation and rehabilitation while a mine is still operational, as this will assist in reclaiming assets that could still be used at other shafts and can also assist in remediating contaminated surface and/or underground areas. **Formal rehabilitation plans are in place for several non-operational shafts. Although we have a statutory obligation to restore grazing as a minimum, we are constantly reviewing and aligning our post-closure land use with the demands and requirements of the land owners. Once a shaft or portions of a shaft have been rehabilitated the closure liability associated with that infrastructure will be reduced or completely removed.** Zimplats has submitted a detailed conceptual mine closure and rehabilitation plan to the Environmental Management Agency of Zimbabwe (EMA).

### Rehabilitation monitoring and progress

Our rehabilitation monitoring activities are focused on ecosystem functionality, which is essential for sustainability beyond life of mine. We have maintained an active rehabilitation monitoring programme, using Landscape Function Analysis, at Impala Rustenburg’s rehabilitated opencast pits and at Marula’s rehabilitated tailings side slopes. The extent of surface rehabilitation achieved this year is fully aligned with project scope budget allocations.

Our Zimplats operations have continued with open pit rehabilitation of old pits at Ngezi, as well as the revegetation of side slope surfaces at the two tailings dams. Rehabilitation targets are set on an annual basis as part of the business planning process.

## BIODIVERSITY

Given the potential of mining activities to impact habitats through land disturbance and pollution, biodiversity monitoring and management remains an important activity. We determine the biodiversity impacts of our mining operations through our environmental authorisation processes, and manage these according to site-specific biodiversity management plans.

### Biodiversity management

Impala Rustenburg monitors and measures its performance against a formal biodiversity management plan that was informed by the Mining and Biodiversity Guideline developed by the South African National Biodiversity Institute (SANBI). This includes terrestrial and aquatic biodiversity monitoring programmes. Marula and Impala Springs implement site-specific biodiversity management plans.

In addition to our annual monitoring programme, we undertake dedicated projects to improve biodiversity and compliance with legislation on an ongoing basis. This includes implementing alien and invasive species identification and eradication projects at our various operations. Zimplats has continued to clear invasive alien species (*lantana camara*) around the SMC tailings storage facility, in compliance with regulations pertaining to alien invasive species. The SMC operation has initiated a biodiversity restoration programme to offset the impacts of deforestation in the adjacent community area. This year 160 saplings were planted in partnership with the affected local community.

### Biodiversity sensitive areas

Zimplats and Impala Springs both operate close to biodiversity-rich areas. Impala Springs is near the Cowles dam that feeds into the Blesbokspruit, a designated Ramsar Convention wetland of international importance that is deemed under threat. Although Impala Springs is not seen to have any direct impact on this ecosystem, it continues to partner in environmental education and conservation initiatives in the area.

The Zimplats operation has a valid agreement with the Ministry of Environment for its mine lease area which includes a 276ha section of land within the Ngezi National Park's boundary. Our rehabilitation and mine closure activities comply with the conditions outlined in the lease agreement.

## TREE PLANTING INITIATIVES IN OUR HOST COMMUNITIES

Implats operations actively engage in environmental awareness and conservation initiatives in their communities, with a focus on educating the youth. To celebrate National Arbor Week in South Africa, the first week of September 2018, environmental representatives from Impala and other mining houses, as well as representatives from various government departments, spent a day with learners at Rasimone Primary School in the Rasimone village. The aim was to create awareness around the importance of planting indigenous trees to sustain the country's natural environment, and to educate about alien plant species. The Group planted indigenous trees at the school with the learners and showed them how to look after them. Marula played its part in Arbor Week by visiting four schools within its host communities to educate the learners about the importance of trees and why we need to care for them. Marula donated wheelie bins to the schools to facilitate waste sorting and connected the schools with local waste recyclers. Our Zimplats operations participated in a national tree planting day, partnering with the Forestry Commission and other stakeholders to plant 630 tree samplings collectively.



*Impala Rustenburg 14 Shaft by night.*







06

# APPENDIX

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## PERFORMANCE TABLES

### OUR PERFORMANCE DATA

Data reported for previous years has been restated to exclude non-managed operations where applicable.

#### PEOPLE

##### South Africa

##### Occupational levels

Rustenburg	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	1	0	0	0	0	0	0	1	0	1
Senior management	14	0	4	30	5	0	0	3	1	0	49	8	57
Professionally qualified and experienced specialists and mid-management	130	9	10	160	33	0	4	33	5	0	314	70	384
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2 512	18	0	470	464	6	2	59	188	3	3 188	534	3 722
Semi-skilled and discretionary decision making	6 935	6	0	46	719	2	0	4	1 495	4	8 482	729	9 211
Unskilled and defined decision making	11 107	11	0	7	1 327	0	0	0	1 344	34	12 469	1 361	13 830
<b>Total permanent employees</b>	<b>20 698</b>	<b>44</b>	<b>14</b>	<b>714</b>	<b>2 548</b>	<b>8</b>	<b>6</b>	<b>99</b>	<b>3 033</b>	<b>41</b>	<b>24 503</b>	<b>2 702</b>	<b>27 205</b>
Non-permanent employees	3	0	0	1	8	0	0	0	0	0	4	8	12
<b>Grand total</b>	<b>20 701</b>	<b>44</b>	<b>14</b>	<b>715</b>	<b>2 556</b>	<b>8</b>	<b>6</b>	<b>99</b>	<b>3 033</b>	<b>41</b>	<b>24 507</b>	<b>2 710</b>	<b>27 217</b>

Marula	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	4	0	0	2	0	0	0	0	0	0	6	0	6
Professionally qualified and experienced specialists and mid-management	24	1	0	15	5	0	0	3	4	0	44	8	52
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	366	1	1	22	64	0	1	6	73	0	463	71	534
Semi-skilled and discretionary decision making	1 000	0	0	0	102	1	0	0	30	0	1 030	103	1 133
Unskilled and defined decision making	1 065	0	0	1	429	0	0	0	20	2	1 086	431	1 517
<b>Total permanent employees</b>	<b>2 459</b>	<b>2</b>	<b>1</b>	<b>40</b>	<b>600</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>127</b>	<b>2</b>	<b>2 629</b>	<b>613</b>	<b>3 242</b>
Non-permanent employees	35	0	0	0	30	0	0	0	0	0	35	30	66
<b>Grand total</b>	<b>2 494</b>	<b>2</b>	<b>1</b>	<b>40</b>	<b>630</b>	<b>1</b>	<b>1</b>	<b>9</b>	<b>127</b>	<b>2</b>	<b>2 664</b>	<b>643</b>	<b>3 308</b>

OUR PERFORMANCE DATA

PEOPLE

South Africa

Occupational levels

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
<b>Impala Springs</b>													
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	4	0	1	3	0	0	0	1	1	0	9	1	10
Professionally qualified and experienced specialists and mid-management	17	0	7	25	11	1	4	12	1	1	50	29	79
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	193	3	4	77	48	1	0	16	2	1	279	66	345
Semi-skilled and discretionary decision making	316	7	4	24	112	4	1	14	4	0	355	131	486
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total permanent employees</b>	530	10	16	129	171	6	5	43	8	2	693	227	920
Non-permanent employees	4	0	0	2	5	0	0	1	1	0	7	6	13
<b>Grand total</b>	534	10	16	131	176	6	5	44	9	2	700	233	933

Group

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
<b>Head office</b>													
Top management	0	0	0	2	0	0	2	0	0	0	2	2	4
Senior management	3	5	1	8	2	0	2	6	1	0	18	10	28
Professionally qualified and experienced specialists and mid-management	2	0	0	1	7	0	2	6	0	0	3	15	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	3	0	0	1	0	0	0	4	4
Semi-skilled and discretionary decision making	0	0	0	1	1	0	0	2	0	0	1	3	4
Unskilled and defined decision making	4	0	0	0	0	0	0	0	0	0	4	0	4
<b>Total permanent employees</b>	9	5	1	12	13	0	6	15	1	0	28	34	62
Non-permanent employees	0	1	0	1	2	0	0	0	0	0	2	2	4
<b>Grand total</b>	9	6	1	13	15	0	6	15	1	0	30	36	66

## PERFORMANCE TABLES

### PEOPLE

#### South Africa

Workforce diversity profile<sup>1</sup> for our South African operations (as at 30 June 2019)

Combined (South Africa)	Male				Female				Foreign nationals <sup>3</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
	Top management	0	0	0	3	0	0	2	0	0	0	3	
Senior management	25	5	6	43	7	0	2	10	3	0	82	19	101
Professionally qualified and experienced specialists and mid-management	173	10	17	201	56	1	10	54	10	1	411	122	533
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3 071	22	5	569	579	7	3	82	263	4	3 930	675	4 605
Semi-skilled and discretionary decision making	8 251	13	4	71	934	7	1	20	1 529	4	9 868	966	10 834
Unskilled and defined decision making	12 176	11	0	8	1 756	0	0	0	1 364	36	13 559	1 792	15 351
<b>Total permanent employees<sup>2</sup></b>	<b>23 696</b>	<b>61</b>	<b>32</b>	<b>895</b>	<b>3 332</b>	<b>15</b>	<b>18</b>	<b>166</b>	<b>3 169</b>	<b>45</b>	<b>27 853</b>	<b>3 576</b>	<b>31 429</b>
Non-permanent employees	42	1	0	4	45	0	0	1	1	0	48	46	95
<b>Grand total</b>	<b>23 738</b>	<b>62</b>	<b>32</b>	<b>899</b>	<b>3 377</b>	<b>15</b>	<b>18</b>	<b>167</b>	<b>3 170</b>	<b>45</b>	<b>27 901</b>	<b>3 622</b>	<b>31 524</b>

South Africa combined – People with disability (PWD)	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
	Top management	0	0	0	0	0	0	0	0	0	0	0	
Senior management	0	0	0	1	0	0	0	0	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management	2	0	1	6	0	0	0	0	0	0	9	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	67	0	0	39	2	0	0	0	18	0	124	2	126
Semi-skilled and discretionary decision making	352	0	0	7	4	0	0	1	175	0	534	5	539
Unskilled and defined decision making	473	0	0	0	10	0	0	0	114	0	587	10	597
<b>Total permanent employees</b>	<b>894</b>	<b>0</b>	<b>1</b>	<b>53</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>307</b>	<b>0</b>	<b>1 255</b>	<b>17</b>	<b>1 272</b>
Non-permanent employees	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>894</b>	<b>0</b>	<b>1</b>	<b>53</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>307</b>	<b>0</b>	<b>1 255</b>	<b>17</b>	<b>1 272</b>

A – African, C – Coloured, I – Indian, W – White.

<sup>1</sup> Workforce diversity profile as per the South African Department of Labour guidelines.

<sup>2</sup> Non-permanent employees employed for more than three months are counted as permanent employees.

<sup>3</sup> Foreign nationals are employees employed in South Africa that are not South African citizens.

## 105

## PEOPLE

## Zimbabwe

## Occupational levels

Zimplats	Females	Males	Total
F – Top management	1	6	7
E – Senior management	2	12	14
D – Professionally qualified and experienced specialist	18	53	71
C – Skilled technical and academically qualified	14	84	98
B – Semi-skilled and discretionary decision making	4	124	128
A – Unskilled and defined decision making	13	341	354
<b>Grand total</b>	52	620	672

## Group

In-service	Number	2019	2018	2017	2016	2015
Impala Rustenburg own employees		27 217	28 498	31 203	29 923	31 519
Contractor employees		11 099	10 293	9 765	8 735	10 288
Impala Springs own employees		933	931	934	943	957
Contractor employees		1 061	1 072	990	915	1 021
Marula own employees		3 308	3 261	3 103	3 540	3 568
Contractor employees		780	705	701	1 170	811
Zimplats own employees		3 326	3 262	3 064	3 047	3 214
Contractor employees		3 791	3 231	2 878	2 397	2 605
Corporate own employees		66	50	46	55	60
Contractor employees		35	35	0	0	0
<b>Total own</b>		<b>34 850</b>	36 002	38 334	38 189	40 019
<b>Total contractors</b>		<b>16 766</b>	15 336	14 334	13 221	14 729
<b>Group total</b>		<b>51 616</b>	51 338	52 668	51 410	54 748
<b>% own employees relative to total workforce</b>		<b>66</b>	70	73		

## South Africa

## Labour sending areas

South Africa	Impala 2019	Marula 2019
Eastern Cape	5 665	58
Free State	857	11
Gauteng	1 477	45
KwaZulu-Natal	743	4
Mpumalanga	330	352
North West	14 392	71
Northern Cape	1 009	2
Limpopo	617	2 567
Western Cape	15	8
<b>Total</b>	<b>25 105</b>	<b>3 118</b>
Foreigners	3 082	124
<b>Grand total</b>	<b>28 187</b>	<b>3 242</b>



## PERFORMANCE TABLES

### PEOPLE

#### Zimbabwe

##### Labour sending areas

Zimbabwe (Zimplats)	Number	2019
Bulawayo		55
Foreigner		3
Harare		168
Manicaland		308
Mashonaland Central		302
Mashonaland East		250
Mashonaland West		1 222
Masvingo province		460
Matabeleland North		40
Matabeleland South		41
Midlands		477
<b>Grand total</b>		<b>3 326</b>

##### Group employee turnover

Unit (%)	2019	2018	2017	2016	2015
<b>Turnover</b>					
Impala Rustenburg	<b>9.6</b>	11.8	7.7	9.0	5.1
Impala Springs	<b>4.6</b>	4.6	4.3	4.1	6.2
Marula	<b>7.2</b>	7.5	23.5	5.6	6.3
Zimplats	<b>3.7</b>	4.2	3.2	9.5	4.4
Corporate	<b>13.6</b>	14	10.9	14.3	18.2
<b>Group total</b>	<b>8.7</b>	8.4	9.9	8.5	8.0
<b>Women turnover</b>					
Impala Rustenburg	<b>0.6</b>	0.7	0.4	0.5	0.3
Impala Springs	<b>0.9</b>	0.6	0.5	0.4	1.5
Marula	<b>1.4</b>	1.2	5.6	0.5	0.4
Zimplats	<b>0.1</b>	0.2	3.0	0.1	0.3
Corporate	<b>9.1</b>	8	6.5	5.4	7.3
<b>Group total</b>	<b>0.6</b>	10.7	3.2	1.4	2.0
<b>Unionised workforce</b>					
Impala Rustenburg	<b>95</b>	84	81	84	81
Impala Springs	<b>73</b>	70	54	51	75
Marula	<b>95</b>	89	93	90	91
Zimplats	<b>33</b>	31	35	34	37
<b>Group total</b>	<b>74</b>	69	66	65	71

**PEOPLE**

**Group**

*Engagements per age group*

	Total
<b>Impala Rustenburg</b>	
18 – 25	45
26 – 35	475
36 – 45	539
46 – 55	172
56 – 63	22
<b>Impala Springs</b>	
18 – 25	35
26 – 35	29
36 – 45	2
46 – 55	1
56 – 63	0
<b>Marula</b>	
15 – 25	38
26 – 35	129
36 – 45	116
46 – 55	34
56 – 63	6
<b>Zimplats</b>	
18 – 25	86
26 – 35	129
36 – 45	21
46 – 55	2
56 – 63	0
<b>Corporate</b>	
18 – 25	2
26 – 35	5
36 – 45	5
46 – 55	5
56 – 63	1

## PERFORMANCE TABLES

### PEOPLE

#### Group

#### Terminations per age group

	Total
<b>Impala Rustenburg</b>	
18 – 25	29
26 – 35	533
36 – 45	745
46 – 55	686
56 – 63	609
<b>Impala Springs</b>	
18 – 25	–
26 – 35	9
36 – 45	9
46 – 55	5
56 – 63	20
<b>Marula</b>	
18 – 25	28
26 – 35	68
36 – 45	74
46 – 55	37
56 – 63	31
<b>Zimplats</b>	
18 – 25	9
26 – 35	39
36 – 45	47
46 – 55	27
56 – 63	2
<b>Corporate</b>	
18 – 25	–
26 – 35	3
36 – 45	2
46 – 55	3
56 – 63	1

**PEOPLE**

**South Africa**

*Female to male pay ratio*

		Female	Male
<b>Impala Rustenburg</b>	Top management	–	1
	Senior management	0.80	1
	Professionally qualified and experienced specialists and mid-management	0.83	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.91	1
	Semi-skilled and discretionary decision making	1.07	1
	Unskilled and defined decision making	0.96	1
<b>Overall</b>		<b>1.06</b>	<b>1</b>
<b>Impala Springs</b>	Top management	0.55	1
	Senior management	0.93	1
	Professionally qualified and experienced specialists and mid-management	0.83	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.88	1
	Semi-skilled and discretionary decision making	1.02	1
<b>Total</b>		<b>1.04</b>	<b>1</b>
<b>Marula</b>	Senior management	–	1
	Professionally qualified and experienced specialists and mid-management	0.85	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.85	1
	Semi-skilled and discretionary decision making	1.02	1
	Unskilled and defined decision making	1	1
<b>Overall</b>		<b>0.84</b>	<b>1</b>
<b>South Africa operations overall</b>		<b>1.08</b>	<b>1</b>

<b>Female to male pay ratio</b>		Female	Male
<b>Zimplats</b>	Top management		
	Senior management	1	1
	Professionally qualified and experienced specialists and mid-management	0.9	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1.24	1
	Semi-skilled and discretionary decision making	0.97	1
	Unskilled and defined decision making	1.06	1
<b>Overall</b>		<b>1.32</b>	<b>1</b>



## PERFORMANCE TABLES

## SAFETY

## Group

## Safety

	Unit	2019	2018	2017	2016	2015
<b>Fatalities (employees)</b>	Number					
Impala Rustenburg		3	6	7	9	4
Impala Springs		0	0	0	0	0
Marula		0	1	1	0	1
Zimplats		1	0	0	0	0
<b>Total</b>		<b>4</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>5</b>
<b>Fatalities (contractors)</b>	Number					
Impala Rustenburg		1	0	0	0	2
Impala Springs		0	0	0	0	0
Marula		0	0	0	0	0
Zimplats		0	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Group total</b>		<b>5</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>7</b>
<b>Reportable injuries</b>	Number					
Impala Rustenburg		333	362	409	401	281
Impala Springs		1	0	4	2	2
Marula		78	66	32	45	24
Zimplats		7	3	3	7	8
Head office		0	0	0	0	2
<b>Group total</b>		<b>419</b>	<b>431</b>	<b>448</b>	<b>455</b>	<b>317</b>
<b>Medical treatment cases</b>	Number					
Impala Rustenburg		635	561	648	519	393
Impala Springs		72	69	64	61	84
Marula		69	104	164	109	61
Zimplats		7	5	3	6	6
Head office		0	1	0	0	1
<b>Group total</b>		<b>783</b>	<b>739</b>	<b>879</b>	<b>695</b>	<b>545</b>
<b>Lost-time injuries</b>	Number					
Impala Rustenburg		441	549	655	665	456
Impala Springs		1	0	5	3	2
Marula		112	96	56	97	164
Zimplats		7	3	3	8	12
Head office		0	0	0	0	2
<b>Group total</b>		<b>561</b>	<b>648</b>	<b>719</b>	<b>773</b>	<b>636</b>

**Group  
Safety**

Unit	2019	2018	2017	2016	2015
<b>Employee hours worked</b>	Hours				
Impala Rustenburg	77 287 967	79 770 479	84 771 667	84 043 377	86 231 570
Impala Springs	4 307 601	4 196 315	4 105 137	4 141 659	3 972 573
Marula	8 351 825	8 252 958	9 676 621	10 148 375	9 013 210
Zimplats	15 574 775	15 470 518	14 562 652	13 837 573	13 560 069
Growco and head office	263 444	190 659	147 297	232 719	498 262
<b>Group total</b>	<b>105 785 612</b>	<b>107 880 929</b>	<b>113 263 374</b>	<b>112 403 703</b>	<b>113 275 684</b>
<b>FIFR</b>	Pmmhw				
Impala Rustenburg	0.052	0.074	0.083	0.107	0.070
Impala Springs	0	0	0	0	0
Marula	0	0.121	0.103	0	0.111
Zimplats	0.064	0	0	0	0
<b>Group</b>	<b>0.047</b>	<b>0.065</b>	<b>0.071</b>	<b>0.080</b>	<b>0.062</b>
<b>LTIFR</b>	Pmmhw				
Impala Rustenburg	5.71	6.88	7.73	7.91	5.29
Impala Springs	0.23	0	1.22	0.72	0.50
Marula	13.41	11.63	5.79	9.56	18.20
Zimplats	0.45	0.19	0.21	0.58	0.88
<b>Group</b>	<b>5.30</b>	<b>6.01</b>	<b>6.35</b>	<b>6.88</b>	<b>5.61</b>
<b>TIFR</b>	Pmmhw				
Impala Rustenburg	13.92	13.91	15.37	14.09	9.85
Impala Springs	16.95	16.44	16.81	15.45	21.65
Marula	21.67	24.23	22.74	20.30	24.96
Zimplats	0.90	0.52	0.41	1.01	1.33
<b>Group</b>	<b>12.70</b>	<b>12.86</b>	<b>14.11</b>	<b>13.06</b>	<b>10.42</b>

Unit	2019	2018	2017	2016	2015
<b>MTCFR</b>	Pmmhw				
Impala Rustenburg	8.22	7.03	7.64	6.18	4.56
Impala Springs	16.71	16.44	15.59	14.73	21.14
Marula	8.26	12.60	16.95	10.74	6.77
Zimplats	0.45	0.32	0.21	0.43	0.44
<b>Group</b>	<b>7.40</b>	<b>6.85</b>	<b>7.76</b>	<b>6.18</b>	<b>4.81</b>
<b>Total injuries</b>	Number				
Impala Rustenburg	1 076	1 110	1 303	1 184	849
Impala Springs	73	69	69	64	86
Marula	181	200	220	206	225
Zimplats	14	8	6	14	18
Afplats	0	2	0	0	2
<b>Group total</b>	<b>1 344</b>	<b>1 387</b>	<b>1 598</b>	<b>1 468</b>	<b>1 180</b>

## PERFORMANCE TABLES

## HEALTH

## Group

## Health

	Unit	2019	2018	2017	2016	2015
<b>VCT interventions</b>	Number					
Impala Rustenburg		10 152	10 143	13 292	8 831	9 851
Impala Springs		4	4	2	14	4
Marula		688	822	2 311	1 058	698
Zimplats		1 249	1 059	984	695	1 002
<b>Group</b>		<b>12 093</b>	<b>12 028</b>	<b>16 589</b>	<b>10 598</b>	<b>11 555</b>
<b>Employees on ART</b>	Number					
Impala Rustenburg		5 320	5 381	4 602	4 299	3 929
Impala Springs		0	0	0	0	0
Marula		251	231	233	224	200
Zimplats		159	159	167	160	147
<b>Group</b>		<b>5 730</b>	<b>5 771</b>	<b>5 002</b>	<b>4 683</b>	<b>4 276</b>

	Unit	2019	2018	2017	2016	2015
<b>Pulmonary TB cases</b>	Number					
Impala Rustenburg		93	138	191	149	274
Impala Springs		1	3	0	1	1
Marula		12	8	4	11	20
Zimplats		5	0	1	4	5
<b>Group</b>		<b>111</b>	<b>149</b>	<b>196</b>	<b>165</b>	<b>300</b>
<b>NIHL submitted</b>	Number					
Impala Rustenburg		54	88	75	49	32
Impala Springs		2	0	3	0	0
Marula		6	14	7	12	7
Zimplats		2	0	3	0	6
<b>Group</b>		<b>64</b>	<b>102</b>	<b>88</b>	<b>61</b>	<b>45</b>

## Zimbabwe

## Skills development

	Unit	2019	2018	2017	2016	2015
<b>Expenditure</b>	(US\$000)					
Zimplats		1 353	1 780	1 718	1 586	1 784

## South Africa

## Skills development

	Unit	2019	2018	2017	2016	2015
<b>Expenditure</b>	(R million)					
Impala Rustenburg		362	399	461	424	456
Impala Springs		16	10	13	19	19
Marula		87	72	75	68	48
<b>SA operations total (4.77% of leviabie payroll)</b>		<b>465</b>	<b>481</b>	<b>548</b>	<b>512</b>	<b>523</b>
<b>Employee literacy (ABET III and above)</b>	Percentage					
Impala Rustenburg		81	81	81	82	82
Impala Springs		90	90	86	96	92
Marula		94	94	93	92	91
<b>Average SA operations literacy</b>		<b>88</b>	<b>88</b>	<b>87</b>	<b>90</b>	<b>88</b>
<b>ABET training employees</b>	Number					
Impala Rustenburg		188	223	155	161	282
Impala Springs		0	0	0	0	0 <sup>2</sup>
Marula		23	12	6	11	10
<b>SA operations total</b>		<b>211</b>	<b>235</b>	<b>161</b>	<b>172</b>	<b>292</b>
<b>ABET – nett enrolment</b>	Number					
Impala Rustenburg		78	110	331	478	410
Impala Springs		0	0	0	0	0 <sup>2</sup>
Marula		25	11	24	16	11
<b>SA operations total</b>		<b>103</b>	<b>121</b>	<b>355</b>	<b>494</b>	<b>421</b>

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## Group

### Skills development

	Unit	2019	2018	2017	2016	2015
<b>Total number of employees trained (including ABET)</b>	Number					
Impala Rustenburg		24 924	26 413	27 489	29 526	30 031
Impala Springs		1 189	2 481	2 986	2 381	2 661
Marula		4 760	2 998	3 021	3 516	3 074
<b>SA operations total</b>		<b>30 873</b>	<b>31 892</b>	<b>33 496</b>	<b>35 423</b>	<b>35 766<sup>3</sup></b>
<b>Value of ABET training</b>	(R000)					
Impala Rustenburg		10 824	12 190	10 649	10 738	10 664
Impala Springs		0	0 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>	0 <sup>2</sup>
Marula		1 455	1 150	1 425	1 896	8
<b>SA operations total</b>		<b>12 279</b>	<b>13 340</b>	<b>12 074</b>	<b>12 634</b>	<b>10 672</b>
<b>Hours of ABET training</b>	Hours					
Impala Rustenburg		63 632	78 080	65 224	70 304	89 736
Impala Springs		0	0 <sup>2</sup>	0 <sup>2</sup>	0	0 <sup>3</sup>
Marula		18 270	11 520	27 288	15 640	26 028
<b>SA operations total</b>		<b>81 902</b>	<b>89 600</b>	<b>92 512</b>	<b>85 944</b>	<b>115 764<sup>3</sup></b>
<b>Functional literacy</b>	Percentage					
Zimplats		99	99	99	99	99
<b>Average Zimbabwean operations functional literacy</b>		<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>99</b>

<sup>2</sup> No ABET intake.

<sup>3</sup> Strike impacted, thus comparability impacted year on year.

## ENVIRONMENT

### Group

#### Environment

	Unit	2019	2018	2017	2016	2015
<b>Key production figures</b>						
Ore milled	(000 tonnes)	19 469	19 355	18 332	18 426	16 024
Tailings disposed on tailings dam	(000 tonnes)	19 296	22 166	21 258	20 936	17 891
Dump slag treated	(000 tonnes)	41	126	43	201	16
Furnace and converter slag generated and treated	(000 tonnes)	739	698	835	755	469
Total slag treated	(000 tonnes)	780	824	835	946	485
Platinum produced	(000 oz)	1 526	1 468	1 530	1 438	1 276
<b>Group material consumption</b>						
Diesel	(000 litres)	20 513	19 858	19 146	18 917	18 312
Petrol	(000 litres)	347	321	356	386	526
Coal	(tonnes)	149 697	138 079	161 446	153 309	138 653
Industrial burning oil	(000 litres)	1 700	1 884	1 316	1 222	1 633

### Group

#### Environment

	Unit	2019	2018	2017	2016	2015
<b>Key production figures – Energy</b>	(GJ000)					
Impala Rustenburg		11 099	10 535	11 478	10 902	9 766
Impala Springs		2 444	2 405	2 639	2 511	2 523
Marula		797	779	716	771	743
Zimplats		2 523	2 482	2 483	2 425	2 199
<b>Group total</b>		<b>16 863</b>	<b>16 201</b>	<b>17 316</b>	<b>16 609</b>	<b>15 231</b>
<b>Key production figures – Water</b>	(Mℓ)					
<b>Total water withdrawn</b>						
Impala Rustenburg		13 198	13 935	14 140	14 201	14 491
Impala Springs		781	728	760	810	750
Marula		1 949	1 821	1 412	1 471	1 523
Zimplats		7 218	7 046	7 218	7 903	6 447
<b>Group total</b>		<b>23 146</b>	<b>23 530</b>	<b>23 530</b>	<b>24 385</b>	<b>23 211</b>

## PERFORMANCE TABLES

## ENVIRONMENT

## Group

## Water management

	2019	2018	2017	2016	2015
<b>Total water consumed</b> (Mℓ)					
Impala Rustenburg	23 410	23 760	24 443	22 494	21 140
Impala Springs	1 201	1 170	1 301	1 333	1 261
Marula	3 209	3 269	2 761	2 929	3 311
Zimplats	12 074	11 595	12 166	12 121	10 725
<b>Group total</b>	<b>39 894</b>	<b>39 794</b>	<b>40 671</b>	<b>38 877</b>	<b>36 437</b>
<b>Total water recycled</b> (Mℓ)					
Impala Rustenburg	10 212	9 825	10 303	8 293	6 649
Impala Springs	420	442	542	523	511
Marula	1 260	1 448	1 349	1 458	1 787
Zimplats	4 856	4 549	4 948	4 218	4 278
<b>Group total</b>	<b>16 748</b>	<b>16 264</b>	<b>17 142</b>	<b>14 492</b>	<b>13 225</b>
<b>Unit water consumption</b> (kl/tonne milled)					
Impala	2.20	2.28	2.42	2.15	2.29
Marula	1.81	1.78	1.85	1.74	1.99
Zimplats	1.83	1.76	1.81	1.80	2.02
<b>Group total</b>	<b>2.05</b>	<b>2.43</b>	<b>2.30</b>	<b>2.09</b>	<b>2.11</b>

## Key production figures

## Air quality management

Unit	2019	2018	2017	2016	2015
<b>Total direct CO<sub>2</sub></b> (tonnes)					
Impala Rustenburg	170 663	148 516	178 763	170 301	143 523 <sup>7</sup>
Impala Springs	179 008	175 452	164 214	145 018	143 687
Marula	6 357	5 888	5 675	6 247	6 437
Zimplats	55 237	51 987	50 869	50 269	45 547
<b>Group total</b>	<b>411 265</b>	<b>381 843</b>	<b>399 521</b>	<b>371 835</b>	<b>339 194</b>
<b>Total indirect CO<sub>2</sub></b> (tonnes)					
Impala Rustenburg	2 723 722	2 402 117	2 532 664	2 449 626	2 267 832 <sup>7</sup>
Impala Springs	158 562	144 786	149 779	152 390	150 711
Marula	209 374	188 625	175 953	192 984	187 298
Zimplats	326 732	325 853	329 574	326 665	290 863
<b>Group total</b>	<b>3 418 390</b>	<b>3 061 381</b>	<b>3 187 970</b>	<b>3 121 665</b>	<b>2 896 704</b>
<b>Total indirect NO<sub>x</sub></b> (tonnes)					
Impala Rustenburg	10 972	10 029	10 489	10 187	9 468 <sup>7</sup>
Impala Springs	606	612	620	634	629
Marula	843	817	729	802	782
Zimplats	2 114	2 000	2 047	2 128	1 896
<b>Group total</b>	<b>14 535</b>	<b>13 458</b>	<b>13 885</b>	<b>13 751</b>	<b>12 775</b>
<b>Total direct SO<sub>2</sub></b> (tonnes)					
Impala Rustenburg	5 779	5 422	5 369	5 641	4 865
Impala Springs	724	957	937	677	824
Marula	0	0	0	0	0
Zimplats	23 132	21 887	23 067	25 074	22 017
<b>Group total</b>	<b>29 635</b>	<b>28 266</b>	<b>29 373</b>	<b>31 392</b>	<b>27 706</b>
<b>Total indirect SO<sub>2</sub></b> (tonnes)					
Impala Rustenburg	22 869	21 025	21 233	19 160	18 715
Impala Springs	1 331	1 267	1 256	1 192	1 332
Marula	1 758	1 633	1 475	1 509	1 546
Zimplats	4 406	4 192	4 145	4 207	3 570
<b>Group total</b>	<b>30 364</b>	<b>28 117</b>	<b>28 109</b>	<b>26 068</b>	<b>25 163</b>

<sup>7</sup> Post strike ramp-up.



## Environment

### Land management

	Unit	2019	2018	2017	2016	2015
<b>Disturbed areas rehabilitated</b>	(ha)					
Impala Rustenburg		2.0		11.8	14.4	4.7
Impala Springs		–	–	–	–	–
Marula		3.4	2.3	1.1	0.6	1.8
Zimplats		6.3	2.9	53.0	16.0	2.5
<b>Group total<sup>8</sup></b>		<b>11.7</b>	<b>19.5</b>	<b>65.9</b>	<b>31.0</b>	<b>9.0</b>
<b>Current estimate of future rehabilitation costs</b>	(Rm)					
Impala Rustenburg		1 278	1 234	931	858	767
Impala Springs		268	255	245	229	137
Marula		300	279	112	109	101
Zimplats		565	594	627	557	413
Afplats		19	16	18	17	16
<b>Group total<sup>8</sup></b>		<b>2 430</b>	<b>2 378</b>	<b>1 933</b>	<b>1 770</b>	<b>1 434</b>
<b>Rehabilitation provisions</b>	(Rm)					
Impala Rustenburg		805	631	497	522	459
Impala Springs		226	201	201	186	180
Marula		157	79	44	52	49
Zimplats		285	307	364	318	236
Afplats		19	7	8	9	8
<b>Group total<sup>8</sup></b>		<b>1 492</b>	<b>1 225</b>	<b>1 114</b>	<b>1 087</b>	<b>932</b>

<sup>8</sup> In line with financial accounting principles and not the DMR requirements.

### Waste management

	Unit	Total Group 2019	Total Group 2018	Total Group 2017	Total Group 2016	Total Group 2015
<b>Non-mineral/non-hazardous waste</b>	tonnes					
Reused		989	182	275	811	1 014
Recycled		12 642	13 362	12 251	10 498	7 582
Recovered		0	0	0	0	0
Treatment		0	0	0	0	0
Disposal		4 035	5 323	4 467	6 884	3 001
On-site storage		0	0	0	0	0
<b>Non-mineral/hazardous waste</b>	tonnes					
Reused		0	2.4	2.4	2.5	2.5
Recycled		28 964	24 959	33 355	30 892	27 704
Recovered		112	224	180	0	0
Treatment		5 799	4 738	4 920	5 675	5 127
Disposal		8 312	13 573	10 918	8 997	7 131
On-site storage		0	8.5	11.0	8.6	6.1

## PERFORMANCE TABLES

### Environment

#### Mineral waste

	Unit	2019	2018	2017	2016	2015
Accumulated tailings	(000 tonnes)	19 296	22 166	21 258	20 936	17 891
Accumulated waste rock (on surface)	(000 tonnes)	613	776	869	911	824

#### Leased and managed

South Africa	Implats interest	Mining right (ha)	Prospecting right (ha)
Impala	96%	29 773	
Afplats	74%	4 602	1 065
Marula	73%	5 494	
Two Rivers	46%	11 349	

Zimbabwe	Implats interest	Mining leases (ha)
Zimplats	87%	24 632

# INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE SELECTED SUSTAINABILITY INFORMATION

## TO THE DIRECTORS OF IMPALA PLATINUM HOLDINGS LIMITED

We have undertaken a reasonable and limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2019 sustainability report of Impala Platinum Holdings Limited (the Company, Implats or you) for the year 30 June 2019 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

### SUBJECT MATTER

We have been engaged to provide a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information listed below. The selected sustainability information described below has been prepared in accordance with the Company’s reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

### REASONABLE ASSURANCE

Selected sustainability information	Unit of measurement	Boundary	Page number
Contractor and employee fatalities	Number	Implats Group	110
Contractor and employee lost-time incident frequency rate (LTIFR)	Rate	Implats Group	111
Total injury frequency rate (TIFR)	Rate	Implats Group	111
New cases of noise induced hearing loss submitted for compensation (NIHL)	Number	Implats Group	112
New cases of pulmonary tuberculosis diagnosed and treated	Number	Implats Group	112
Employees on antiretroviral treatment (ARV/ART) – net enrolment at year-end	Number	Implats Group	112
Employee voluntary counselling and testing programme uptake (VCT)	Number	Implats Group	112
Energy consumption	Gigajoules	Implats Group	113
Water withdrawn	Megalitres	Implats Group	113
Water consumption	Megalitres	Implats Group	114
Total indirect carbon dioxide (CO <sub>2</sub> ) emissions	Tonnes	Implats Group	114
Total nitrogen oxide (NOx) emissions	Tonnes	Implats Group	114

### LIMITED ASSURANCE

Selected sustainability information	Unit of measurement	Boundary	Page number
Number of employees who are classified as historically disadvantaged South Africans (HDSA) and who are employed at management positions, above the supervisor level – excluding non-executive directors	Number	South African Operations only	56
Number of women employees in management positions, above the supervisor level – excluding non-executive directors	Number	South African Operations only	55
Total employee turnover	Number	South African Operations only	106
Number of people trained through adult education training (AET)	Number	South African Operations only	49
HDSA procurement (>25%) (in line with the Mining Charter categories of capital goods, services and consumable goods)	Rand	South African Operations only	76
Local procurement	Rand	South African Operations only	77
Total socio-economic development (SED) expenditure	Rand	South African Operations only	67
Total direct carbon dioxide (CO <sub>2</sub> ) emissions	Tonnes	Implats Group	114
Total sulphur dioxide (SO <sub>2</sub> ) emissions	Tonnes	Implats Group	92

We refer to this information as the “selected sustainability information for reasonable assurance” and “selected sustainability information for limited assurance”, respectively, and collectively as the “selected sustainability information”.

# INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE SELECTED SUSTAINABILITY INFORMATION

## YOUR RESPONSIBILITIES

The directors are responsible for selection, preparation and presentation of the selected sustainability information in accordance with the criteria set out on the corporate website (<http://www.implats.co.za/pdf/sustainable-development/implats-reporting-criteria-for-sustainability-kpis.pdf>) referred to as the "Reporting Criteria".

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for determining the appropriateness of the measurement and reporting standards in view of the intended users of the selected sustainability information and for ensuring that those standards are publicly available to the report users.

## INHERENT LIMITATIONS

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include examination of the derivation of those factors and other third party or laboratory information.

## OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

The firms apply the International Standard on Quality Control 1, and accordingly maintain a comprehensive

system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## OUR RESPONSIBILITY

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected sustainability information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000(Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

### (a) Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised), and ISAE 3410, involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected sustainability information, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to the Company's preparation of the selected sustainability information. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by the Company
- Assessing the suitability in the circumstances of the Company's use of the applicable reporting criteria as a basis for preparing the selected sustainability information
- Evaluating the overall presentation of the selected sustainability performance information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

### (b) Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected

sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the selected sustainability information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information has been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process
- Inspected documentation to corroborate the statements of management and senior executives in our interviews
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information
- Performed a controls walk-through of identified key controls
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected sustainability information
- Evaluated whether the selected sustainability information presented in the report is consistent with our overall knowledge and experience of sustainability management and performance at the Company.

## REASONABLE ASSURANCE OPINION AND LIMITED ASSURANCE CONCLUSION

### (a) Reasonable assurance opinion

In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected sustainability information set out in the Subject Matter paragraph above for the year ended 30 June 2019 is prepared, in all material respects, in accordance with the reporting criteria.

### (b) Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out the Subject Matter paragraph above for the year ended 30 June 2019 is not prepared, in all material respects, in accordance with the reporting criteria.

## OTHER MATTER(S)

The maintenance and integrity of Implats' website is the responsibility of Implats' directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on Implats' website.

## RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



### PricewaterhouseCoopers Inc.

**Director: Jayne Mammatt**

Registered Auditor

Johannesburg

16 October 2019



### Nexia SAB&T

**Director: Ayisha Ramasike**

Registered Auditor

Centurion

16 October 2019



## GLOSSARY

<b>ABET</b>	Adult Basic Education and Training
<b>Aids</b>	Acquired immune deficiency syndrome
<b>AMCU</b>	Association of Mineworkers and Construction Union
<b>AMWUZ</b>	Associated Mine Workers Union of Zimbabwe
<b>ART</b>	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)
<b>B-BBEE</b>	Broad-based black economic empowerment
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CoM</b>	Chamber of Mines
<b>CSOT</b>	Community Share Ownership Trust
<b>CTF</b>	Cultural transformation framework
<b>dB</b>	Decibels. Unit of measurement for sound
<b>DEROs</b>	Desired Emissions Reduction Objectives
<b>DOH</b>	Department of Health
<b>DMR</b>	Department of Mineral Resources, South Africa
<b>DPM</b>	Diesel Particulate Matter
<b>DSM</b>	Demand-side management
<b>DWS</b>	Department of Water and Sanitation
<b>EAO</b>	Emolument attachment orders
<b>ECD</b>	Early childhood development
<b>EFF</b>	Economic Freedom Fighters
<b>EIA</b>	Environmental impact assessment
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>EMA</b>	Environmental Management Agency of Zimbabwe
<b>EMP</b>	Environmental management programme
<b>ESOP</b>	Employee Share Ownership Programme
<b>ESOT</b>	Employee Share Ownership Trust
<b>Executive director</b>	Is employed by the Company and is involved in the day-to-day running of the organisation
<b>EVP</b>	Employee value proposition
<b>FIFR</b>	A rate expressed per million man-hours of any Impala employee, contractor or contractor employee or visitor who is involved in an incident while performing his duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road-related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from LTI to a fatality
<b>FLC</b>	Foundational Learning Competence
<b>FY</b>	Financial year (to 30 June)
<b>GJ</b>	Gigajoules. Unit of measure for energy
<b>GHG</b>	Greenhouse gases
<b>GRI</b>	Global Reporting Initiative
<b>HDSA</b>	Historically disadvantaged South African
<b>HIV</b>	Human immunodeficiency virus
<b>HPD</b>	Hearing Protection Devices
<b>HSE</b>	Health safety and environment
<b>HSRC</b>	Human Science Research Council
<b>IBC</b>	Inside back cover
<b>IFC</b>	Inside front cover
<b>IFRS</b>	International Financial Reporting Standards

<b>IBT</b>	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
<b>ILO</b>	International Labour Organisation
<b>IMP</b>	Impala Medical Plan
<b>Impala Platinum</b>	Impala Platinum Limited, comprising Impala Rustenburg and Impala Springs
<b>Implats</b>	Impala Platinum Holdings Limited
<b>Independent directors</b>	Directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the board may affect their independence
<b>IPA</b>	International Platinum Group Metals Association
<b>ISO</b>	International Organisation for Standardisation
<b>IWWMP</b>	Integrated waste and water management plan
<b>IIP</b>	Indigenisation Implementation Plan
<b>JSE</b>	Johannesburg Stock Exchange
<b>LCA</b>	Life cycle assessment
<b>LCMs</b>	Loose cubic metres
<b>LED</b>	Local Economic Development
<b>Local community</b>	Communities that are directly impacted by our mining operations and are on or near the mine lease area
<b>Lost-time injury</b>	A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next roster shift, a lost-time injury is deemed to have occurred
<b>LSE</b>	London Stock Exchange
<b>LTIFR</b>	Number of lost-time injuries expressed as a rate per million hours worked and includes restricted work cases
<b>Marula</b>	Marula Platinum (Pty) Ltd
<b>Materiality and material issues</b>	Issues of materiality are those aspects that may have a significant impact on the organisation's reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through ad hoc or routine engagements with a range of stakeholders
<b>MCDA</b>	Marula community development agency
<b>MCLEF</b>	Mine Communities Leadership Engagement forum
<b>MCSOT</b>	Mberengwa Community Share Ownership Trust
<b>MCT</b>	Marula community trust
<b>MHSC</b>	Mine, health and safety council
<b>MIGDETT</b>	Mining Industry Growth Development and Employment Task Team
<b>Mimosa</b>	Mimosa Platinum (Private) Limited
<b>Mining Charter</b>	Broad-based socio-economic empowerment charter for the South African mining industry
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
<b>Medical treatment cases (MTCs)</b>	A medical treatment case is defined as a one-time treatment and subsequent observation of minor injuries by an appointed medical professional. Such minor injuries may include treatment by the application of bandages, antiseptic, ointment, irrigation of the eye to remove non-embedded foreign objects or the removal of foreign objects from the wound. MTCs never involve a loss of one or more calendar days after the injury, regardless of the injured person's next rostered shift or where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
<b>MW</b>	Megawatt, a measure of electric power
<b>NAC</b>	National Aids Council
<b>NASCA</b>	National Senior Certificate for Adults
<b>NCPC</b>	National Cleaner Production Centre
<b>NCR</b>	National credit regulator

## GLOSSARY

<b>NGO</b>	Non-governmental organisation
<b>NBI</b>	National Business Institute
<b>NDP</b>	National Development Plan
<b>NIHL</b>	Noise-induced hearing loss
<b>NMWVZ</b>	National Mine Workers Union of Zimbabwe
<b>Non-executive director</b>	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder
<b>NO<sub>x</sub></b>	Nitrous Oxide
<b>NRF</b>	National Research Foundation
<b>NUM</b>	National Union of Mineworkers, South Africa
<b>OEM</b>	Original Equipment Manufacturer
<b>OHSAS</b>	Occupational Health and Safety Assessment Series
<b>ORAs</b>	Objective-based risk assessments
<b>PBC</b>	PGM beneficiation committee
<b>PDS</b>	Proximity detective systems
<b>PFA</b>	President's Framework Agreement
<b>PGI</b>	Platinum Guild International
<b>PGMs</b>	Platinum group metals being the metals derived from PGE
<b>PIC</b>	Public Investment Corporation
<b>PPC</b>	Platinum producer's committee
<b>PPE</b>	Personal protective equipment
<b>PPM</b>	Parts per million
<b>RBED</b>	Royal Bafokeng Enterprise Development
<b>RBH</b>	Royal Bafokeng Holdings
<b>RBN</b>	Royal Bafokeng Nation/Administration
<b>Reportable</b>	<ul style="list-style-type: none"> <li>(a) A reportable injury is an injury which results in: the death of the employee;</li> <li>(b) An injury, to any employee, likely to be fatal;</li> <li>(c) Unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric short or electric burning accidents of or by any employee and which is not reportable in terms of paragraph (d), or as required by the OHS Act where applicable;</li> <li>(d) An injury which either incapacitates the injured employee from performing that employee's normal occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability</li> </ul>
<b>Restricted work injuries (RWI)</b>	A restricted work injury is a work-related injury which results in the employee being able to return to his or her permanently assigned workplace, to perform his or her permanently assigned work on the next calendar day, but where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
<b>RDP</b>	Reconstruction and Development Programme
<b>RFA</b>	Rehabilitation and Fitness Assessment
<b>RLM</b>	Rustenburg local municipality
<b>RO</b>	Reverse osmosis
<b>RSIP</b>	Rehabilitation strategy and implantation plan
<b>SD</b>	Sustainable development
<b>SED</b>	Socio-economic development
<b>SET</b>	Social, ethics and transformation
<b>SHEQ</b>	Safety, health and environment quality
<b>SLP</b>	Social and labour plan

<b>SMC</b>	Selous Metallurgical Complex
<b>SMMEs</b>	Small, medium and micro enterprises
<b>SO<sub>2</sub></b>	Sulphur dioxide
<b>SRI</b>	Socially responsible investment
<b>TARP</b>	Triggered action response plan
<b>TB</b>	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
<b>TEBA</b>	The Employment Bureau of Africa
<b>TMM</b>	Trackless mobile machinery
<b>Traditional council leadership</b>	Elected/appointed members of a community according to customs and practices. The tenure of these leaders differ among communities. The chief King/Kgoshi/Kgosi or inKhosi is the head of the traditional council leadership and the chairman of the council
<b>TSCZ</b>	Traffic Safety Council of Zimbabwe
<b>UASA</b>	United Association of South Africa
<b>UNGC</b>	United Nations Global Compact
<b>VCT</b>	Voluntary counselling and testing, in respect of HIV and Aids
<b>VPSHR</b>	Voluntary principles on security and human rights
<b>WBCSD</b>	World Business Council on Sustainable Development
<b>WC/WDM</b>	Water Conservation/Water Demand Management
<b>WiM</b>	Woman in mining
<b>WPIC</b>	World Platinum Investment Council
<b>WUL</b>	Water use licence
<b>ZCSOT</b>	Zvishavane Community Share Ownership Trust
<b>ZINARA</b>	Zimbabwe National Roads Association
<b>ZIP</b>	Zero incident process
<b>ZRP</b>	Zimbabwe Republic Police



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