



Our operations are committed to upholding Implats' corporate values and operating ethics without compromise.



Implats' ambition is to be a good corporate citizen and to be at the forefront of the mining industry, both locally and internationally.

Message from our CEO

Acknowledging our responsibilities

It is with pleasure that I welcome readers to the Implats' Corporate Responsibility Report for the year ended 30 June 2004.

Building on our prior publications of a similar nature (previously entitled Implats' Environmental, Health, Safety and Community Report), the content of this report aims to provide our stakeholders – who comprise our shareholders, our workforce and their union representatives, our business partners, our suppliers, our customers, the communities where we operate, and various authorities – with insight into the economic, environmental and social dimensions of Implats' activities, products and services. This triple bottom-line approach reflects our quest to expand our current reporting formats gradually with the objective of producing a report that is in accordance with the recommendations of the Global Reporting Initiative (GRI) for sustainability reporting by 2007, thereby promoting the compatibility of non-financial information in and across our industry. It also embodies our acknowledgement of Implats' corporate responsibilities and with this in mind the title of the publication has been changed.

Broader scope

The new name is also indicative of the information incorporated in this report on issues outside the traditional environmental, health, safety and community scope, notably in terms of corporate governance, social performance, economic performance and employee issues. This incremental growth in the scope of the report confirms that measurable progress has been made towards our longer-term GRI reporting ambitions. Further evidence of this progress is listed in the GRI index on pages 104 to 113, which tabulates those aspects of the GRI that have been included in the report and the sections of the report where such references can be found.

This report covers only those group operations where Implats has management control, namely Impala Platinum Limited (Impala) and Marula Platinum (Proprietary) Limited (Marula Platinum) in South Africa; and Zimbabwe Platinum Mines Limited (Zimplats) and Mimosa Platinum (Pvt) Limited (Mimosa) in Zimbabwe. The Crocodile River operations reported on in previous years have been excluded following the sale of Implats' stake in Barplats during the reporting period.

Our operations are committed to upholding Implats' corporate values and operating ethics without compromise. A comprehensive third-party audit is planned for the forthcoming year to ensure that the requisite corporate policies are in place and up-to-date, including recruitment procedures and conditions of employment, grievance and disciplinary procedures, environmental and HIV/AIDS policies.





We invest considerable resources in the well being of our people and in skills training and development.

Performance highlights

Above all, this report aims to detail Implats' approach to managing the issues and challenges we face in the economic, environmental and social spheres, as well as our performance against set objectives in these areas during the reporting period.

I am pleased to report that the group has once again produced a good set of financial results, given the economic circumstances. Sales revenue was maintained at R11.81 billion on the back of increased production. However, higher operating costs of R4.69 billion (2003: R4.42 billion) and a 61.3% decline in income from investments and interest resulted in a 12.2% drop in total value added by the group to R7.61 billion (2003: R8.67 billion). Of this, R5.6 billion (73.2%) was distributed, with R2.45 billion invested in employees as salaries, wages and fringe benefits (32.2%); R1.14 billion paid to the state (as direct taxes); R414 million paid in royalties; and R1.57 billion going to providers of capital (20.6%). The remaining R2 billion was re-invested in the group, of which R1.47 billion was retained as reserves.

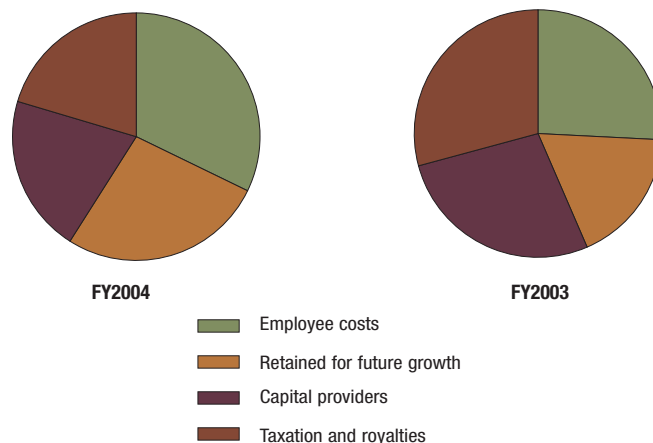
We have met several of our corporate responsibility objectives for the year under review, and made measurable progress towards others (as detailed in the Scorecard on pages 10 and 11).

These objectives are designed, through self-regulation and continuous improvement, to meet or exceed legislative requirements. This approach not only underscores Implats' ambition to be a good corporate citizen that generates employment opportunities and foreign exchange in a responsible and caring manner, but also our desire to be at the forefront of the mining industry, both locally and internationally.

As we are primarily a mining operation, our most significant challenge remains the safety and health of our employees, where our ongoing quest is to minimize injuries and achieve zero fatalities. Regrettably, despite concerted efforts, which have resulted in a further reduction in the total number of injuries, ten employees lost their lives during the review period (nine at our South Africa operations and one at our Zimbabwe operations). Our condolences are extended to the families, friends and communities of those who died. As detailed in this report, emphasis continues to be placed on initiatives to improve our safety record including the inculcation of a behaviour-based safety culture that encourages all employees to be on the look-out for danger both to themselves and their co-workers.

Environmentally, we remain acutely aware of the potentially hazardous impact of our mining and metallurgical

Figure 1: Distribution of cash value added





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processes on the quality of air and water resources at our operations, as well as our impact on the natural environment (land plus flora and fauna). We therefore strive continuously to reduce the effect of our operations through structured air quality, water and land management processes that minimize the impact on the health and well-being of our people and the communities in which we operate, as well as the physical environment.

Impala Platinum Refineries has retained its ISO 14001 certification for the fourth consecutive year. Marula Platinum is in the process of implementing an ISO 14001-based system and Zimplats aims to achieve its certification within the coming year. Zimplats' Selous Metallurgical complex was placed first in a national environmental management system audit conducted by the Association of Mine Managers of Zimbabwe.



Employee participation in the evolution and management of the group is encouraged at all levels.

From a social perspective, Implats has made satisfactory progress in managing the impact of the HIV/AIDS epidemic on the group. Impala has maintained a below-industry prevalence rate of 16%. We have also invested considerable resources in the well-being of our people and in skills development and training. Employment equity remains a focus area and has become the core function of a newly-created Transformation Department.

We also acknowledge our responsibility to contribute financial and other resources to development projects that offer meaningful and sustainable development opportunities to previously disadvantaged people. The group lends its support to black economic empowerment by way of an affirmative procurement policy as well as funding education initiatives and entrepreneurial development projects.

Reporting requirements

As with our 2004 Annual Report to shareholders, this publication aims to comply with new and additional reporting requirements that have evolved over the past year. These include revised South African legislation, the Mining Charter (our detailed response is described on pages 78 to 88 of this report), the JSE Securities Exchange Sustainability Reporting Index (JSE SRI) and the King Report on Corporate Governance for South Africa 2002 (known as King II). With regard to the JSE SRI in particular, the group submitted the requisite information to the convening authorities and is one of 51 South African companies accepted onto the index.

Our strategy for sustainable development

It is our belief that, to succeed in achieving Implats' vision, the group must bring sustainable development to the core of company practice. Not only is it the responsible thing to do, but there are also sound business reasons for doing so. These include evidence that effective and proactive management of issues relating to sustainable development reduces the potential for future liabilities, contributes to an enhanced reputation, provides operations such as ours with a licence to operate and opens avenues for exciting new business opportunities.

Indeed, the concept of sustainable development – which is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” – underlies our commitment to achieve excellence in all our operations as well as in our corporate citizenship practices (it also underlies initiatives such as King II, the JSE SRI and the GRI). Accordingly, we strive to provide a safe working environment, in which the health of our employees is protected and their opportunities for self-development are enhanced; promote cultural diversity and equity in the workplace; identify and proactively minimize our environmental impacts throughout the full life cycle of our products, services and activities; and provide opportunities for social and economic development within the communities in which we operate.

Most of all, we believe that sustainable development is about being respon-

sive to the expectations of our various stakeholders by entering into appropriate levels of dialogue. With this in mind, we endeavour to listen and learn, sharing ideas with each other, so that together we can more effectively address the various challenges that sustainable development presents to us all. The main issues raised in these processes are addressed in the relevant sections of this report.

Looking forward

While we are proud of Implats' achievements during the year under review, we fully acknowledge the amount of work that is still to be done. The group is unwaveringly committed to its economic, environmental and social mandates, as well as to evaluating all objectives and initiatives continually so as to ensure that they remain appropriate.

Accordingly, we have set ourselves critical performance targets, including

- Achieving zero fatalities;
- Reducing the LTIFR by 50% to 2.4 per million man hours worked;
- Producing 2 million ounces of platinum by FY2006;
- Retaining ISO 14001 certification at Impala's operations and achieving this status throughout the group;
- Reducing fresh water consumption by a further 5% in FY2005; and
- Conducting a third-party audit of group policies and procedures in FY2005.

In closing, I express my thanks to our employees who individually and collectively contribute to the realisation of Implats' vision, mission and performance objectives. Through ownership and accountability for our actions, we contribute to a group that continues to perform strongly while consistently meeting its corporate responsibilities.



Keith Rumble
CHIEF EXECUTIVE OFFICER