



Legislation impacting on the group and its operations

The legal environment within which Implats operates has continued to evolve during the year under review, resulting in both legislative and regulatory changes that have a material impact on the group and its operations, especially in South Africa. These are summarised on pages 17 to 20.

operating environment

Minerals and Petroleum Resources Development Act, Act No. 28 of 2002 (MPRDA)

The MPRDA, which was enacted on 1 May 2004, provides for parties who are of the opinion that their rights have been expropriated as a result of that Act to claim compensation from the State. In terms of the Implementation of Legal Proceedings Against Certain Organs of State Act, 2002 (ILPA), any such claim for compensation must be made within three years of, *inter alia*, the action giving rise to the claim (i.e. in this instance the promulgation of the MPRDA) and must be preceded, within six months of the action arising, by a notice to the State giving notice of such claim.

Accordingly, as responsible corporate citizens, with a duty to protect the interests of its shareholders in an environment of newly developed legislation, notice was duly given during October 2004 by all affected group companies.

Regulation 82 A to the MPRDA was published in Government Gazette 26942 on 29 October 2004, providing for the Director General of the Department of Minerals and Energy (DME) to determine whether a claimant has a valid claim for compensation as a result of expropriation, or not. Such determination is subject to an internal appeal to the Minister of Minerals and Energy. Where a claim is accepted as valid, the amount of compensation must be agreed between the Director General and the claimant or determined by a competent court. The Regulation 82 A procedure must be exhausted prior to the institution of any claim for compensation.

Whereas all "old order" rights held within the Implats group of companies are currently the subject of applications for conversion to "new order" rights or applications for the grant of additional "new order" rights in terms of the provisions of the MPRDA, several factors that will have to be taken into consideration for possible claims for compensation as a result of the expropriation will only become apparent in the fullness of time. These may include conversions being granted either wholly or in part, new applications being granted or refused, and conditions being imposed on such new order rights (including but not limited to royalties payable).

Once the outcome of all applications made, as listed in Table 2, is known, the respective Implats group companies will be in a position to decide whether to institute the Regulation 82 A procedure and then, possibly, institute the conventional litigation process to claim compensation for expropriation. These claims will be quantified in accordance with the provisions of Item 12 of the MPRDA, as read in conjunction with the Constitution of the Republic of South Africa.

In all likelihood, the necessity to institute any compensation claims under the MPRDA or ILPA will be obviated if applications for "new order" rights under the MPRDA – either as mining or prospecting rights or conversions of old order rights – are successfully granted by the DME.

The Minerals and Mining Development Board, provided for in Section 57 of the MPRDA (the Board), has been established and was officially launched on 29 June 2005. The Board comprises 18 members, which are appointed by the Minister of Minerals and Energy and must include members representing the relevant State Departments, organised labour, organised business, relevant non-governmental organisations, relevant community-based organisations and persons with appropriate expertise, experience or skills to enhance the Board's capability of performing its functions more effectively.

The Board's functions include advising the Minister of Minerals and Energy on the sustainable development of South Africa's resources, the transformation and downscaling of the minerals and mining industry, as well as dispute resolution. The Board must also ensure the promotion of human resource development in the minerals and mining industry in consultation with the Mining Qualifications Authority. Furthermore, the Board may report to the Minister of Minerals and Energy on any matter relating to the MPRDA and enquire into and report to the Minister of Minerals and Energy on any matter concerning the objects of the MPRDA.

The Precious Metals Beneficiation Bill and the Diamond Amendment Bill

The first Precious Metals and Diamonds General Amendment Bill [B-2004] was published for public comments in the Government Gazette No 26245 on 16 April 2004. The purpose of this Bill was to amend the Mining Rights Act 20 of 1967 and the Diamonds Act 56 of 1986 so as to provide for the rationalisation of the regulation of matters pertaining to the downstream development of precious metals and diamonds; to promote equitable access to, and local beneficiation of the nation's precious metals and diamonds; and to provide for associated matters.

A revised Precious Metals and Diamonds General Amendment Bill [B-2005] was published on 21 January 2005 in the Government Gazette No 27167 without requesting further public comments. That Bill was submitted by DME to Parliament during the first Parliamentary Session of 2005, which referred it to the State Law Advisors for their approval, before onward submission to the Portfolio Committee on



The new Effluent Treatment Plant at Refineries.

Minerals and Energy. During the State Law Advisor's consultation process with DME the decision was taken to split the said Bill into two separate Bills: The Precious Metals Beneficiation Bill and the Diamonds Amendment Bill.

Although both of these Bills are still in the drafting process by DME and the State Law Advisors, it is intended that they be submitted to the Portfolio Committee on Minerals and Energy during the second Parliamentary Session of 2005, and enacted by the end of 2005.

According to various official statements made by the Minister of Minerals and Energy during June/July 2005, the Precious Metals Beneficiation Bill and the Diamond Amendment Bill are designed to promote the local beneficiation of South Africa's Minerals. The main objective of these two new Beneficiation Bills is to encourage equitable access to diamonds and precious metals and to maximize value addition in the South African industry, thus making South Africa a significant international diamond and jewellery manufacturing centre and an important mineral product trading hub.

The two Bills propose the establishment of a Precious Metals and Diamonds Regulator as well as a State Diamonds Trader and Exchange. The Regulator would not only be responsible for regulating the diamond trade, but would also evaluate the management and administration of diamond and precious metal beneficiation in totality.

Both Bills will be in line with the MPRDA, in particular with the latter's Black Economic Empowerment (BEE) requirements. Therefore, guidelines for the implementation of broad-based socio-economic empowerment in the diamond and precious metals beneficiation sectors will be established. It will propose, among other things, the introduction of bene-



Sinking of the new No. 20 Shaft at our Rustenburg operations.

ficiation licences for control purposes and to re-enforce export duty as a disincentive to the excessive export of rough diamonds and precious metals.

Notwithstanding the anticipated enactment of the Precious Metals Beneficiation Bill and Diamonds Amendment Bill, in terms of the Mining Charter of the MPRDA, the beneficiation of minerals mined and processed is not compulsory for mining companies. However, provision is made to enable mining companies to offset the value of the level of beneficiation achieved by the company against its Historically Disadvantaged South African (HDSA) ownership commitments (namely 26% equity by 2014).

Once the Precious Metals Beneficiation Bill is finalised, and released to the public for comment and thereafter enacted, Implats will assess future beneficiation opportunities.

National Environmental Management Act, Act No. 8 of 1994

This Act serves to facilitate the transition between the "old" environmental impact assessment regulations of the Environment Conservation Act and the "new" environmental impact assessment (EIA) regulations of the National Environmental Management Act of 1998, which now imposes the requirements for prior consent and EIA obligations for certain specified developments. It has eliminated the confusion arising from overlapping and conflicting provisions of the two Acts. However, the new provisions enable the Minister of Environmental Affairs and Tourism to identify existing activities that may have a detrimental effect on the environment and for which an

application for authorisation must be submitted – a radical statutory provision that could deprive citizens of existing rights obtained prior to the existence of environmental controls. The National Environmental Management Amendment Act also details the consequences for offences relating to the commencement or continuation of listed activities without the required consent, namely a maximum fine of R5 million (or ten years' imprisonment).

National Environmental Management Amendment Act No. 46 2003

This Act, which came into effect on 1 May 2005, deals primarily with matters relating to law enforcement. Although it does not require any operational adjustments, its provisions serve as a deterrent to the infringement of the law. These include:

- The appointment of environmental management inspectors by the Minister of Environmental Affairs and Tourism, or the respective MECs, with a view to redressing the dearth of environmental law enforcement in South Africa. The officers' powers include the right to enter and search premises without warrants, to inspect premises without prior warning, to question staff and to collect and remove samples for analysis.
- Provision is also made for rewarding informants whose evidence leads to the conviction of an offender or who assisted in bringing an offender to justice, to the value of up to one-fourth of the fine imposed by the court.
- Courts convicting persons or corporations under the National Environmental Management Act will be permitted to withdraw existing permits and/or disqualify the convicted person/corporation from obtaining a permit or other authorisation for a period of up to five years.



An aerial view of the Precious Metals Refinery, which clearly illustrates the close proximity of the plant to the Springs community.

National Environmental Management: Air Quality Act No. 39 of 2004

The long-awaited Air Quality Act was promulgated on 24 February 2005. The date of commencement is, however, still to be determined by the Minister of Environmental Affairs and Tourism. The most important aspects of the Act are as follows:

- Within two years of the date on which the Act takes effect, the Minister of Environmental Affairs and Tourism will establish a national framework for achieving the objectives of the Act (i.e. the prevention of air pollution). This will include, *inter alia*, national norms and standards for the control of emissions from point and non-point sources of pollution; air quality monitoring; air quality management plans; and air quality information management.
- Section 9 of the Act imposes an obligation on the Minister to both identify substances which present a threat to health, well-being or the environment; and set ambient standards for such substances. The provincial MECs and local authorities will have the authority to impose stricter standards than those set by national government.
- Section 14 requires the appointment of air quality officers at national, provincial and local authority level, who will be required to co-ordinate their activities as set out in the national framework.



The primary air scrubbing system at the Precious Metals Refinery, prior to emission into the atmosphere.

- National, provincial and local government will be obliged to develop air quality management plans, which, *inter alia*, must seek to improve air quality within the domain of the relevant sphere of government; identify and reduce the negative impact of poor air quality on human health and the environment; address the effects of emissions from the use of fossil fuels in residential applications; and address the effects of emissions from industrial sources.
- The ambit of control is much broader than the Atmospheric Pollution Prevention Act of 1965 (APPA), which focused on point source emissions from a list of 72 processes. The new Act provides for control over any conceivable source of air pollution and makes provisions for the declaration of:
 - a. Priority areas, in which air quality management action plans will have to be drawn up and implemented by the relevant authorities.
 - b. Listing of activities that may not commence without licences. Unlike the scheduled processes issued under APPA, licenses issued under the new Act must contain emission limits and obligations relating to point, non-point, ambient and greenhouse gas emission monitoring and reporting. The holder of a provisional or permanent licence may be required to designate an emissions control officer (with relevant air quality management competence).
 - c. Controlled emitters (which could be an appliance or an activity) for which emission standards will be determined.
 - d. Controlled fuels, which may not be manufactured, sold or used unless they conform to standards.
 - e. Other measures, such as conferring a discretion on the Minister and MECs to call for the development of pollution prevention plans and atmospheric impact reports from pollution industries.
- Non-compliance with the conditions of existing registration certificates could affect a company's chances of obtaining a new licence.
- Provisional registration certificates for scheduled processes under the now repealed APPA will remain valid for two years after commencement of the new Act. The provisional certificate will lapse upon issuance of the provisional licence under the new Act.
- Final registration certificates will remain valid for four years and a renewal application must be lodged within the first three years of this validity period.

A comprehensive audit of all external legislation affecting the group and its operations commenced during FY2005, with a view to highlighting key areas and performance measures.

APPLICATIONS IN TERMS OF THE MPRDA

In terms of the provisions of the MPRDA, Implats in FY2005 embarked on a concerted project to make application for conversion of existing old order rights to "new order" mining or prospecting rights or, where applicable, new applications for "new order" mining rights and prospecting rights. The project has entailed various applications, as summarised in Table 2, to the relevant regional offices of the DME for:

- the conversion of six old order mining rights to "new order" mining rights;
- the conversion of two old order prospecting rights to "new order" prospecting rights; and
- applications for six "new order" prospecting rights which relate to either unused old order rights held within the Implats group or third party unused old order rights (where applicable, subject to the required ministerial consent to transfer the prospecting right, after approval thereof in favour of a third party or to the applicable company within the Implats group; or to a joint venture formed between Impala and its HDSA joint venture partner (selected for that specific exploration project).

Table 2: Applications in terms of the MPRDA, submitted by Implats group companies, FY2005.

Applications in respect of Old Order Mining Rights, Old Order Prospecting Rights and Unused Old Order Rights held within the Implats group of companies

Properties	Operation & Area	Old Order Right, Authorisation or Permit	Application submitted for
------------	------------------	--	---------------------------

Department of Minerals and Energy, Limpopo Region

Mineral Area 2 on Forest Hill 117KT, Clapham 118KT, Winnaarshoek 250KT	Marula Platinum, Burgersfort	Older Order Mining Right – Mining Licence No. 15/2003 (held by Impala)	Conversion to “new order” right, together with Section 11 application to transfer mining right upon conversion approval to Marula Platinum.
Mineral lease area on Mineral Area 2 on Driekop 253KT	Marula Platinum, Burgersfort	Old Order Mining Right – Mining Licence No. 22/2003 (held by Marula Platinum)	Conversion to “new order” mining right.
Mineral Area on Hackney 116KT	Marula Platinum, Burgersfort	Unused Old Order Right – Notarial Mineral Lease Protocol 1203/2004 (held by Impala)	“New order” prospecting right, together with Section 11 application to transfer prospecting right, upon approval thereof, to Marula Platinum.

Department of Minerals and Energy, Mpumalanga Region

Portions of Kalkfontein 367KT, Tweefontin 360KT, Spitzkop 333KT, Buffelshoek 368KT	Exploration project, Steelpoort	Old Order Prospecting Right – Prospecting Permit No. 39/2004 (held by Impala)	Conversion to “new order” prospecting right, together with Section 11 application to transfer the Spitzkop rights, upon conversion and approval, to Spitzkop Platinum.
--	---------------------------------	---	--

Table 2: Applications in terms of the MPRDA, submitted by Implats group companies, FY2005 (cont).

Properties	Operation & Area	Old Order Right, Authorisation or Permit	Application submitted for
Department of Minerals and Energy, North West Region			
First and Second Bafokeng Areas, Trust Area, Magistraatshoogte, State Land Area	Rustenburg operations, Rustenburg	Old Order Mining Right – Mining Licence ML 6/1998 (held by Impala)	Conversion to “new order” mining right.
Third Bafokeng Area	Rustenburg operations, Rustenburg	Older Order Mining Right – Mining Licence ML 7/2001 (held by Impala)	Conversion to “new order” Mining Right, together with Section 102 application to include the Fourth and Fifth Bafokeng Area into the mining area, after conversion approval.
Fourth and Fifth Bafokeng Areas (“Keeley Area”)	Rustenburg operations, Rustenburg	Old Order Prospecting Right Prospecting Permit PP79/2002 (held by Impala)	Application lodged in terms of Section 102 to include this area into adjacent mining right area, upon approval of conversion application of old order mining right (ML7/2001).
Boschkoppie 104JQ	Rustenburg operations, Rustenburg	Old Order Mining – Mining Licence ML 11/1999 (held by Impala)	Conversion to “new order” mining right.
Individual Mineral Owners Areas	Rustenburg operations, Rustenburg	Old Order Mining Right – Mining Licence ML 7/1998 (held by Impala)	Conversion to “new order” mining right.
Welbekend 117JQ	Rustenburg operations, Rustenburg	Old Order Prospecting Right – Prospecting Permit No. PP 356/2000. Unused Old Order Right (held by Impala)	Conversion to “new order” prospecting right.
Mineral Area on Turffontein 262JQ Mineral Areas 1 and 2 on Kookfontein 265JQ	Rustenburg operations, Rustenburg	Unused Old Order Right – Notarial Mineral Lease K005966/03RM (held by Impala)	“New order” prospecting right.

Table 2: Applications in terms of the MPRDA, submitted by Implats group companies, FY2005 (cont).

“New order” Prospecting Right applications in respect of third party unused old order rights

Properties	Operation & Area	Old Order Right, Authorisation or Permit	Application submitted for
Department of Minerals and Energy, Mpumalanga Region – Micawber 399 (Pty) Ltd (incorporated joint venture between Endulwini Resources (51%) and Impala (49%))			
Steelpoortpark 366KT	Exploration Project, Steelpoort	Unused Old Order Right (held by the State prior to 30 April 2005)	“New order” prospecting right.
Department of Minerals and Energy, North West Region – Impala (100%)			
Portion 1 of Reinkoyalskraal 278JQ	Rustenburg operations, Rustenburg	Unused Old Order Right (purchased by Impala from the Evangelical Church of SA (Western Dioceses) (ELCSA) prior to 30 April 2005)	“New order” prospecting right in the name of ELCSA, together with Section 11 application to transfer the prospecting right upon approval thereof to Impala.
Department of Minerals and Energy, North West Region – Unincorporated joint venture between Royal Bafokeng Resources Platinum (Pty) Ltd (51%) and Impala (49%)			
Klipgatkop 115 JQ	Rustenburg operations, Rustenburg	Unused Old Order Right (purchased by Impala from Western Platinum Ltd prior to 30 April 2005)	“New order” prospecting right in the name of Western Platinum Ltd, together with Section 11 application to transfer the prospecting right upon approval thereof to the RBR/Impala joint venture.
Portions of Doornspruit 84JQ and Roodekraalspruit 113JQ	Rustenburg operations, Rustenburg	Third Party Unused Old Order Rights (lapsed on 30 April 2005)	“New order” prospecting right.

MINING CHARTER

The Broad-Based Socio-economic Empowerment Charter for the Mining Industry (the Mining Charter), as contemplated in Section 100 of the MPRDA, was formally published under Government Notice 1639 on 13 August 2004 in

Government Gazette 26661. The group’s response to the Mining Charter, summarised on pages 24 to 28, is detailed in this report.

RESPONSE TO THE MINING CHARTER

Achieved in FY2005	Targets for FY2006	Targets for FY2009										
Human resource development												
<p>Has every employee been offered the opportunity to be functionally literate and numerate by 2005 and are employees being trained?</p> <p>6,484 employees have attended ABET courses since 2000.</p> <p>Impala Platinum: Full and part time classes available: 21.7% of employees estimated to be functionally literate and numerate. 772 employees participated in ABET (FY2004: 571) at a cost of R6.4 million</p> <p>Marula Platinum: 77.6% of employees estimated to be functionally literate and numerate. No ABET training in FY2005 as operations were managed by a contractor</p>	<p>800 employees targeted for ABET. This will bring proportion of workforce that is functionally literate and numerate to 22% at a cost of R6.4 million.</p> <p>60 employees targeted for ABET training at a cost of R600,000</p>	<p>800 employees targeted for ABET per annum. This will bring proportion of workforce that is functionally literate and numerate to 26%.</p> <p>240 employees to be trained.</p>										
<p>Have career paths and skills development plans been implemented for HDSA employees?</p> <p>An integrated workplace skills development plan has been submitted to the MQA for both Impala Platinum and Marula Platinum. Impala has been accredited by the MQA as a training provider.</p> <p>Expenditure on skills development training amounted to R144 million or 5% of payroll (FY2004: R130 million)</p> <p>Generic career paths for all major disciplines are available to assist employees to follow specific careers. Succession planning and individual development plans are available for all HDSA employees identified in talent pools. 90 HDSA employees are presently busy with accelerated programmes.</p> <p>Impala Platinum and Marula Platinum provided the following full time bursaries in core disciplines:</p> <table border="1"> <tr> <td>HDSA</td> <td>37</td> </tr> <tr> <td>Non-designated</td> <td>16</td> </tr> <tr> <td>Total</td> <td>53</td> </tr> </table> <p>Scholarships to the following:</p> <table border="1"> <tr> <td>Employee children</td> <td>75</td> </tr> <tr> <td>School enrichment scholarship HDSA</td> <td>75</td> </tr> </table> <p>Da Vinci Women in mining project: Seven women are presently completing MSc degrees in innovation and technology. Once they have completed their degrees, they will be placed on the accelerated development programme.</p>	HDSA	37	Non-designated	16	Total	53	Employee children	75	School enrichment scholarship HDSA	75	<p>Similar levels of expenditure are targeted (5% of payroll)</p> <p>Implats to continue to offer accelerated training and development programmes within all major disciplines.</p> <p>Will continue to provide: 53 bursaries. 75 children of employees 75 school enrichment scholarships</p> <p>Impala will continue to support accelerated training of women in mining.</p>	<p>Implats will continue to submit comprehensive workplace skills plans in terms of the charter, social and labour plan and company needs</p> <p>Expenditure of 5% of payroll per annum planned for skills training of payroll and development</p> <p>All HDSA employees on succession plan and talent pool will have individual development plans. To continue to train and develop HDSA talent as per work place skills plan for FY2007 to FY2009.</p> <p>Will continue to provide: 53 bursaries. 75 children of employees 75 school enrichment scholarships</p> <p>Impala will continue to support accelerated training of women in mining.</p>
HDSA	37											
Non-designated	16											
Total	53											
Employee children	75											
School enrichment scholarship HDSA	75											
<p>Has the company developed systems to mentor empowerment groups?</p> <p>Mentorship programmes have been developed and implemented – 41 mentors appointed and trained – 75 protégés appointed and trained</p> <p>4 candidates from the Royal Bafokeng Nation are placed on internal experiential training/mentoring programmes.</p> <p>On a corporate level, mentoring is provided to NGOs, co-operatives and SMMEs.</p>	<p>75 protégés to be mentored</p> <p>Impala will continue to give preference to candidates from the Royal Bafokeng Nation. 40 NGOs to be mentored 20 co-operatives to be mentored 15 SMMEs to be mentored</p>	<p>All employees on succession plan and HDSA talent pools to be mentored.</p> <p>Impala Platinum will continue to give preference to candidates from the Royal Bafokeng Nation. 60 NGOs to be mentored 30 Co-operatives to be mentored 30 SMMEs to be mentored</p>										

Achieved in FY2005	Targets for FY2006	Targets for FY2009																																
Employment equity																																		
<p>Has the employment equity plan been published and has annual progress in meeting this plan been reported?</p> <p>Yes, Implats has submitted its employment equity plan annually to the Department of Labour since 2003. The employment equity plan is on display on all notice boards at Impala Platinum. A new plan was completed in June 2005.</p> <p>To accelerate employment equity, transformation steering committees have been set up at all operations. These committees were established in consultation with employee representatives and are responsible for ensuring employment equity progress.</p>	<p>The new employment equity plan is to be implemented across the South Africa operations and will be displayed on notice boards at all operations.</p>	<p>The employment equity plan will be continually revised and updated to ensure it is in line with existing legislation</p>																																
<p>Has a plan been established to achieve HDSA participation in Management of 40% within five years and is the plan being implemented?</p> <p>Yes, a plan has been developed to achieve this target by 2007.</p> <p>Current breakdown of management:</p> <table border="0"> <tr> <td>Non-white (male and female)</td> <td>19%</td> </tr> <tr> <td>Male (non-white)</td> <td>16%</td> </tr> <tr> <td>Female (all)</td> <td>15%</td> </tr> <tr> <td>Females (white)</td> <td>12%</td> </tr> <tr> <td>Total HDSA (including white females)</td> <td>31%</td> </tr> </table> <p>This can be broken down as follows (including white women):</p> <table border="0"> <tr> <td>28% Rustenburg</td> </tr> <tr> <td>13% Marula Platinum</td> </tr> <tr> <td>45% Refineries</td> </tr> <tr> <td>45% Corporate office</td> </tr> </table>	Non-white (male and female)	19%	Male (non-white)	16%	Female (all)	15%	Females (white)	12%	Total HDSA (including white females)	31%	28% Rustenburg	13% Marula Platinum	45% Refineries	45% Corporate office	<p>Achieve 30% HDSA management in next year (42%, including white women)</p> <p>Broken down as follows:</p> <table border="0"> <tr> <td>40% Rustenburg</td> </tr> <tr> <td>30% Marula Platinum</td> </tr> <tr> <td>48% Refineries</td> </tr> <tr> <td>55% Corporate office</td> </tr> </table>	40% Rustenburg	30% Marula Platinum	48% Refineries	55% Corporate office	<p>Management targets:</p> <table border="0"> <tr> <td>Non-white (male and female)</td> <td>40%</td> </tr> <tr> <td>Male (non-white)</td> <td>34%</td> </tr> <tr> <td>Female (all)</td> <td>18%</td> </tr> <tr> <td>Females (white)</td> <td>12%</td> </tr> <tr> <td>Total HDSA (incl white women)</td> <td>52%</td> </tr> </table> <p>Broken down as follows:</p> <table border="0"> <tr> <td>52% Rustenburg</td> </tr> <tr> <td>43% Marula Platinum</td> </tr> <tr> <td>50% Refineries</td> </tr> <tr> <td>62% Corporate office</td> </tr> </table>	Non-white (male and female)	40%	Male (non-white)	34%	Female (all)	18%	Females (white)	12%	Total HDSA (incl white women)	52%	52% Rustenburg	43% Marula Platinum	50% Refineries	62% Corporate office
Non-white (male and female)	19%																																	
Male (non-white)	16%																																	
Female (all)	15%																																	
Females (white)	12%																																	
Total HDSA (including white females)	31%																																	
28% Rustenburg																																		
13% Marula Platinum																																		
45% Refineries																																		
45% Corporate office																																		
40% Rustenburg																																		
30% Marula Platinum																																		
48% Refineries																																		
55% Corporate office																																		
Non-white (male and female)	40%																																	
Male (non-white)	34%																																	
Female (all)	18%																																	
Females (white)	12%																																	
Total HDSA (incl white women)	52%																																	
52% Rustenburg																																		
43% Marula Platinum																																		
50% Refineries																																		
62% Corporate office																																		
<p>Has the company identified a pool of talent and is this being fast-tracked?</p> <p>Impala Platinum has a succession and talent pool system in place which includes HDSA employees. The following HDSA employees are presently on accelerated training programmes:</p> <table border="0"> <tr> <td>Learner official mining</td> <td>27</td> </tr> <tr> <td>Learner official metallurgy</td> <td>3</td> </tr> <tr> <td>Mine overseer development</td> <td>11</td> </tr> <tr> <td>Junior engineer</td> <td>5</td> </tr> <tr> <td>Blasting certificates</td> <td>44</td> </tr> </table>	Learner official mining	27	Learner official metallurgy	3	Mine overseer development	11	Junior engineer	5	Blasting certificates	44	<p>Impala Platinum will continue with accelerated training programmes for 90 HDSA employees in mining, metallurgy, mine overseer, junior engineer and blasting certificate training and development. A development plan is being implemented.</p>	<p>Impala and Marula Platinum will continue with accelerated training programmes for HDSA in mining, metallurgy, mine overseer, junior engineer and blasting certificate training and development. The need will be determined from production, succession planning and talent pool requirements.</p>																						
Learner official mining	27																																	
Learner official metallurgy	3																																	
Mine overseer development	11																																	
Junior engineer	5																																	
Blasting certificates	44																																	
<p>Has a plan been devised to achieve participation by women of 10% by 2009 and is this plan being implemented?</p> <p>Currently 3.5% of employees are women and 15% of managers are women.</p>	<p>A plan has been developed to achieve this target by 2007.</p>	<p>A plan has been developed to achieve this target by 2007.</p> <p>Management targets:</p> <table border="0"> <tr> <td>Non-white (male and female)</td> <td>40%</td> </tr> <tr> <td>Male (non-white)</td> <td>35%</td> </tr> <tr> <td>Female (all)</td> <td>19%</td> </tr> <tr> <td>Females (white)</td> <td>10%</td> </tr> <tr> <td>Total HDSA (incl white women)</td> <td>46%</td> </tr> </table>	Non-white (male and female)	40%	Male (non-white)	35%	Female (all)	19%	Females (white)	10%	Total HDSA (incl white women)	46%																						
Non-white (male and female)	40%																																	
Male (non-white)	35%																																	
Female (all)	19%																																	
Females (white)	10%																																	
Total HDSA (incl white women)	46%																																	

RESPONSE TO THE MINING CHARTER (cont.)

Achieved in FY2005	Targets for FY2006	Targets for FY2009
<h3>Migrant and foreign labour</h3>		
<p>Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour</p> <p>Yes, the company subscribes to such agreements. It also subscribes to the ILO conventions which accord foreign and migrant workers equality before the law. Implats' policy is to reduce the number of migrant workers by focussing on local recruitment, ie employees living within a radius of 60 kilometres of operations.</p>	<p>Group policy is not to discriminate against foreign/migrant labour but to recruit locally where possible.</p>	<p>Increase proportion of local labour making up workforce.</p>
<h3>Mine community and development</h3>		
<p>Has the company co-operated in the formulation of integrated development plans (IDPs) and is it co-operating with government in implementing these plans in communities where mining takes place and in labour-sending areas</p> <p>Both Impala Platinum and Marula Platinum work in close co-operation with public and private sector stakeholders. Since 2003, all major projects implemented by these operations have been incorporated in local government IDPs. Close co-operation is maintained with the relevant authorities in implementing development plans.</p> <p>Impala Platinum has identified projects in the Taung and Eastern Cape areas, and Marula Platinum in the Burgersfort/Steelpoort area. Approximately R10 million was expended in FY2005 on poverty alleviation, education and healthcare projects.</p> <p>Enterprise development: In April 2005, Implats introduced a system of rating suppliers according to both Mining Charter requirements as well as those proposed by the DTI's new Code of Good Practice.</p> <p>Community structures were formed in the vicinity of all Impala Platinum's operations Rustenburg, Refineries and Marula Platinum during FY2005 to facilitate stakeholder involvement. Efforts were made to engage with local communities in labour-sending areas as well.</p>	<p>First projects to be implemented once stakeholder participation process has been completed.</p> <p>Education: Amount allocated to education projects to increase to R7.2 million in FY2006.</p> <p>Healthcare: R2,6 million has been budgeted for healthcare projects planned for FY2006</p> <p>Enterprise development: A baseline will be determined during FY2006 and targets will be revised for FY2009.</p> <p>To continue process of engaging selected stakeholders and learning from each other, R1.2 million has been allocated to develop, maintain and improve stakeholder engagement.</p>	<p>Education: A budget of R8.5 million</p> <p>Healthcare: The target is to develop the capacity of these programmes to conduct 60,000 home-based care visits annually by FY2009</p> <p>Enterprise development: Targets to be revised</p> <p>R2 million has to be allocated in FY2009 to maintain the stakeholder engagement level agreed.</p>
<p>Has the company engaged with local mining communities and those in labour-sending areas?</p> <p>Community structures to facilitate stakeholder involvement were formed in the vicinity of all the South African operations during FY2005. Effort was made to engage with local communities in labour-sending areas as well.</p>	<p>To continue process of engaging selected stakeholders and learning from each other, R1.2 million has been allocated to develop, maintain and improve stakeholder engagement in FY2006.</p>	

Achieved in FY2005	Targets for FY2006	Targets for FY2009								
<p>Housing and living conditions</p> <p>For company provided housing, has the mine in consultation with stakeholders established measures for improving housing, including the upgrading of hostels, conversion of hostels to family units and promotion of home ownership options for mine employees?</p> <p>An accommodation policy has been implemented and a draft accommodation strategy has been submitted to line management for comment.</p> <p>Impala Platinum has two housing schemes:</p> <ul style="list-style-type: none"> • A subsidised scheme which will run for five years only. • A collateral scheme in terms of which 1,510 people have become home-owners. <p>Capital expenditure of R15 million budgeted for FY2004 – FY2006 for housing upgrades, R7.5 million spent to date a upgrade of 97 houses.</p> <p>Currently, three hostels are in use. The number of hostels residents has declined from 9,941 to 9,600. There has been a decline in room density.</p>	<p>A new home ownership scheme is being investigated which is affordable to both the company and the employees.</p> <p>Another 103 houses to be upgraded. The number of hostel residents is to be reduced to 9,000. Hostel residents will be encouraged to stay with their families and will be assisted with the housing option.</p> <p>Discussions with the Housing Forum on hostel matters will continue. Once all stakeholders have reached agreement in terms of hostel conversion, plans will be submitted to management.</p>	<p>The aim is to increase the number of home owners by 10%.</p> <p>200 homes in total will be upgraded. Application for upgrading of company houses approved and upgrading to continue. Hostel residents to be reduced to 7,953.</p> <p>Plans to be implemented, a hostel conversion, (i.e. lower room density, family units or using vacant hostels) for the benefit of the community.</p>								
<p>Have measures been established to improve the nutrition of mine employees? What has been done to improve nutrition? Show plan to progress this overtime and demonstrate that plan is being implemented.</p> <p>At Impala Platinum, the nutritional value of the meals served to hostel residents was evaluated and a more nutritious, balanced menu implemented in September 2004. A new menu which increased the kilojoules provided daily from 14,500 to 17,500 was implemented on 1 December 2004. The cost of this increase is R4 million annually.</p>	<p>A dietician has been appointed to monitor the nutritional quality of meals served and to undertake annual evaluations of the menu. The dietician's report and recommendations will be discussed with hostel structures.</p>	<p>Ongoing annual reports from dietician to be submitted with recommendations.</p>								
<p>Procurement</p>										
<p>Have current levels of procurement from HDSA companies in terms of capital goods, consumables and services been identified.</p> <p>Implats has developed a procurement policy to identify and develop accredited HDSA suppliers and to facilitate the company's spend with such suppliers. Of total spend of R3.9 billion at the South African operations in FY2005, R1,159 billion was spent with HDSA suppliers (FY2004: R500 million).</p> <p>Current estimates are:</p> <table border="0"> <tr> <td>Capital goods</td> <td>9.3%</td> </tr> <tr> <td>Consumables</td> <td>14.4%</td> </tr> <tr> <td>Services</td> <td>5.7%</td> </tr> <tr> <td></td> <td>29.4%</td> </tr> </table>	Capital goods	9.3%	Consumables	14.4%	Services	5.7%		29.4%	<p>A baseline will be determined during FY2006 and targets will be revised by FY2009 according to the criteria required by the draft Code of Good Practice.</p>	<p>A target of 30% of total procurement through HDSA companies has been set for FY2009 according to the criteria set out in the Mining Charter.</p>
Capital goods	9.3%									
Consumables	14.4%									
Services	5.7%									
	29.4%									
<p>Has commitment been made to a progression of procurement from HDSA companies over a three-five year time frame in terms of capital goods, consumables and services, and to what extent has this been implemented.</p> <p>Yes, such commitment has been made. In April 2005, Implats introduced a system of rating suppliers according to both Mining Charter requirements as well as those proposed by the Department of Trade and Industry's (DTI) Code of Good Practice.</p>										

RESPONSE TO THE MINING CHARTER (cont.)

Achieved in FY2005	Targets for FY2006	Targets for FY2009						
<h3>Ownership and joint ventures</h3> <p>What is being done to ensure the company achieves 15% HDSA participation in terms of ownership of equity or attributable units of production by 2009 and 26% by 2014.</p> <p>By Implats' own calculation – which is subject to verification and interpretation by the DME – the group's current HDSA holding is in the region of 9%. This is made up as follows:</p> <table border="0"> <tr> <td>RBN</td> <td>1.5%</td> </tr> <tr> <td>Credits from sale of Lonplats</td> <td>7.5%</td> </tr> <tr> <td>Marula Platinum</td> <td>20% set aside for BEE stake</td> </tr> </table>			RBN	1.5%	Credits from sale of Lonplats	7.5%	Marula Platinum	20% set aside for BEE stake
RBN	1.5%							
Credits from sale of Lonplats	7.5%							
Marula Platinum	20% set aside for BEE stake							
		Implats is committed to achieving 15% HDSA ownership by 2009 and 26% by 2014.						
<h3>Beneficiation</h3> <p>Has the current level of beneficiation been identified?</p> <p>Platinum is supplied/exported largely in the form of bars to jewellery manufacturers and as a powder to automotive manufacturers, a significant proportion of which is supplied locally to one of the largest manufacturers of autocatalysts.</p> <p>In 2004, the first platinum jewellery beneficiation project, Silplat (Pty) Ltd, in the country was set up. In addition to its equity interest of 17.5% in Silplats, Implats also participates by way of a platinum loan.</p> <p>In excess of US\$100 million of nickel has been sent to local fabricators for beneficiation to stainless steel alloys and castings.</p> <p>As the Beneficiation Act has not yet been promulgated, Implats has appointed a representative to assist the DME to determine the criteria to qualify for an offset.</p>								
	<p>Targets for growth are entirely dependent on the maintenance of the MIDP scheme.</p> <p>Target beneficiation for 2006 is 400 kilograms.</p> <p>Growth from this sector can only be achieved through additional processing of tolled material.</p>	<p>Together beneficiation growth for the period up to 2009 is as follows:</p> <p>2007 – 500 kilograms 2008 – 600 kilograms 2009 – 700 kilograms</p> <p>US\$150 million</p>						
<p>Has the baseline level of beneficiation been identified and has the company noted the extent by which this will have to increase to qualify for an off-set?</p> <p>As the Beneficiation Act has not yet been promulgated, Implats has appointed a representative to assist the Department of Minerals and Energy to determine the criteria to qualify for an off-set.</p>								
<h3>Reporting</h3> <p>Does the company report annually on progress made in meeting its commitments?</p> <p>Yes it does. Since reporting on it for the first time in 2003, Implats has reported annually, both in its annual report and its corporate responsibility report, on progress made in terms of the guidelines set out by the Mining Charter Scorecard.</p>								

JSE LIMITED'S SOCIALLY RESPONSIBLE INVESTMENT (JSE SRI) INDEX

The JSE SRI Index, the first of its kind in an emerging market, was launched by the JSE in May 2004 as a platform for showcasing companies listed on the exchange that achieve a predetermined score in relation to a set of criteria that measures corporate commitment and performance with regards to triple bottom line reporting (i.e. social, environ-

mental and economic sustainability) within the broader corporate governance framework.

Implats submitted the requisite information to the convening authorities of the JSE SRI and is one of 51 companies accepted onto JSE SRI Index 2005. The group's performance in 33 core and 37 non-core indicators received a total score of 137, as detailed in Table 3.

Table 3: Summarised Implats scorecard for JSE SRI Index 2005.

Indicator category	Required score	Achieved
Corporate Governance	16	34.6
Environment	22	33.2
Economy	21	29.4
Society	25	39.7
TOTAL	84	136.9



The Marula Platinum mine at night.