

2007 ANNUAL REPORT

Environmental performance

Implats recognises that its mining, smelting and refining operations have an impact on the natural environment and the communities surrounding its operations. A comprehensive group management strategy is in place to minimise and mitigate these impacts and the risks associated with them.

Policy and governance

At board level, the SHE Audit Committee oversees environmental issues, and environmental performance is reported to this committee on a quarterly basis. Measures to mitigate environmental impacts form a key component of the company's mining licence applications and maintenance, with extensive permitting in place at all operations in line with relevant legislation. New legislative requirements are monitored on an ongoing basis to ensure that the group's activities are aligned and in compliance with these. No significant breaches of environmental laws, regulations or standards were reported within the group during FY2007, and no fines were imposed. Legal compliance audits were undertaken at Impala Rustenburg, Mimosa and Zimplats, and no major areas of non-compliance were recorded. A similar audit is planned for Marula in FY2008.

Furthermore, all the permits required for operations are in place or have been applied for. In particular, Impala's Rustenburg operation submitted an Environmental Management Plan (EMP) and Environmental Impact Assessment (EIA) to the relevant authorities for the proposed 17 shaft and is finalising the EIA and EMP for the proposed smelter upgrade and expansion, while Marula has begun an EIA for the proposed Merensky project.

Impala's Precious Metals and Base Metals Refineries are currently concluding all the requirements necessary for the Phase II expansion, in line with the Record of Decision received from the local authorities in 2004. A scoping document for the next phase of expansion to production of 3.5 Moz platinum has been submitted to the Gauteng Department of Agriculture, Conservation and Environmental Affairs as required by the EIA regulations.

Environmental management forms an integral part of site-based line management, with senior operational management aware of its responsibility for environmental matters. Environmental staff are employed at all operations to assist line management, and the environmental team based at Impala Rustenburg is available to provide assistance and guidance to the other operations within the group as required. Contractors to the group are expected to abide by the company's SHEQ policy and this forms part of the negotiated contracts with contractors.

Key features

- ISO14001 certification in place at Impala Rustenburg and Springs, Mimosa and Zimplats
- Emission of sulphur dioxide (SO₂) per platinum ounce increased by 6%
- Direct and indirect greenhouse gas emissions considered and calculated
- Total water consumption increased by 11.7%; total consumption per platinum ounce was 1.8% up
- Total fresh water usage decreased by 12.3% while fresh water consumption per platinum ounce decreased by 20%
- 33.5% of water currently consumed is recycled internally; an additional 16.3% is treated effluent from external sources
- Total energy usage increased by 0.6% but declined by 8.3% per platinum ounce produced
- Total rehabilitation provision of R330.1 million as at 30 June 2007

ISO14001 certification

Operation	Date of ISO certification	Valid until	Certified by
Impala Platinum Rustenburg	May 2003, recertified in June 2006	March 2009	DQS (South Africa)
Springs	May 2000, recertified in August 2006	April 2009	Bureau Veritas, through UKAS
Marula	Marula is in the process of implementing an ISO14001 based EMS. The certification process is planned for FY2009.		
Zimplats	SMC – October 2004 Ngezi Mine – November 2005	November 2008	DQS (South Africa)
Mimosa	May 2007	April 2010	NQA Africa (SA)



Environmental performance

Environmental management systems based on ISO 14001 are in place, or are being implemented, at all operations. ISO 14001 certification was attained at Impala's Rustenburg and Springs operations, at Mimosa and at Zimplats. Marula aims to start its external audit process in FY2009. Several standards and procedures were developed and definitions established at both a group and site level during the year in support of the environmental management system. In addition, closure plans have been developed for Impala Rustenburg and Zimplats.

Although the various operations may have site-specific policies in place, these are aligned with and guided by the group-level policy which is available on the company's website. Impala Springs has also been audited by the International Responsible Care Initiative.

Incident reporting systems have been implemented at all operations although there are operational variations. As a rule, however, vigorous reporting is encouraged – even if there is minimal environmental impact – and a summary of incidents is provided to the SHE Audit Committee. At Impala and Marula, incidents are categorised into four levels depending on the nature of their impact, namely critical, high, moderate and low.

There are 24-hour hotlines in place at both the Rustenburg and Springs sites.

Performance during FY2007

While environmental priorities and the potential for environmental risk vary from site to site, broadly these can be categorised as:

- air and noise pollution;
- water discharge and ground and surface water pollution;
- resource usage – water and energy;
- storage, handling and management of hazardous materials;
- waste management; and
- land management.

Air quality management

Air quality management is of particular importance in the areas surrounding the company's smelting and refining assets, located at Impala's operations in Rustenburg and Springs in South Africa and at the smelter at Zimplats in Zimbabwe, and the company has therefore intensified its efforts to reduce both dust and gaseous emissions.



2007 ANNUAL REPORT

The main gaseous emission from the smelting operations is sulphur dioxide (SO₂). Given the group's current expansion plans, limiting these emissions has been a significant area of focus at Impala and, during FY2007, an emission reduction strategy was embarked upon to ensure that requirements as specified by the National Environmental Management: Air Quality Act of 2004 are met, that visible emissions are minimised and that the occupational exposure of employees is limited.

In line with the Rustenburg smelter expansion programme, greater volumes of off-gases will require treatment and thus gas cleaning capacity will need to increase significantly. A number of off-gas cleaning processes were investigated, with a key requirement being a 65% reduction in sulphur dioxide per platinum ounce produced. The process selected involves an expansion of the existing gas-cleaning infrastructure, with the construction of two new lime-scrubbing plants for tail gases and fugitive gases. The project is currently under way at a cost of some R850 million and final commissioning is scheduled for December 2008. (The pollution abatement programme comprises around 50% of capital expenditure at R430 million.)

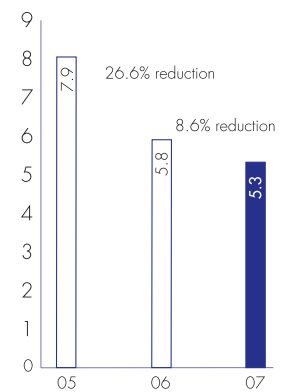
Good progress has been achieved in recent years in reducing sulphur dioxide emissions at Impala's Rustenburg operations, largely owing to the commissioning of the company's sulfacid plant in 2003 and improvements in the availabilities and efficiencies of the acid and sulfacid plants. Total sulphur dioxide emissions per ounce of platinum produced declined again in FY2007 by 8.6% to 5.3kg per platinum ounce (FY2006: 5.8kg per platinum ounce).

At Impala Springs, the primary gaseous emission is also sulphur dioxide. Stack sampling has now been supplemented by the commissioning of two ambient monitoring stations which enables a better understanding and tracking of plant emissions. These stations continuously monitor PM10, SO₂, ammonia, NO₂, NO and meteorological conditions. The commissioning of the NO₂ scrubber and the upgrade of the ignition scrubber (which scrubs ammonia) were achievements during the year.

Delays have been experienced with the implementation of an air quality monitoring programme at Zimplats as a result of problems with the commissioning of equipment installed during the year.

At Impala Springs, ambient noise levels are an area of concern and a comprehensive noise management plan is being developed. All major sources of noise were identified during the year and 71% of these have been brought into compliance with regulations.

Impala Rustenburg – SO₂ smelter emissions (kg SO₂/Pt oz)



Rehabilitation liabilities and provisions (R million)

		Rehabilitation liability FY2007	Rehabilitation provisions FY2007
Impala*	Rustenburg	498.8	213.4
	Springss**		
Marula*		63.1	21.1
Zimplats		102.2	87.3
Mimosa		11.6	8.3
Group		675.7	330.1

* In accordance with accounting requirements.

** There is no legislation in place to regulate rehabilitation liabilities for Impala Springs.



Environmental performance

Accounting for greenhouse gas emissions

During FY2007, Implats undertook an internal evaluation of the risks and opportunities faced by the company in respect of climate change and conducted a preliminary greenhouse gas emissions audit. Details may be found on the website.

While the company does not foresee significant regulatory risks to its business in respect of emission limits or energy efficiency standards, the company is committed to developing and implementing strategies that will see it become more efficient and conserve resources. A group policy is currently being developed and, once finalised, will be made available on the company's website.

The potential does exist for rising input costs, particularly given increases in water, electricity and fuel costs, and the risks to production caused by power and water shortages. However, these appear to be outweighed by the potential for increased demand for the group's metals – platinum, palladium and rhodium – as a result of ever more stringent vehicle emissions legislation globally and as alternative fuel generation technology, such as hydrogen fuel cells, becomes a reality.

Water management

In line with its commitment to comply with standards and in recognition of water as a scarce resource, the group is endeavouring to reduce water consumption, optimise the recycling of fresh water (which is dealt with below) and mitigate any negative impacts of its operations on local and regional water bodies.

The primary concern in respect of water pollution is the potential release of sulphates, chloride and nitrates into receiving water bodies. Groundwater sampling is regularly undertaken at all operations, as well as sampling of surface water. A regional groundwater model developed in 2003 for Impala's Rustenburg operations is updated annually.

Impala Springs is a zero effluent operation, but water had to be discharged to the local sewer during the year to maintain pond levels. A holistic water management plan is being implemented to maximise recycling and to control storm water in order to maintain its zero effluent status.

A project currently under way at Impala Rustenburg involves the conversion of the Rockwall dam (which is currently a return water dam that contains contaminated water from the tailings dam) into a clean water dam over the next few years by minimising

Internally recycled and externally treated effluent consumed (kl and % of total water consumption)

		kl recycled FY2007	% of total consumption	kl recycled FY2006	% of total consumption
Impala	Rustenburg (internally recycled)	7,893,011	32.1	10,634,238	45.4
	Rustenburg (from externally treated effluent)	5,632,922	22.9	–	–
	Spring	456,792	35.1	305,895	26.3
Marula		1,227,010	34.7	886,012	53.5
Zimplats		1,147,584	38.6	725,301	26.6
Mimosa		834,062	40.1	–	–
Group		17,191,381	49.8	12,551,446	40.6

2007 ANNUAL REPORT

Total water consumption* (kl)		FY2007	FY2006	% change
Impala	Rustenburg	24,608,446	23,402,953	5.2
	Springs	1,309,755	1,161,235	13.2
Marula		3,536,662	1,654,792	113.7
Zimplats		2,972,352	2,726,238	9.0
Mimosa		2,077,610	1,941,260	7.0
Group		34,504,825	30,886,478	11.7

* Total water consumed includes various sources of water (including fresh water and recycled water).

discharges into this dam. Not only will this decision result in a reduction in the immediate environmental impact of the operation, but it will also reduce the environmental liability on closure. Capital expenditure of R50 million is planned for this project.

Minimising resources used – water and energy

The primary resources used (apart from rock mined) are energy and water, and programmes are under development to minimise the use of these scarce resources.

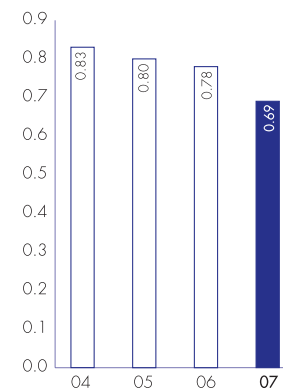
Water

In respect of optimising water usage, conservation programmes include the recycling of water within the company's own operations by drawing treated effluent into the processing facilities. Impala's Rustenburg operation has an agreement in place with the Rustenburg Water Services Trust for the usage of treated effluent. However, this facility was initially not able to deliver the planned 10 megalitres per day required, which has had an impact on the achievement of the reduced fresh water consumption targets. Rustenburg achieved a reduction of 5.2% in total water consumption and a 13.2% reduction in fresh water consumption despite this.

Total water consumption by the group in FY2007 increased by 11.7% and that of consumption per platinum ounce by 1.8%. However, fresh water consumption by the group decreased by 12.3%.

The effluent treatment plant at Impala Springs has reached full capacity and a capital project is currently under way to deal with bottlenecks at the plant.

Impala Rustenburg – unit consumption of fresh water (kl/t milled)

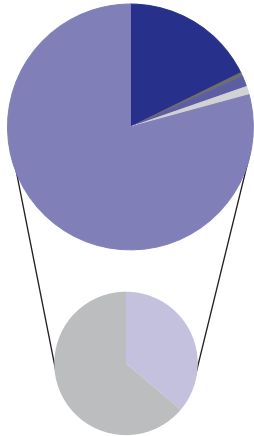




Environmental performance

Implats – Breakdown of group energy consumption (% of total GJ)

- Diesel 6.4%
- Petrol 0.2%
- IBO 0.5%
- LPG 0.4%
- Coal 28.6%



- Direct energy 36.2%
- Indirect energy 63.8%

IBO: Industrial burning oil
 LPG: Liquid petroleum/gas
 Direct energy: energy from fuel burning
 Indirect energy: energy from purchased electricity

Energy

Implats is a signatory to the DME's Efficiency Accord in terms of which the group has pledged a 15% decline in energy demand from 2000 to 2015.

At Impala Rustenburg during the year under review, a materials handling project which was commissioned in the drying section of the smelter resulted in a 10% reduction in coal consumption. It is the group's overall objective to improve energy efficiency year-on-year. All operations are expanding so a reduction in total energy consumption is not possible at this stage, however, improved energy efficiency remains a target.

Total energy consumption (which includes energy from all sources) rose by 0.6% to 15.7 million GJ in FY2007. Energy consumption per ounce of platinum produced decreased by 8.3% to 7.7GJ per platinum ounce produced.

Waste management, and the management and rehabilitation of land disturbed by mining
 The group has a significant area of land under management – 94,022ha in total as at the end of FY2007. None of the groups operations are located in protected areas or in areas of high biodiversity value, although red data species are located in the vicinity of the Marula operations and are catered for in Marula's EMP. A biodiversity management plan is currently being developed for Impala Rustenburg.

Impala Springs is a corporate trustee of the Blesbokspruit Environmental Centre, just outside Springs. The centre, which provides environmental education to schools and communities, is located in a wetland site.

Total energy consumed* (000GJ)		FY2007	FY2006
Impala	Rustenburg	10,441	10,639
	Springs	2,789	2,569
Marula		472	419
Zimplats		1,468	1,456
Mimosa		491	480
Group		15,661	15,563



2007 ANNUAL REPORT

During the process of mining, significant amounts of ore (that is minerals-bearing material) and waste rock are brought to surface and processed to extract the precious metals. Waste rock and tailings (the slurry left behind when the minerals concentrate is sent on for further processing) are deposited on surface in waste rock dumps and tailings dams respectively. These dumps represent a potential source of ground and surface water contamination and the company is currently investigating ways of minimising this impact. The rehabilitation process of the waste rock dumps will include landscaping and vegetation as appropriate to the area of operation and as appropriate to its designated land use.

Woodchips and sewage sludge from the Rustenburg operations continue to be collected for the manufacture of compost by Monontsha, a community-based business. This is then used in the rehabilitation of the tailings dam slopes. Impala Rustenburg is currently in the process of re-vegetating the existing two tailings dam complexes with 34.3ha of 430ha having been rehabilitated to date.

Opencast mining areas at Impala Rustenburg and at Zimplats are also being rehabilitated as mining progresses. To date 108.2ha and 2.9ha have been rehabilitated respectively.

Waste management strategies have been implemented at all operations and a waste management module is being implemented as part of the group's SAP management programme will assist in the improved management and minimisation of waste.

Closure plans have been compiled for Impala's Rustenburg operations and for Zimplats. Mining at Zimplats' Ngezi opencast operation will cease in April 2008.

The single largest waste stream generated by Impala's Refineries in Springs is the salt generated by the Precious Metals Refinery crystalliser which came into full operation in February 2007. By the end of FY2007, a total of 2,656 t had been disposed of. Test work is under way to determine an alternative to disposal.

In addition, a total of 726t of jarosite was disposed of at a permitted landfill site during the year. Jarosite is an iron-based waste product that remains after the PGMs and base metals have been leached out of the matter.

Objectives for FY2008

An overriding priority in respect of environmental performance is to achieve, maintain and where practicable, exceed compliance with all relevant laws, policies and guidelines.

Areas of focus for FY2008 are the full implementation of an ISO 14001-based environmental management system across the group and the maintenance of external certification. In particular, certification of the Marula operations in line with ISO 14001 is planned for FY2009.

Environmental performance

In line with the continuous improvement processes advocated by ISO 14001, specific targets for FY2008 include:

- improved energy efficiency across the group so as to meet the 2015 target of a 15% reduction in energy demand based on energy consumption levels of 2000;
- a continued reduction in fresh water consumption by increased emphasis on recycling initiatives; and
- the continued reduction of sulphur dioxide and dust emissions from all group smelters and refineries.

It is also a key group objective to establish and maintain open and constructive relationships with all stakeholders in respect of environmental performance. The ongoing use of hotlines, open days and newsletters forms part of this, as does the rapid response to complaints from members of the public. An important part of this process is the training of management and employees, and indeed local communities, in respect of environmental awareness and their active engagement in any site developments; as well as the continued dialogue with and holding to account of contractors.

