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Social performance – Human capital

Policy and governance

Labour relations in South Africa is governed by, among others, the Labour Relations Act, the Employment Equity Act, aspects of the Mine Health and Safety Act, and the Mineral Resources and Petroleum Development Act (MPRDA) and the accompanying Mining Charter. The employer/employee relationship is also influenced by the Constitution of the country and by the country's subscription to certain international regulations and conventions, including various International Labour Organization (ILO) declarations.

While the management of employees falls under the jurisdiction of operational management, specialist human resources, training and industrial relations personnel support line management in this endeavour. Mine-based human resources and training personnel report to a group-level human resources executive. Other group functions that support the operations include a transformation department and a talent management discipline.

Relationships with the bulk of employees are governed through collective bargaining processes. There are two major unions that are recognised at the South African operations: the National Union of Mineworkers (NUM) (representing 59% of employees) and the United Association of South Africa (UASA) (9% of employees).

Recognition and other agreements enacted at an operational level regulate workplace relationships, including salaries and salary reviews, conditions of service, notice periods for operational changes, participation by employees or unions in various decision-making forums. Labour relations in Zimbabwe is governed by the National Labour Act and by the collective bargaining agreement negotiated at an industry level by the National Employment Council for the Mining Industry. About 90% of Implats employees and about 92% of Mimosa's employees are covered by collective bargaining agreements. Workers' committees are involved in operation-based interaction with management.

Performance during FY2007

Creating employment

Implats is proud to be a significant source of direct and indirect employment in South Africa and Zimbabwe. As at the end of FY2007, the group employed 43,150 people in South Africa (89%) and 5,040 people in Zimbabwe (9%), giving a total employment figure of 47,190 which is 9% higher than the figure for FY2006. This number includes 33,405 employees (71%) and 13,785 contractors (29%). The year-on-year increase is related to the group's expansion programmes at Marula, Zimplats and Mimosa.

In total, 3,054 employees left the group during FY2007 (resignation, retirement, dismissal, death), with the annual group turnover rising to 10%. Turnover is higher than is desired owing to competition for employment opportunities in the mining and construction industries in southern Africa. Scarce resources and accommodation shortages in the major regions in which the company operates have exacerbated the situation, as have the increasingly difficult socio-economic conditions in Zimbabwe.

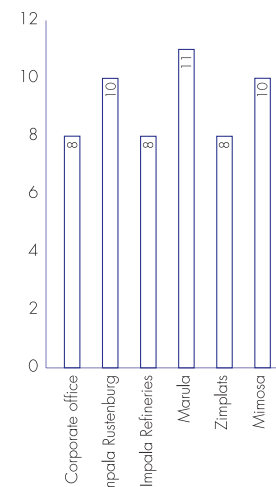
During FY2007, the group reviewed both its remuneration and accommodation strategy and put in place a significantly improved overall benefits package to align individual employees' performance with that of the group and to enable the group to attract and retain qualified and competent personnel. In addition to wages, employees enjoy a wide range of benefits including health care; medical aid; maternity leave; pension and/or provident funds; share ownership or incentive schemes; and housing and schooling allowances.

Wage negotiations for the bulk of South African employees are undertaken through a single collective bargaining unit. The 2007 wage negotiations were successfully concluded with

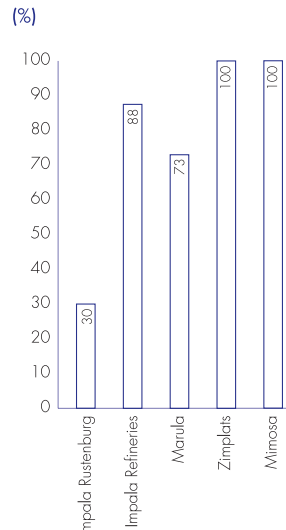
Key features

- 47,190 people employed by the group – (33,405 employees and 13,785 contractors)
- 1,031 employees participated in ABET
- R174 million spent on training
- 29.1% of management made up by HDSAs
- 16.5% of management are women

Implats employee turnover FY2007 (%)



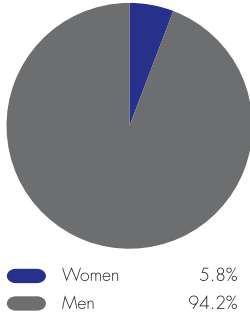
Implats literacy levels FY2007 (%)



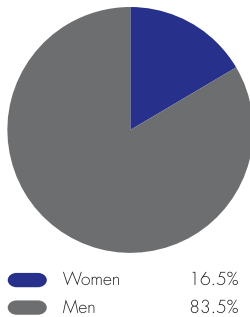


Social performance – Human capital

SA operations –
women in mining



SA operations –
women in management



the signing of a two-year wage agreement with the NUM and UASA. In Zimbabwe, collective bargaining is undertaken at a national level through the Chamber of Mines, with the recognised trade union, the Associated Mineworkers Union of Zimbabwe.

Training, education and development

Significant emphasis is placed on training and education at all levels within the company. A particular area of focus in South Africa is the provision of Adult Basic Education and Training (ABET) given the high levels of illiteracy. Literacy levels are currently estimated at around 35.3% at the South African operations. All employees at the Zimbabwean operations are deemed to be literate. In FY2007, 1,031 employees participated in ABET classes at a cost to the group of some R12.9 million. Since 2000, a total of 8,465 Implats employees have participated in ABET courses run by the group.

Total training expenditure in the group in FY2007 was R174 million, with employees receiving on average between 50 and 90 hours of training during the year. A wide variety of training is offered, from technical training, to safety training, to supervisor and management development. Generally, performance appraisals are conducted on an annual basis in accordance with pre-determined and known criteria.

A total of 50 bursaries were provided by the South African operations for tertiary education at a cost of R4.9 million. Of the bursaries provided, 82% were to HDSAs. In addition, 75 scholarships were provided at secondary school level, all to HDSAs.

Diversity and equal opportunity

While the group aims to provide satisfactory careers and career development plans to all employees, in South Africa, in particular, the attraction, training and development, promotion and retention of HDSAs is of particular importance. The group reports on its progress in this regard in terms of both the Employment Equity Act and the Mining Charter. (See the Corporate Governance report for the most recent report on targets and progress.)

Specific mechanisms have been implemented to meet the HDSA in management target of 40% set by the Mining Charter including: skills transfer; preferential recruitment of HDSA candidates; accelerated training; and a bursary scheme. A talent management programme – undertaken at a cost of some R20 million in FY2007 – is being run across all South



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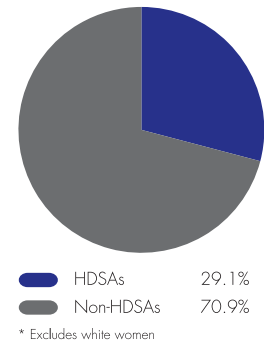
African operations. At the end of FY2007, 29.1% of senior and middle management were HDSAs (HDSA excludes white women).

The group is on track to achieve participation of 10% of women in mining within five years and is implementing this process through specific career development plans, individual development programmes, accelerated training programmes, mentoring programmes and the creation of promotional opportunities. At the end of FY2007, 5.8% of all permanent employees and 16.5% of senior and middle management were women. Specific policies and programmes have been put in place to facilitate the entrance of women in mining, including a pregnancy policy and a sexual harassment policy. In addition, further surface change houses and underground ablution facilities have been provided.

Human rights

Provisions for human rights and the elimination of discrimination are entrenched in the Constitution of South Africa, by legislation and Implats' own policies and recognition agreements. These include the right to freedom of association and collective bargaining, the elimination of child labour, forced or compulsory labour, and certain indigenous rights. In Zimbabwe, the right to strike is not allowed by law. A few incidents of racial discrimination and sexual harassment were reported at the operations during the year. All incidents were investigated, the necessary hearings were held and outcomes dealt with appropriately.

SA operations – HDSAs in management*



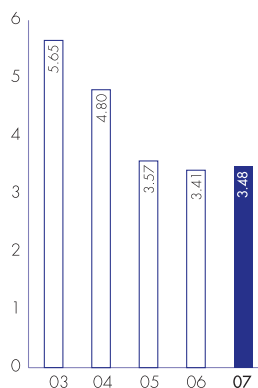


Social performance – Safety

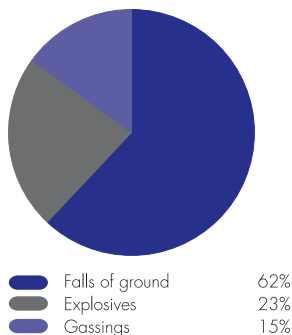
Key features

- Regrettably, 13 people died at work at Implats operations
- Marginal deterioration in group LTIFR to 3.48 per million manhours
- Revised emphasis on safety and health, particularly on falls of ground
- Excellent safety performance at Impala Refineries and at Zimplats

Implats – LTIFR
(per million manhours)



Causes of fatal accidents (%)



Policy and governance

Safety is an integral part of the responsibility of line management at all of Implats' operations. Issues relating to safety are dealt with by management committees at an operational level, and, at a corporate level, by the group's Executive Committee (Exco) and at quarterly meetings of the SHE Audit Committee. Specialist safety personnel are employed at all operations to support line management in managing safety issues, to monitor and audit performance, to undertake regulatory reporting and to develop specific programmes in response to identified needs.

Formally constituted safety and health committees are a requirement of the South African Mine Health and Safety Act and their effective functioning underpins the joint responsibility for safety and health at an operational level. Committees are in place at all Implats' operations. The functioning of these committees is regulated by the health and safety agreements that have been entered into with the representative trade unions which deal with a broad range of safety issues, including:

- the election of full-time health and safety representatives, as well as safety stewards, and the functions that they should fulfil;
- procedures for employees to exercise their rights to withdraw from circumstances that they perceive to be dangerous;
- training of safety and health representatives;
- procedures for the resolution of disputes relating to safety and health;
- participation in incident investigations; and
- any other issues relating to safety and health which may arise.

By virtue of the collective bargaining agreements in place in South Africa and worker committees in Zimbabwe, all employees are represented in these safety and health forums at an operational level.

Performance during FY2007

The group's safety performance during FY2007 was extremely disappointing, with 13 employees losing their lives in work-related injuries during the year (FY2006: 7). Nine of these fatalities were at Impala's Rustenburg operations, three at Mimosa and one at Marula. The board and management of the group extend their sympathies to the families and friends of those who have died. Further information on the nature of the injuries and the people involved may be found on our website. Another fatality occurred at a non-managed group operation, Two Rivers Platinum, during the year. (This is not included in Implats' statistics.)

The primary cause of fatal accidents remains falls of ground (62%), followed by explosives (23%) and gassing (15%). Fatalities as a result of gassing are rare but, tragically in FY2007, two employees died from this cause at Mimosa.

The group's LTIFR deteriorated marginally to 3.48 per million manhours while the all injury frequency rate rose by 5% to 22.95 per million manhours. The primary cause of lost-time injuries is also falls of ground (29%), followed by equipment and material handling (25%), slips and falls (11%), scraper-related injuries (9%), and trucks and tramming (8%).

Both Zimplats and the Impala Platinum Refineries recorded excellent safety performances, despite the fact that both of these operations undertook significant expansions during the year.

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It is of particular concern to the group that the significant progress made in recent years in improving safety performance has not been maintained and the specific targets set for FY2007 have not been met. Intensive efforts are being made to address safety performance and these include:

- the implementation of a new incident investigation system at Impala to assist in understanding the root causes of injuries;
- the re-introduction of a strata control course to improve employees' knowledge of geological features. A task team was formed at Impala's Rustenburg operations in light of the fact that the majority of fatal and serious injuries are caused by falls of ground. The task team identified six key themes, with 18 projects planned to address the issues identified based on accident analyses and audits. A project champion has been assigned to each project and tasked with formulating initiatives and action plans to minimise the risk associated with each theme;
- a safety roadshow was conducted at Impala's Rustenburg operations to heighten safety awareness and to reinforce the mindset that mining can be undertaken without injury;
- enhancement of the functioning of the safety and health committees, particularly at Impala's Rustenburg operations and Marula;
- a review of procedures on the handling of noxious gases at Mimosa;
- improving the management and control of explosives at all operations; and
- a focus on training, particularly in respect of basic hazard identification. A key shortcoming identified at Impala's mining operations during the year was the high turnover experienced among supervisory staff, which had an impact on safety performance. At Marula, the continued ramp-up of operations has required ongoing recruitment and the local employee base's lack of experience in mining, has necessitated a significant amount of additional training.

Increased use of risk assessment as a tool in safety management

This has been used to particularly good effect at Zimplats where baseline and issue-based risk assessments have been undertaken in all departments. In addition, increasing use has been made of pre-task risk assessment.

Progress continues to be made towards the implementation of OHSAS18001 although an evaluation of this occupational health and safety management system is still being undertaken at Impala's Rustenburg operations. Mimosa achieved OHSAS certification in May 2007, while the Impala Refineries is on track to implement the system in FY2008. Gap audits are currently being undertaken at Zimplats.

Objectives for FY2008

The group's long-term goal of achieving 'zero harm' remains in place and will be pursued with renewed vigour in FY2008. In addition, the group aims to introduce OHSAS18001 as the group safety management system by 2010.

Specifically, in FY2008, Implats' primary objectives in terms of safety are as follows:

- to achieve zero fatalities at all operations;
- to reduce the group LTIFR to below two per million man-hours, an improvement of 43% on FY2007;
- to reinforce the concept of 'visible felt leadership' (where leaders coach people at work and demonstrate zero tolerance for unsafe acts or conditions) and to empower employees so that they accept responsibility for their own safety;
- to improve incident root cause investigations and reporting;
- to develop leading indicators that will indicate the effectiveness of our safety systems; and
- to develop risk-related Platinum Rules for every department and area within the group.

Safety achievements in FY2007

- Impala Rustenburg – Shafts that achieved one million fatality-free shifts during FY2007: 4 shaft, 1 shaft, 7 shaft, 6 shaft and 11 shaft
- Marula was awarded the Millionaire Shield by the Mine Health and Safety Council on 11 October for achieving one million fatality-free shifts. This took a period of 20 months to achieve.
- Zimplats received a number of safety awards including the Mining Gold Shield for the best safety achievement among all mines in Zimbabwe, the Premier Gold Zimbabwe award and the EMCOZ Rothmans Gold Shield for the best company in the country in respect of safety.

Operation		Fatal injury frequency rate (per million manhours)	
		FY2007	FY2006
Impala	Rustenburg	0.111	0.083
	Springs	–	–
Marula		0.136	–
Zimplats		–	–
Mimosa		0.476	–
Group		0.118	0.063

Operation		Lost-time injury frequency rate (per million manhours)	
		FY2007	FY2006
Impala	Rustenburg	4.36	4.14
	Springs	0.68	0.42
Marula		1.63	2.02
Zimplats		0.28	0.90
Mimosa		1.74	1.25
Group		3.48	3.41

Social performance – Health



Key features

- Ongoing screening for occupational health risks – 51,400 medical examinations undertaken during FY2007
- Focus on providing affordable and appropriate private primary and curative care to employees and their dependants
- Noise, heat and pulmonary TB remain major occupational risks
- TB incidence continues to rise in line with progression of the HIV/AIDS epidemic

Issues relating to occupational health are dealt with at board level by the SHE Audit Committee, by the group Exco and at an operational level by the operational management committees and the safety and health committees. See Safety section for more information.

Occupational health screening and treatment is delivered through company-based clinics, own and contracted occupational health centres and hospital and contracted specialists. Primary and curative care is provided at company medical facilities and through a range of medical schemes which are available to our employees and their dependants.

Performance during FY2007

All employees undergo entry, annual, exit and transfer medicals, both to ensure that they are fit for work in their specific work environments and that any occupational disease is detected at an early stage to ensure early treatment and reporting so as to minimise the impact on employees and the company.

Potential occupational health threats are:

- excessive and prolonged exposure to noise which may result in noise induced hearing loss (NIHL);
- pulmonary tuberculosis (TB) which in South Africa is recognised and compensated as an occupational illness when associated with dust exposure;
- heat stress, particularly in deep-level underground operations; and
- exposure to airborne pollutants, such as dust and sulphur emissions, as well as exposure to heavy metals and chemicals, particularly at the processing operations.

The performance of the various operations in terms of occupational health is detailed in the more comprehensive Corporate Responsibility Report which is available on the website. The following is a summary for the group as a whole.

Medical surveillance

In total, 51,410 medical examinations (employees and contractors) were undertaken at the group's operations during FY2007 (FY2006: 44,440) – 14,201 entry, 4,586 exit and 32,623 annual and transfer medicals.

Noise

Comprehensive hearing conservation programmes are in place at all operations to reduce the risk of employees developing NIHL. In South Africa these programmes are aimed at reducing noise levels at source to below 110dBA, in line with the South African Mine Health and Safety Council (MHSC) targets, and to provide personal hearing protection devices, either custom-made noise clippers or disposable earplugs, to employees and permanent contractors who work in high-risk areas. Education of employees regarding NIHL and the use of hearing protection devices continue, as individual non-compliance remains one of the most significant challenges to their implementation.

At Impala's Rustenburg operations, a personal noise monitoring programme is currently in place which is aimed at monitoring the levels of noise to which employees are exposed. Annual reports are submitted to the Department of Minerals and Energy (DME) as required by legislation.

A key element of the hearing conservation programme is to reduce noise levels at source. This is being achieved by phasing in the use of muffled rockdrills, a programme which is set to be completed by 2011. Although a significant reduction in noise levels can be achieved through this programme, continuous trials are conducted by the new technology department in an effort to reduce noise levels even further.

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In FY2007, 54 new cases of NIHL were identified and submitted for compensation in line with legislation. All employees working in noisy environments have undergone audiometric baseline examinations and are carefully monitored with follow-up annual audiometric tests for early signs of hearing loss.

Pulmonary Tuberculosis

Every at-risk employee undergoes chest X-ray screening as part of the annual TB screening programme. At Impala's Rustenburg operations, the newly acquired digital X-ray unit has greatly assisted in the early detection of pulmonary TB through advanced digital technology and the associated expeditious X-raying of employees and digital capturing of information. In FY2007, 348 employees were diagnosed with TB: 313 of these employees were at Impala's Rustenburg operations (FY2006: 275). This represents an incidence of 1,181 per 100,000 employees per year, an increase of 13.8% on FY2006, which is attributed to the progression of the HIV/AIDS epidemic. TB is the most common HIV-associated infection in southern Africa. Employees diagnosed with TB receive treatment in line with the World Health Organization's directly observed treatment supervision (DOTS) guidelines.

Heat stress

A thermal stress management programme is in place at Impala's mining operations, given the higher temperatures present in the deeper level underground workings. Every underground employee undergoes heat tolerance screening which is followed by a closely supervised 12-hour self-acclimatisation shift in a hot underground environment. A total of 15,915 heat tolerance tests were conducted during the year. High temperatures experienced underground are associated with the increased occurrence of heat stroke. No cases of heat stroke were reported during the period under review.

In the light of the increasing number of women working underground and an observed predisposition by women to heat intolerance, heat stress management is an issue of greater concern and is receiving the necessary attention. Approximately 30% of 1,569 women tested failed the heat tolerance screening, while only 4% of the 14,346 men tested failed the test. The company's code of thermal management is currently under review.

Exposure to airborne and other pollutants

Dust monitoring systems are in place at all underground mining operations. The geology of PGMs, supported by an extensive analysis of airborne dust, has confirmed that (unlike the gold mining industry) there is no alpha quartz present in the orebody. However, in FY2007, six cases of silicosis were detected among employees who had previously been employed in the gold mining industry. Details of these employees have been submitted to the Medical Bureau for Occupational Diseases (MBOD), for reporting and assessment for possible compensation.

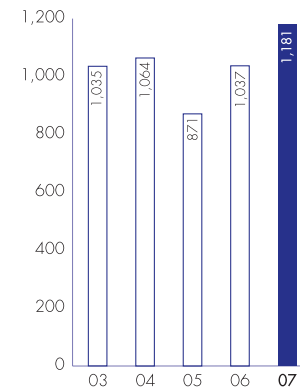
There is currently no occupational exposure limit for diesel particulate matter in South Africa. Impala participates in a tripartite committee that has been mandated by the Mining Occupational Health Advisory Committee to set these limits. A comprehensive baseline assessment was conducted at a mechanised mining section of one of the shafts at Impala and, when compared with current international standards, the results indicate that there is a significant risk of exposure to diesel particulate matter. A control strategy is currently being developed to address methods of reducing personal exposure in this regard.

Biological monitoring is undertaken of specific employees who may be exposed to chromium, arsenic, carbon disulphide, nickel, cadmium and lead. No new cases of allergy to the complex salts of platinum (ACSOP) were reported during the year.

Objectives for FY2008

Implats is committed to achieving the long-term objectives of the MHSC in respect of NIHL and occupational health disease.

Incidence of new cases of TB at Impala Rustenburg (per 100,000 employees)



Providing medical care to all employees

Historically in the mining industry employees have enjoyed a level of medical care at mine-based facilities. In recent years Implats has focused on providing affordable and appropriate private primary and curative care to employees and their dependants. This has primarily been done through our Impala Medical Services, based in Rustenburg, where employees and their dependants (through a 50% co-payment) could access high-quality health care at competitive prices.

However, given the fact that Implats' operations now extend beyond the vicinity of Rustenburg and that many employees' dependants live outside the Rustenburg area, alternative medical schemes and service providers have been selected (in co-operation with the unions) to provide appropriate and affordable medical care to employees and their dependants.

The implementation of these new schemes has not been without challenge and the necessary education of employees regarding the choices available to them is being facilitated to ensure that the promised benefits are delivered.

Implats provides occupational health care to all its employees at the company facilities in Rustenburg and Springs and at Marula, Mimosa and Zimplats.



Social performance – HIV/AIDS

Key features

- HIV prevalence levels among employees at Impala are believed to be rising, although they are still lower than those in surrounding communities
- Some 6,800 HIV tests were conducted at company facilities during the year
- 2,400 people (employees and dependants) participated in the company's wellness programme
- Anti-retroviral treatment (ART) is available to all employees or dependants through the Impala Medical Plan (IMP) or through external medical schemes
- 396 people receive ART through company health facilities
- Medical costs incurred related to HIV/AIDS amounted to some R18 million at Impala Rustenburg in FY2007

Policy and governance

HIV/AIDS remains a major area of concern in southern Africa and programmes to address this pandemic are in place at all Implats' operations. Programmes developed and implemented at Impala operations in Rustenburg and Springs are progressively being extended to other areas within the group.

Agreements are in place with major unions in respect of the management of HIV/AIDS at the South African operations, and committees defined in terms of these agreements have been active for some years. There is some cause for concern that, during FY2007, the committee at Impala's Rustenburg operations has not been functioning as well as it has in the past, as a number of former union representatives with extensive experience in this field have moved on to other areas. This is an area of focus for FY2008.

Performance during FY2007

HIV/AIDS prevalence levels

While Implats provides treatment programmes through its own medical facilities and in-house medical scheme, employees may choose to receive treatment through external medical schemes which do not report statistics to the company, or through government-provided systems. Consequently, HIV/AIDS prevalence levels and other statistics related to the impact of the virus are not known with absolute certainty. Nonetheless, the company has a great deal of information at its disposal to enable it to determine the risk presented by the infection, and has developed programmes to mitigate this risk. Implats has continued to engage leading external consultants to project the impact of the disease on its employees and its cost base.

Testing of employees undertaken on a voluntary basis in the past has indicated prevalence levels of around 16% at Impala's Rustenburg and Springs operations, and of around 20% at the Zimplats operations. However, this is believed to have risen to around 19% in the Rustenburg area during the past year, based on limited pre-operative testing at Impala Medical Services.

Based on publicly available information (Department of Health), it is estimated that prevalence levels in the general adult population in areas of primary operations are as follows: Impala Rustenburg: North West Province – 29%; Impala Springs: Gauteng Province – 33%; Marula: Limpopo Province – 20%; Zimplats and Mimososa: Zimbabwe – 19%.

The rising trend at Impala Rustenburg appears to be a consequence of two primary factors:

- a higher-than-normal staff turnover level experienced at the operations during the year. In addition, recruitment programmes arising from the company's transference to owner-mining at Marula and various expansion projects have meant that the company is drawing new employees from communities that have historically had a higher HIV/AIDS prevalence level than that of the company's own workforce. In addition, the recruitment of more women – who are an at-risk group within the broader population – may have an impact on the overall prevalence levels; and
- it appears that even existing employees may be engaging in higher risk sexual behaviour with the shift in focus from the company's prevention campaign to that of living positively with AIDS, and the provision of ART over the past four years.

These are both areas of significant concern to the company and are being addressed by a refocus on prevention and education campaigns going forward.

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Education

Of particular importance is the revitalisation of education campaigns and the running of separate streams of communication for HIV-positive and HIV-negative employees. The focus during the past two years on trying to get HIV-positive employees to prevent or delay the progression of their illness with treatment, particularly through the use of HIV-positive peer educators, proved effective. It has become apparent, however, that education programmes for HIV-negative employees must be reinforced so as to emphasise the importance of maintaining their negative status, especially given the greater number of new entrants into the organisation.

Condoms and femidons are freely available to employees and local communities and it is estimated that more than 844,000 were distributed by the group during the year. A high priority continues to be placed on the counselling and treatment of employees and their partners presenting with sexually transmitted infections (STIs).

Wellness programmes

A key element of the Implats group programmes is the availability and, indeed, the active encouragement of voluntary counselling and testing (VCT) at all of the company's operations. In total, some 6,800 rapid voluntary and diagnostic tests were undertaken in FY2007 (FY2006: 6,600) by the company during the year, with 883 new cases of HIV diagnosed. VCT was introduced at both Mimososa and Marula during the year.

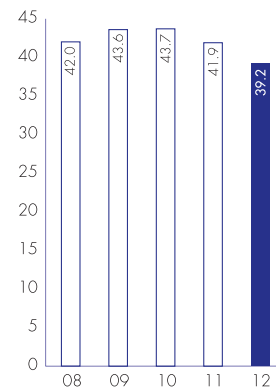
Employees who are HIV-positive are encouraged to participate in the wellness programmes available through the company, or through the various medical aid schemes. As at the end of FY2007, 2,438 people were enrolled in the wellness programmes run at the company's health facilities. (FY2006: 2,350)

The wellness programmes include the provision of ART to employees and their dependants through the Impala Medical Plan or other medical schemes. In FY2007, 396 people received ART through the company's facilities (FY2006: 176). This is a significant increase in uptake, with 247 new patients starting ART in FY2007 following education programmes on the benefits of ART. The provision of ART by the company commenced at Marula and Zimplats during the year.

Impact of HIV/AIDS

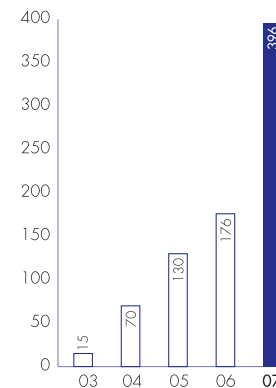
Based on known HIV-positive cases, the company is aware of 468 employees who left the services of the group as a result of AIDS or AIDS-related illness during FY2007 (FY2006: 408 employees): of these 105 employees died in service while 363 employees left the group through a formal medical separation process. This process is one that is frequently initiated by the employee and ensures that the employee returns to the care of his or her family.

Total projected costs of HIV/AIDS at Impala's Rustenburg operations* (Rm)



*includes paid sick leave, productivity, training and replacement, disability processing and medical costs

Number of employees on ART through company facilities





Social performance – HIV/AIDS

External consultants were contracted to project the impact of HIV/AIDS on employees and the company, and developed a model of cost forecasts that took into account the cost of the provision of health care, medical cost, sick leave, the cost of declines in productivity, training and replacement. In terms of this model, costs are expected to peak in FY2010, which is the projected peak of the epidemic.

The total cost to the group of the HIV/AIDS education and medical programme for employees is approximately R18.5 million.

Community programmes

Implats has applied the lessons learnt on internal programmes and within its facilities, to assist local and labour-sending communities with HIV/AIDS-related projects. (See page 119)

Objectives for FY2008

Key objectives for FY2008 are:

- to revitalise the HIV/AIDS committees across the group, with a focus on joint management/union recommitment to the process;
- to reaffirm the importance of prevention as a discrete programme and at the same time, to continue with the treatment and positive living programmes; and
- to increase the uptake of ART.



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Social performance – Socio-economic development

Policy and governance

Implats' socio-economic development (SED) activities in South Africa are managed under the auspices of the Impala Community Development Trust (ICDT), which was established by the group in 1998. The ICDT's operation is underpinned by the philosophy that it should be the facilitator of social development, rather than the sole sponsor of activities, and that it should encourage the development of meaningful and sustainable interventions. The ICDT has very specifically adopted a collaborative approach – with communities that 'own' the projects, with other donors (in order to attract more investment), with government (to ensure the integration into broader, longer-term plans), with non-governmental organisations (NGOs), community-based organisations (CBOs) and others – to ensure on-the-ground support for projects.

The group's Corporate Social Affairs Policy (which is available on the website) was adopted during the year and is aimed specifically at the social and economic development of communities in which the group operates and the areas from which the group's employees are drawn. Through its activities, the group works to ensure that it makes a positive contribution to poverty alleviation, community development (infrastructure development and empowerment of community structures) and the empowerment of government to facilitate improved service delivery and local economic development. While the group aims to empower a broad range of stakeholders, it does place a specific emphasis on black youth, women and people living with disabilities.

The ICDT aims to:

- align the group's social upliftment activities with the goals and objectives of local, provincial and national government development programmes;
- build capacity within community structures (co-operatives, NGOs and CBOs) operating in areas of interest; and
- encourage self-reliance and minimise dependence on welfare by targeted communities.

Projects submitted to the ICDT are evaluated internally prior to consideration by the ICDT board of trustees. Group CEO David Brown is the chairman of the board of trustees.

Planning for the ICDT is carried out in line with the group's strategic planning process, with budgets outlined on a five-year time horizon. Social development officers based at the operations identify possible projects or review the various applications they receive and submit these for approval. Projects are classified as high-, medium- or low-risk interventions. High-risk projects require a service level agreement to ensure delivery on planned objectives. An independent service provider, funded by the ICDT, undertakes an assessment of the impact of the project as well as the utilisation of the funds.

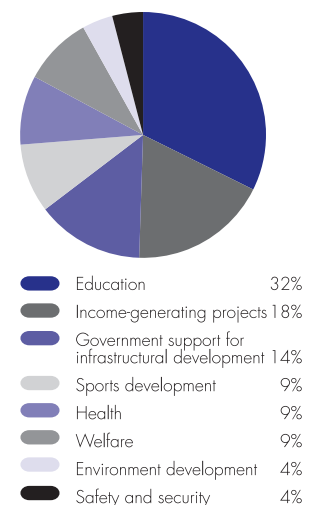
The ICDT has eight areas of focus, namely:

- *Education*, which includes the teaching of mathematics, physical science and English at teacher and learner level; post-matric mathematics and physical science; capacity-building and school governance; the development of learning support materials and equipment; and infrastructural development.
- *Health*, which includes primary and secondary health care; TB and HIV/AIDS home-based care.
- *Welfare*, which includes orphanages and day-care support.
- *Environment*, which includes the provision of water and sanitation; environmental awareness campaigns; community environmental rehabilitation projects and public participation initiatives.
- *Safety and security*, including support for Business Against Crime and infrastructure

Key features

- Group Corporate Social Affairs Policy adopted during the year
- R31.8 million allocated to socio-economic development projects in South Africa during FY2007
- An estimated 14,195 direct beneficiaries of Implats' SED efforts in South Africa
- Identification of projects in local communities and labour-sending areas in line with the company's Social and Labour Plans

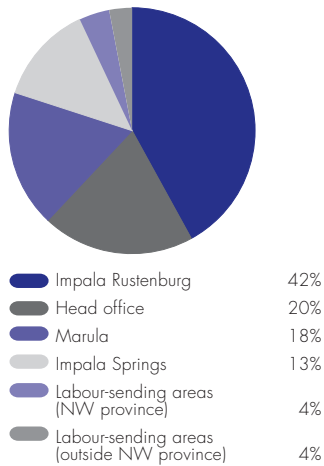
ICDT expenditure in FY2007 (excluding administration costs)





Social performance – Socio-economic development

ICDT expenditure in FY2007 (excluding administration cost)



development for the South African Police Services (SAPS) training as well as development.

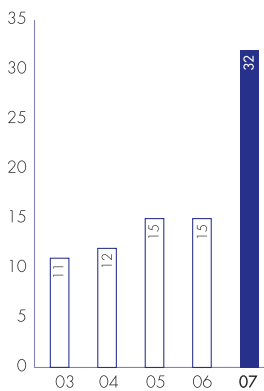
- *Supporting income-generating projects* through the establishment of co-operatives, facilitating financial and other support for co-operatives, NGOs, CBOs, capacity-building programmes and business linkage centres (in Springs).
- *Sports development*, which includes support for soccer, rugby, netball, cricket and athletics at local level.
- *Government support*. This includes assistance with the establishment of district and local municipalities in the areas where Implats operates to enhance infrastructure delivery and local economic development.

Performance during FY2007

A specific goal of the ICDT was to increase significantly the group’s socio-economic development spending.

During FY2007, the group spent R31.8 million on SED projects in South Africa. (FY2006: R14.2 million). The figure includes an administration fee of R3.7 million to manage the funds. Moreover, this figure is believed to be an under-reporting of the total investment made by Implats in its communities as it excludes all ‘in kind’ donations. ‘In kind’ donations refers to either man hours or materials from the operations.

ICDT expenditure (South Africa) (Rm)



During FY2007, direct and indirect beneficiaries of Implats’ corporate social investment expenditure numbered 14,195 and 11,599 respectively. 410 of these beneficiaries (148 direct; 262 indirect) were people living with disabilities.

The following discussion illustrates a number of key projects undertaken by the group in the various areas of operation.

The ICDT has engaged the Institute for Corporate Social Investment (ICSI) to verify and track all funding to service providers and beneficiaries. In this way the ICDT is able to ensure that the desired socio-economic development goals are achieved. At a cost of around 3% of the ICDT budget (around R3.7 million), the ICSI has been engaged to:

- effectively monitor and manage projects;
- enhance the ability to identify the potential misuse of funds;
- ensure the ability to support projects in a non-financial manner (through skills and capacity development); and
- to facilitate skills transfer

During the year, the trust deeds for the Impala Bafokeng Trust (set up in 2006 as part of the Implats/RBH BEE transaction) were signed and lodged with the relevant authorities. Trustees have been appointed and it is expected that the Trust will begin operating by September 2007.

In Zimbabwe, corporate social investment expenditure is focused primarily in the areas of education and health. Zimplats spent in the region of \$207,000 (R1.5 million) in FY2007; and Mimosa some \$179,000 (R1.3 million).

South Africa

Ukuqonda Institute Maths and Science Project – Rustenburg

The goal of this well-established project, to which Impala contributed R3.2 million in FY2007, is to increase the number of young black people from historically disadvantaged communities in the Rustenburg (Bojanala-West) area to become engineers and scientists.

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Through the Ukuqonda Institute, the ICDT has been able to access a team of committed and experienced mathematics and science educators with an established track record in providing post-matric and supplemental instruction and in-service training to teachers. The project includes the production of specific resources for learning (including certain items of laboratory equipment), as well as providing vacation work enabling past post-matric students who are now studying at university to augment their bursaries.

Mathematics HG	2004	2005	2006
Number of C+ symbols achieved with direct support from the Ukuqonda project	13	15	20
Total number of C+ symbols achieved by HDSA matriculants in mathematics HG in the Bojanala Educational District	48	69	66
Percentage contribution of the Ukuqonda project	27%	22%	30%
Physical Science HG	2004	2005	2006
Number of C+ symbols achieved with direct support from the Ukuqonda project	10	11	21
Total number of C+ symbols achieved by HDSA matriculants in physical science HG in the Bojanala Educational District	47	69	69
Percentage contribution of the Ukuqonda project	21%	16%	30%
Cost of the post matric programme, including setup and development costs	R1.1 million	R1.22 million	R1.36 million

A 'C symbol' or higher for mathematics higher grade (HG) and physical science HG is generally regarded as a minimum entry requirement for university students to be successful in engineering or physical science degree courses. The impact of the the Ukuqonda Institute Maths and Science Project on the performance of HDSA matriculants in the Rustenburg (Bojanala West) region since 2003 is shown in the tables above. These students all participated in the post-matric programme.

Woodchips Project – Rustenburg

The R1 million per annum contribution by the ICDT to the award-winning Woodchips Project has a dual objective: it has created a small business for local community members, and it has an environmental aspect as it uses waste products for an economic purpose. Woodchips, which are remnants of the timber packs used as support in underground mining operations, are separated out from the ore during processing and, when combined with sewage sludge, form rich compost that is used in the rehabilitation of tailings dam slopes. The community-based business – called Monontsha – has been in operation since 2005. It employed 48 people during 2007, and 15 of the women currently employed have a 5% shareholding in this project.

Small Business Development Projects – Bojanala District

Some R2.6 million was allocated towards the Small Business Development Projects in the Bojanala area in FY2007 in an effort to support enterprise development in the region. The aim is to establish, develop and assist co-operatives, small and medium enterprises and CBOs, with the help of service providers within the community to become profitable and to enter into the main stream economy. In total, 90 co-operatives, 16 NGOs, SMMEs and 1,600 individuals benefited from these capacity building projects.

Maths and Science School Incubator Project – Springs

Around R897,000 was provided to a Saturday school project in FY2007 as part of the group's support to a Maths and Science School Incubator Educational Programme. Some 200 pupils benefit from the provision of tuition in mathematics and physical science to Grade 10 to 12 learners.



Social performance – Socio-economic development



Bakerton ABET Centre – Springs

R470,000 was donated towards this education project for the salaries of 10 full-time educators to provide adult basic education and training (ABET). Around 200 students benefit from this project.

Business Against Crime – Labour-sending area, North West Province.

R372,000 was provided towards the support of eight police stations in North West Province through a partnership with Business Against Crime North West. This initiative formed part of a national security imperative (Impala's total contribution in FY2007 being R962,000) that not only assists in the fight against crime, builds long-term capacity within the management of the police ranks but also enhances service delivery and performance improvement at police station level.

The Business Against Crime Leadership Development Programme, a SAQA-accredited programme, is aligned to the SAPS national training strategy and also supports the Government's service delivery improvement strategy. An intense process of impact evaluation, based on a set of desired outcomes, has been implemented to ensure that the strategic objectives of the programme are met.

A total number of 63 police members of eight different police stations have been trained. It is anticipated that this will have a positive spin-off on Impala communities, both locally and within some labour sending areas.

Ikateleng Programme – Labour-sending area (Taung)

Although the matriculation results in the North West Province have for the past two years shown a slight improvement, there is still much concern about the effective teaching at schools within the disadvantaged communities. As long as ineptly qualified and demoralised teachers are utilised in these schools, especially in the field of natural and economic sciences, much has still to be done through support and intervention programmes if quality prospective university students are ultimately to be produced. In an effort to alleviate this serious problem, Implats, through North West University, offers classes on Saturdays to Grade 12 learners, where an attempt is made to assist them through supplementary teaching by senior dedicated teachers.

The ICDT donated R214,970 towards the total annual funding for establishing and running Saturday-school teaching programmes at the Taung centres. The main objective of the Ikateleng project is to improve overall examination results as well as the individual symbols attained so that learners can meet the admission requirements of tertiary institutions and also to prepare them for such training. (21% of the students in 2006 were enrolled at North West University.)

The project is run over a period of 18 consecutive Saturdays. The focus is to assist learners with specific areas in which they experience difficulties, namely mathematics, physical science, biology, accounting and economics. Life skills training is included in the programme, which is aimed at facilitating career maturity and personal development by teaching participants effective study methods, self-management skills, creative problem-solving skills, career exploration as well as awareness of their aptitude and career interests.

An English programme is also offered, with the objective of equipping the learner with certain basic skills and techniques which are not only applicable in speaking, reading and writing activities, but which can also be applied to related fields, for example, in study material in other school subjects, in selecting leisure reading material, or finding and understanding information of general interest.

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EQUIP Programme – Labour-Sending Area (North West Province)

Implats has donated R816,670 to EQUIP (a partnership project between business, government and school communities) to improve teaching and learning in disadvantaged schools in North West Province. The focus of the EQUIP programme is on effective governance, quality management and strategic planning with a view to enabling schools to take responsibility for their own development and the provision of quality teaching and learning in their classrooms. EQUIP aims to improve the participating schools' functionality and effectiveness.

A baseline study, school audit and situational analysis was conducted for each of the schools selected from Implats' labour-sending areas in the North West-Province to:

- determine the infrastructural conditions and the governance and management practices in the schools in order that the findings would be used to develop the proposed school development programme;
- measure the impact of the programme on the selected schools; and
- provide information on the strengths and needs of the individual schools.

Ten schools were selected to participate in and benefit from the EQUIP programme. A similar project was undertaken in the Springs area and an amount of R192,000 was donated.

Corporate

Medical Research Council

Support has continued (R500,000 in FY2007) as part of a five-year R2.5 million grant towards the Medical Research Council's research into the development of an AIDS vaccine. The potential impact of success in this area of health is significant – it is estimated that 27 million people in sub-Saharan Africa are living with the virus.

Project Management Unit – Greater Tubatse Municipality Office in Burgersfort

The Steelpoort Producers Forum (SPF), whose members represent most of the mines in the footprint area, has collectively decided to assist the Greater Tubatse Municipality (GTM) in addressing pressing infrastructural needs. The SPF decision is a result of several mine expansion projects within this greater municipal area. Local municipalities bound by economic development obligations, are responsible for the provision of bulk services that include roads and storm water drainage, while district municipalities are responsible for bulk water provision.

Around R3.3 million was provided during the year towards this government support project as Marula's specific contribution to the GTM. Marula also supports a project management unit (PMU). This unit is regarded by the National Treasury as a pre-requisite before municipal infrastructure grants (MIG) can be made. Legislation makes it possible for municipalities to apply for such grants from national government if they comply with the very stringent criteria set. For example, projects undertaken should benefit communities at large, be of infrastructural nature and project proposals ensuring service delivery must be in place before a grant can be made.

Funding from Marula was subsequently acquired to make the PMU operational. The unit was further strengthened by sponsoring a full-time civil engineer and financial manager together with a part-time projects manager to assist in the efficient implementation of infrastructure projects in the Greater Tubatse Municipal areas. The PMU also received funding for the purchase of office equipment (computers and printers, desks, chairs, tables).





Social performance – Socio-economic development

Assistance to the municipality with a PMU has shown the desired results, as demonstrated by the fact that a R12 million MIG allocation was approved by National Treasury and spent by the Greater Tubatse Municipality on infrastructure projects in the area in FY2007. Apart from the MIG-allocations, the municipality now also contributes capital funding via the newly established PMU. This is a significant step forward for the Greater Tubatse Municipality as no MIG-funding was ever allocated to this institution before.

The SPF is serving as an example of how the mining industry can work in harmony with municipalities in the delivery of infrastructure projects that benefit both the mines and the adjacent communities.

Edumap College

Nine students drawn from extremely poor and disadvantaged households in the Marula area are receiving enrichment education in maths and science for a period of a year at a cost of approximately R387,000. On successful completion of the year's course, they will be offered bursaries in mining-related tertiary education or scholarship opportunities at the mine.

Tapologo Programme – Bojanala District

Impala has been involved with Tapologo since its inception in 1994 and, under the guidance of Bishop Kevin Dowling, the programme has provided assistance to families affected by HIV/AIDS in the communities around Rustenburg. Impala provided funding and support to the following initiatives of the Tapologo Programme at a total cost of R1.4 million during FY2007.

- Tapologo Home-based Care: trained home care providers who come from local communities work under supervision of professional nurses and provided over 30,000 home care visits to patients and families in four local communities during the year.
- Tapologo Hospice: the hospice in-patient unit is located in Phokeng and complements the core home-based care function of Tapologo. Patients receiving home-based care do from time to time require admission, particularly in the terminal phase of the illness. The hospice was built with Implats' financial assistance to accommodate such patients. Increasingly, the facility is being used to stabilise immuno-compromised patients who are starting ART and this has necessitated the expansion of the current 25 bed facility to include a 10-bed ward which Implats has sponsored.
- Tapologo ART programme: the ART programme complements government's ART programme and five satellite sites are managed with funding received from the President's Emergency Plan for AIDS Relief (PEPFAR). Implats has funded the clinic site at Freedom Park, an informal settlement adjacent to Impala's operations.



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Social performance – Socio-economic development

Projects in labour-sending areas

Hlaluphilile Home-based Care Programme

Implats' Hlaluphilile programme, which forms part of Teba Development's home-based care service, was originally designed as a response to the increasing numbers of mineworkers retiring to rural areas on the grounds of ill-health. Implats, together with 10 other companies, pays a fee for every former employee participating in the programme, which helps to ensure the sustainability of the project. In FY2007, Implats contributed R225,000 to assist 60 former Impala employees and their families.

Services provided include training family members as care-givers and in the provision of continuous palliative care; provision of services by a local home-based care group and provision of family first aid/home-based care kits. Referrals are also made to other organisations which provide clients with services such as VCT, ART, psychological and rehabilitation services. Care supporters and retired nurses contracted daily by Teba Development provide services to the clients.

In some areas, the health of the beneficiaries has improved dramatically and a number of them are involved in various forms of income-generating activities. Support groups for people living with HIV/AIDS were established in FY2007. Participation in these groups is open to other people in the community in addition to ex-mineworkers and their families. The process of establishing support groups is driven by fieldworkers in partnership with local community clinics that already have support groups in place.



Zimbabwe – Zimplats

Wanganui Turf High School refurbishment, Ngezi Mine

Zimplats has committed to spend \$645,000 (R4.6 million) to refurbish the Wanganui Turf High School and increase its capacity, over a period of five years. The project is being undertaken in partnership with the local authority and the national Ministry of Education. Included in the project scope are new classroom blocks, teachers' housing, water and electricity reticulation and school furniture. Some 450 learners will benefit from the project.

Turf Clinic refurbishment

Zimplats is involved in the refurbishment of the Turf Clinic with the aim of restoring it to a fully-functioning primary health care point for employees, their dependants and the local community. The project, which is being undertaken in conjunction with the local authority, is being carried out at a cost of \$185,000 (R1.3 million). About 800 people will benefit.

Turf local authority, Ngezi Mine

Zimplats has funded the construction of offices to be used by the local authority at Turf at a cost of \$145,000 (R1.0 million). The Turf community (comprising between 8,000 and 10,000 people) will benefit.

Zimbabwe – Mimoso

Kyle School project

During the period under review, Mimoso donated 130 bags of cement towards the construction of a footbridge at the Shagashe River to provide easier access to the school. A total of R28,000 was spent on this project. Mimoso continues to have a close relationship with this school, which is used to benchmark its educational assistance policy.

Social performance – Socio-economic development

Community co-operative and borehole projects

As part of a community engagement initiative, Mimosa runs community co-operative projects which include work assignments such as growing gum trees around company sewerage ponds, digging trenches, clearing fire guards around the company perimeter fence, etc. Proceeds from such projects are channelled towards community projects, for example, the construction of Mukwidzi Secondary School. Approximately R36,500 was spent on these projects, which are of an ongoing nature. In addition, Mimosa provided a borehole pump, accessories and the installation of a 5,000-litre water reservoir, for a total amount of R426,000.

'Cop of the month' scheme

Mimosa runs 'Cop of the month' and 'Cop of the year' schemes as part of its commitment to the ongoing efforts by various stakeholders to fight crime within society. The competitions are run every quarter at the Zvishavane police depot and are presided over by senior Mimosa management and provincial police command.

Community borehole projects

Mimosa repaired two boreholes in the Kromdrai resettlement area. This joint project between Mimosa and community leaders saw two broken down boreholes being repaired through assistance with pipework and other ancillary equipment.

Better Schools projects

Each year Mimosa contributes towards the Better Schools programme by funding and/or providing academic material in the form of prizes for the best schools in the Zvishavane district. This year the mine provided textbooks to the value of R18,000 as a contribution towards prizes for the winning schools and children within the district. Mimosa has also funded the construction of a classroom block with three classes, including furnishings, at Makwasha Primary School. A total of R805,000 has been spent on this project.

Key objectives for FY2008

Key objectives for FY2008 include:

- ongoing identification and support of projects in line with the ICDT's objectives;
- ongoing support of projects in local communities and labour-sending areas in alignment with the group's SLPs;
- establishment and functioning of the Impala Bafokeng Trust; and
- establishment of systems to track and monitor the value and impact of all socio-economic spend including 'in-kind' contributions.

