

Implats President's Framework Agreement

RESPONDING TO THE PRESIDENT'S FRAMEWORK AGREEMENT (PFA)		
THE FRAMEWORK AGREEMENT	CONTEXT AND COMMITMENTS	OUR CONTRIBUTION IN 2018
Building a relationship among stakeholders based on trust and respect	<p>In signing the PFA, Implats commits to:</p> <ul style="list-style-type: none"> > Acting in a fair and impartial manner when dealing with unions and acting swiftly where these principles are violated > Working with government and labour to identify and address factors behind workplace conflict > Improving internal security measures and consistently implement them at the workplace > Negotiating in the workplace and industry in ways that support long-term development and constructive peaceful labour relations 	<p>We continued to engage with labour representatives and various government departments directly, and through working with the Minerals Council (formerly the Chamber of Mines) to find sustainable solutions to industrial relations challenges in the country. Operations work closely with security to prevent intimidation and to ensure ethical behaviour. Future forums, as well as employee relations structures, assist in resolving issues.</p> <p>In October 2016, Impala and Marula successfully signed wage agreements with National Union of Mineworkers (NUM) and the Association of Mineworkers and Construction Union (AMCU). Wage negotiations with the NUM at Impala Springs are under way. We will continue to assess our relationship with employees and unions and formulate appropriate responses to further enhance relations.</p>
Strengthening labour relations	<ul style="list-style-type: none"> > Respecting the rule of law and the legal framework in labour relations matters > When taking decisions, taking account of both the broader context in South Africa (in particular the need to reduce poverty, inequality and unemployment), as well as the interests of investors > Respecting agreements and legal obligations > Contribute to creating cordial relations between unions in the sector > Following proper labour relations procedures > Working with labour to fast track resolution of disputes > Developing of a pre-negotiations framework > Recognising and respecting cultural diversity in the workplace 	<p>The employee relations climate at our South African operations, while having markedly improved since the violent strikes in 2012 and 2014, presents a material risk in relation to delivering on the Group's strategic objectives. The potential for volatility remains and has been intensified by the difficult market conditions, which necessitated a labour restructuring process this year as part of our drive to align costs with the mine's production profile.</p> <p>We have continued to implement initiatives to strengthen our relationships with union leadership and its elected representatives at our operations. The election of new AMCU shop stewards in Rustenburg was managed smoothly, and without incident during FY2018.</p> <p>Union membership verification and processing of union membership stop orders against the Company's payroll is conducted in accordance with the Labour Relations Act and is continuously reviewed.</p> <p>Strong collaboration with unions during the financial year underpinned our ability to peacefully negotiate wages at Impala Springs and the rationalising of the workforce at Impala Rustenburg without industrial action taken.</p>

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Ensure the rule of law, peace and stability	<ul style="list-style-type: none"> > Properly adhering to laws, regulations and charters governing the sector and consistently apply their policies and respect agreements > Taking measures to protect staff members from violence and intimidation and to ensure that security personnel act in accordance with the law at all times > Avoiding acting in a manner that provokes or raises tensions in the workplace > Participating in the Mine Crime Combating Forum (MCCF) > Taking all legal steps against unprotected labour actions > Working with government and labour in developing protocols for security and law enforcement > Where possible, informing police of all planned and unplanned strikes and protests 	<p>We remain committed to adopting the Voluntary Principles on Security and Human Rights (VPSHR) as defined by the United Nations at our operations.</p> <p>We remain committed to ensuring the rule of law and continue to work closely with the South African Police Service and MCCF.</p> <p>There were no reports of weapons carrying, or serious violence and intimidation in the period under review.</p> <p>Employees who commit criminal activities on mine premises are handed over to South African Police Services by our security division.</p>
Improve living conditions	<ul style="list-style-type: none"> > Accelerating the implementation of human settlement interventions > Assisting with resources and technical support for upgrading human settlements around mining towns within the context of regulatory requirements and additional voluntary contributions 	<p>A total of R270 million was expended on employee housing in 2018 (2017: R265 million).</p> <p>The Company's investment in the accommodation and living conditions of employees is a pillar of our contribution to the well-being of our host communities, and an area where we are recognised as leaders across the sector.</p> <p>We continue to work with government, developers and the Royal Bafokeng Nation on housing projects that extend into other community projects, including roads, electricity, water, health, sewerage and schools.</p> <p>To date, we have built approximately 3 366 houses for our employees and community members. Our Platinum Village and Sunrise View schools, built in partnership with the North West Department of Education and the Impala Bafokeng Trust, were officially launched in 2018 and support over 2 800 learners. Sunrise View also produced its first batch of matriculants in the financial year, achieving a 95.6% pass rate.</p>

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Assist workers with financial literacy and financial planning	<ul style="list-style-type: none"> > Empowering employees to be able to adequately manage their financial affairs > Finding sustainable solutions to employee indebtedness and guard against unscrupulous micro lenders > Informing individual employees upon receipt of emolument garnishee orders 	<p>The Company's wellness committees continue to focus on issues that negatively impact on employees' financial wellness and revise appropriate initiatives on an ongoing basis.</p> <p>Financial literacy is addressed as part of the Implats team mobilisation and ex leave induction training. This year, 190 employees received financial life skills training.</p> <p>We continue to scrutinise judgments received and reject those that are unlawful. Employees are approached and informed of garnishee orders pending against them prior to implementation thereof. Employees are educated on how to manage their finances on an ongoing basis – see page 35 of our 2018 sustainable development report (SDR).</p>
Reaching optimal levels of transformation	<ul style="list-style-type: none"> > Accelerating progress in transformation, including the areas of ownership, procurement, employment, beneficiation, human resource development, as well as health and safety in line with the targets set out in the Mining Charter > Reviewing its long-term strategy and support initiatives for restructuring, reskilling to achieve competitiveness, sustainable growth and transformation 	<p>Implats has continued to focus on advancing transformation. Our efforts to promote diversity and transformation are reported on pages 49 to 51 of the 2018 SDR.</p>
Address socio-economic issues caused by the migrant labour system	<ul style="list-style-type: none"> > Improving socio-economic conditions in labour sending areas > Enforcing and implementing all elements and commitments of the Mining Charter > Ensuring integration and implementation of SLPs and IDPs in labour sending areas and mining areas 	<p>SLP plans are developed through an engagement process with the Mine Communities Leadership Engagement Forum (MCLEF) and are aligned with the various municipalities' IDPs. We have continued to deliver on our commitments and engage regularly with key stakeholders in our areas of operation – see pages 56 to 60 of the 2018 SDR.</p>
Resolve labour disputes as speedily as possible in the best interest of union members and South Africa	<p>Negotiating in the workplace and industry in ways that support long-term development and constructive peaceful labour relations</p>	<p>We work closely with unions to resolve all internal disputes through dispute resolution mechanisms and within the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA). Task teams, including HR managers and union representatives, continue to address issues raised in wage agreements. We continue to make good progress in the following key areas:</p> <ul style="list-style-type: none"> > employee health and well-being, employee share ownership plans > industrial relations > housing living conditions – see pages 34 to 69 of the 2018 SDR