

2011

Sustainable Development Report 2011

IMPLATS
Distinctly Platinum



Our performance in 2011

		2011	2010	Variance %	
Economic capital					
Tonnes milled	(000t)	20 974	20 309	3.3	↑
Refined platinum	(000 oz)	1 836	1 741	5.5	↑
Revenue	Rands (million)	33 132	25 446	30.2	↑
Operating cost	Rands (million)	13 940	12 402	(12.4)	↑
Capital invested	Rands (million)	5 540	4 554	21.7	↑
Taxes	Rands (million)	2 751	2 431	13.2	↑
Unit cost	per oz Pt	10 417	10 824	(3.9)	↑
Human capital					
EMPLOYEES IN SERVICE					
Own	Number	39 624	38 317	3.4	↑
Contractors	Number	17 504	15 819	10.7	↑
Turnover	%	8	6	(38.3)	↑
HDSA in management	%	48*	45	3	↑
SAFETY RATES					
FIFR	Rate	0.05	0.12	57	↓
LTIFR	Rate	4.94	4.61	(7.2)	↑
TIFR	Rate	13.47	15.21	11.4	↓
EMPLOYEES HEALTH					
People on wellness	Number	5 121	4 151	23.4	↑
People on ART	Number	2 773	1 905	45.6	↑
TB cases	Number	350	399	12.3	↓
Medical incapacitation	Number	388	281	(38.1)	↑
Social capital					
SED expenditure (SA)	Rands (million)	130	88	47.7	↑
Housing and living condition expenditure	Rands (million)	277	552	(58.9)	
Natural capital					
ENERGY CONSUMED					
	(000 GJ)	18 222	17 013	(7.1)	↑
EMISSIONS					
Total CO ₂	tonnes (000)	4 022	3 755	(7.1)	↑
Total direct SO ₂	tonnes	18 881	16 926	(11.6)	↑
WATER					
Water consumed	(000 kℓ)	41 868	37 060	(13)	↑
Water recycled	(000 kℓ)	14 823	9 981	48.5	↑

* HDSA in management excluding non-executive directors is 48%.

← Improvement

← Deterioration

Contents

Impala Platinum Holdings (Implats), one of the world's foremost producers of platinum and associated platinum group metals (PGMs), has its primary listing on the JSE Limited (JSE) in South Africa (IMP), a secondary listing on the London Stock Exchange (LSE) in the United Kingdom (IPLA) and a level 1 American Depository Receipt programme (IMPUY) in the United States of America.



Sustainable development

- 2 Scope of this report
- 3 Who we are
- 3 What we do
- 4 Market review
- 16 Chief Executive Officer's letter
- 22 **Creating value**
 - 24 ■ Stakeholder management
 - 28 ■ Management approach
 - 29 ■ Governance and ethics
 - 30 ■ Human rights
 - 30 ■ Understanding our sustainability footprint
 - 32 ■ Strategic risks and materiality
- 40 **Economic capital**
- 46 **Human capital**
 - 48 ■ Safety, health and wellbeing
 - 57 ■ People
- 66 **Social capital**
- 78 **Natural capital**
 - 81 ■ Legislation and compliance
 - 83 ■ Climate change and greenhouse gases
 - 86 ■ Water
 - 89 ■ Air
- 96 Statutory reporting and notes to the non-financial statements
- 100 Consolidated non-financial statements
- 108 Reporting in line with GRI
- 110 Reporting in line with the UNGC
- 111 Assurance statement
- 113 Glossary of terms and acronyms

Our vision and values

Our vision is to be the world's best platinum-producing company, delivering superior returns to stakeholders relative to our peers.

Implats' values

- Safeguarding the health and safety of our employees, and caring for the environment in which we operate
- Acting with integrity and openness in all that we do and fostering a workplace in which honest and open communication thrives
- Promoting and rewarding teamwork, innovation, continuous improvement and the application of best practice by being a responsible employer, developing people to the best of their abilities and fostering a culture of mutual respect among employees
- Being accountable and responsible for our actions as a Company and as individuals
- Being a good corporate citizen in the communities in which we live and work.

Our sustainability policy

We are committed to running our exploration, mining, processing and refining operations in a responsible and sustainable manner such that:

- Our business and investments are economically sound and financially profitable
- Our business practices are technically appropriate and socially responsible
- Our business processes are inherently safe and environmentally sound.

Scope of this report

This sustainability report is produced in conjunction with Implats' Integrated Annual Report for 30 June 2011. It has been compiled for the Implats Group and covers all our managed operations, i.e. those over which we have direct control and for which we set and implement policy and standards, for the period 1 July 2010 to 30 June 2011.

It provides a broad range of information about our sustainable development policies, practices and performance. It is aimed primarily at existing and prospective stakeholders, as well as socially responsible investment analysts and investors.

Other audiences include national, provincial and local government, industry organisations, trade unions, employees and their families, communities associated with our operations, contractors and contracting partners, non-governmental organisations (NGOs), suppliers, customers, joint venture and business partners and the media.

Material issues

We prioritise issues that we regard as material because they have the potential to affect the long-term success of our business, or the sustainability of the economy, the environment and the communities in which we operate, or they are important to our stakeholders.

The nature of our business means that social, environmental and ethical issues are material to our future success and are also material to the interests of our local communities and other South African stakeholders.

The sustainable development issues we regarded as most material to Implats in FY2011 are to be found on pages 34 and 35. This report is written with a focus on these material issues, while compliance reporting can be found in our notes to the consolidated non-financial statement. In addition to this, the main body of the report provides a Group view on performance, highlighting material sites where necessary, while operation-specific information can be found in the consolidated non-financial data tables.

The Global Reporting Initiative (GRI) G3 Guidelines, supported by Implats' internally developed reporting guidelines which are available on request from Implats, have been used in the preparation of this report. The GRI G3 guidelines have been applied to attain the B+ application level. Selected performance information has been independently assured by a third party assurance provider, KPMG as has the B+ GRI application level. The scope of the assurance, the selected performance information and the independent statement of assurance may be found on page 111.

As a signatory to the principles of the United Nations Global Compact, we have reported in line with our commitment to this compact (index on page 110).

The person responsible for the compilation of this report and to whom all queries should be addressed is:

Cindy Mogotsi, Group Sustainable Development Manager
E-mail: Cindy.Mogotsi@implats.co.za

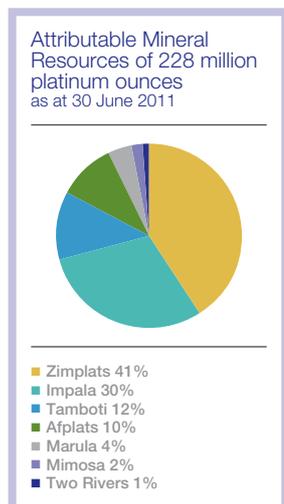


To view the Implats report online, please visit our website at: www.implats.co.za

Additional printed copies may be requested from the contacts listed at the end of this report.

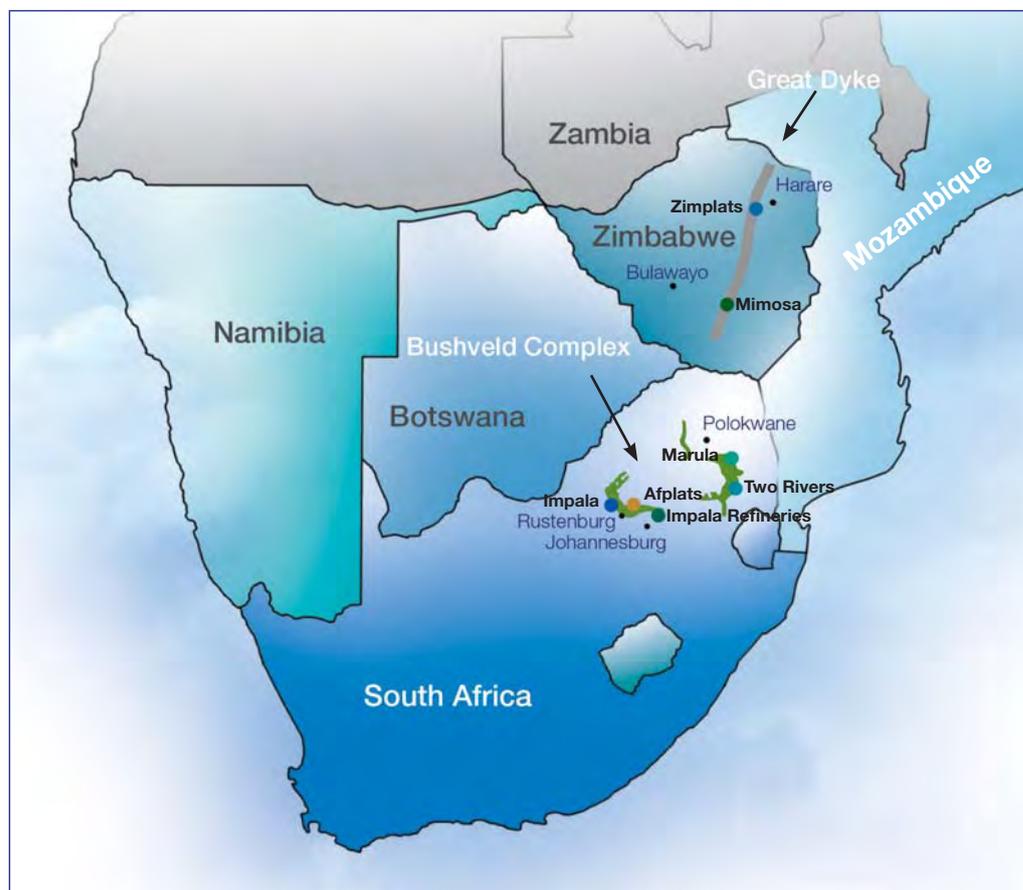
Who we are

Impala Platinum Holdings (Implats), one of the world's foremost producers of platinum and associated platinum group metals (PGMs), has its primary listing on the JSE Limited (JSE) in South Africa (IMP), a secondary listing on the London Stock Exchange (LSE) in the United Kingdom (IPLA) and a level 1 American Depository Receipt programme (IMPUY) in the United States of America.



Implats is structured around six main operations with a total of 22 underground shafts. Our operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe. These are the two most significant PGM-bearing orebodies in the world. Our headquarters are in Johannesburg and we have six main operations: Impala, Zimplats, Marula, Mimosa, Two Rivers and Impala Refining Services.

The structure of our operating framework allows for each of our operations to establish and maintain close relationships with their stakeholders while operating within a Group-wide approach to managing the economic, social and environmental aspects of sustainability.

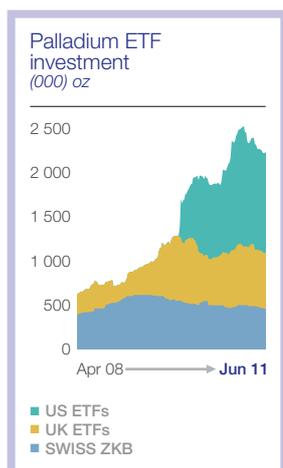
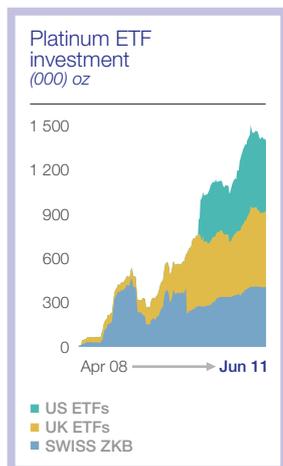


What we do

We produce around 25% of the world's supply of platinum with a workforce of approximately 57 000, including 17 000 contractors. In the financial year ending 30 June 2011, the Group produced 3.772 million ounces of PGMs, which included 1.836 million ounces of platinum. PGMs are primarily platinum and its associated by-products palladium, rhodium, ruthenium and iridium, which usually occur in association with nickel and copper.

While PGMs are a relatively rare commodity (only about 500 tonnes are produced annually, about one-fifth of the annual production of gold, of which less than 200 tonnes are platinum), they are playing a progressively more important role in everyday life, whether it be in goods we use daily, or in the processes required to produce these goods. For more information on PGMs see the section in this report on the uses of PGMs on pages 14 and 15.

Market review



The global macro-economy showed tentative signs of recovery in late 2009 and throughout 2010, following the world economic crisis of 2008. Developed markets have remained under pressure while emerging markets such as China and India continued to demonstrate strong growth rates. The automotive industry as a result recovered dramatically during the past year. Light and heavy-duty vehicle production, which had fallen to around 65 million units in 2009, rebounded to exceed 81 million units in 2010. China once again cemented its position as the world's largest vehicle market with passenger car sales growing beyond the 13 million level for the first time; 32% higher than 2009 and more than double the figure for 2008. Despite these positive developments in the vehicle market during the past year, it was physical investment demand in metal commodities that pushed overall average prices to new highs. The launch of the US platinum and palladium Equity Traded Funds (ETFs) at the beginning of the year saw a massive uptake of physical metal into these products.

Platinum

There was renewed optimism in the metals market following the announced launch of the US based ETFs for both platinum and palladium. Prices for platinum climbed throughout the financial year from just over \$1 500 per ounce to end at approximately \$1 800 per ounce, leaving an average for the year of \$1 610 – 34% higher than the prior year. A major sell off during the annual Platinum Week activities in May, due to renewed economic fears interrupted this rising price trend, but this soon reasserted itself as the US decision to launch Quantitative Easing 2 (QE2) in the midst of a slow economic recovery, triggered increased investment demand for commodities.

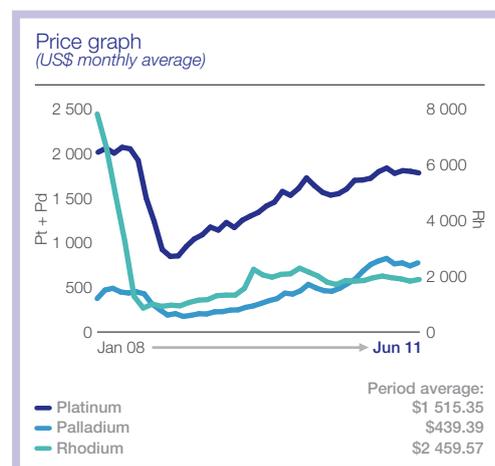
In the automotive markets, a significant recovery in worldwide production and sales stimulated increased usage of PGMs. The recovery of the diesel market share in Europe, which resulted in diesel engine sales once again exceeding those of petrol engines, was particularly beneficial to platinum demand. European platinum usage as a result grew by nearly 50% over the prior year.

Notwithstanding the emergence of China as the world's largest vehicle market and production

facility, and the restoration of US vehicle inventories to more normal levels, total platinum usage in the automotive sector still fell short of 2007 levels. Encouragingly usage exceeded 3 million ounces once again, supported also by increased fitment of catalysts in heavy duty applications. Government incentives offered in China – which ended at the end of 2010, have clearly had a beneficial effect for the year but may as a consequence dampen sales for 2011.

The uncertain macro-economic environment stimulated a flurry of activity into physical and paper investment products, with the US-based platinum ETF adding half a million ounces during the year. This substantial rise in investment demand had a greater influence on prices for the year than fundamental activity.

Sustained higher platinum prices throughout 2010 resulted in significantly reduced Chinese jewellery demand. This has been, in part, due to the strong retail performance and high levels of inventory build in 2009, which at the time provided great support to the platinum market. It should be noted that the price tolerance of the Chinese people is rising all the time, which is a very encouraging development.



World vehicle production

Million	2008	2009	2010	2011 Forecast
Asia	32.3	32.5	41.7	42.3
Western Europe	16.2	12.9	14.7	15.0
North America	13.3	9.0	12.5	13.6
East Europe	6.7	5.0	6.1	6.7
South America	4.1	3.9	4.4	4.9
Other	1.7	1.7	2.0	2.3
Total	74.3	65.0	81.4	84.8

Palladium

Palladium prices began the year at just above \$400 per ounce and hit a high of \$797, a level not seen since 2001. Prices averaged \$525 per ounce for the year, which is double the price achieved for 2009.

The fundamental driver of the palladium price has been the dramatic rise in vehicle production in Asia and continued production increases in the US, both of which are gasoline markets and carry predominantly palladium catalysts. This drove usage for the year beyond the five million ounce level. Increased substitution of platinum by palladium in diesel applications added further demand for this metal.

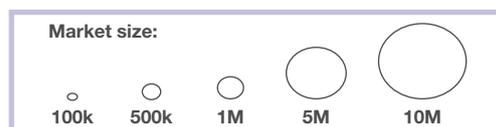
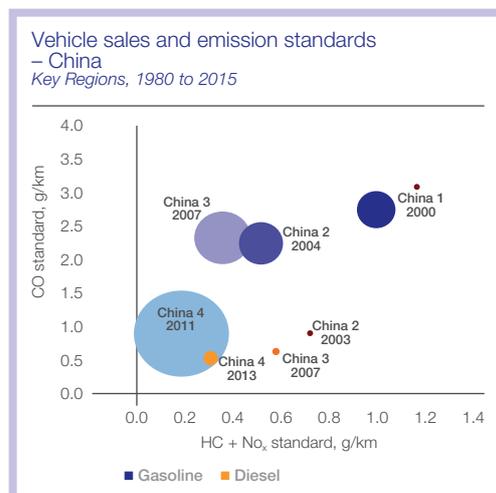
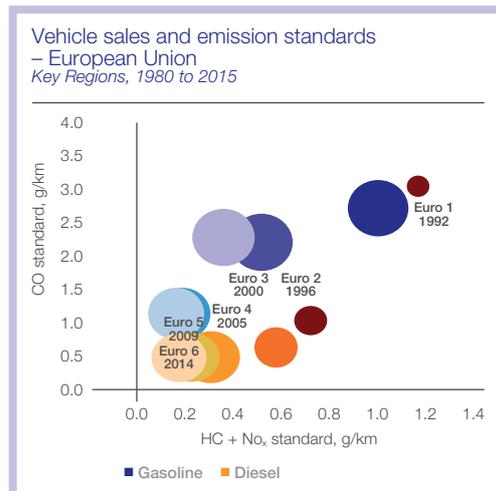
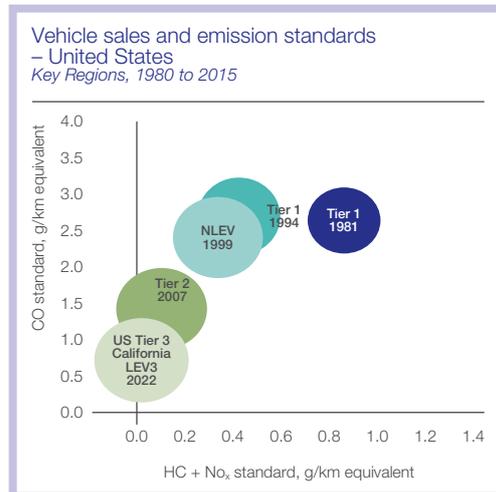
Investment demand also increased during the year and this, in combination, with the launch

of the US ETF for palladium resulted in an additional million ounces of demand, providing further impetus to the rising price. The probable end to Russian destocking of palladium, which has added roughly one million ounces per year for the last six years, has also benefited sentiment in this market.

Rhodium

In comparison to both platinum and palladium, fluctuations in the price of rhodium have been more modest, as the increase in demand on the back of growing automotive production was met by adequate supplies of the metal. The average price for the year was over \$2 400, approximately \$800 higher than the previous period reflecting the rebound in vehicle build.

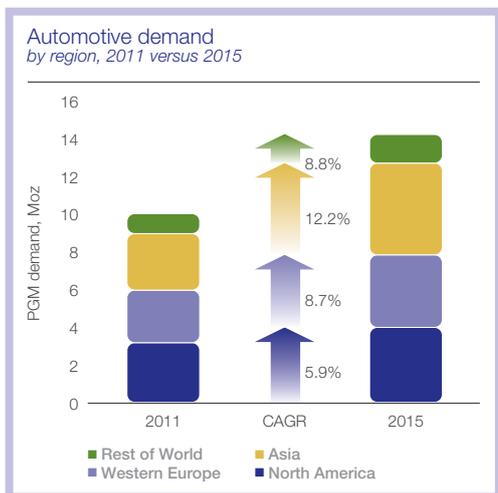
Market review continued



Outlook

Despite the recovery in metal prices experienced during 2010, the current and future environment is not without its challenges. 2011 has seen the re-emergence of EU debt concerns and austerity measures undertaken by government are expected to dampen demand for goods and services in large parts of Europe. The US is also showing little sign of recovery with rising debt and stubbornly high unemployment. These challenges along with persistently higher oil prices and the threat of inflation will continue to exert a negative influence on the prospects of further economic recovery.

Notwithstanding the macro challenges faced by the developed economies, the resilience displayed in emerging markets, particularly the Brazil, Russia, India, China (BRIC) economies, should continue to drive demand for all commodities. Whilst efforts to cool China's economy have proven successful, this region could be re-stimulated given the massive infrastructural programme envisaged over the next five to ten years and the risk of social unrest in a weakening economy. Pent up demand for vehicles is growing in all regions of China and the developing world and expectations are that this demand will only begin to be satisfied during the next five years. Growing vehicle demand in emerging economies and tighter emission legislation throughout the world is, therefore, likely to underpin strong fundamental demand for PGMs in the medium term. Efforts by the Chinese authorities to limit new car registrations in some cities to curb both congestion and pollution may impact on demand for new vehicles, but the inclusion of emission control devices in heavy duty and off-road vehicles should more than compensate.



This forecast growth in demand, particularly for palladium, is likely to be confronted by serious metal deficits as the growth in recycled and newly mined metal proves insufficient to compensate for the end of Russian destocking.

Numerous challenges facing the South African PGM producers will require of management a huge effort to ensure sufficient supply of these metals are available to meet the world's growing demand for them.

Fuel cells market

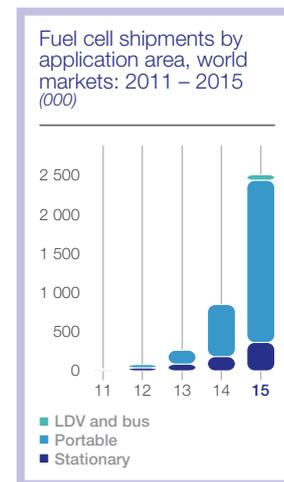
With the world's attention focused on climate change and reducing its dependence on fossil fuels and CO₂ emissions, fuel cells appear to be back on the radar screen after many years in the shadows. Although currently a small contributor to energy generation when compared to other technologies, the anticipated growth path to the 2017 horizon is projected to be exponential. The current story of fuel cells is all about a robust and clean contributor to the energy mix of the future. While the different fuel cell technologies advance simultaneously, it is the polymer electrolyte membrane (PEM) fuel cell that is the most important to the PGM

industry as they utilise PGMs exclusively, consuming about 20 000 ounces in 2010.

More than 90% of units shipped last year, were low temperature PEM fuel cells and direct methanol fuel cells (DMFCs). In terms of Megawatt (MW) shipped, PEM fuel cells make up about 43 MW of the total 90 MW shipped overall. About 15 000 fuel cell units were shipped in 2010, logging a compounded annual growth rate of 27% since 2008. Approximately 70% of this growth was recorded in the stationary fuel cell market.

The US, Japan, Germany and South Korea dominate world markets overall, with PEM fuel cell manufacturers primarily based in the US and Japan. The forecast projects exponential growth expanding beyond the two million unit mark by 2015. Growth in the initial years is driven primarily by the stationary and portable sectors. Strong growth in fuel cell vehicles emerges by 2015, boosting the transport fuel cell sector. Significant resources are being directed at reducing PGM loadings, with nanotechnology expected to play a vital role in reducing the amount of platinum per fuel cell unit, helping to make fuel cells commercially viable. The reduction of the overall cost of a fuel cell system as well as hydrogen supply infrastructure is gaining momentum.

Sales of fuel cells in Japan for residential heat and power generation rose by 60% on a year-on-year basis after the March 2011 earthquake. A subsidy granted by the government to sustain purchases over the fiscal year was completely used within three months. Overall, PGMs are expected to maintain their edge over competing materials. With the pace of fuel cell adoption expected to rapidly increase over the intervening period, we are confident that a new era of industrial PGM demand is dawning.



Market review continued

(000 toz)	2007	2008	2009	2010	Forecast	
					2011	2012
Platinum supply/demand balances						
Demand						
Automobile	4 080	3 830	2 950	3 270	3 630	4 070
Jewellery	1 545	1 355	2 410	2 160	2 180	2 270
Industrial	1 850	1 755	1 230	1 695	1 725	1 780
Investment	170	425	650	650	250	150
Total demand	7 645	7 365	7 240	7 775	7 785	8 270
Supply						
South Africa	5 185	4 485	4 580	4 735	4 740	4 970
North America	350	330	260	230	360	370
Other	280	745	665	1 015	840	880
Recycle	925	970	850	1 020	1 100	1 130
Russian sales	800	800	775	800	790	785
Total supply	7 540	7 330	7 130	7 800	7 830	8 135
Balance	(105)	(35)	(110)	25	45	(135)

(000 toz)	2007	2008	2009	2010	Forecast	
					2011	2012
Palladium supply/demand balances						
Demand						
Automobile	5 075	4 940	4 170	5 200	5 510	6 100
Industrial	3 305	3 620	3 365	3 155	3 220	3 150
Investment				1 055	200	200
Total demand	8 380	8 560	7 535	9 410	8 930	9 450
Supply						
South Africa	2 670	2 355	2 472	2 530	2 635	2 735
North America	980	870	655	665	865	930
Other	287	310	1 287	1 360	645	665
Recycle	928	1 085	986	1 370	1 530	1 800
Russian sales (production from 2009)	4 250	3 750	2 805	2 850	2 850	2 750
Total supply	9 115	8 370	8 205	8 775	8 525	8 880
Balance	735	(190)	670	(635)	(405)	(570)

(000 toz)	2007	2008	2009	2010	Forecast	
					2011	2012
Rhodium supply/demand balances						
Demand						
Automobile	845	759	682	750	810	880
Industrial	150	136	113	150	170	180
Total demand	995	895	795	900	980	1 060
Supply						
South Africa	665	580	640	650	670	710
North America	20	20	10	15	20	20
Other	20	15	25	25	30	30
Recycle	205	220	185	230	240	260
Russian sales	70	70	65	70	70	65
Total supply	980	905	925	990	1 030	1 085
Balance	(15)	10	130	90	50	25

Our products and markets

Management approach

We systematically address the safety, health and environmental issues relating to our products at all stages of the product life cycle. We have specific measures in place to protect the health and safety of those using or delivering our products. Procedures for assessing product health and safety are addressed during conceptual development, research and development, product certification, manufacturing and production, marketing and promotion, storage, distribution and supply, use and disposal, or recycling.

PGMs – the green metals

PGMs are used in many applications to reduce environmental impacts, including catalysts for refining processes that improve energy efficiency, autocatalysts that reduce harmful emissions such as nitrous oxides and particulates in diesel and gasoline engines. As such, they play a significant role in reducing air pollution by substantially limiting the discharge of these emissions.

A sustainable approach

PGMs are recyclable, which reduces our environmental footprint and augments their supply. The automotive sector is the most efficient recycler of PGMs. A whole industry has been developed to recycle autocatalytic converters from scrapped vehicles and around 25% of the platinum used in new autocatalytic converters comes from this source.

Recycling and beneficiation of PGMs are important parts of our product responsibility. Through our association with one of the world's leading autocatalyst recyclers, Implats is a significant recycler of metals.

We adhere to all the protocols on transporting hazardous materials, including labelling containers with their contents, safe handling

and use, and disposal. There were no incidents in this regard during the year. Our detailed product safety protocols are available on the Implats website.

Beneficiation

The South African government recently released a beneficiation strategy, which places greater emphasis on adding value to locally sourced raw material. It provides a platform whereby resource companies can play a facilitative role in the beneficiation strategy.

The strategy identifies several instruments that constitute an enabling environment for beneficiation (policies, legislation, incentives, etc) as well as government's policy on beneficiation. These include: access to raw materials at developmental prices, infrastructure (access, cost and logistics), limited innovation and more broadly R&D and shortage to mitigate identified binding constraints and leverage on existing national processes, such as the New Growth Path and the National Infrastructure Programme.

It is significant that the strategy seeks to leverage benefit from the combined growth of India and China to the extent that these regions are projected to be three times the size of the OECD countries. Government notes that China has committed to increase investment in South Africa's beneficiation programme in order to take advantage of the proximity to mineral source of production, as outlined in the Comprehensive Strategic Partnership with South Africa in 2010.

It remains incumbent upon the PGM producers to ensure adequate supply of PGMs to advance local manufacturing/coating. In this regard the PGM industry plays an active and important role in the PGM Beneficiation Committee (PBC),

comprising government, business (mining and manufacturing) and labour.

Our strategy aims to provide guidance and facilitate preferential supply and does not focus on active involvement in downstream projects. Implats currently supplies one fifth of our production to manufacturers in South Africa. These are based on normal commercial terms and underpinned by international US Dollar prices.

With demand for PGMs expected to outstrip supply over the long term, technological innovation ensuring greater utility from every ounce of metal available will accelerate. This opens up an opportunity for growth of PGM demand and the ability to create greater value for stakeholders.

Implats has strategically positioned itself in the following areas:

- Additional growth in its ounce profile
- Active collaboration with other industry players in fuel cell development in support of the Department of Science and Technology's hydrogen fuel cell technology by setting up a fuel cell development association for the industry
- Active involvement in the South African Minerals to Metals Research Institute (SAMMRI) a public/private partnership to develop supporting technology and technical skills with the Department of Science and Technology.

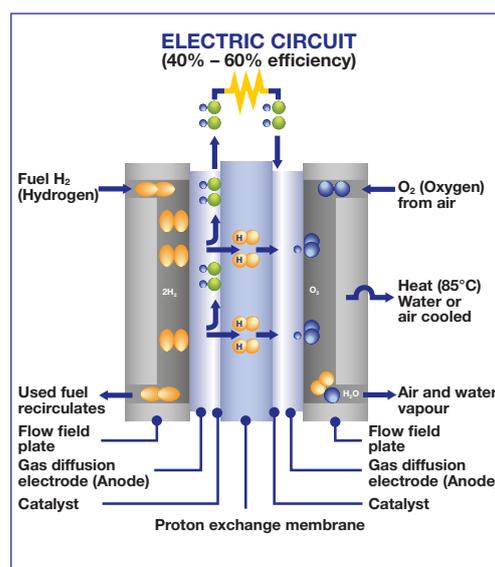
Finally, as alluded to previously, our research is uncovering companies at the cutting edge of fuel cell development that are moving the fuel cell agenda forward towards commercial viability. Within this sphere of involvement, we are looking at uncovering latent investment opportunities for Implats that could also meet the requirements for local technology transfer.

Fuel cells review 2011

Driven by environmental legislation to reduce the global carbon footprint and other pollutants as well as curbing fossil fuel dependency, the first phase of fuel cell commercialisation has made its debut.

Fuel cell operation

Whilst many types of fuel cells exist the operational mechanism remains similar. In a fuel cell, electric current is produced via an electrochemical reaction between a source fuel (generally hydrogen rich) and oxygen. In a proton exchange membrane fuel cell, hydrogen is fed into the anode, which passes over a catalyst that enables the hydrogen atoms to be split into electrons and protons. The electrons are channelled through a circuit to produce electricity. The protons pass through the proton exchange membrane. Oxygen (usually from the air) enters the cathode and combines with the hydrogen electrons and protons to form water. Water vapour and heat are released as by-products of the reaction.



Source: <http://www.ballard.com> 2 June 2011

Our products and markets continued

The reaction in a single fuel cell produces a very low voltage. Therefore many cells are combined into a stack to produce the desired level of electrical power. The electrical power generated via the electrochemical process is captured to enable the movement and functioning of an electrical device.

Fuel cells can provide energy in a variety of everyday applications.

The **stationary market** includes the provision of power to buildings and telecommunication infrastructure.

Transportation applications include cars, buses, boats and scooters.

Portable applications include power for outdoor activities, military applications and micro-power electronic devices such as laptops, smart phones and digital cameras.

PGMs in fuel cells

Platinum group metals, having excellent resistance to oxidation and high temperature corrosion, remain the most effective catalyst as they provide unique characteristics of durability, power density and efficiency in fuel cells. The electrodes in a fuel cell are generally coated with PGMs allowing the breakdown of the hydrogen atom. Whilst platinum contributes 20% – 40% of the overall fuel cell cost, it is still used in the most commercially successful fuel cells. The high platinum price though, is driving a search for alternatives. Nanotechnology, could assist in reducing the amount of platinum per fuel cell unit, making fuel cells more affordable. The reduction of the overall cost of a fuel cell system as well as hydrogen provision as the main fuel is gaining momentum. Whilst public awareness and incentives for fuel cell adoption

is crucial, the focus remains on the development of hydrogen infrastructure and the associated regulations and standards that govern its use alongside existing conventional fuel forecourts.

Performance in FY2011

Only minor customer complaints were received during the year. These were in connection with labelling and packaging of products, which were resolved.

There were no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.

Customer analysis

The PGMs and base metals we produce are sold to various customers in South Africa and around the world. The table included overleaf provides information on Implats' products and beneficiation. The Group's regular customers are primarily in Asia, North America, Europe and South Africa. Usually, the countries with whom we choose to trade are selected to limit our credit risk and increase our geographic diversification.

Implats sells to a range of customers, both end users and intermediaries, in the automotive and related industries; industrial, jewellery and chemical sectors. Sales by sector largely reflect the global split in PGM end users. Customers in South Africa and the United States are mostly in the automotive and related sectors while those in Japan and Europe represent the broader industry.

ISO certification

Implats has in place quality management systems for the quality management of processes based on the International Organisation of standardisation ISO 9001 Quality System and ISO 17025 with the exception of the Rustenburg and Marula operations.

We also have in place the ISO 14001 Environmental Management System at various operations. The standards are used to manage our environmental impacts and mitigate any risk related to our processes throughout the value chain.

Operation	Date of initial ISO 14001 certification	Most recent audits
Impala Rustenburg	2003	May 2010
Impala Springs	2000	April 2011
Mimosa	2007	April 2011
Zimplats	2005	December 2010
Marula		Due in March 2012



Our products and markets continued

Uses of PGMs

	Platinum	Palladium	Rhodium	Ruthenium	Iridium
Automotive	Catalyst to control exhaust emissions Spark plug tips Oxygen sensors in vehicle on-board diagnostic systems	Catalyst to control exhaust emissions (particularly hydrocarbon control) Oxygen sensors in vehicle on-board diagnostic systems	Catalyst to control exhaust emissions (essential for NO _x control)		Alloying agent in spark plug tips
Chemical	Gauze for catalytic production of nitric acid Process catalyst for producing bulk (PTA) and speciality chemicals (eg silicones)	Catchment gauze to nitric acid production Process catalysts	Process catalysts, eg acetic acid, oxo alcohols and rubber products Alloy with platinum in nitric acid production	Process catalysts, eg production of ammonia (Kellogg process)	Process catalysts, eg production of acetic acid (Cativa process)
Dental	Hardener in dental alloys	Alloying agent		Alloying agent	
Electro-chemical				Coating for anodes in chlorine and caustic soda production Sodium chlorate production	Coating for anodes in chlorine and caustic soda production Sodium chlorate production Coating for electrode – for electro-galvanising of steel strip
Electronics	Alloy coating for hard disks to improve storage capacity Thermocouples to monitor temperature in steel, semi-conductor and glass industries	Conductive paste in multi-layer ceramic chip capacitors Conductive tracks of hybrid integrated circuits Salts for plating processes	Alloyed with platinum in thermocouples	Resistor pastes for hybrid integrated circuits and chip resistors PMR technology to increase hard disk memory storage	Fabrication of crucibles for growing rare earth and other crystals (lasers and memory chips) Thermocouples

Uses of PGMs (continued)

	Platinum	Palladium	Rhodium	Ruthenium	Iridium
Glass	Production of LCD glass Bushings for producing glass fibre Speciality glasses Glass for TVs, monitors and cathode ray tubes Glass substrates for hard disks		Alloyed with platinum in producing LCD glass Alloyed with platinum in bushings		
Investment	Small/large bars, coins ETFs (exchange traded funds)	Coins ETFs			
Jewellery	Fabrication	Fabrication Alloying agent Platinum jewellery Whitening agent in production of white gold	Electroplating to give jewellery white finish	Alloying agent in platinum jewellery	Alloying agent in platinum jewellery
Petroleum	Reforming and isomerisation for upgrading octane quality	Hydrocracking to achieve higher yields			Alloyed with platinum in reforming catalysts
Other	Anti-cancer drugs Protective coating on turbine blades Pacemakers and catheters Control of industrial emissions (volatile organic compounds) Magnets	Control of industrial emissions (volatile organic compounds)			Alloyed with platinum in pacemakers and catheters
Fuel cells	Electrode coating in fuel cell stack Fuel-processing catalyst Tailgas burner	Tailgas burner	Fuel-processing catalyst	Electrode coating in fuel cell stack	

Chief Executive Officer's review

David Brown

Chief Executive Officer



Dear Stakeholder

Financial year 2011 was a positive year for the Group. The Group delivered a solid operational and financial performance. We improved our gross production supported by our Rustenburg and Zimplats operations achieving their targets. Costs were reasonably controlled given the cost inflation experienced by the industry. Enhancing the solid operational performance were improved metals demand and US Dollar pricing environments, which resulted in platinum averaging \$1 700 for the year under review. This favourable pricing environment was dampened by the appreciation of the Rand against the US Dollar.

I am encouraged by the Group's performance; the delivery on factors within our control is testament to the dedication and focus of our employees on enhancing value to shareholders over time. We, however, cannot claim true success until we have eliminated fatalities and other injuries in our working environment. It is with great sadness and regret that I report that eight employees lost their lives while at work during the year. On behalf of the Group I extend my sincere condolences to the families and friends of these team members.

While we have made progress in our safety as shown by the 57% improvement in our fatality injury frequency rate, regrettably our objective of zero lost-time injuries by 2012 will not be

achieved for the Group as a whole. Our lost-time injury frequency rate has shown a 7% deterioration from FY2010. However, we will be aiming to increase the number of individual operating units that will achieve this goal going forward. Safety is the number one priority for the Group and we remain committed to achieving zero harm in the workplace.

We have resolved to step up efforts in two areas. The first area involves closing the supervision gap by focusing on leadership training. A number of initiatives were put in place to ensure that all supervisory staff received adequate training and are empowered in this regard. As part of this empowerment we hold accountable all supervisory and management staff to ensure that compliance with our standards is taking place on a continuous basis. The second area is ensuring compliance to the Group's defined safety standards and procedures by changing the safety culture, focusing on behaviour observation, reward and communication.

Safety will remain a key challenge for the mining industry in South Africa. Whilst there have been significant improvements in safety over the years, the industry as a whole has to do more in order to attain world-class standards and performance. Better co-operation between industry, the unions and government will go a long way in achieving this end. I firmly believe

All our operations with the exception of Marula delivered on their key financial and operational metrics during the year under review when compared to the previous financial year.

that this tripartite alliance will play a pivotal role in improving safety performance across the industry.

Operational and financial review

All our operations with the exception of Marula delivered on their key financial and operational metrics during the year under review when compared to the previous financial year.

Gross platinum production rose 5.5% to 1.836 million ounces. The Rustenburg operation increased production by 8.0% to 941 200 ounces compared to the lower levels achieved in FY2010, which brings the operation back in line with its planned production levels. We saw a 4.7% improvement in production at our Zimplats operation to 182 100 ounces as the Phase 1 project delivered its anticipated output. These increases, in conjunction with additional material treated for Lonmin, contributed to the overall improvement in production.

Impala Rustenburg produced a solid operating performance despite the ongoing challenges of a lack of mining flexibility. Mining flexibility remains a key issue due to a combination of the later than expected delivery of the new shafts in conjunction with lower than planned development in prior years. These constraints will remain until the three new shafts (20, 16 and 17 Shafts) ramp up to full production. The first of these new shafts to deliver will be 20 Shaft. There have been several delays at 20 Shaft due to a number of factors, including:

- Underperformance on the original planning parameters
- Worse than expected ground conditions which, in the interest of safety, necessitated

concurrent support and mining functions. This adversely affected the time required to complete the mining cycle

- Major delays in completion of the shaft infrastructure due to congestion.

First reef production commenced during the year but it became apparent that continued production would compete with the project development.

Consequently, it was decided to delay the project ramp-up by 12 months, resulting in 26 000 ounces of platinum planned for FY2012 being deferred to FY2013.

At 16 Shaft the main shaft infrastructure remains critical to the commencement of production. Unplanned rope changes and time to complete sinking to the shaft bottom resulted in a six-month delay. First production is now anticipated in 2014.

Progress on 17 Shaft remains on track and first production is expected in FY2017.

The performance at the Marula operation remained unsatisfactory. During the year we undertook a strategic review and concluded that the key reason for Marula's underperformance, in attempting to ramp up to its production target of 100 000 ounces of platinum per annum, was the operation's underperformance against its targeted operating parameters due to incomplete infrastructure. It was therefore decided to revise the targeted production profile of the operation to a more sustainable rate of 70 000 ounces of platinum per annum, until planned infrastructure is completed. Once the infrastructure is completed, we will be able to assess what

Chief Executive Officer's review continued

profile is possible in the medium to longer term. The revised production plan has resulted in staff reductions at the operation and in this regard we engaged with the unions in terms of the section 189 process to downsize the workforce; this process has been successfully completed. In addition to allowing infrastructure completion, the revised plan will also reduce operating and capital costs.

Zimplats and Mimosa produced world-class safety records and strong operational performances. Zimplats, following the successful completion of the Phase 1 expansion in FY2010, delivered its first full year of production and is operating at optimal levels. The Phase 2 expansion is well underway and will increase production to 270 000 ounces of platinum per annum by 2014. A key area of focus for the year ahead at both our Zimbabwean operations is cost control with unit cost being impacted by US Dollar-denominated cost inflation which continues to rise, largely as a result of higher wages and power cost.

The Two Rivers operation, which is our joint venture with African Rainbow Minerals, recorded a 3.1% rise in production to 145 300 ounces. This operation remains very profitable and delivered a commendable set of results.

Impala Refining Services refined platinum production improved by 2.9% to 895 100 ounces. The higher production was buoyed by an increase in material received from the Group's mine-to-market operations and by additional toll refining on behalf of Lonmin. Third-party purchase contract deliveries were unchanged compared to the prior financial year.

Revenue for the year rose 30% to R33 132 million compared to the previous financial year, with higher average US\$ metal prices and the increase in gross production offsetting the impact of the stronger Rand.

Gross profit margins improved to 35% from 32% in FY2010.

Unit costs per platinum ounce benefited from the rise in production and reasonable cost control throughout the Group. Unit costs increased by 7.7% to R10 867 despite the significant ongoing inflationary pressure experienced during the year. If we 'normalised' FY2010 by adding back the impact of the stoppages at 14 Shaft, the subsequent mining layout changes and the two week industrial action then group unit cost would have risen by 13%.

Headline earnings per share improved by 41% to R11.05 compared to R7.86 in FY2010.

The dividend for the full year represents a 46% increase over FY2010.

The Group's balance sheet remains strong with a net cash balance of R2.7 billion representing a 56% increase on the previous financial period due to a reduction in cash from changes in working capital.

Material sustainability issues

Mining as an industry is pivotal to meeting the rising demand for commodities. The extraction of minerals renders an impact on not just the environment, but also from a social and economic perspective. The challenge for companies who operate in this industry is to ensure that they are able to integrate into their conventional business strategy and practice, a framework for sustainable development. This requires the implementation of sound risk processes to identify material issues that could have an impact on the long-term sustainability of the business as well as implementing proactive strategies to manage these risks.

For the year under review, the material sustainable development issues that have been identified through our risk processes are the following:

Safety: Safety is a key material risk for the Group. We are committed to our vision of zero harm within the work environment. Safety at our Impala Rustenburg operation remains a particular concern as this mine accounted for

seven of the eight fatalities incurred by the Group. Several initiatives have therefore been undertaken during the year, that have resulted in a refocus of our safety strategy.

Skills attraction and retention: We continue to experience a shortage in certain critical skills, at both our Southern African and Zimbabwe operations. Key challenges we face include high employee turnover due to an ageing and ailing workforce, increased competition for skilled resources and inadequate education in our semi-skilled talent pool. In Zimbabwe the situation is exacerbated by the socio-political climate. Our focus will remain on critical skills development over the next few years as well as improving our retention and reward practices.

Employee health: The prevalence of HIV with associated tuberculosis (TB) within the Southern African environment is a serious issue for the Group. It is estimated that approximately 25% – 30% of the mining workforce in South Africa has contracted HIV/AIDS. The challenging nature of mining necessitates a workforce that is physically fit and mentally alert. In employees who are suffering from debilitating illnesses such as HIV/AIDS, this is often compromised, impacting negatively on safety and productivity. In this regard, there has been a steady increase in absenteeism and medical incapacitations with Aids-related deaths in service remaining relatively high at our operations, specifically at Impala Rustenburg. Our approach to managing this pandemic has focused on preventative education and treatment post-infection, including antiretroviral therapy (ART) and implementing holistic wellness programmes to promote a healthier lifestyle.

Water availability and consumption: Our operations are dependent on the availability of water, which is a scarce resource. A Group-wide water conservation strategy was developed during the year, which integrated the responsible management of water into our core business operations. We are currently investigating means to reduce our absolute water intake and increase recycled water

usage; thereby reducing our fresh water usage. As an industry we have experienced great difficulty with obtaining new water usage licences and we have appealed to the Department of Water Affairs to ensure that these new water licences are granted as soon as possible.

Energy consumption: Security of supply and pricing are material risks for the Group, given our substantial operational energy requirements. Our electricity consumption is expected to grow as our mines deepen and extend further away from the shafts. In the absence of new supply from Eskom in South Africa this risk is expected to persist. Our strategy on power is primarily focused on improving efficiencies rather than reducing absolute consumption due to greater depths of mining and rising production volumes. Opportunities to reduce energy usage at our refineries and smelters are limited. Our new shafts (20, 16 and 17) have even been designed to be energy efficient and we have ongoing energy-saving initiatives at our mining operations such as installing efficient heat pump technology, improved insulation systems to conserve heat and the use of solar energy systems. We anticipate the supply risk persisting through to 2013.

Emissions to atmosphere: Mining is classified as a high impact industry on the environment. Sulphur and carbon dioxide emission activities are the most significant environmental impacts brought on by our smelting and mining activities. Our overall strategy is to minimise the impact that our business has on the environment. During the year a comprehensive review of the Group's current and projected carbon footprint was undertaken. Our reliance on energy supplied by Eskom, from coal-fired power stations, has resulted in indirect emissions contributing to a significant 89% of our carbon footprint. There is limited scope for the Group to reduce its carbon footprint, as it will largely be determined by the change in government's energy mix over time. We have focused and will continue to focus on reducing and optimising our energy use and improving our energy efficiency in the medium term. Over

Chief Executive Officer's review continued

the longer term we are investigating the use of carbon-neutral biomass to replace the use of coal.

Political risk and society: We are very aware that as a Group we need to ensure that we are able to maintain both our legal and social licence to operate. Understanding and complying with the legal requirements of the countries we operate in, forms an integral part of our business strategy.

In South Africa we have already made great strides in complying with the Mining Charter, which was promulgated in 2004. The review of the Mining Charter in 2010 has incorporated sustainability and environmental responsibility in addition to empowerment of historically disadvantaged South Africans (HDSAs) which remains at its core. We are fully committed to ensuring compliance with the reviewed Charter as well as supporting transformation in South Africa. Our progress on these initiatives can be reviewed in greater detail on page 38.

During the year, there was much rhetoric surrounding the ANC Youth League's call for the nationalisation of mines and banks as a means to enable economic transformation for historically disadvantaged citizens. Nationalisation is not the policy of the government of South Africa. The reality is that in a country where there is large-scale abject poverty and unemployment, such debate is likely to continue. Economic transformation through initiatives such as the Mining Charter is imperative for the long-term success and stability of the country. We believe that it is the responsibility of all companies within the mining industry to meet the Mining Charter requirements. Private sector partnership that supports the government to achieve its goals of economic growth and job creation will achieve long-term success for the country.

In Zimbabwe, the legislation on the amended indigenisation and economic empowerment regulations requiring all foreign-owned businesses to meet a minimum indigenisation

quota of 51% was gazetted on 25 March 2011. We have no objection to the principle of equity ownership, as we have already demonstrated in our compliance to the South African Mining Charter. Our preferred route regarding equity ownership is the involvement of our staff and the communities we operate in. We remain confident that the plans put forth, which incorporate agreements concluded with the government of Zimbabwe for indigenisation credits in exchange for mining rights returned to government, and social spend will ensure an acceptable outcome.

We believe that a sustainable solution to the issue of wealth redistribution needs to take cognisance of the balance between risk and returns. An optimal solution will not be achieved by focusing solely on short-term gains. Mining requires taking a long-term view as building a successful industry involves the investment of significant capital over time. Zimbabwe therefore needs to attract foreign direct investment through the implementation of sound economic policies. A stable investment climate would encourage us to invest and significantly expand our operations in Zimbabwe. This will reap multiple benefits not just for the Group but also for the government and its citizens for years to come.

Strategic focus areas for the year ahead

Safety at work: We are committed to our vision of zero harm within the working environment. Safety is the top priority for the Group. Our aim is to focus on compliance and fostering a culture where safety is a priority for all employees and where there is an intolerance towards unsafe work practices and behaviour.

Delivery on capital projects: Ensuring that our capital projects are delivered on time and on budget. In South Africa the ramp up in production for 20, 16 and 17 Shafts is critical to restoring the shortfall in production at Impala Rustenburg. In Zimbabwe the Phase 2 expansion at Zimplats from 180 000 ounces to 270 000 ounces of platinum per annum will

support our growth aspirations to over 2.0 million ounces of platinum per annum by 2014.

Maintaining cost leadership: Maintaining our competitive position on the cost curve through rigorous cost management. We have two areas of focus. The first is absolute cost management by ensuring that we optimise usage of consumables and the implementation of cost-effective purchasing decisions for procurement of goods and services. The second area of focus is improving efficiencies through higher productivity, capital delivery on projects and infrastructure optimisation.

Strong balance sheet: The global markets, post the 2009 financial crisis remain volatile and developed markets are yet to show signs of a sustained recovery. In light of this we will continue to manage our balance sheet prudently by simultaneously ensuring that we maintain a balance between investment and returns to shareholders.

Prospects

Looking forward, we note that a consumer-led recovery should continue off the lows reached during 2009. While growth was tempered during the last quarter of the financial year by the negative impacts of the Japanese disaster, slower than expected growth in the US and China, and high oil prices, we expect that pent-up demand will resurface towards the latter part of 2011 and continue into 2012.

Macro-economic forces remain the prime driver of global growth, with the upcoming period expected to be challenging in light of systemic changes to the global financial system. The European debt problems are worsening and will probably reach its nadir in 2012. Fiscal retrenchment, austerity measures and financial rehabilitation are the “buzzwords” that we believe will increasingly come to the fore once the USA is weaned off the Quantitative Easing emergency lifeline. We expect however, that China should be emerging from its monetary tightening phase at about the same time,

thereby allowing for some counterbalance at the macroeconomic level.

While broad economic recovery will continue, we do not expect to see a continuation of the supercharged GDP growth, as was the case over the previous decade. We expect that emerging markets will increasingly fill the void resulting in a continuation of growth in PGM demand from all sectors.

Over the longer term, our internal research indicates that emerging market growth will translate into accelerating demand deficits into the 20-year horizon leading to increasingly complex business environments and rapid development of technological innovation. In positioning Implats to continue delivering shareholder value within the forecast environment, we are strengthening our intelligence-gathering network better to inform our long-term strategy.

Finally, I want to take this opportunity to thank our employees, Board and other stakeholders for their dedicated effort throughout the year. Our operational performance for the year is in line with our vision to be the world’s best platinum-producing company.

The year ahead will not be without its challenges. I look forward to improving our safety performance at work, maintaining our position as a low cost, quality, platinum producer and delivering on our growth strategy. With dedication, discipline and value-based leadership we can achieve this end and build long-term sustainable value for all our stakeholders.

David Brown
Chief Executive Officer



Creating value

Our key stakeholder groups have been evaluated in terms of their potential impact on our ability to create and sustain value over the medium to long term. While all our stakeholders are important and are engaged according to their needs, our key strategic relations are with communities, government, employees, investors and customers who remain central to the sustainability of our business over the long term.

Creating value

Economic capital

Human capital

Social capital

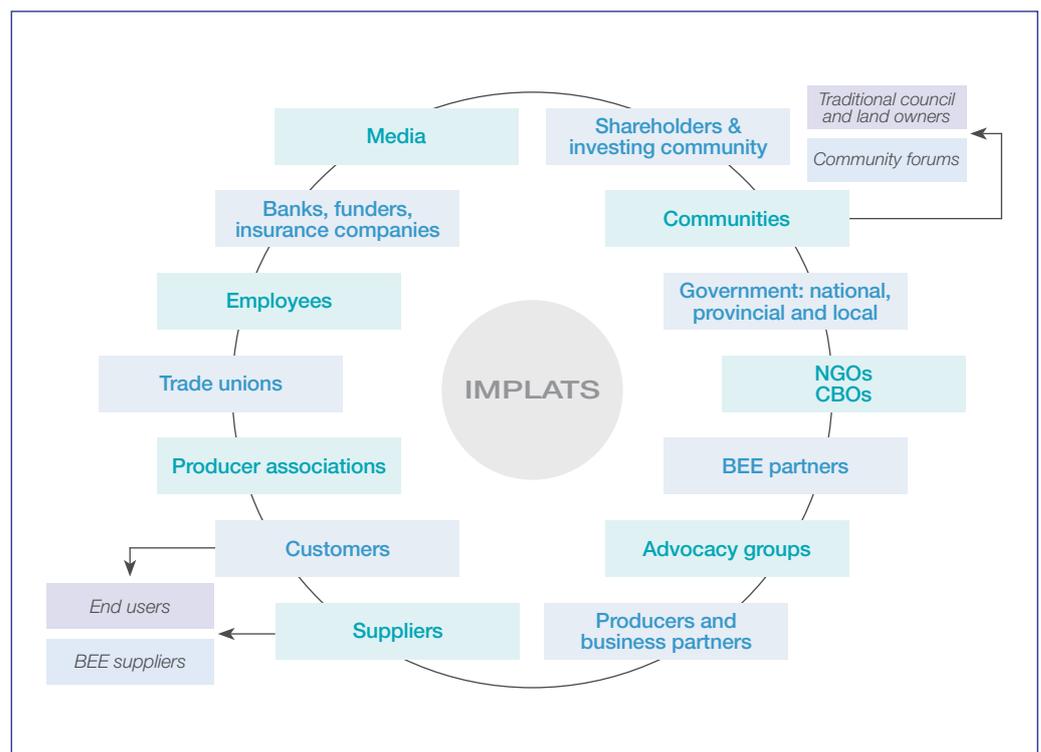
Natural capital

Consolidated non-financial statements

Stakeholder engagement

To create and sustain business value we need to be able to:

- Build positive relationships with our key stakeholders
- Understand our business risks
- Understand our material sustainability business drivers
- Create opportunities, where possible, in each of these spheres.



Engaging with stakeholders

Implats has a range of stakeholders who either have a direct interest in the organisation or are affected by its activities. Various structures are in place to facilitate dialogue with both the internal and external stakeholders we have identified.

The nature and frequency of engagement varies depending on the nature of the issues raised and material impact on both the organisation and the affected or interested party.

During the year under review we assessed the stakeholders we had identified and prioritised those who are significantly impacted by our business and who can influence the long-term viability of Implats. While this process was undertaken through the Sustainable Development department, the Executive Committee (EXCOM) gave final approval for it to be undertaken and endorsed its findings. The process re-emphasised the critical stakeholders that are key for business sustainability and those that are significantly impacted by our

business. The process assisted in consolidating a Group approach to stakeholders that takes into account other countries of operation and it identified gaps that need to be addressed.

It is important that Implats retains both its social and its legal licence to operate. To do so we need to recognise the significant impacts we have on the communities in which we operate, respond to the concerns of these stakeholders, adhere to all legal requirements and conduct our business in a manner that mitigates risk and avoids harm to our stakeholders.

Our key stakeholder groups have been evaluated in terms of their potential impact on our ability to create and sustain value over the medium to long term. While all our stakeholders are important and are engaged according to their needs, our key strategic relations are with communities, government, employees, investors and customers who remain central to the sustainability of our business over the long term.



The opening of the Sunrise View residential housing development

Stakeholder engagement continued

The key material issues raised by stakeholders during the year under review are as follows:

Stakeholder	Nature of engagement	Material issues raised	Actions
Shareholders and investor communities	Roadshows, investor conference, results presentations and one-on-one appointments	Market view, cost of production, capital delivery, nationalisation, indigenisation	Responses are provided during the engagements and data where relevant. Country policy issues are addressed by the executive
Bank, funders and insurance companies	One-on-one appointments	No material issues	
BEE or indigenous partners	Operational meetings, board meetings, one-on-one	Cost of production, capital delivery, safety (accidents and stoppages), transformation progress and compliance, retrenchments at Marula	Discussed at Board through presentations
Media	Print, radio and television coverage	Safety (accidents and stoppages), nationalisation, indigenisation, retrenchments at Marula, wage negotiations	Responses given through investor relations and media releases
Government	Local government, provincial and national government meetings and compliance visits from government	Safety (accidents and stoppages), transformation progress and compliance, social and labour plan progress, retrenchments at Marula	Formal presentations have been given, with follow-up meetings to national and local government
Advocacy groups, Chamber of Mines	Surveys, hotlines, publications, stakeholder liaison meetings and one-on-one meetings	Wage negotiations. Nationalisation, section 54s and safety.	Continuous engagements are undertaken with government and strategic partners to address industry issues
Traditional council, land owners and communities	Community liaison meetings, community trust meetings, future forum meetings and one-on-one meetings	Employment opportunities, procurement opportunities, HIV and AIDS in communities	Feedback on opportunities and initiatives are given at quarterly and monthly forums
Suppliers	Supplier forum and one-on-one meetings	No material issues	
Customers	Industry forums and one-on-one meetings	No material issues	

Stakeholder	Nature of engagement	Material issues raised	Actions
Employee and trade unions	Operational forums, collective bargaining units	Safety (accidents and stoppages), retrenchments at Marula, conditions of employment, transformation progress and compliance	Through the bargaining units an agreement was reached regarding the retrenchment process, criteria and severance pay. Safety and transformation issues are discussed on an ongoing basis
Producer and industry forums	Strategy meetings and industry interest group meetings	Safety (accidents and stoppages), nationalisation, indigenisation, Mining Charter amendments and progress, skills development and availability, employee health and assistance programmes, infrastructure and services availability	Continued to lobby for a sector collaborative approach to address industry needs



The Hydroponics project at the Marula mine

Management approach

Management approach

Accountability for organisational performance and for strategy implementation begins at operational level, with established operational committees, forums and structures that report to the Group's Executive Committee (EXCOM), and ultimately to the Board through various Board sub-committees.

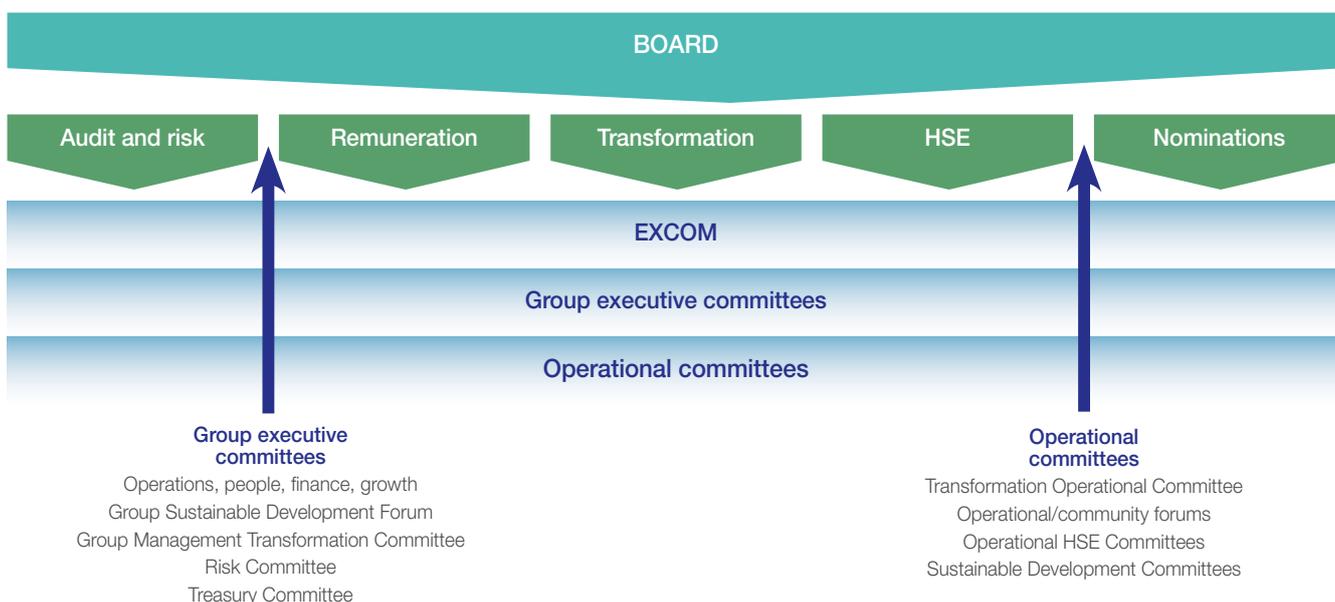
The membership of each operational committee includes relevant identified stakeholders who have been duly elected or appointed by the stakeholder group they represent. Each operational committee has a defined mandate that governs the processes and procedures for their deliberations and decision-making. Where relevant, union and community representatives are members of the different forums established at operational level. Details of these structures can be found in each opening section of this report.

Operational committees are tasked with implementing strategic objectives, identifying

the material issues relevant to the particular committee's mandate and mitigating any risks attached to these issues. Where relevant, they are tasked with bringing these risks to the attention of the EXCOM and, ultimately, the Board.

Sustainability objectives are included in the key performance indicators against which the performance of Implats' management and executives is measured and remunerated. The Sustainable Development Forum is charged with ensuring the implementation of strategies relating to sustainability and overseeing the overall performance of the Group's non-financial indicators. It also lends support to the Board's HSE, Transformation, Audit and Risk Committees through the EXCOM. The Sustainable Development Forum is populated with Group executives from each discipline who provide input and review performance quarterly. Details of the Board sub-committees are discussed under the Governance section of our Integrated Annual Report 2011 on page 78.

Accountability



Governance and ethics

Implats' Board of directors remains committed to the highest standards of corporate governance. To realise this commitment it ensures there are solid and sustainable governance processes and structures in place throughout the organisation. While the Board leads by example, promoting a healthy and ethical environment in which to operate, every employee of the Group is expected to behave with integrity, honesty and fairness. The Board is fully cognisant of the important role corporate governance plays in the delivery of sustainable growth to all our stakeholders and it remains one of the top priorities of the Board and the Company's executive management.

CORRUPTION AND FRAUD

We have a zero tolerance stance on fraud and corruption throughout the Group. We expect our employees, business partners, contractors and associates to conduct themselves in accordance with the Implats Code of Ethics and fraud statement. The detailed Code of

Ethics, which underpins the Group's fraud policy, is in line with our organisational culture, which promotes ethical behaviour. Both our Code of Ethics and our fraud policy are fully compliant with the Prevention and Combating of Corrupt Activities Act of 2004.

Executives and line management are responsible and accountable for the implementation of the fraud policy, Code of Ethics and supporting procedures.

In total 36 allegations were reported to our whistleblower line during the current year. In terms of our fraud policy Group internal audit investigates all reported allegations and maintains a register of them for tracking purposes. Of the 36 allegations reported and investigated during the current year, some were referred directly to senior management and others to Group Internal Audit. Four of these cases are still under investigation; 21 were confirmed as relating to fraudulent activity while the balance were found to be unfounded.

Fraudulent irregular activity and theft reported Group-wide by internal audit in FY2011

Nature of allegation	Investigation pending	Allegations unfounded	Allegations founded	Total
Fraud	2	1	2	5
Corruption	1	1		2
Theft		7	14	21
Irregularities			4	4
Misappropriation not material in nature	1	1		2
Breach of Code of Ethics		1	1	2
Total	4	11	21	36

Eleven of these were regarding the South African operation and the remaining 25 were reported in Zimbabwe. In accordance with our zero tolerance policy statement, all reported allegations were investigated and the outcomes are as shown in the table attached.

The 21 founded allegations were dealt with in the following manner:

- In the South African operation three allegations were founded resulting in one disciplinary hearing leading to a dismissal. No disciplinary hearing could be conducted

Management approach continued

on two remaining cases due to the following:

- In the first matter, fraud was committed by an external party, the matter was therefore referred to the authorities;
- In the second matter, fraud was uncovered after the staff member was retrenched.
- In the Implats operation 18 allegations were founded and in all these cases a reward of US\$2 550 was paid to the whistleblowers, 13 of these were taken through a disciplinary process not leading to dismissal and the remaining five were unidentifiable or absconded.

CODE OF BUSINESS PRACTICE

Implats has a Code of Business Practice to which all employees and suppliers are expected to adhere. The Code outlines how the Company expects its employees and suppliers to behave in regard to cases of conflicts of interest, the prevention of dissemination of Company information, the acceptance of donations and gifts, and protection of the intellectual property and patent rights of the Company. It also outlines the disciplinary action (including dismissal or prosecution) which will be taken in the event of any contravention of the Code. A whistleblowing toll-free helpline is in place to facilitate the confidential reporting of alleged incidents which are reported to the chairman of the Board.

Our procurement contracts with suppliers stipulate an adherence to company policy, safety standards, compliance with South African labour legislation and conditions of employment. Suppliers who are found to contravene these conditions, or who are guilty of any unethical behaviour, face the risk of their services being terminated by Implats. During the year under review Implats terminated the services of suppliers who had contravened the terms of their contracts. Contraventions ranged from poor performance to unethical conduct.

Human rights

Respect for human rights is an integral part of the Company's Code of Ethics and values, which are guided by the labour-related Acts in the countries in which we operate. All policies and procedures at operational level are

supported by formal agreements with employee union representatives. These agreements cover the following human rights related aspects:

- Minimum employment age
- Rights to freedom of association and collective bargaining
- Prevention of forced or compulsory labour
- Equality and fair treatment of all individuals free from discrimination, irrespective of race, gender, creed or place of origin
- The need for security personnel to uphold these rights.

Human rights issues are monitored through monthly reports submitted to the Executive Committee and surveys are conducted twice a year by an independent third party. Procedures are in place to ensure that channels are available to deal with unfair practices. Contracted labour is expected to abide by the Company's code of conduct and procedures regarding human rights and labour practices.

While contractor agreements do not specifically contain human rights clauses, contractors are expected to abide by our Company policies, practices, standards and the constitution of the countries in which they are operating. Policing of contracted labour on issues of human rights is an area for improvement and will be addressed in the forthcoming year.

Through stakeholder engagement processes, material community issues pertaining to human rights are addressed in community forums.

No claims of human rights abuse were made against the Company in the year under review.

Understanding our sustainability footprint

South Africa produces approximately 75% of the world's platinum, with Implats being the second largest producer in the world. The organisation thus has the potential to have a significant impact on global PGM markets, which underlines the importance of ensuring our business is sustainable over the long term.

All aspects of sustainability are fundamental to our business, bearing in mind the risks and hazards associated with the activity of mining. Our impact and risk assessments span the entire mining value chain, from exploration to

the final sale of our product, taking into account all environmental, health, safety, social and financial impacts. While we do not control our products throughout their life cycles, we continuously ensure the safe delivery and recycling of some of our material from spent catalysts and other redundant industrial products.

Our impacts relate to:

■ **Environmental issues** – the protection of our ecosystem and managing the impact on surrounding communities through proactive water, air, noise, land and waste management.

■ **Social issues** – that arise as a consequence of our operations’ sourcing labour from various provinces and countries which, in some instances, promotes the displacement of families. This can further exacerbate the spread of slums and shack dwellings and the prevalence of diseases. Despite the measures we put in place to counteract this, the risks of mining can and do negatively impact human life. The loss of a family member and breadwinner severely affects the families of our employees and the society and communities from which they come.

■ **Economic issues** – through mining activities on land that would otherwise be

available for subsistence farming and the generation of income.

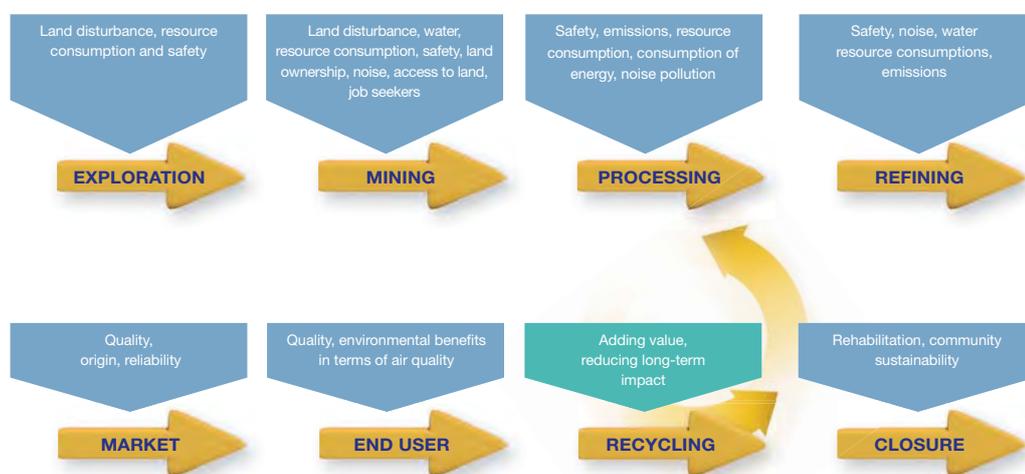
Notwithstanding these negative effects of mining, positive contributions may also be derived from our mining activities.

These include:

- Employment and jobs created by mining activities (see the Human capital report on page 101)
- The contribution of mining towards economic development in host communities and areas from which labour is drawn (see the Socio-economic development section on pages 69 to 77)
- Social upliftment programmes and infrastructure development in the form of schools, clinics and roads (see the Socio-economic development section on pages 69 to 77)
- Working jointly with government to ensure delivery to communities (see the Socio-economic development section on page 94)
- The application of our metals towards technological advancement and emission control (see the Marketing section on page 11).

Our approach to managing these sustainability issues is derived from our business strategic risk analysis.

Sustainability footprint



In the first stages of the PGM process, impacts centre on environmental and social aspects. Once products reach market, the issue becomes quality and eco-friendliness.

Strategic risks and materiality

Strategic risks and material sustainability issues

Risk management at Implats sets out to achieve an appropriate balance between reward and minimising the risks associated with any activity. Our approach to risk management is consistent with the definition of risk, as provided in the global risk management standard, ISO 31000:2009: “*effect of uncertainty on objectives*”. This creates a clear link with strategic objectives and therefore requires an objective-based approach. Our aim is for risk management to be embedded throughout the Company’s activities. Success in this process will result in the following outcomes:

- The Board and senior managers will be able to make informed decisions regarding the trade-off between risk and reward
- Strategic growth opportunities can be pursued with greater speed, vigour and confidence for the benefit of Implats and its shareholders
- All stakeholders can have greater confidence that the organisation’s strategic objectives will be achieved
- Business decisions can be made within the context of the Company’s appetite for risk and risk tolerance levels
- The Company can manage the risks associated with non-tangible assets such as employees, customers, partners, other stakeholders, intellectual and knowledge capital, brand, processes and systems, as effectively as those affecting physical and financial assets.

Our vision for risk management is: *To enhance our understanding of the uncertainties that we face by providing a structured and consistent approach that aligns strategy, processes, people, technology and knowledge, with the aim of improving our confidence in our ability to create stakeholder value.* This vision will be achieved through an enterprise-wide risk management framework made up of two cycles.

The first is the well known process at the core of risk management: day-to-day risk identification and evaluation. The second cycle deals with the strategic envelope within which Implats drives and focuses risk management according to:

- Business and strategic objectives
- Stakeholders’ needs
- Company structure
- Defined risk appetite and risk tolerance
- The need for control assurance
- The governance requirements of King III.

This approach encourages ownership by giving each business unit of Implats the ability to control the pace of implementation within a set of timeframes. The responsible individuals will then be held accountable for the achievement of their implementation plans. This also implies an approach that gives credit for and consolidates and builds upon what has been done before.

Arising from this process are a series of objective-based risk assessments (ORAs) which cover approximately 60 of the most important aspects of the Implats business. Each risk is identified, and its associated controls, has a clearly defined line management owner.

Ongoing review ensures that the information remains relevant. Factors that may affect consequences and the likelihood of an outcome and the factors that affect the suitability or cost of treatment options may change. Implats therefore reviews the risk management cycle regularly. All information is captured into the Group risk repository system, which feeds into the Group risk profile. Risk reports are presented to the appropriate bodies and escalated as required, culminating with the Executive Committee every month, and with the Board Audit and Risk Committee and the Board every quarter.

Issues which are regarded as material risks for Implats are identified as a natural consequence of this process.

The Group risk profile identifies the following key risks:

CLASSIFICATION OF GROUP STRATEGIC RISKS – JUNE 2011

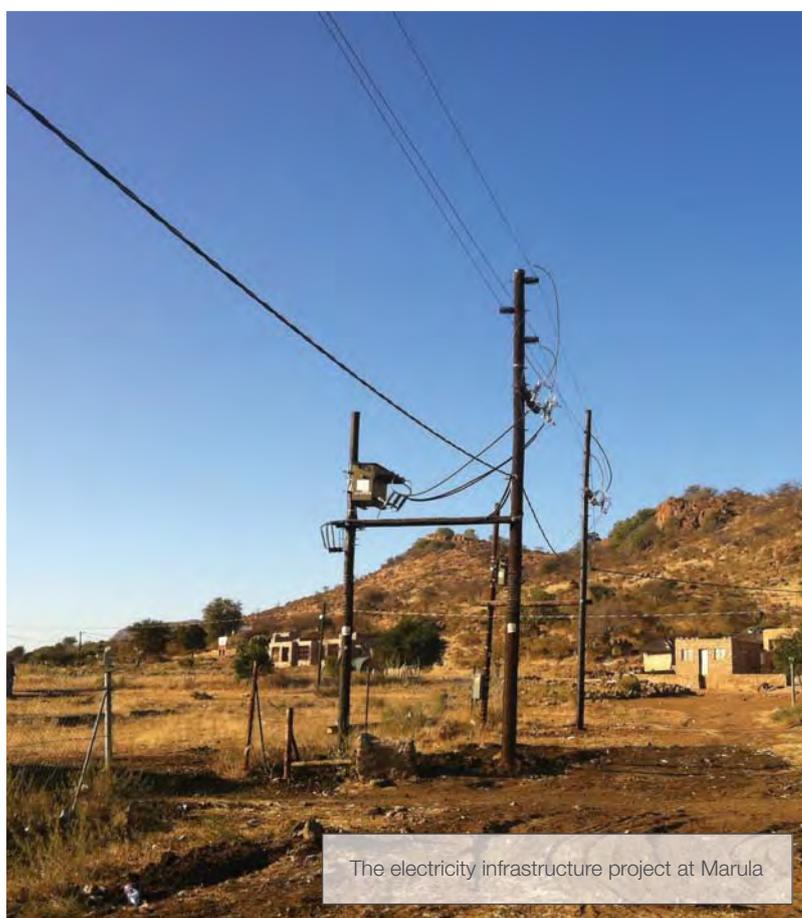
High potential impact issues	Medium potential impact issues	Lower potential impact issues
Safety	Growth	Asset reliability
Effective people	Infrastructure	Cash preservation
Employee health	Mineral Resource management	Suppliers and logistics
Environment	Unit costs	
Country/Political – South Africa and Zimbabwe		
Project delivery		
Production		
Supply and demand (including metal prices)		
Rand/Dollar exchange rate		

Note: These risk issues are classified according to their potential impact on the achievement of Group strategic objectives over the five year planning period. Taken as individual risk categories, all are significant and require ongoing attention from management – the intention here is to indicate the relative ranking of each category.

Material sustainability issues

Based on the strategic risks identified from the original risk identification and enterprise strategy process employed at Implats, the key sustainability issues were identified. This took into account stakeholder material issues which have an impact on the business. The process involved:

- A survey to EXCOM on the material risks outlined above
- An analysis of Board minutes
- An analysis of stakeholder issues raised through ongoing engagements (see pages 26 and 27)
- A scan of media reports during the year relating to industry issues and information relevant to our business (see page 26).



The electricity infrastructure project at Marula

Strategic risks and materiality continued

The findings of this process were documented and presented to EXCOM for endorsement. As a consequence of this process Implats identified the following material sustainability drivers:

Risks	Opportunities	Our responses to these risks
SAFETY		
<ul style="list-style-type: none"> Fatalities associated with mining Impact of incidences on production 	<ul style="list-style-type: none"> Improve organisation culture where safety is the number one priority 	<ul style="list-style-type: none"> Zero tolerance to breach of safety rules. Increase safety training and improve behaviour based observations system
HEALTH		
<ul style="list-style-type: none"> HIV/AIDS and its impact increases absenteeism Lost shifts due to sickness impact value creation Medical incapacitation impacts performance 	<ul style="list-style-type: none"> Increased voluntary testing campaigns foster better management of employee health and the increase of employees on wellness assists to reduce absenteeism and decrease lost shifts due to sickness 	<ul style="list-style-type: none"> Holistic testing has been implemented throughout the Group and has assisted to de-stigmatise attitudes towards HIV and increased the number of people on wellness
EFFECTIVE PEOPLE		
<ul style="list-style-type: none"> High staff turnover among critical skills impact business performance Rightsizing of Marula operation has potential to impact employee relations Low literacy levels amongst lower level employees limit career progression 	<ul style="list-style-type: none"> Through effective retention strategies quality skills can be retained, through training there is the potential to increase the critical skills pool Ensure cost containment and increase value creation 	<ul style="list-style-type: none"> Introduction of effective retention mechanisms, and engineering programmes through local school support programmes Through bargaining unit retrenchment agreement was finalised which focused on agreed separation packages for employees, the criteria for selection, providing first opportunity of employment to those employees in the event of an upturn in production requirements, and facilitated employment with neighbouring companies

Risks	Opportunities	Our responses to these risks
ENVIRONMENT		
<ul style="list-style-type: none"> Electricity cost increases operational costs Water scarcity has the potential to impact growth Potential of climate change to impact health, safety, operations and cost Emissions and the potential introduction of associated carbon taxes may impact overall business 	<ul style="list-style-type: none"> Reduction of emission through the introduction of alternative energy Potential to increase recycling of water and reduction of fresh water consumption Reduce our environmental impacts through capital investments for emission control Potential 14% reduction in total Scope 1 and 2 GHG and 87% direct GHG emissions through alternative energy sources 	<ul style="list-style-type: none"> Investigating the use of biomass fuel as an alternative energy source Increase recycling of water by 49% in the year under review Capital investment being investigated to reduce SO₂ emissions Development of water conservation strategy for both resource consumption and water quality
POLITICS AND SOCIETY		
<ul style="list-style-type: none"> Introduction of revised mining charter and non-compliance may be a risk to business Uncertainty regarding the Indigenisation Act in Zimbabwe and the implications for business 	<ul style="list-style-type: none"> Increased opportunity for business transformation, contributing to economic development improved stakeholder relations and stability in our areas of operation 	<ul style="list-style-type: none"> Continued to drive transformation at all levels of the business (refer to SA transformational scorecard page 38) Have continued to engage with the Zimbabwean government to ensure indigenisation model proposed is acceptable
PROJECT DELIVERY		
<ul style="list-style-type: none"> Delay in project delivery impacts our growth and revenue generation 	<ul style="list-style-type: none"> Timely delivery has potential to ensure growth in ounce profile and revenue streams 	<ul style="list-style-type: none"> Remedial action has been taken to ensure delivery on revised project timelines
SUPPLY AND DEMAND		
<ul style="list-style-type: none"> Potential for PGM substitution 	<ul style="list-style-type: none"> Economic growth in Asia, together with the use of PGMs in alternative sources of energy such as fuel cells, strengthen market fundamentals for PGMs 	<ul style="list-style-type: none"> Supporting the Department of Science and Technology with development of technology and skills through the SAMMRI (an industry body), focusing on beneficiation of PGMs

Strategic risks and materiality continued

SAFETY

Due to the nature of mining, safety remains one of our material strategic risks. A fatality in one of our operations is not only a tragic loss for the family and friends of the deceased but also for the team and colleagues; it also negatively affects our ability to operate.

Over the short to medium term our safety strategy continues to focus on:

- Leadership development with the aim of creating a culture of compliance and a belief that it is possible to mine without fatalities
- Changing the behaviour of employees by using the monitoring and measuring of lead indicators to enforce full compliance with rules and fostering a culture of zero tolerance for unsafe behaviour.

HEALTH

An important part of our People strategy involves addressing the general physical health of our employees. The prevalence and maturity of HIV with associated tuberculosis (TB) within the South African environment has had a negative effect on employee absenteeism, increased our employee turnover and raised our costs associated with recruitment, retraining and payment of salaries to employees who are medically unfit to work. An ageing workforce and a variety of chronic illnesses further compound the situation.

EFFECTIVE PEOPLE

An integral part of the Group strategy to ensure long-term business sustainability involves a productive workforce.

This is done by ensuring that we:

- Understand the business requirements and strategic challenges
- Have an effective attraction and skills retention mechanism, particularly of critical skills
- Manage employee health effectively
- Provide training and development at all levels particularly at leadership and critical skills level
- Ensure our reward and remuneration system is in line with market-related trends
- Provide career progression opportunities to our employees.

Our People strategy focuses on:

- Improving employee wellness
- Improving technical core skills
- Increasing expenditure on skills development
- Improving employee literacy and education
- Retaining and developing high performers.

ENVIRONMENTAL

Our business depends on the extraction of minerals and the use of natural resources in various forms. We focus on striking a balance between mitigating our impacts on the environment and creating value. Implats recognises the importance of managing environmental issues which not only affect the ecosystems and communities in the vicinity of our operations, but may also become important longer-term risks for our business.

The following environmental issues are critical to the sustainability of our business:

- Ensuring compliance with current and proposed environmental legislation, within a challenging regulatory framework
- Achieving and maintaining ISO 14001 compliant environmental management systems across all Group operations
- Climate change: Developing and implementing a Group carbon management strategy
- Optimising energy usage and ensuring security of supply
- Ensuring access to water and the efficient and responsible management of this resource in a water-scarce environment
- Preventing pollution by reducing and minimising emissions to land, air and water
- Ensuring our land management and rehabilitation programme is in line with our environmental management plans and international best practice to ensure sustainable closure
- Developing an effective waste management strategy and ensuring that effective and compliant waste management systems are in place.

POLITICAL RISK AND SOCIETY

Our sustainability strategy is aimed at ensuring we retain both our legal and social licence to operate. To achieve this we need to have a clear understanding of the legal requirements

mandated by the countries in which we operate; and to manage the relationship with the communities in which we operate.

The material issues affecting the viability of our business are:

Government policy

In South Africa the review of the Mining Charter in 2010 has incorporated sustainability, environmental responsibility and empowerment of historically disadvantaged South Africans at its core. While there were no significant increases to the targets, the principles applied to compliance are more complex and will require significant work for organisations that have not integrated transformational targets and sustainability into their business practices. The new Indigenisation Act in Zimbabwe emphasises the need for empowerment of our Zimbabwean operations in the sphere of ownership and procurement. We remain positive that we will be able to meet these requirements based on the proposal we have put forth to government.

In South Africa we are well-positioned to meet the requirements of the revised Mining Charter by 2014, as we have already achieved most of the targets.

Strategic risks and materiality continued

Our transformational scorecard is shown below:

Mining Charter Score Card

Parameter	Performance measure	Target 2014 %	Target 2011 %	Actual as at June 2011 %
Ownership	Equity [#]	26	15	>26
Housing and living condition	One person per room ^{**}	100	Baseline	21
Procurement and enterprise development	Capital goods	40	5	57
	Services	70	30	59
	Consumables	50	10	48
Employment equity	Board	40	20	62
	EXCOM	40	20	20
	Senior management	40	20	36
	Middle management	40	30	41
	Junior management	40	40	55
Human Resources Development (HRD)	Core skills	40	15	62
	HRD expenditure (% of wage bill)	5	3	6
Mine community development	Up-to-date implementation of approved projects ^{***}	100	100	90
Beneficiation	Estimated baseline [*]	10	Baseline	22

* Baseline not stipulated but has been calculated internally

[#] Push down of RBHs and the ESOP shareholdings in Implats to Impala as agreed by the DMR in granting Impala its converted mining right: Impala 26.4%, Marula 27%, Afplats 26% and Two Rivers 55%

^{**} Current occupation is two persons per room

^{***} Internally assessed

Debates concerning nationalisation continue unabated. While there are many different interpretations of what nationalisation means, it is clear that as long as the majority of South Africans live in abject poverty and service delivery to these communities is poor, the debate will continue to rage.

As a mining company we recognise that we have negative and positive impacts on communities. We continue to engage with them and take action to mitigate our risks that arise as a consequence of our operations and those that negatively impact on stakeholders, particularly the communities. Our socio-economic programmes are geared towards the development of communities both at our operations and areas from which labour is drawn and details are provided in our social capital section in this report.

Community relations

Our community relations are strategically significant to the long-term outlook of our organisation. We recognise that the sustainability of our operations is to some extent dependent on the health of the relationships between our operations and their host communities.

Community engagements at our various operations are conducted through formal structures, guided by documented procedures and charters. Membership of each structure includes elected community representatives, thus allowing for inputs from the community and the dissemination of information from the organisation.

Material issues common to most communities include employment and procurement opportunities, environmental issues, HIV and health issues and the development of local enterprises. At each operation specialists in each area engage with communities to address their concerns.

PROJECT DELIVERY

Implats' core business is mining, and as such our long-term business success depends on our ability to acquire the necessary resources and access the reserves that we need to grow taking into account safety, environmental social and governance imperatives. Delayed project delivery has continued to constrain growth as a result limiting face available for mining.

Future plans are in place for the development and access of resources at the Impala lease area, Marula, Zimplats and Mimososa (refer to the Integrated Annual Report 2011 for more details).

CONCLUSION

The long-term sustainability of our business rests upon our ability to integrate these material elements, by mitigating any associated risks and taking advantage of opportunities to create value for our stakeholders. Further discussion on these strategic issues can be found in the Chairman's letter in the Integrated Annual Report 2011 on page 8.



Economic capital

With the economic recovery, a significant improvement was achieved in the pricing of commodities, with marginal impact from the strengthening of the Rand on revenue.



Creating value

Economic capital

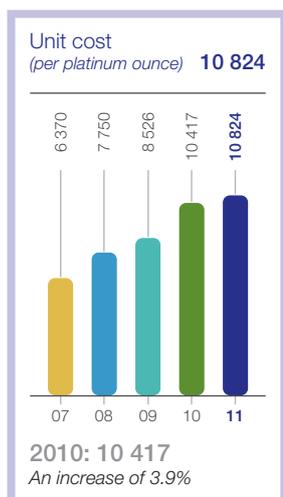
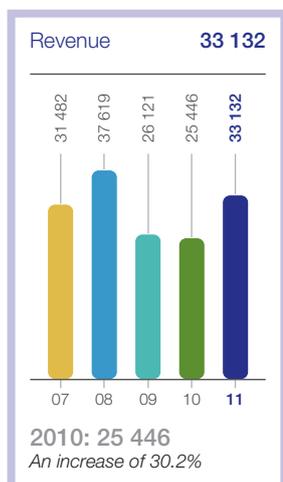
Human capital

Social capital

Natural capital

Consolidated non-financial statements

Economic capital



Successes

- BEE procurement spend 55% of discretionary procurement amounting to R4.8 billion
- Headline earnings change by 41%
- R5.5 billion spent on capital.

Challenges

- Cost of sales up by 24%.

Management approach

Implats' operations have a significant economic impact in both South Africa and Zimbabwe by providing employment, skills and training, paying taxes and royalties, buying goods and services from local businesses, helping to develop and improve infrastructure in local communities and paying dividends to our shareholders.

The executive director: Finance is responsible for Group financial policies and management and is tasked with ensuring that the appropriate accounting standards are applied, in line with legislation and international best practice. The executive is accountable to the Audit Committee, a sub-committee of the Board.

Economic transformational issues are the responsibility of the Finance Department and cover financial performance in terms of black economic empowerment (BEE) procurement. The financial aspects and performance in these areas are tabled and reported through the Group Transformation Committee, a sub-committee of the Board.

The year under review

With the economic recovery, a significant improvement was achieved in the pricing of commodities, with marginal impact from the strengthening of the rand on revenue.

PERFORMANCE IN 2011

Statement of comprehensive income

An analysis of the abridged statement of comprehensive income, including comments on significant variances is presented below:

R million	2011	2010
Revenue	33 132	25 446
Cost of sales	(21 490)	(17 294)
Gross profit	11 642	8 152
Other net expenses	(1 894)	(929)
Net finance (expense)/income	(187)	2
Profit before tax	9 561	7 225
Income tax expense	(2 751)	(2 431)
Profit for the year	6 810	4 794
Other financial data		
Headline earnings per share – cents	1 105	786
Dividend per share – cents	570	390

GENERATING PROFIT

Headline earnings improved by 41% to R11.05 per share from R7.86. The single biggest contributor to the increase in sales was the higher Dollar metal prices experienced over the year, albeit that this was, to some extent, offset by a stronger Rand/Dollar exchange rate.

COST OF SALES

Cost of sales rose by R4.2 billion or 24% to R21.5 billion from R17.3 billion in the previous year. Some of the key drivers were:

- Wages and salaries increased by almost R1 billion or 18% to R6.5 billion. This increase was due to a combination of a low base in 2010 when striking workers did not receive pay for the period that they were not at work, higher employee numbers and an increase in pay scales of 10%.

The minimum wage in the South African operations of the Group increased in the year under review by 8%.

- Consumables were up by R637 million or 13%. The increase in consumable cost on the South African operations relates mainly to higher mining contractor costs, increased repairs and maintenance and support costs.

In the interests of good business practice and in line with the requirements of the South African Mining Charter, Implats has a procurement policy based on granting preferential status to suppliers identified and accredited as being historically disadvantaged South African (HDSA) or qualifying as BEE candidates. Included in the cost of sales is a total discretionary spend of R5.0 billion, of which 53% was spent with vendors with HDSA/BEE ownership of greater than 25% (2010: R4.4 billion or 50%).

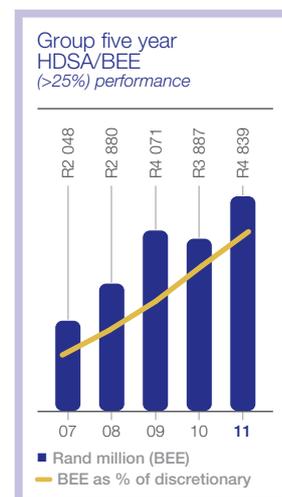


Table 1: Percentage HDSA/BEE procurement (>25%) of total discretionary procurement (South Africa)

Category	Implats' SLP target 2011 %	Actual 2011 %	2010 %	2009 %	2008 %	2007 %
Capital	21	25	20	22	19	13
Consumables	11	15	13	10	9	10
Services	7	15	17	13	13	14
Total SA	39	55	50	45	41	37

This table measures HDSA/BEE procurement (>25%) per category as a percentage of total discretionary procurement.

From FY2012 only table 2 will be retained and table 1 will be discontinued as it measures the HDSA/BEE (>25%) procurement as a percentage of total discretionary procurement whereas table 2 measures each category on its own as a percentage of each category's discretionary procurement.

Table 2: Percentage HDSA/BEE procurement (>25%) of category's discretionary procurement (South Africa)

Category	Mining Charter target 2011 %	2011 %	2010 %	2009 %	2008 %	2007 %
Capital	10	57	46	42	42	39
Consumables	15	48	45	41	35	33
Services	40	59	59	54	45	32

Economic capital continued

PRODUCTION

Group platinum production for the year increased by 7.1% to 1.8 million oz with 940 000oz produced by our Rustenburg operations (FY2010: 870 000oz) and the balance produced by our subsidiaries and Impala Refinery Services (IRS). Production was boosted by the mining of white areas and the reprocessing of on-surface tailings.

Adding value

During the year under review Implats created significant value for a diverse range of stakeholders in the form of:

- Employee wages and benefits
- Dividends paid to shareholders
- Taxation and royalties paid to government
- Socio-economic development initiatives in the communities of operation (see pages 69 to 77)
- Providers of capital
- Re-investment in the Group to ensure its sustainability over the long term and value creation for stakeholders.

VALUE ADDED STATEMENT FOR THE YEAR ENDED 30 JUNE 2011 (R million)

	FY2011	FY2010
Revenue	33 132	25 446
Net cost of products and services	14 958	10 681
Value added by operations	18 174	14 765
Income from investments and interest	581	416
Total value added	18 755	15 181
Applied as follows:		
Employee benefits	6 732	6 158
Labour and other	6 783	5 773
Share-based compensation	(51)	385
The state – direct taxes	1 897	1 584
Royalty recipients	901	536
Providers of capital	2 881	2 178
Financing cost	190	179
Non-controlling interest	172	79
Dividends	2 519	1 920
Total value distributed	12 411	10 456
Re-invested in the Group	6 344	4 725
Depreciation	1 372	1 083
Reserves retained*	4 972	3 642
	18 755	15 181

*Deferred tax included

ECONOMIC TRANSFORMATION Black economic empowerment (BEE) ownership

Implats' equity strategy includes the formation of partnerships with entities owned by historically disadvantaged South Africans (HDSA) and the empowerment of our own employees through our employee share ownership programme (ESOP), and community trusts at subsidiary level.

The revised version of the South African Mining Charter, which arose from the review process

that took place in 2010, continues to place emphasis on BEE ownership.

Significant BEE partners and owners of the Implats Group are Royal Bafokeng Holdings (Pty) Limited (RBH) and the Public Investment Corporation Limited (PIC). As at 30 June 2011 RBH's shareholding in Implats was 13.16% and that of PIC was 12.36%. Our employees, through the ESOP, held 2.29% of Implats' shares at year-end. As per the ESOP, 40% of these shares vest in July 2011.

BEE PROCUREMENT

The overall South African operations' procurement expenditure for FY2011 was R14 billion, R8.9 billion of this was discretionary procurement. Fifty-five percent of the total discretionary procurement, which amounted to R4.8 billion, was from companies in which HDSA/BEE ownership was greater than 25% (FY2010: R3.9 billion or 50%).

The percentage of the Group's discretionary procurement that is BEE procurement has grown by 140% since 2007 – from R2.0 billion to R4.8 billion.

LOCAL PROCUREMENT (SOUTH AFRICA)

In terms of Implats' procurement strategy great emphasis is placed upon purchases from sustainable local vendors¹. In the year under review, R7.4 billion was spent procuring from all local vendors within the province of operation, which constitutes 53% of the total procurement from all vendors (FY2010: 48%).

From the R7.4 billion local spend, R2.0 billion (FY2010: R1.5 billion) was purchased from local HDSA/BEE vendors.

The number of local HDSA/BEE vendors from which Implats procured grew by 12% to 473 (FY2010: 423). The number of national HDSA/BEE vendors from which Implats procured grew by 22% to 972 (FY2010:797).

PROCUREMENT IN ZIMBABWE

In Zimbabwe, local procurement focuses on nationally owned entities, for the two operations Zimplats and Mimosa.

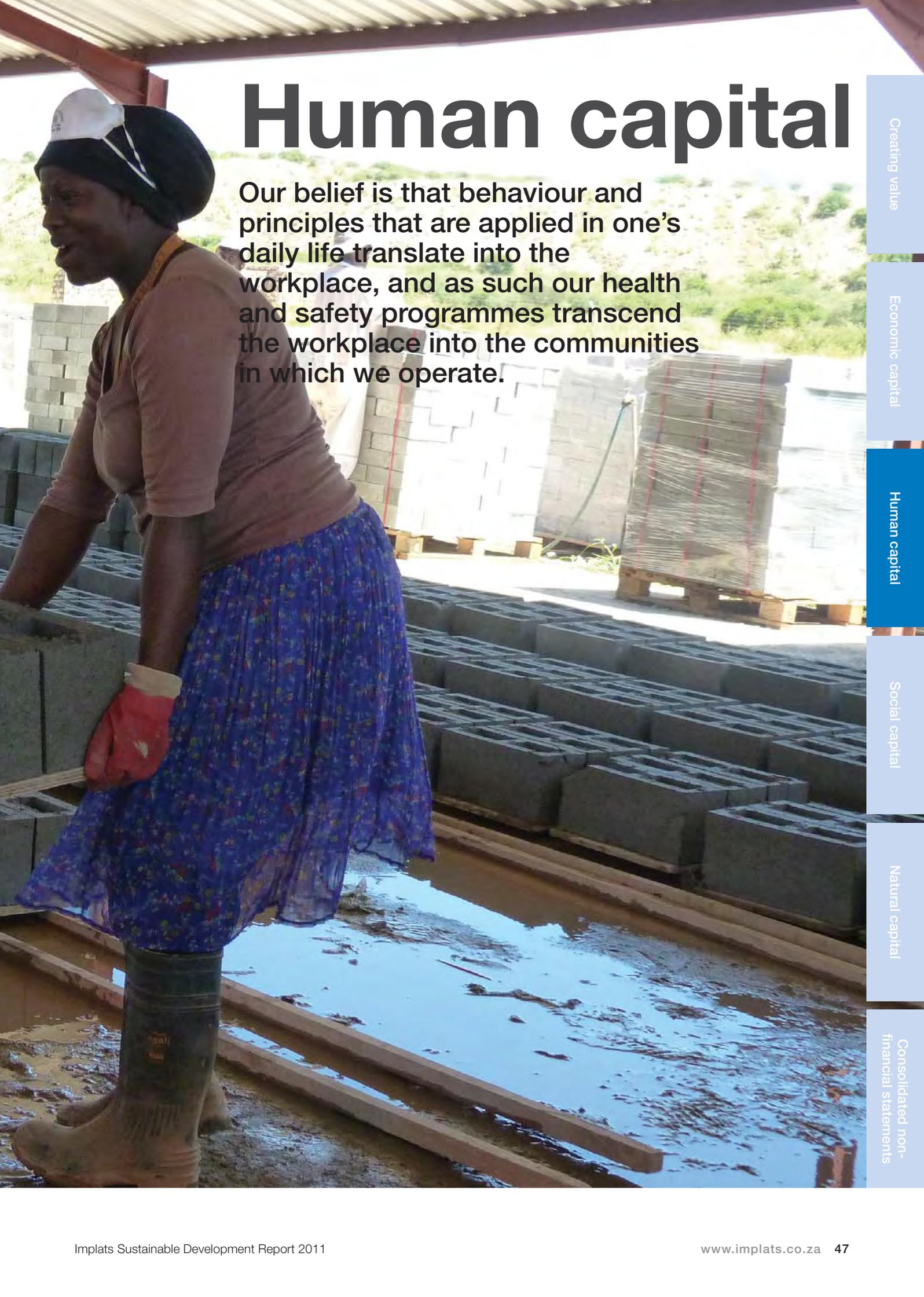
The mines continue to find ways and means to engage local suppliers to participate and benefit from the operation through the following incentives;

- Toll manufacturing of products such as protective clothing, roof support and bulk bags
- Encouraging local suppliers to partner with foreign OEMs who offer specialised backup service
- Outsourcing of non-core business activities to local suppliers
- Working as guarantor for credible local suppliers to bankers
- Working with suppliers to support the government's look east policy.

Local procurement represented 40% of total procurement spent by the operations, a 20% increase from the previous year. (Refer to page 100 for detail.)

¹ Vendors defined as local vendors are vendors within the province of operation





Human capital

Our belief is that behaviour and principles that are applied in one's daily life translate into the workplace, and as such our health and safety programmes transcend the workplace into the communities in which we operate.

Creating value

Economic capital

Human capital

Social capital

Natural capital

Consolidated non-financial statements

Human capital

Safety, health and wellbeing

Successes	Challenges	Objectives 2012
SAFETY		
<ul style="list-style-type: none"> ■ 57% improvement in fatal injury frequency rate (FIFR) ■ 2 and 2A Shaft in Rustenburg, and Zimplats' Ngwarati and Rukodzi mines and Processing achieved zero lost time injuries (LTIs) during the year ■ More than 90% compliance with the Five Platinum Road Rules, compared to 35% compliance in FY2010 ■ Increase in safety trophy awards for achieving safety targets, with four platinum trophies, five gold medals issued in the current year ■ 11.4% improvement in total injury frequency rate (TIFR). 	<ul style="list-style-type: none"> ■ Behaviour change not yet embedded ■ 7% deterioration in the lost-time injury frequency rate (LTIFR) ■ Seven fatalities in FY2011. 	<ul style="list-style-type: none"> ■ Retain the safety strategy of changing the culture to compliance and improving the supervision across the Group ■ Roll out the DuPont STOP® intervention ■ Achieve all safety targets including a 20% year-on-year LTIFR improvement ■ Increase compliance with Platinum Rules to 100% ■ Implement technical interventions of roofbolting in UG2 stopes and personnel detection systems in trackless areas ■ Target a 20% year-on-year improvement on the LTIFR.
HEALTH AND WELLNESS		
<ul style="list-style-type: none"> ■ 46% increase in uptake of antiretroviral treatment (ART) across the Group exceeding target of a 10% increase ■ 23% increase in wellness programme uptake ■ Implement new medical management system ensuring effective healthcare management ■ Implementation of a holistic wellness programme ■ 14% increase in Impala Medical Plan membership to a total of 19 000 members ■ 47% decrease in NIHL ■ 12% decrease in new TB cases ■ 106% rise in VCT. 	<ul style="list-style-type: none"> ■ 388 people on medical incapacitation for the year 2011 ■ 131 AIDS-related deaths. 	<ul style="list-style-type: none"> ■ Mitigate the risk of occupational illness ■ Further mitigation of HIV/AIDS pandemic ■ Increase employees on ART by 10% from the 2011 base ■ Ensure 100% compliance with wellness and ART treatment regimes ■ Increase medical aid membership by 5% ■ Continue with silencing of underground equipment across the Group to achieve the 2013 industry milestones.

Our philosophy

Our belief is that behaviour and principles that are applied in one's daily life translate into the workplace, and as such our health and safety programmes transcend the workplace into the communities in which we operate.

Safety and health issues that are critical to the sustainability of our business encompass:

- Changing the culture within the Company and country to one where safety and health is *the* priority, and ensuring that our supervisory systems and skills can support this
- Ensuring compliance with safety and health rules and procedures by all employees in all facets of their lives so as to eliminate fatalities at work and significantly reduce the incidence of accidents and occupational health disease
- Providing world-class occupational health and emergency response systems and facilities for our employees, and access to comprehensive healthcare to our employees and their dependants
- Addressing potentially life-threatening diseases in a holistic way as part of the Group's broad healthcare management strategy to ensure employee wellbeing at and beyond work. These diseases include TB, HIV/AIDS, cholera and malaria.

Management approach

Ensuring the safety and health of our employees and promoting their overall wellbeing is a key strategic objective for the Group. We believe that it is possible to mine safely, and this philosophy of zero harm underpins our approach. To achieve this objective we need to develop and sustain a culture where safety is considered a priority by employees and management alike, and where non-compliance with safety standards is not tolerated at any level within the organisation.

Given the tolerance for high risk behaviour in general among South Africans, the cultural shift that is needed in the attitude to safety extends beyond the workplace. A study undertaken at Implats's operations indicated that attitudes towards discipline, alcohol and drug abuse,

violence and disease (such as HIV/AIDS) need to be considered in a holistic approach to employee wellbeing, and addressed to ensure a step-change in developing a safety and health-conscious culture.

In support of this cultural shift, we have an unequivocal approach to non-compliance with rules and standards. Each work area has a set of Platinum Rules in place; these are cardinal rules, whose breach can result in serious safety and health consequences, and which are enforceable through disciplinary action. Safety and health standards guide practices within working places and have been developed in line with best practice and to meet the requirements of the Mine Health and Safety Act (MHSA).

Underpinning our processes and procedures is a comprehensive system of occupational healthcare surveillance aimed not only at the early detection and treatment of occupational disease, but also at preventing such disease in the first place. By addressing employee healthcare and occupational health in a holistic way we aim to ensure the overall wellbeing of employees and their families, both during their association with the Company, and well beyond that. Thus, our healthcare focus extends beyond the workplace into a broad healthcare management strategy encompassing all life-threatening illnesses and disease, including hypertension, diabetes, TB, HIV/AIDS, malaria, cholera and others.

Safety and health enjoys significant Board, executive and operational guidance and support:

- At Board level, the Health, Safety and Environment Committee guides strategy and reviews performance on a quarterly basis – see the Corporate Governance in the Integrated Annual Report 2011
- A Group Health, Safety and Environment executive guides the Group's strategy, while specialist Group and operational level safety and health personnel guide and support line management in the implementation of this strategy, and the monitoring and management of performance

Human capital continued

- Safety and health is ultimately the responsibility of line management, in close association with employees' unions and the DMR. Operations-based Safety and Health committees, which function in accordance with the MHSA, play an active role in safety and health strategy and performance management. In FY2011, there were a total of 33 full-time union-elected safety stewards and 3 760 part-time safety representatives in place across the Group. In addition, the Company appointed 85 trained safety officers to ensure on-the-ground supervision. Safety and health agreements are in place at all operations, dealing with standards and procedures, discipline, accident investigations and safety and health planning, ensuring that all employees can and do play a role in safety and health management.

Access to comprehensive healthcare facilities is available to employees and their dependants. Depending on the location of the operations, this may be provided through in-house facilities or externally contracted suppliers. At the Group's Rustenburg operations, there is a 240-bed Department of Health-accredited hospital, providing extensive medical, surgical and orthopaedic care.

Given the increase in women in mining and the rising number of dependants making use of these facilities, the hospital also has ante-natal and paediatric wards. Thirteen full-time doctors provide extensive health and surgical care, with both on-site and near-site specialists available.

Supporting these healthcare functions are fully staffed clinics located in proximity to both work and accommodation. The clinics are equipped to provide immediate response in the workplace in the event of an emergency, supported by the healthcare professionals and emergency response teams.

Comprehensive occupational health screening and care is provided through occupational health centres. Services include digital X-rays, audiograms and basic health screening. At Impala's Rustenburg operations, some

R2 million is being spent in setting up a physical work capacity assessment centre, which will start operating during FY2012. The centre's work is based on research carried out in the South African mining industry, and will provide better, objective measures for determining employees' capacity for work.

Performance in FY2011

SAFETY

Strategic initiatives – changing culture; improving supervision

Following on the DuPont assessment, our strategy is aimed at changing our safety culture and, in conjunction with this, ensuring that the appropriate supervisory structures and skills are in place to encourage and support this objective of closing the supervisory gap.

In respect of the culture change initiative, a number of processes have been put in place, including:

- **100% compliance with the non work-related Platinum Road Rules:** These Five Platinum Rules focus on ensuring that basic safety road rules are adhered to and any non-compliances are reported. We believe that adherence to safety rules extends beyond the workplace and that the road behaviour is a good indicator of the safety behaviour of our mainly supervisory level employees.

The rules include the wearing of seatbelts, not talking on mobile phones while driving, keeping to the speed limit, observing stop signs and observing solid white lines. A total of 1 934 road behaviour observations were conducted during the year and improved results showed a 90% compliance in FY2011, compared with 34% in FY2010

- **Visible safety behaviour:** Leaders are assessed on their demonstration of a commitment to zero tolerance. As part of our programme to promote organisational change and instil in our leadership a belief that it is possible to mine without injuries, 14 of our general managers from the South African operations visited a DuPont site in Germany which has changed its safety culture to one which has enabled the site to operate without lost-time injuries

- **Safety training:** During the gap assessment undertaken by DuPont the behaviour-based safety programmes at the Rustenburg operations and at Marula were identified as no longer being effective. Both these operations have evaluated and customised the DuPont STOP® programme and training of all E and D level leaders at these operations was completed by June 2011 and incorporated into management KPIs
- **Safety communication:** The safety communication process in place includes formal safety communications and a standards briefing system. Management, with the assistance of the health, safety and environment representatives, are responsible for the management of communication.

An assessment of the change in leadership culture was undertaken by DuPont in May 2011. The results show that our leadership safety culture has improved in all six of the dimensions from the 2009 baseline measured by DuPont. The overall safety culture of leadership has also progressed from a dependent culture to an independent one on DuPont's Bradley curve.

A critical hurdle to the achievement of our safety objectives has been an identified gap in supervision. To address this issue, over 3 500 dedicated safety officers have been appointed and allocated to each operational area to support line management. The aim is to ensure continuity of advice and audit follow up, which can be lost in a rotational system. Second and third-party audit teams were also established, tasked with conducting independent on-the-job observations and investigations of LTIs. These audit teams mitigate the risk of familiarity and the lack of independence that can occur once a safety officer becomes part of a team. All LTIs are investigated by line management and selected incidents undergo third-party audits.

An important feature of our approach in developing our culture has been the implementation of a central system of

recognition and reward where an analogy is drawn between the dedication and focus required in achieving world-class safety performance and winning a medal at the Olympic Games. This easy-to-understand system provides not only a benchmark across the Group, but also encourages improved commitment and performance. Four operational areas achieved a platinum trophy (0 LTIFR for 12 months) in FY2011; four operational areas achieved a gold medal (LTIFR of less than 1); three achieved a silver medal (LTIFR of less than 2) and four achieved a bronze medal (LTIFR of less than 3).

Pursuing compliance to achieve significant performance improvement

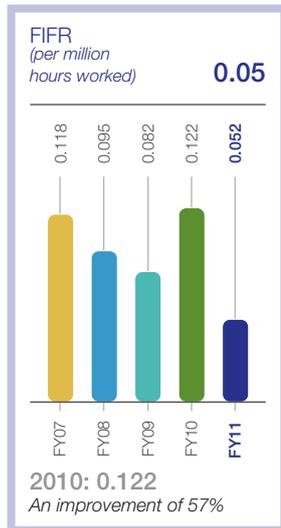
While we understand that there is always room for improvement in standards and procedures and we will actively seek these, there is also little doubt that if standards and procedures were complied with, far fewer accidents would occur. Achieving compliance is therefore a critical area of focus across the Group.

It is with deep regret that we advise that eight of our employees died in work-related accidents during the year. In FY2010, 15 Implats employees died. While this year's performance is a significant improvement on the previous year, and is the best performance in the Group's history, we believe that any loss of life is unacceptable. We will strive to eliminate all fatal accidents.

In terms of key safety performance parameters, we report the following:

- The Group's fatal injury frequency rate (FIFR) improved by 57% on the previous year, from 0.12 per million hours worked to 0.05 per million hours worked
- The LTIFR has risen by 7% from 4.61 per million hours worked to 4.94 per million hours worked
- Restricted work cases (RWCs) reduced by 30%
- The total injuries rate, a measure of all injuries including medical treatment cases, improved by 11.4%.

Human capital continued



Investigations conducted into the causes of these accidents have revealed the following:

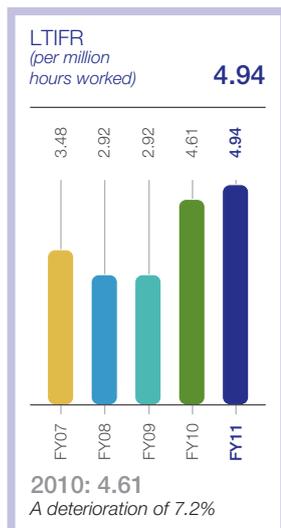
- Breaches of safety procedures and non-compliance
- Inadequate supervision and poor accountability by personnel
- Generally poor levels of fitness in some employees due to illness.

The necessary corrective measures were taken for all critical incidents and disciplinary action was instituted in some instances.

In memoriam

The following employees died during the course of work during FY2011. We extend our sincere condolences to their families, friends and colleagues.

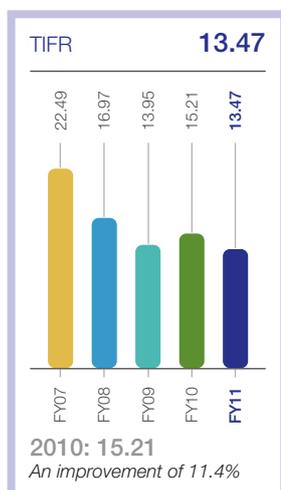
- **Mr Motihanke Maku** died in a fall of ground accident on 7 July 2010 at Impala Rustenburg's 4 Shaft
- **Mr Innocent Ndlovu** died in an accident dealing with explosives, on 5 September 2010 at the Mimosa Mine (Zimbabwe)
- **Mr Alfiado Bacitela** died in an equipment-falling accident on 17 September 2010 at Impala Rustenburg's 11 Shaft
- **Mr Mankoene Nkhoaneng** died after being overcome by methane gas on 21 October 2010 at Impala Rustenburg's 11 Shaft
- **Mr Gadeni Hlophe** died in a fall of ground accident on 1 November 2010 at Impala Rustenburg's 11 Shaft
- **Mr Mvesilo Mswedi** died in an accident related to falling equipment on 20 December 2010 at Impala Rustenburg's 14 Shaft
- **Mr Michael Molokwane** died in an accident involving an LHD on 25 February 2011 at Impala Rustenburg's 14 Shaft.
- **Mr Rui Wamba Tila** died in a fall of ground accident on 25 June 2011 at Impala Rustenburg 5 Shaft. This fatality occurred subsequent to the current year-end statistical close and will be included in the reported statistics for financial year 2012.



Fatal injury frequency rate (FIFR)

Per million hours worked

	FY2011	FY2010
Impala Rustenburg	0.06	0.17
Impala Springs	0.00	0.00
Marula	0.00	0.00
Mimosa	0.10	0.00
Zimplats	0.00	0.00
Group	0.05	0.12



While these lagging indicators are clearly of critical importance, we have continued to focus on implementing and refining leading indicators of performance, among them stoppages, alcohol testing, road behaviour checks, safety meetings, induction training and safety representative training.

An important catalyst in changing our safety culture is the implementation of internal stoppages, largely by our newly appointed safety officers. Another measure of performance in our zero tolerance approach has been the implementation of alcohol and drug testing practices that randomly test 10% of all employees on a monthly basis. A disciplinary code dealing specifically with reckless driving, gross safety misconduct and working under the influence of alcohol has been implemented. Ongoing monitoring has been implemented, progress is tracked and disciplinary action taken. Unfortunately, some employees had to be dismissed through this process. However, good progress is being made with safety rule compliance and road behaviour has improved from 35% compliance to over 90% compliance by year end.

The Department of Mineral Resources (DMR) has the authority to impose stoppages of either sections or all of operations, or to stop certain activities taking place in terms of section 54a of the Mine Health and Safety Act. We recognise that these actions are relevant and necessary to improve safety and health across the industry. In FY2011, a total of 58 section 54 instructions were issued stopping work at sections of or all of operations, resulting in the loss of approximately 158 days of lost production at

Impala's Rustenburg operations (FY2010: 187 days) and 17 days of production at Marula (FY2010: 8 days) due to shaft closures. This translates into a production loss of around 17 000 ounces.

Health

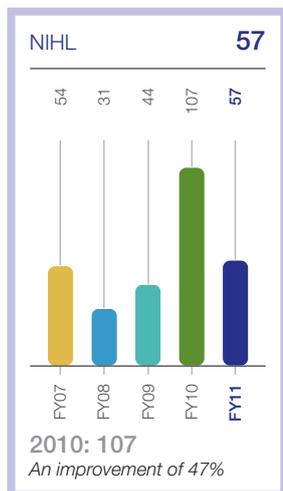
MANAGING OCCUPATIONAL HEALTH RISKS IN THE WORKPLACE, AND PREVENTING OCCUPATIONAL ILLNESS

All employees have access to comprehensive occupational health screening and treatment through site-based clinics and Company or contracted occupational health centres, hospitals and specialists.

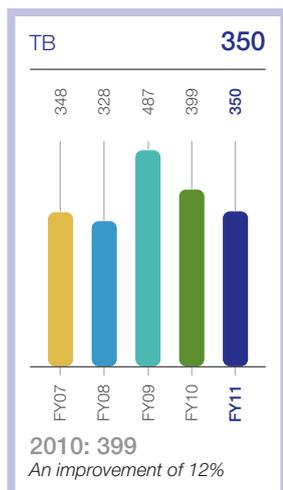
The Company provides health benefits through the Impala Medical Plan and other external medical schemes. The plan has 19 000 members and reserves of 27.5%. In the year under review, more employees were encouraged to enrol in the plan. A total of 2 358 new members signed up, representing a 14% increase in membership.

Annual occupational health surveillance of employees and contractors ensures that they are fit for work in their specific environments and occupations, and that occupational ill-health is detected early and receives immediate attention. This surveillance covers the assessment of chronic occupational airway diseases (COADs), silicosis, which is associated with previous long-term experience in gold mining, noise-induced hearing loss (NIHL), which is associated with exposure to noise above 110dBA, and heat stress, resulting from exposure to high temperatures for a prolonged period of time. The assessment also includes

Human capital continued



the investigation for the occurrence of pulmonary tuberculosis (TB), which is considered an occupational disease when associated with prolonged exposure to dust. An assessment of whether an employee is 'fit for work' is conducted by specialist practitioners based on objective measures. Procedures have been reviewed to allow those individuals who are found to be unfit to be temporarily boarded while undergoing treatment so as to assist with their recovery and to enable them to retain their remuneration and benefits. In some cases, employees have opted for permanent incapacitation status. A holistic wellness programme is offered to support those who are found to be unfit for work.



NIHL and TB are the primary occupational health risks at Implats' operations.

OCCUPATIONAL DISEASE AND COMPENSATION

In FY2011, a total of 87 197 occupational screening examinations were undertaken (FY2010: 75 592). All cases of occupational illness are referred to the Independent Bureau for Occupational Diseases, which decides which cases are to be compensated. NIHL cases fall under the Compensation for Occupational Injuries and Diseases Act (COIDA) and are referred to the Workmen's Compensation Commissioner to determine the level of compensation. All TB cases from South African mines are submitted to the Occupational Diseases in Mines and Works Act (ODIMWA) Compensation Commissioner for assessment of disability, and if appropriate, the level of compensation.

In March 2011, the South African Constitutional Court ruled that employees who fall under ODIMWA may institute common law claims for

damages for ODIMWA-covered occupational lung diseases, such as silicosis. While silicosis is traditionally associated with gold mining, this ruling has potential implications for all mining companies that still record cases of silicosis and other occupational lung diseases.

Implats has had fewer than 10 cases of silicosis per year, and with only one exception, all of the cases diagnosed and reported over the past five years were by employees who had previously worked in gold mines. In FY2011, two cases of silicosis from previous exposure in gold mines were identified and referred for compensation.

NOISE-INDUCED HEARING LOSS (NIHL)

Hearing conservation programmes are in place at all Implats operations and include noise reduction and mitigation efforts, as well as the provision of personal protective equipment and education.

Our efforts to reduce noise levels at source to below 110dBA continued. Each of our rock face drills was fitted with silencing equipment throughout the year, and the noise levels of all our other underground equipment are being reduced to below 110dBA.

Hearing protection devices are provided to all at-risk employees to further attenuate noise levels to below 85dBA for individuals. All employees are afforded the choice between custom-fitted noise clippers or non-custom made devices that have been approved by the South African Bureau of Standards (SABS), both of which are effective.

Compliance is critical to the success of these programmes, however, and much effort is focused on education.

The Mine Health and Safety Council (a collaborative industry, government and union body) has put in place a target of zero new NIHL cases post-December 2008. While new cases of NIHL have still been recorded at Impala since then, these have all been within the allowed 10% shift from the baseline established in 2004.

Employees whose baseline hearing loss was established between 2004 and 2006 were re-evaluated in 2009, and a new baseline was established.

In FY2011, 57 new cases of NIHL were diagnosed and submitted for assessment for compensation (FY2010: 107), which is a rate of 0.91 per 1 000 employees. All of these were instances of pre-existing hearing loss that had now reached the compensable threshold.

Of greater concern to the Group is the balance of new cases reported, in light of the fact that many of these cases can be attributed to factors beyond the reach of the Company's noise reduction initiatives, such as the delayed effects of long-term noise exposure and ageing itself.

Pulmonary tuberculosis (TB)

TB remains a significant health risk to employees. The high level of HIV/AIDS in South Africa exacerbates the incidence of TB as infected employees' immune systems are compromised, in turn increasing their risk of contracting TB. 77% of newly diagnosed TB patients in FY2011 are HIV-positive.

In FY2011, 350 new cases of pulmonary TB were detected (FY2010: 399), which is a rate of 6,12 per 1 000 employees.

Treatment is provided by the Company in line with the World Health Organisation's directly observed treatment supervision (DOTS) protocol. The success rate of treatment at Implats operations has increased to 91%.

Four new cases of multi-drug-resistant TB (MDRTB) (FY2010: 5 cases) and 1 case of extremely drug-resistant TB (XDRTB) (FY2010: 1) was detected during the year.

ADDRESSING LIFE-THREATENING ILLNESS HOLISTICALLY

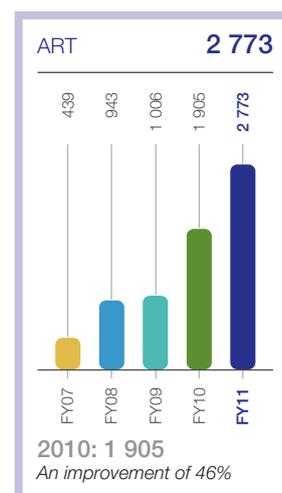
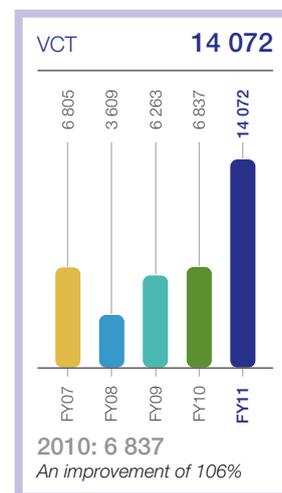
The business of mining is one that requires physical fitness and mental alertness, which is often compromised in employees suffering from debilitating illnesses. The extreme heat conditions that can be found in the mining environment are additional health hazards for people whose health has already been compromised. This additional strain on their health has a negative impact on their productivity. Our Rustenburg operations have seen an increase in man shifts lost due to an increase in illness.

Managing HIV/AIDS and other life-threatening diseases is therefore an important part of the Group's broad healthcare management strategy in pursuit of employee wellbeing.

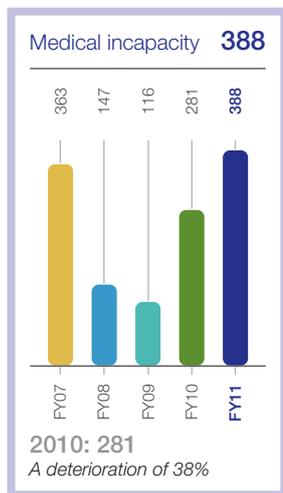
The most significant disease is clearly the HIV/AIDS pandemic as it continues to take its toll on employees and their communities in South Africa and Zimbabwe. Others include TB (discussed above), malaria and cholera in Zimbabwe.

The prevalence of HIV among our employees is estimated to be around 23%, based on our medical surveillance. HIV prevalence levels across the sub-continent have continued to rise, pointing to a substantial failure in education and behavioural change programmes. Nonetheless, the Group believes that rates of new infections are slowing.

Given that the most important part of the treatment of the illness is for it to be known and hence managed, voluntary counselling and testing (VCT) is strongly encouraged and is available free of charge to employees and their dependants through our Company medical facilities at all operations.



Human capital continued



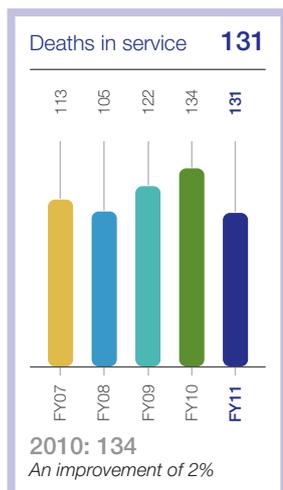
Our approach during the year has been based on the government initiative which recommends holistic testing for HIV and other chronic illnesses like diabetes, hypertension and cholesterol. While these illnesses are not occupation-related, they have a significant impact on employees and the Company as a whole. This broader approach has to some extent destigmatised HIV testing and this has led to a significant increase in voluntary testing.

In FY2011, 14 072 HIV tests were undertaken by the Company (FY2010: 6 837) on employees. Employees who tested negative were counselled to remain so, while those who tested positive were encouraged to join the Company's wellness programme.

ART treatment regimens have been adapted in line with government programmes and in response to increasing drug resistance. Consequently, direct costs related to ART treatment have risen to around R8 355 per person per year.

Patient adherence to ART regimes remains a critical challenge and is closely monitored and managed. HIV-positive peer educators play a significant role in ridding the disease of its stigma, and demystifying ART.

Regrettably, 131 patients died in service due to Aids-related illnesses (FY2010: 134), while a further 388 patients (FY2010: 281) applied for medical incapacity benefits and left the Company.



In FY2011, a total of 5 121 employees participated in the wellness programme (FY2010: 4 151), of whom 2 773 (FY2010: 1 905) received antiretroviral therapy (ART). 1 324 of those on ART joined the ART programme during the year. The number of employees receiving ART through external medical aids or government health facilities is not known and so these figures may be underestimated.

People

Successes	Challenges	Objectives 2012
<ul style="list-style-type: none"> ■ 8% increase in mining efficiencies (from 29.7m² to 32.17m² per panel man) ■ Continued reduction in critical skills turnover at the Rustenburg operations ■ Implementation of employee wellness programmes over the past few years to improve employee health ■ Group employee average literacy improved to 86% including Zimbabwean operations (FY2010: 78% South Africa) ■ Landmark housing assistance agreement signed with employees ■ Absenteeism at 1.3% down 2% in FY2011 ■ Completion of housing units at Sunrise View ■ Conversion of three traditional hostels into modern living units. 	<ul style="list-style-type: none"> ■ Socio-economic conditions impact employee health ■ 4.4% man shifts lost due to sickness (FY2010: 2%) ■ Career advancement in critical skills (particularly miners) limited for lower level employees due to inadequate education ■ Improving skills retention levels and skills development in a depleted labour market ■ Rightsizing of Marula operations to meet production output ■ Increase in demand for critical mining skills. 	<ul style="list-style-type: none"> ■ Reduce absenteeism due to sickness by 10% ■ Reduce critical mining skills turnover by 10% year-on-year from previous year's performance ■ 5% of wage bill to be spent on skills development and education ■ 800 employees to be educated through adult basic education programmes in FY2012 ■ Further advancement of our transformation programme with 60% of all new appointments and promotions to be HDSA candidates ■ Further advancement of our housing assistance programme enabling employees to access decent accommodation and one person per room in our residences by 2014.

Our philosophy

People are central to our business success. Ensuring we have the **Right People**, at the **Right Place**, at the **Right Time**, doing the **Right Things** is central to achieving our strategic objectives of zero harm, lowering production costs and to cost-effective delivery of our growth projects.

To this end, we have repositioned people management as an integral part of our business and continue to build the necessary capacity to drive operational strategic excellence.

Our leadership team is responsible for ensuring we have the best people, functioning at

optimum capacity, in the most effective relationships, because anything less would inhibit our ability to achieve our goals.

We recognise the impact of our operations on human life in the communities in which we operate. To address these impacts our people programmes also focus on:

- Creating employment opportunities for community members in the areas that we operate, specifically unemployed youth
- Training and development for employees and their dependants at all levels, including inculcating a culture of lifelong learning
- Ensuring employee benefits that go beyond financial reward, and also include access to

Human capital continued

health facilities and treatment programmes, leave allowances and the provision of affordable housing that makes it possible for our employees to live with their families

- Embarking on social upliftment programmes that provide access to decent health and education facilities
- Improving the living conditions of communities from which labour is drawn, by assisting with the provision of infrastructure and access to basic services.

Management approach

A Group executive, whose scope of work includes, remuneration, human resource development, talent management, employment equity, stakeholder engagement and sustainable development, heads up people management in Implats.

Employee relations across the Group are guided by the constitutions of South Africa and Zimbabwe, which in turn are based on international regulations and conventions, including various International Labour Organisation (ILO) declarations.

Given the importance of this function in the continued democratisation of South Africa, this function is headed up by a dedicated executive reporting to the CEO.

In South Africa legislation guiding issues relating to labour includes the Labour Relations Act, Employment Equity Act, the Mine Health and Safety Act, the Mineral Resources and Petroleum Development (MRPD) Act, among others. In Zimbabwe, labour issues are governed by the National Labour Act, the recent Indigenisation Act and health and safety regulations. At an operational level, specialist human resources personnel assist and advise line management on all issues relating to human capital.

Group policies and procedures, established at corporate level, are applied at our operations. Our policies and procedures are aimed at ensuring the continuous development of our

employees, in line with business demands, while at the same time offering career progression opportunities, with particular emphasis on historically disadvantaged South Africans (HDSAs) within our South African operations.

OUR APPROACH TO TRANSFORMATION

Each operation has a Transformation Committee made up of representatives drawn from management, employee unions, women and people with disabilities, as well as a number of other stakeholder groupings who are represented or engaged with to oversee and advance transformation at each operation.

We also have, at Group level, a Group Transformation Committee, whose members include senior trade union leaders, and Implats' executive management. This committee meets quarterly to monitor and review transformation across the Group, to discuss and address any transformational issues arising from our operations and to provide strategic direction by advising the Board on people-related issues. Operational committees report to the Group Management Transformation Committee on matters relating to transformation and their effectiveness in meeting any challenges.

Community future forums, at which issues of concern to local communities including employment, procurement, health, safety and the environment are discussed, are also in place at all our operational future forums. Any issues arising from community forums are channelled into the Operational Committee and, ultimately, to the Executive Committee and Board, if required.

All employees at executive management and supervisory level undergo biannual performance evaluations and are measured against set performance targets. Performance evaluations also provide a means to incentivise employees and formalise career development and advancement opportunities.

The Company's labour relations policy deals with freedom of association, recognition of trade unions, discrimination, and the

constitutional rights of individuals and employees. Implats monitors labour relations in its operations and monthly labour relations reports are submitted to the Executive Committee. Biannual surveys of labour relations are conducted by an independent third party.

Collective bargaining processes that include recognition agreements with the labour unions govern employee relations and conditions of employment. Aspects addressed include salaries and salary reviews, participation of unions in decision-making at different forums, consultation and notice periods regarding any significant organisational changes. The minimum notice period for any organisational change or activity at Implats' operations is 30 days.

Performance 2011

STRATEGIC INITIATIVES

Attracting and retaining talent

The mining industry worldwide has for some time now been plagued by a lack of skills and an inability to retain skills. While at Implats our skills turnover in FY2011 increased by 38% to 8.3%, our turnover in the critical skills categories in both our South African and Zimbabwean operations continued to improve. In Zimbabwe the situation is also exacerbated by socio-political conditions, while in South Africa the external labour market is drained of suitable mining skills and, internally, poor education levels continue to limit career advancement for our existing employees. An ageing workforce and the poor health of employees affected by HIV, TB and a variety of chronic illnesses further compound the situation.

Our key talent challenges include:

- Employee turnover as a result of an ageing and sick workforce
- Avoidable turnover of critical mining skills as a result of increased competition for skilled resources
- A depleted supply of skilled and semi-skilled mining skills
- Poor education levels in our semi-skilled talent pool

- Ineffective primary and further education and training institutions resulting in few new recruits entering the mining industry.

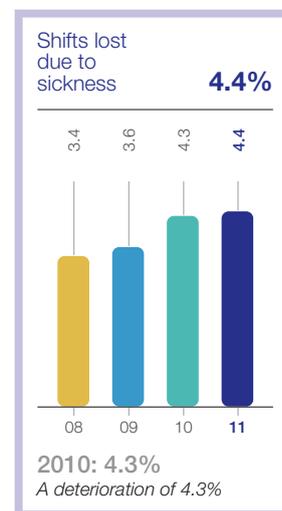
Our talent initiatives are aimed at minimising the avoidable turnover of skills, securing the best available talent in the market, as far as possible and developing talent from within the organisation.

The business of mining requires physical fitness and mental alertness, which is often compromised in employees who are suffering from debilitating illnesses. The physically challenging mining environment, characterised by extreme conditions of heat and dust, exacerbates the effects of debilitating illnesses, further compromising health and impacting negatively on productivity. Our HIV/AIDS infection rate increased from 18% to 23% in the last five years. We currently have approximately 5 000 people on the wellness programme we provide for people who have been diagnosed as being HIV-positive, 150% up from the 2 000 people on the same programme three years ago. More than 2 700 of these 5 000 people are receiving antiretroviral therapy (ART), against 900 employees who were receiving ART three years ago. We have recently implemented stronger control measures to ensure that ailing workers are not exposed to the rock face and referred for medical evaluation and assistance as soon as possible.

At our Rustenburg operations this has resulted in an increase in man shifts lost due to illness from 4.2% in FY2010 to 4.4% in FY2011.

During 2011 we introduced a health assessment programme which takes physical fitness into account. The aim of this programme is twofold: to protect existing and potential employees from working conditions that could exacerbate their failing health and to avoid compromising safety in our operations by allowing people to work who are not physically fit to do so.

We believe that this is the right approach as it reduces underground risks and offers the affected employee an opportunity to recover.



Human capital continued

Employee turnover

Turnover at the miner level continues to constrain our business performance, particularly at our Rustenburg operation, while in Zimbabwe skills mobility is further exacerbated by the socio-economic conditions.

Overall, Group turnover was 8.3% for the year, an increase of 2.3% year-on-year. This increase was anticipated as the recovery of the global economy led to an increased demand for skills and staff reduction at Marula. The highest rate of employee turnover occurred at our Marula Operations as a result of the need to rightsize the operation. Overall turnover at Marula was 10.4% of which 30% was as a result of retrenchment and 23% from resignations.

A review of the Marula production profile over the short to medium term gave rise to a reassessment of staffing requirements and the need, as required by South African law, to issue a Section 189(3) notice to employees, inviting employees and their representatives to consult with the Company on the need for retrenchment at these operations. After consultation about 104 positions across all levels were made redundant at Marula operations as at June 2011. A further 838 were terminated after year end.

The reduction in throughput ounces at the Impala Rustenburg operation to between 915 000 and 920 000 Ptoz, will result in a temporary 10% reduction in employees through natural attrition and possible early retirements in FY2012. From 2014 we expect to increase staff levels in anticipation of production build up to 1Moz of platinum beyond 2016 and the closing of some shafts from 2010 onwards.

During the economic boom, when there was a high demand for critical skills and considerable experience, turnover rates at miner level in our South African operations were at 22% in FY2009. These rates declined to 13% in 2010. In FY2011, our turnover at miner level increased to 20% due to an increase in demand for skills.

Strategies have been put in place to reduce turnover in mining disciplines and focus on:

- Ensuring we have succession plans in place which are reviewed annually for all critical positions. Succession candidates are placed in talent pools and assessed against internal/external talent benchmarks. These assessments are used to compile individual development plans aimed at addressing any areas identified for development
- Developing balanced scorecards (based on the corporate scorecard) and performance measures for every senior manager, which allows the contribution of each individual to be measured in a consistent, transparent and fair manner. This ensures that short-term incentives and promotional and developmental opportunities are based on merit
- Regularly evaluating and optimising our assessment and recruitment practices to ensure the best candidates available in the labour market are selected cost-effectively and timeously
- Our ability to attract and retain talented employees is greatly influenced by our reward practices and our level of reward. Several reward components, such as basic pay, long- and short-term incentives and benefits are included in our reward mix. We evaluate our reward practices annually, using external independent service providers and benchmarks to ensure that:
 - our reward mix and method of differentiation are effective in attracting, motivating and retaining distinctive people
 - our rewards are provided at a level that is fair and competitive in relation to the market and includes benefits such as leave, study assistance, medical aid, accommodation assistance and pension and provident fund benefits
 - our long-term incentives align shareholder interest and employee motivation in a fair and transparent manner and include share incentives, preferred compensation, performance bonuses aligned to performance objectives.

Retention of our front-line mining and engineering staff remains critical if we are to maintain continuity and drive safety and productivity improvements. While turnover in these occupations has reduced over the past three years from approximately 18% to 12%, our target turnover is below 10%. In order to achieve our improvement target in this area for FY2012, we are examining all aspects of our selection, retention and reward processes.

Maintaining critical mining skills levels and technical training initiatives

Mining is dependent on the availability of technical skills and experienced semi-skilled operators. The technical skills we require, which are primarily in the fields of mining, engineering and related superintendants, are in short supply. In addition to being in short supply, new recruits lack experience and have not had adequate exposure to the rock face, nor have they gained the practical knowledge they need to understand the nature of the reef and the skills required to mine, safely and effectively.

Technical skills levels

In order to maintain and build the necessary skills capacity to meet the demands of our business, several initiatives were revitalised, or initiated during the year. These included:

- Assessing, training and inducting all new recruits and contractors working at our operations

Mining skills	Critical core skills pool	
	Mining	Engineering
Level 5	Manager	Engineer
Level 4	Mine overseer	Engineering super-intendant
Level 3	Shift supervisor	Engineering foreman
Level 2	Miners	Artisan
Level 1	Operator	Serviceman

- Using our adult basic education and training (ABET) programmes to create a foundation for further technical development and career advancement among those employees who lack basic literacy and numeracy skills. This particularly applies to our South African operations.
- Our graduate development programmes focus primarily on developing future engineering, mining and mining support talent
- Senior management development programmes are offered through the Gordon Institute of Business Science
- A targeted training programme was developed during the year, which will be introduced at our Rustenburg Training Centre in FY2012. The programme is designed to train people with grade 12 qualifications as rock breakers in order to strengthen our talent pipeline with better educated employees for future miners
- An initiative to appoint a senior miner per half level began in FY2011 and will be supported with targeted training interventions going forward. This programme is aimed at closing the supervision gap at the mining operations in supporting our safety initiatives and DuPont STOP® process
- A study into the leadership capacity and style of our mine overseers was conducted in FY2011. It revealed a strong correlation between transformational leadership capacity at this level, team effectiveness, and safety performance. The outcome of this study is to be used to design targeted training interventions to build the required leadership capacity at this critical supervisory level
- In support of the government’s education programme and talent pipeline, Impala Platinum instituted a school support programme aimed at stimulating interest among pupils in following a career in the field of mining or engineering by taking up mathematics and science at school and assisting these schools to deliver this teaching

Human capital continued

- A skills development centre was established in Rustenburg in 2009, with the sole aim of drawing young talent into the engineering and technical fields using sport as a key vehicle to attract and retain talent. The students join the academy from various schools in our School Support Programme and the broader community in which we operate
- All our training centres retained their ISO and MQA accreditation.

Overall, Group skills development expenditure for our South African operations was R357 million, a 31% increase year-on-year (FY2010: R272 million). Of this, 3.9% (R14 million) went towards ABET training.

The average number of hours of training provided for our employees was 119 hrs/employee. On average our contractors received 48 hrs/employee of training during FY2011 at the South African operations.

A total of 23 members of our management team participated in our senior management and executive development programmes which were presented by the Gordon Institute of Business Science. 30% of those who participated in the programme were women and 59% were HDSAs.

During FY2011, the South African operations had 81 full-time bursaries at university studying primarily in the engineering and mining-related disciplines.

In Zimbabwe US\$2.4m was spent on training. (US\$2.2 Zimplats, US\$239 Mimoso).

A total of 451 individuals have benefited from our apprenticeship and learnership programmes across the Group.

Evaluating our ABET programmes to ensure a balance between Company needs and social responsibility

Poor education levels, particularly in South Africa, have a limiting effect on career advancement, most notably at the lower

employment levels. Some of our operations offer ABET programmes to our employees and community members, often through strategic partners, such as the Royal Bafokeng Nation in Rustenburg.

At our Rustenburg operations in South Africa, which account for over 50% of our Group's platinum production ounces, only 57% of the workforce have basic literacy and numeracy skills. Most employees at the lower operator level, mainly older employees who for various reasons are not motivated to undergo literacy training, do not have the necessary literacy or numeracy education to progress. Among the rock breakers, only 11% have grade 12 equivalency. Because of these poor numeracy and literacy levels internal candidates filled only 4.4% of available miner positions in the year under review, resulting in the need for external recruitment and/or targeted training interventions.

It is our aim to further improve the literacy and numeracy of our employees in FY2012, utilising our existing full-time and part-time ABET programmes. The introduction during 2011 of the Level 2 and 3 Mining Qualifications by the South African Mining Qualification Authority provides an opportunity for employees at entry level to progress through further training from a Novice Operator to a qualified Rock Breaker. This formalises the mining career path and provides opportunities for career advancement that did not exist previously while also ensuring that entry level employees have a career path beyond the first level. This should encourage further learning among our older employees who previously did not see the need to improve their literacy.

Various on- and off-the-job training interventions were implemented during the year to ensure that identified individuals with potential are trained to Level 2 and 3 mining qualifications. The training period for these qualifications varies, depending on the work history of the individual, with the maximum period being three years for a novice to reach the Level 3 qualification.

Overall, the Group's average literacy levels improved by 1% at our operations, mainly due to the ABET programmes we have in place, but also as a result of our recruitment drives focusing on hiring employees who have completed their high school education. The most significant improvements were in Rustenburg where currently 57% of the workforce is literate (FY2010: 55%). All our Zimbabwean employees are deemed to be literate at above 90% literacy.

In FY2011, across the Group 842 employees were enrolled for ABET, in both full-time and part-time classes. On average 72% of those who wrote exams successfully completed their programmes, while 20% dropped out or were unsuccessful in their examinations.

Due to the rightsizing of the Marula operations the ABET programme was suspended.

During 2011 a full assessment of our ABET strategies was conducted with the assistance of an academic institution. The finding was that ABET learning material needed updating which is now being compiled through a service provider who will be implementing the programme in the new year.

Our aim is to use our ABET programmes to educate 300 full-time and 500 part-time learners every year. Full-time training will only be available for ABET Level 4 learners. On completion of ABET Level 4 South African employees will be placed in critical jobs, or progress onto the new Foundation Learning Competency (FLC) programme through which they can complete a Level 2 Mining Qualification or Engineering Apprenticeship.

Implementing school support programmes to address the skills shortage within the labour market

Implats has continued to focus on capacitating schools within the communities in which the organisation operates, as well as in areas from

which our labour is drawn, in order to improve the performance of pupils, particularly in the field of mathematics and science.

Our programmes include:

- Developing teachers' educational skills to empower them to improve the standard of education in schools and ensure that in future more learners are available for the engineering and trade disciplines
- Improving the numeracy and literacy levels in schools
- Providing educational infrastructure
- Learning assistance programmes in the fields of mathematics and science.

In Rustenburg:

- Seven teachers from the school support programme have qualified as assessors and have registered as such with the Mining Qualifications Authority
- 160 grade 10 to 12 pupils have enrolled in the various engineering disciplines through the school support programme
- 28 learners from the Skills Development Centre programme have progressed to become engineering learners
- 42 learners from the programme have been appointed as servicemen or engineering helpers at our operations.

Employment equity and diversity

FY2011 saw the introduction of the revised Mining Charter which focuses on the fair representation and progression of historically disadvantaged South Africans (HDSAs). Unlike the previous Charter first introduced in 2003, the newly released Charter, which places greater emphasis on the transformation of the mining industry, also has sustainable development principles at its core. The new Indigenisation bill in Zimbabwe also came into effect in the year under review, emphasising the empowerment of our Zimbabwean operations in the sphere of ownership and community development.

Human capital continued

In terms of the revised Mining Charter the Group needs to ensure that ownership of the Company is expanded to a broader base and that it achieves 26% black economically empowered ownership of the Company by 2014.

Despite the silence of the new Mining Charter on the role of women and their representation within the business of mining, female representation at all levels of the organisation has continued to be an area of focus in the year under review.

The employment of women in the underground workings is often constrained by various factors, which include heat tolerance tests which new recruits often fail as a result of the biological disposition of women, a preference for surface work by most women and safety conditions that prohibit pregnant women from working underground. Various initiatives are continually explored to overcome some of these challenges.

Implats' policy is to ensure no gender or racial discrimination in its business practices and its remuneration of employees is based on fair market value in relation to position, experience, expertise and responsibility. As part of

compliance, employment equity reports and social and labour plans, are submitted to the Department of Labour (DOL) and the Department of Mineral Resources (DMR) annually.

Our employment equity strategy focuses on:

- Enhancing and aligning our talent management process with our employment equity strategy and integrating employment equity and transformation into our people processes
- Accelerating the recruitment, development and promotion of designated groups into occupational levels where they are under-represented
- Accelerating the recruitment, development and promotion of women into occupational levels where they are under-represented.

In the year under review, 48% of our total management team were categorised as HDSA (FY2010: 45%), a 6.7% increase year-on-year. Women in mining representation was 2 740 which represents 7.9% of women in core business (FY2010: 2 483).

As at 30 June 2011, women made up 9.8% of our South African workforce (FY2010: 9%).

	HDSA in management (South Africa)						
	Mining charter target 2012	2011			2010		
		HDSA %	Total number of employees/members	HDSA employee/members	HDSA %	Total number of employees/members	HDSA employee/members
Board	25	62	13	8	56	9	5
Senior management	25	36	115	41	34	103	35
Excom	25	20	10	2			
Middle management	35	41	213	87	47	651	306
Junior management	40	55	465	255			
Total management		48	816	392**	45	763	346

* Excluding non-executive directors HDSA in management is 48% (385 employees).

** One executive director is represented on both Excom and Board.

Employee relations

Our employee relations strategy aims to create an enabling environment and the required leadership capacity to build open, honest and effective relations with our employees and their elected union representatives.

The major challenge we face in this regard speaks directly to the poor health of our employees and the devastating impact of HIV/AIDS on them, their families and communities. We have continued to focus on these issues during the year in an attempt to mitigate risk, while providing the necessary assistance that will allow sick employees to access the required medical care, and to enrol on wellness programmes that will aid their recovery.

During the year under review, Implats achieved a landmark housing agreement with union representatives. The agreement gives employees the option of home ownership facilitated by the organisation. We continue to consider accommodation and employees residing with their families as a cornerstone of a healthy society. In this regard this agreement will assist in facilitating home ownership to employees.

The new mining charter provides that employees who reside in company accommodation should be in single rooms. In this regard we remain committed to converting all hostels into single occupancy residences by 2014. Those employees who choose to use Company accommodation are paid an allowance that covers meals and accommodation. Employees that opt to purchase a property are paid a housing allowance that contributes to their bond repayments.

This approach to the provision of housing encourages family cohabitation, and contributes to the eradication of slums and shack dwellings.

The accommodation strategy is also part of our skills retention strategy, as skilled employees are able to obtain property at a lower market value, with better negotiated repayment rates with financial institutions. This agreement has gone a long way to cement relations between the organisation and its employees. During the year under review no days were lost as a result of strike action in our operations.



Social capital

Our main focus areas are the communities in which we operate and the areas from which our labour is drawn and our main aim is to support the creation of economically viable communities beyond the life of our mines.



Creating value

Economic capital

Human capital

Social capital

Natural capital

Consolidated non-financial statements

Social capital

Socio-economic development South Africa

Successes	Challenges	OBJECTIVES 2012
<ul style="list-style-type: none"> ■ Good progress made on delivery of social and labour plan (SLP) projects ■ Relationship with Department of Mineral Resources (DMR) maintained ■ Landmark housing task team agreement reached that promotes homes ownership at lower levels ■ 44 employees received government housing subsidies of approximately R700 000. ■ Total value of housing subsidies received by employees from government was R3.3 million. 	<ul style="list-style-type: none"> ■ Educating people about home ownership. 	<ul style="list-style-type: none"> ■ Complete housing project by 2020 ■ Complete Sunrise View School in FY2012 ■ Complete lower density accommodation to one person per unit by 2014 ■ Implement Housing Task Team Agreement ■ Implement the Business Support Unit or Incubator project during FY2012 ■ Implement the new social and labour plan projects during FY2012 ■ Complete implementation of SLP by 2013 ■ Ensure compliance with revised Mining Charter ■ Continue to promote home ownership.

Our philosophy

Implats' approach to socio-economic development is based on the principle that a business cannot be sustainable if its surrounding communities are deprived of basic amenities and are not economically stable.

Our main focus areas are the communities in which we operate and the areas from which our labour is drawn and our main aim is to support the creation of economically viable communities beyond the life of our mines.

We aim to ensure that communities are:
Economically viable – by undertaking projects that focus on generating income for communities.

Socially uplifted – through our projects that improve infrastructure in the areas of health, safety, education, housing development, sport, transportation, sanitation and water.

Environmentally aware and safe – by undertaking projects to rehabilitate the environment, particularly where our operations impact on the environment.

We acknowledge the symbiotic relationship between our organisation and the communities within which we operate and have structures in place to facilitate dialogue between us. The success of our projects is influenced by the nature of the relationship between our organisation and its host communities.

Management approach

In South Africa our socio-economic development is managed by the Sustainable development department based at our Rustenburg operations. A dedicated technical team is tasked with the implementation of our projects. It works together with the Stakeholder engagement department who assist with the management of community relations.

Projects are determined in conjunction with stakeholders representing communities, local government and employees. The discussions regarding these projects take place at quarterly forums, which are formally constituted and mandated.

Operational committees review each project proposal. Once projects are approved at operational level they are presented to the Group Sustainable Development forum. The membership of the forum, drawn from Implats' executive management team, is from a variety of disciplines. The forum either approves projects in principle, pending the outcome of a feasibility study, or they are rejected based on criteria that include the sustainability of the project over the long term, their alignment with Implats and the needs of the communities.

Each project undergoes continuous evaluation and its performance is verified by an independent body that assesses the:

- Impact of the project on the host communities
- Risks associated with the project
- Strengths and weaknesses of the project
- Number of direct and indirect beneficiaries
- Overall performance of the project.

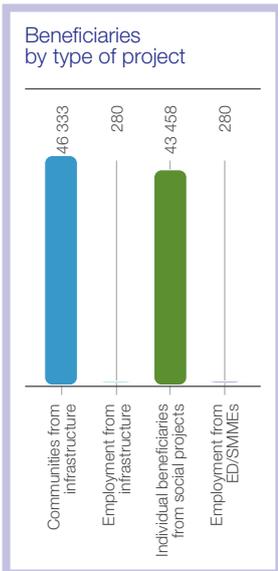
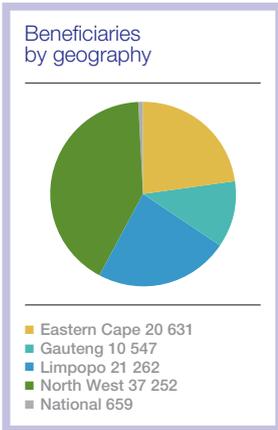
Following the independent assessment of all projects a detailed report is provided to project managers with action items that help them take corrective action where necessary. The reports also keep the Implats executive informed of any risks associated with projects.

The table below provides a breakdown of Implats' socio-economic development expenditure by focus area. The greatest portion (29%) was spent on infrastructure.

South African operations' socio-economic development expenditure

Programme	FY2011 Rm	FY2010 Rm	FY2009 Rm
Empowerment of community structures	31	21	18
Health, safety and environment	2	1	2
Education	17	16	14
Government and municipality support infrastructure	38	12	4
Sport development	11	15	11
Enterprise development	28	19	10
Community welfare arts and culture	3	4	1
Total socio-economic development	130	88	60
Housing and living conditions	277	552	917
Total sustainable development	407	640	977

Social capital continued



Performance in 2011

EXPENDITURE

In the year under review, overall Group expenditure on socio-economic development projects amounted to R130 million (FY2010: R88 million). An additional R227 million was spent on housing development initiatives for the upgrading of employee housing, home ownership facilitation and conversion of single sex residences to single and family units.

Of the R130 million spent in 2011, 42% was in the North West region, primarily due to the size and impact of the operations within these communities.

Beneficiaries

More than 90 000 people across South Africa benefited from Implats' socio-economic development expenditure in the period under review¹. Of these, over 46 000 were community members that benefited from improved infrastructure, including new roads, schools, libraries and a rehabilitated quarry. The infrastructure projects also created 280 temporary construction jobs in the year under review. Accommodation projects created 540 temporary jobs.

A further 280 jobs were created or sustained through our enterprise development initiatives. This included funding for the business support units at Marula that assisted 117 small organisations during the year. It also included

Implats' direct support of eight enterprises: three farms, a piggery, a bakery, a brick-making organisation, a fertiliser plant and a chrome plant.

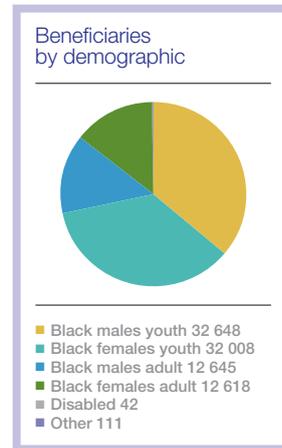
Over 43 000 people benefited from our social projects in the areas of education, health, sports development and general community welfare. Beneficiaries in this category include bursary recipients, home-based care patients, learners involved in literacy and sports programmes, as well as beneficiaries of the Impala Bafokeng Trust (IBT) programmes. In many of these programmes Implats is not the sole funder and therefore the total benefit may not be attributable to Implats, even though all the beneficiaries are counted.

The demographic of beneficiaries shows that over 99% of the beneficiaries of our socio-economic development projects were black. Over 70% of these were youth (35 years of age and under), making them the greatest pool of beneficiaries.

Geographically, most of the beneficiaries were in and around Rustenburg (41%), primarily due to the size of our operation in this area and the host communities that surround the operations from which skills are sourced. Over 20 000 people in the Eastern Cape benefited from infrastructure projects in the region in line with our SLP commitments. A further 21 000 in Limpopo benefited from projects around Marula Platinum.

¹ These numbers are based on projects with Implats' expenditure in FY2011 that were externally verified (not all projects with expenditure during the year were verified). The numbers are based on various assumptions about community population sizes and breakdowns.

	Projects	Location	Programme
1	Accommodation	North West	Housing and living conditions
2	Mbadango School	Eastern Cape	Infrastructure
3	Nyati Library	Eastern Cape	Infrastructure
4	Essential Oils	Eastern Cape	Enterprise development
5	Road Construction	North West	Infrastructure
6	Brick making	Limpopo	Enterprise development
7	Makgamathu and Mohlala-Morudi High Schools	Limpopo	Infrastructure
8	Chrome Project	Limpopo	Enterprise development



Refer to website for detail on projects

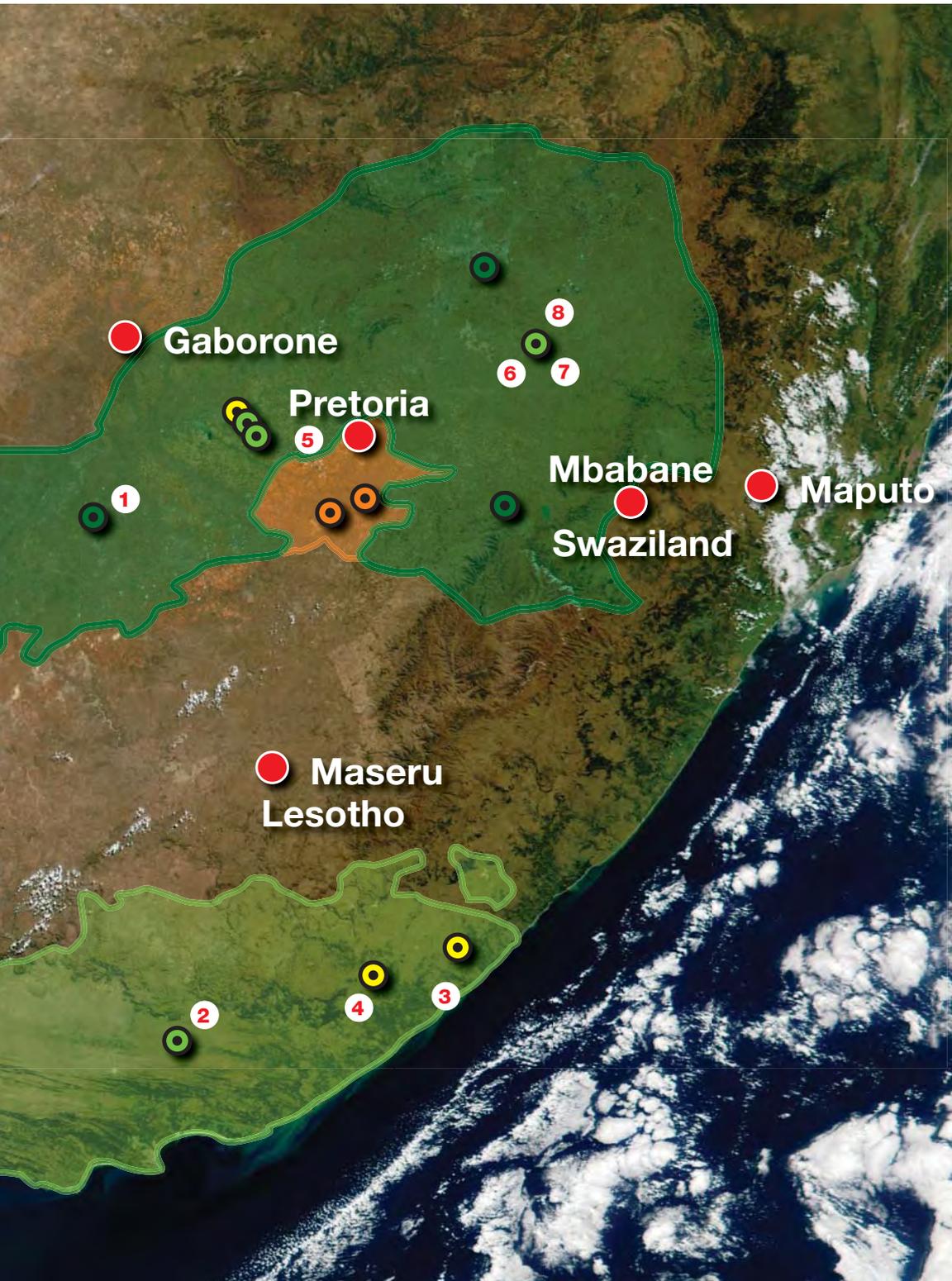
See pages 72 and 73 for locations of projects



Social capital continued

IMPALA PLATINUM SED EXPENDITURE BY PROVINCE (SEE PAGE 71 FOR PROJECTS)





Creating value

Economic capital

Human capital

Social capital

Natural capital

Consolidated non-financial statements

Social capital continued

Strategic imperatives

HOUSING AND LIVING CONDITIONS

Implats achieved a landmark agreement with union representatives. The agreement gives employees accommodation options i.e. residing in company accommodation at a fee or opting for home ownership facilitated by the company at a discounted price.

In 2014 the company will be in a position to have all hostels converted into residences with one man per room. In excess of 5 000 rooms will be converted into single occupancy residences. Employees who choose to reside in the residences do receive an allowance which covers meals and basic services.

Employees opting to become home owners are paid a competitive housing allowance that contributes towards bond repayment. The home ownership project is designed in such a way that employees buy an investment with complete infrastructure inclusive of schools, clinic and other basic facilities. The housing project at Sunrise View delivered 1 500 housing units and to date 1 245 has been registered into employees names. The company was successful in obtaining 101 government housing subsidies to the value of R3.3 million.

This approach towards home ownership encourages family cohabitation and contributes to the eradication of informal settlements. Implats Accommodation Strategy is also aligned with skills retention, as employees are able to enter a housing market at a lower market price. This agreement has gone a long way to cement relations between the organisation and its employees.

The company will continue to facilitate home ownership to its employees and a further 3 000 units are planned at Platinum Village with complete infrastructure. All housing projects are planned to be completed in 2020. The company was successful in obtaining 101

government housing subsidies to the value of R3.3 million.

COMPLETION OF HOSTEL CONVERSIONS TO RESIDENCES

A focus of our housing strategy was on the conversion of single sex accommodation into lower density rooms and family units, which afford employees privacy and the ability to live with their families.

To date 264 units were converted into family units, and 3 504 units have been converted into lower density unit housing. Of these, 1 196 accommodate one person per room. Approximately 1 815 of units are planned for completion over the next three years.

COMPLETION OF ALL HOUSING-RELATED PROJECTS AROUND RUSTENBURG AND CONTINUED RENOVATION AND UPGRADING OF COMPANY HOUSING

During the year under review, Implats signed a landmark agreement with union representatives that further enhances the chances of employees at the lower categories to participate in home ownership. The upgrade of existing Company houses used by employees forms part of this programme. This process has resulted in 1 241 of first time home owners, with Impala providing security for loans in FY2011 equivalent to R93 million.

Challenges include the high number of employees who have a poor credit rating which results in creditors rejecting these applicants. Since inception, approximately 1 300 applications for housing credit were rejected. The Sustainable Development Department facilitates reconciliation and rehabilitation of indebted employees in order to improve the credit ratings of employees wishing to buy homes and help with the security required for loans. Alternatives for foreign employees who do not wish to acquire houses in South Africa are being considered, including social housing or rentals.

ESTABLISH BUSINESS SUPPORT UNIT TO SERVE SMALL, MEDIUM AND MACRO ENTERPRISES

Continual consultation with our stakeholders highlighted the need to establish a business support unit to assist local entrepreneurs to utilise opportunities at the Rustenburg operations. R7 million has been set aside for the establishment of this unit during FY2012.

The business support unit at Marula has created a database of registered local SMMEs. Two of these businesses successfully acquired tenders from Marula Platinum Mine to build two schools, for a total value of R10 million.

ENSURE SUSTAINABILITY OF EXISTING COMMUNITY PROJECTS THROUGH MONITORING AND COACHING

Through the continuous evaluation and monitoring of existing projects by a well-established internal commercial unit and an external verification process, it was determined during the year under review that some projects would prove unsustainable as independent enterprises over the long term and as a result would have to be re-classified as poverty alleviation projects with amended support from Implats going forward.

As a result future enterprise development activities might focus more on assisting existing businesses to expand as opposed to starting up new businesses. With new businesses we found that often commitment and entrepreneurial ability is lacking from beneficiaries and the economies of scale prove to be unsustainable. Agricultural projects were found to be the least sustainable, due to the required economies of scale as well as the high level of risk associated with farming operations.

JOINTLY IMPALA AND NORTH WEST PROVINCIAL GOVERNMENT TO BUILD A SCHOOL FOR SUNRISE VIEW IN RUSTENBURG

Following the successful development of Sunrise View Village through our housing project, it was established that there was a need for a school within the community to cater for children of employees and residents which was requested by the community.

Impala Rustenburg, the Impala Bafokeng Trust (IBT) and the North West Provincial Government, entered into an agreement to build a school in this area jointly funded at an estimated cost of R40 million. All parties have made funding available and the construction of the school is planned for FY2012.

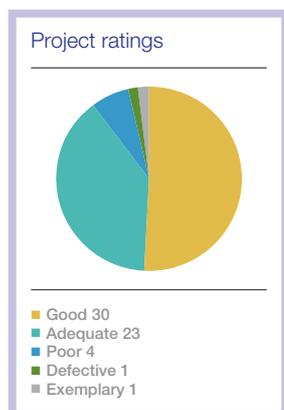
IMPALA BAFOKENG TRUST (IBT)

In partnership with its black-empowered partner, Royal Bafokeng Holdings (RBH), Implats established the IBT, a vehicle through which to contribute to social and economic development in the North West province in the Bojanala district and greater Rustenburg area. In FY2011, Implats contributed R23 million towards the trust, whose primary focus areas are:

- Education
- Enterprise development
- Health
- Capacity building of institutions
- Sport and recreation.

In partnership with NGOs, the public sector and the private sector, the IBT implements upliftment projects to benefit surrounding communities by providing the necessary support and assistance in the different spheres. R22 million was spent on the following projects in FY2011.

Social capital continued



Project	Location	Programme
Lebone II food production	North West	Enterprise development
Hand in Hand	North West	Enterprise development
Mahube Small Enterprises	North West	Enterprise development
Various Bojanala District projects	North West	Health
Godisanang OVC	North West	Health
Tapologo HBC	North West	Health
Luka clinic upgrade	North West	Health
GRCF	North West	Capacity building
Bojanala Early Child development	North West	Education
Reach Education Programme	North West	Education
Sunrise View School	North West	Education
Royal Bafokeng Sports	North West	Sports and recreation

PROJECT RATINGS

An independent external consultant verifies all major projects each year.

Altogether 59 socio-economic development projects were verified during the year, covering most projects funded during the year as well as a few that were funded in previous years. Each of the projects was reviewed using one of three templates (infrastructure, enterprise development or social development) with between 25 and 29 criteria including project design, implementation and impact.

The process showed that 52% of the reviewed projects were rated good or exemplary, 39% rated adequate and the remaining 9% were found to be poor or defective. Mitigation measures are in place to either revive these projects or terminate and implement alternative projects that will benefit the affected communities. Recommendations for all the projects rated adequate will be taken into account so that the performance and rating can improve in the coming years.

The verification process has assisted in redefining our focus areas and reviewing our strategy, particularly regarding income-generating projects and enterprise development. Findings from the process

indicate greater success is achieved by supporting established enterprises, which require resources to ensure sustainability, rather than setting up new enterprises.

Zimbabwe

Socio-economic development programmes in Zimbabwe are run directly by the operations through their Corporate Social Investment Department. Key areas of focus for these operations remain:

- Health and sanitation
- Education
- Enterprise development and income-generating projects
- Infrastructure
- Sport.

Zimplats believes in adding value in the communities around its operations. We believe in building sustainable communities anchored on relationships that value mutual respect, open dialogue, and a grassroots driven development agenda. We see ourselves as playing a role in investing in economic, social and cultural development in the communities in which we operate. As a responsible corporate citizen we strive to work together with the community to develop value adding programmes in the spheres of health, education, enterprise development and sport.

Sustainable community development is an integral part of our business strategy and implies constant stakeholder dialogue and attention to the needs and aspirations of the community.

In the year under review US\$1.1 million was spent on socio-economic development projects at the Implats operations.

Zimplats' socio-economic development expenditure

Programme	FY2011 US\$ (000)
Education	707
Health	65
Infrastructure	176
Enterprise development	173
Sport	27
Total socio-economic development	1 148

In response to community needs the following community-focused projects were launched during the period under review.

Project	Location	Programme
Reconstruction of Nyangwene Primary School	Mhondoro Mubaira	Infrastructure
Community brick-making cooperative	Zimplats operations	Enterprise development
Poultry projects	Mhondoro	Enterprise development
Ambulance for St Michael's Hospital	Mhondoro	Health
Ngezi District Schools' tournament	Ngezi	Sport development

For more details on these projects go to www.Implats.co.za

MIMOSA SOCIO-ECONOMIC DEVELOPMENT EXPENDITURE

In the year under review, US\$2.8 million was spent on socio-economic development projects at Mimosa operations. The primary focus areas for the year were:

- Health institutions
- Education
- Income-generating projects
- Local government
- Sport and recreation
- National events.

A total of 142 housing units at Mimosa mine were completed during this financial year at total cost of US\$15.5 million.

Programme	FY2011 US\$ (000)
Empowerment of community structures	213
Health, safety and environment	65
Education	2 049
Government and municipality	
Support infrastructure	40
Sport development	32
Enterprise development	12
Community welfare arts and culture	401
Total socio-economic development	2 812
Housing and living conditions	15 500
Total sustainable development	18 312

Natural capital

As a developer, miner, smelter and refiner of mineral resources, it is inevitable that Implats' operations and its products will have an impact on the environment. We believe, however, that through responsible planning and management, the application of sustainability principles and social and environmental offsets, we can achieve a net benefit to society from our activities. This is particularly so, given the application of our metals in a greener society.



Creating value

Economic capital

Human capital

Social capital

Natural capital

Consolidated non-financial statements

Natural capital

Successes	Challenges	Objectives 2012
<ul style="list-style-type: none"> ■ Impala, Mimosa and Zimplats maintaining ISO 14001 ■ Completion of carbon and water strategies ■ 49% increase in recycled water ■ Water conservation opportunities identified ■ Completion of biodiversity studies. 	<ul style="list-style-type: none"> ■ Marula ISO 14001 certification ■ Sub-optimal performance of sulphur abatement facilities ■ 13% increase in total water consumption ■ Increasing demand on energy resources due to deep level mining and extended underground footprints ■ Energy optimisation and security of resources ■ Pending climate change legislation, in particular carbon tax ■ Implementation of Mining Charter environmental requirements ■ Completion of the waste management strategy ■ 7% increase in indirect CO₂ emissions ■ 10% increase in direct CO₂ emissions. 	<ul style="list-style-type: none"> ■ Complete the implementation of carbon management and water conservation management strategies, which will include the setting of water and carbon reduction targets ■ Obtain water use and atmospheric emission licences at the South African operations ■ Complete the feasibility project for the implementation of SO₂ abatement equipment at the existing Zimplats operations as part of the sulphur dioxide reduction strategy ■ Waste licencing activities at the South African Operations to ensure compliance to the National Environmental Management Waste Act (Waste Act) ■ All operations to retain their respective ISO14001 certifications and Marula to obtain certification ■ The challenge for the year ahead will be centered on the implementation of the environmental requirements of the revised mining charter and potential publications focusing on climate change, in particular for the South African operations.

Our philosophy

Implats recognises the importance of managing environmental issues which not only have an impact on ecosystems and communities in the vicinity of our operations, but have also become critical longer-term issues for our business. The potential consequences of issues such as climate change are complex as they encompass risks to business continuity, health and safety and environmental compliance, which not only have an impact at an operational level, but also on society in the broadest sense.

As a developer, miner, smelter and refiner of mineral resources, it is inevitable that Implats' operations and its products will have an impact on the environment. We believe, however, that through responsible planning and management,

the application of sustainability principles and social and environmental offsets, we can achieve a net benefit to society from our activities. This is particularly so, given the application of our metals in a greener society.

Management approach

We acknowledge that our business affects the natural environment, the communities in which we operate and interested and affected stakeholders. We manage our environmental impacts throughout the value chain and life cycle of our products, and put in place preventive and mitigating measures to achieve this.

Our approach is aligned with the precautionary duty of care principles, and is underpinned by

regular and transparent engagement with our stakeholders. Hotlines, open days, newsletters and community liaison forums form an integral part of our communication with stakeholders – see the section on Stakeholder engagement on pages 24 to 27 for more detail on this topic. Environmental complaints received from the public are addressed as part of non-conformance management under our ISO 14001-based environmental management systems.

Our approach to environmental management, guided by our Group environmental policy and site-specific environmental policies aims to:

- Minimise emissions to the atmosphere
- Minimise the release of effluents
- Optimise resource consumption
- Mitigate our impact on climate change
- Minimise waste generation
- Rehabilitate disturbed land and protect environmental biodiversity and heritage resources.

The Group ensures that it complies with legislation at all times and operates within the bounds of the licences and permits that we have been granted. The implementation of new legislation and amendments to legislation can make this a challenging task, for both the mining industry and the under-resourced enforcing institutions.

Underpinning the Group's approach to environmental management is the adoption and implementation of ISO 14001-aligned environmental management systems and our commitment to certification against this standard.

While the Group's environmental reach and responsibilities are extensive, there are plans in place throughout the Group to achieve our commitments and to monitor compliance. Regular compliance audits are conducted at our operations by the Group's environmental team. External auditors conduct scheduled ISO 14001 audits.

An important achievement during the year was the development of Group carbon and water management strategies. Implementation of these strategies has commenced. The development of a Group-wide waste

management strategy and an energy security strategy is at an advanced stage.

MANAGEMENT STRUCTURE

The Board-level Health, Safety and Environmental (HSE) Committee guides environmental policy and reviews Group performance – see the Corporate Governance section page 78 to 84 for further information. Environmental programmes are managed at operational level. Operations submit quarterly performance reports to the SHE committee. A Group-level SHE executive develops and guides the Group's strategy, while Group-level environmental specialist teams support line management and operations-based environmental personnel.

Environmental management is an integral part of the running of our operations. As a result, the Group's environmental team has close links with operational and project management and is involved in due diligence exercises undertaken in connection with acquisitions and the development of strategic initiatives, such as the Group's approach to energy and water security. Ultimately, however, environmental management is undertaken at an operational level, where the legal appointments are also held.

Performance in FY2011

STRATEGIC INITIATIVES

Ensuring compliance with current and proposed environmental legislation, within a challenging regulatory framework

In South Africa, matters relating to the environment are governed by numerous different pieces of legislation including the Mineral and Petroleum Resources Development Act (MPRDA), the National Environmental Management Act (NEMA), the National Water Act, the National Environmental Management: Air Quality Act and the National Environmental Management: Waste Act. Regulatory compliance is also split between agencies, creating some degree of uncertainty and overlap.

Issues that are currently of particular concern to the Group include:

- Lack of progress with integrated water use licences for South African operations. Applications for all operations have been

Natural capital continued

submitted (Refineries: 2002; Rustenburg operations: 2003; Marula: 2004; Afplats: 2007) and resubmitted timeously to the authorities. The process of application and resubmission has included extensive engagement with the authorities at different levels, including with the Letsema Project, which was set up by government to handle the backlog of applications in the industry. However, the considerable backlog in applications remains, apparently caused by insufficient capacity to process them within the Department of Water Affairs. Despite ongoing engagement, no water use licences have yet been granted to any of our operations, which is an issue of significant concern. In July 2011 the Marula operations received the Water Use Licence which is a first for the Group. The operation will engage with Water Affairs to resolve some of the issues relating to stipulated requirements. We continue to maintain regular communication with the licensing authorities, including accurate recording of these engagements

- Potential climate change legislation and taxes dealt with in greater detail on page 83
- A new requirement that external audits of the Group's South African mining operations compliance with our environmental management plans (EMPs) are to be conducted annually. Currently these audits are biannual but these will now change to be annually conducted in compliance with the revised Mining Charter. Given the scale of our operations this could have significant cost and resource implications. The submissions of EMPs has also become a requirement of the revised Mining Charter, carrying an overall rating of 12%
- Implementation of the National Environmental Management: Waste Act (NEMWA). One of the main requirements of the new Waste Act is the licensing of all waste management activities as defined by the Act. Clear guidance on the requirements of NEMWA was obtained through a brief consultation process with the Department of Environmental Affairs (DEA). Waste management activities requiring a licence have been identified across our various South African operations and a formal

licensing process has begun at Rustenburg and Refineries. Implats participates in the DEA's stakeholder consultation process, which is aimed at developing a waste classification and management system, as well as a national waste base line. Group waste management strategies and targets will only be finalised once the associated regulations have been gazetted

- Implementation of the National Environment Management: Air Quality Act (NEM:AQA) specifically in relation to the granting of air emissions licences (AEL) for listed activities at our Rustenburg operations and the Impala Refineries in Springs. Following the issuing of a draft Registration Certificate under the Atmospheric Pollution Prevention Act (APPA) for the expanded Rustenburg Smelter Operations by the then DEAT, in 2009, and the subsequent transfer of authoritative power to the North West province under NEM:AQA in 2010, an AEL application was submitted to the provincial authorities in November 2010. Due to delays in the finalisation of the administrative process, a final AEL has not been received. Similarly, the Refineries submitted their APPA permit application to Ekurhuleni Metropolitan Municipality in 2009. An acknowledgment was received, but to date no feedback has been forthcoming. Applications for the Refineries AELs under NEM:AQA will be submitted in FY2012.

During the year under review there have been a number of legislative amendments in Zimbabwe, none of which represented significant hurdles for our operations.

No fines were incurred by our South African operations, nor was there any official sanction by the authorities of Implats or any of its officials in respect of environmental transgressions during the year.

In Zimbabwe, where the 'polluter pays' concept underpins permit arrangements, payments have been made to the state in line with legislation.

It is the Group's policy to adopt best practice at all of its operations, irrespective of location or

legislative regime. Some R771 million was spent on environmental management during the past five years and expenditure of R874 million on environmental management is planned for the next five years.

Responsible management of resources and achieving and maintaining ISO 14001-certified environmental management systems across all Group operations

It is the policy of the Implats Group that all operations are to have an ISO 14001-based environmental management system (EMS) in place and that ISO 14001 certification will be

sought and maintained for all our operations. At the end of June 2011, 75% of the Group's production was from mining operations that are ISO 14001-certified, with the Marula mine the only operation which is not ISO 14001 certified. While Marula's certification has been delayed by resource constraints, the certification body conducted a gap analysis during the year and significant progress has been made towards the implementation of an ISO 14001-based EMS. The mine plans to have achieved ISO 14001 certification by the end of the 2012 financial year. The Group's other operations in South Africa and Zimbabwe have maintained their ISO 14001 certification.

Environmental incidents are categorised and reported in terms of their level of severity:

Level of severity	Explanation
Critical	These incidents are considered to be severe, with considerable environmental damage, high cost implications and major legal and interested and affected parties (IAP) implications
High	These are incidents of limited or localised environmental damage, with cost implications and/or legal and IAP implications
Moderate	With these incidents the environmental damage is limited to the mine site, or to areas immediately adjacent, if the mine site is unoccupied. There may potentially be cost and/or legal implications
Low	Environmental damage limited to the immediate area. There are minor cost implications and no legal and IAP implications

In line with ISO 14001 requirements, all operations identify, report, investigate, address and close out environmental incidents. There were no critical environmental incidents at the Group's operations during the year. However, currently reporting conventions are not standardised across the Implats Group and a process is under way to finalise Group definitions for environmental incidents. As a result, the only operations for which we report in detail on environmental incidents are Impala's Rustenburg operations, which reported no critical incidents and 152 high-level incidents. The latter related primarily to point source and fugitive emissions from the smelter, both of which are well managed in line with statutory requirements.

Climate change: Developing and implementing a Group carbon management strategy

Implats currently has limited exposure to legislation on greenhouse gas (GHG) emissions, however, the last year has seen numerous documents being published. The most significant being the National Climate Change Green Paper and the National Treasury Discussion Paper on Carbon Tax published for comment in 2010. Both these documents are expected to be finalised before the 17th Conference of the Parties scheduled to take place in November 2011 in Durban.

Natural capital continued

South Africa, in particular, depends on electricity generated from fossil fuels, and is a significant global emitter of carbon dioxide (CO₂).

The South African government made an emissions reduction pledge at the 15th Conference of the Parties (COP 15) in Copenhagen in December 2009, to reduce GHG emissions by 34% below “business as usual” projections, by 2020 and 42% by 2025, provided international financial and technical support is made available.

Should GHG reduction legislation and carbon taxes be introduced, these will have a significant impact on our business. Implats is participating in the newly established COP 17 CEO forum chaired by the Implats CEO.

A full analysis of the risks posed by climate change reveal the following:

- The mining sector is at considerable risk from the secondary impacts of climate change, including the potential introduction of carbon taxation and the manner in which this will impact on energy intensive mining companies, particularly as the bulk of South Africa’s electricity is produced in thermal power stations and alternative sources of energy are limited. There are also a number of climate change risks that need to be considered from a strategic perspective in order to assess their impact on business activities, revenue and value within the mining sector
- While it is becoming relatively well understood that a company’s carbon footprint is the first step toward proactive carbon management, reporting on emission profiles is expanding from organisational level to encompassing the full life cycle of the product. This includes the carbon profile of both upstream suppliers and service providers, their potential carbon regulatory exposure and potential liability, especially in terms of carbon-related costs, as these will subsequently be passed onto the company itself
- The effect of climate change on water has far reaching consequences and is a major

cost item for mining companies as fresh water supplies are increasingly constrained. A decline in water supply and quality, countered by increasing demand, is proving to be a challenge for mining companies and this will be further compounded by the effects of climate change

- Changing weather patterns also threaten the general health of the population through the proliferation of diseases associated with increased temperatures.

As part of our response to climate change, we embarked on a process to quantify the Group’s carbon footprint and to develop our carbon management strategy. A leading international consultancy was tasked with calculating the Group’s carbon footprint for the 2009 financial year (1 July 2008 to 30 June 2009). An updated footprint for the 2010 financial year (1 July 2009 to 30 June 2010) was subsequently completed to assist the Group in setting a reliable baseline.

Our total direct CO₂ emissions (from burning fuel such as coal, diesel, petrol, IBO – industrial burning oil and gases) during FY2011 were 435 605 tonnes, an increase of 10% on FY2010. The increase is attributed to the inclusion of diesel used for capital projects at the Rustenburg operations. Electricity supplied to our South African operations from coal-fired power stations contributes indirectly to our carbon footprint. Total indirect CO₂ emissions rose by 7% to 3.6 million tonnes year-on-year. To reduce our GHG emissions we are focusing on reducing and optimising our energy use and improving our energy efficiency. In Zimbabwe, at our Zimplats operation, 50% of our energy is coal-based, and 50% is derived from hydro-electric power.

The Group’s Rustenburg operations accounted for around 73% of our total CO₂ emissions in FY2011, while Impala Refineries and Marula accounted for around 8% and 4%, respectively of the Group’s CO₂ emissions.

Climate change indicators

	FY2011	FY2010
Direct CO ₂ emissions (t)* (000)	436	395
Indirect CO ₂ emissions (t)** (000)	3 587	3 359
Electricity purchased (MWh) (000)	3 469	3 267
Direct energy (GJ) (000)	5 661	5 250
Indirect energy (GJ) (000)	12 561	11 763
Total energy (GJ) (000)	18 222	17 013

* Direct CO₂ emissions as a result of burning fuel (coal, diesel, petrol, IBO and natural gas)

** Indirect CO₂ emissions from energy purchased

Implats again participated in the 2011 Carbon Disclosure Project (CDP 2011) and our questionnaire response is available at www.cdproject.net. Implats was awarded two gold certificates by the National Business Initiative in recognition of our participation in the 2010 Carbon Disclosure Project. The awards were made for a high rating on the Carbon Disclosure Leadership Index (CDLI) and for a Band B (fast following) rating on the Carbon Performance Leadership Index (CPLI).

In addition to quantifying our carbon footprint a Group carbon management strategy was developed and approved by the Board in November 2010. The objectives of our strategy are to:

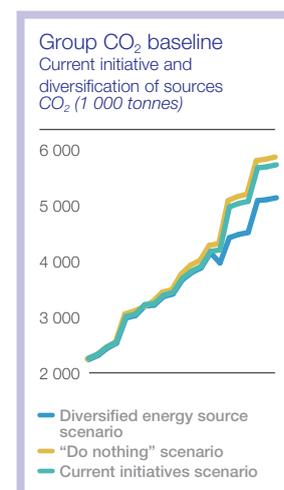
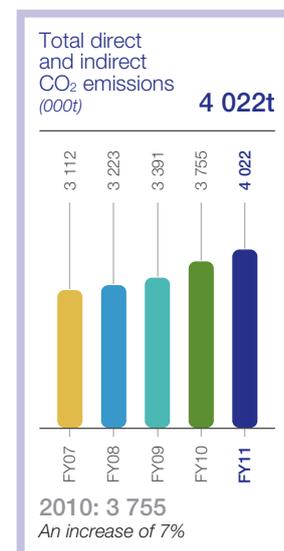
- Use energy efficiently and responsibly in a carbon-intensive and electricity-constrained environment
- Achieve cost savings through efficient energy use
- Identify and implement feasible opportunities to mitigate direct (Scope 1) greenhouse gas emissions
- Actively engage government in the formulation of climate change legislation
- Be mindful of both a national and corporate need for sustainable development and cleaner energy.

A comprehensive review of the Group's current footprint and operational growth aspirations indicates that:

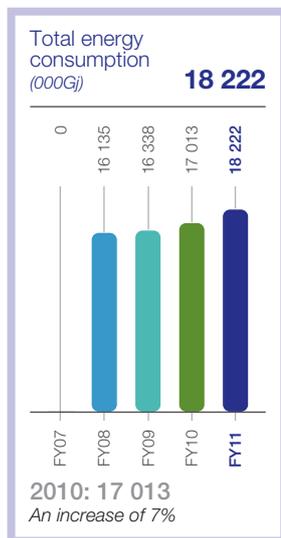
- There is limited scope for a reduction in coal-based electrical energy usage (Scope 2)
- The most significant opportunity we have to reduce our carbon footprint lies with the reduction of direct carbon dioxide emissions generated from the use of coal at our Rustenburg operations, at our refineries, and at Zimplats (Scope 1). Investigations are currently underway at Impala Rustenburg concerning the use of carbon-neutral biomass energy to replace the current use of coal. This could hold additional benefits if it were linked to a community development or job creation project. If applied at Group level, such a conversion of energy sources could potentially lead to a 15% reduction in overall GHG emissions and an 80% reduction in Group direct GHG emissions.

Objectives and targets for the development and implementation of a sustainable energy and carbon management programme have been defined across the Group. While the defined targets are predominantly short term (of the order of 12 to 18 months) they will facilitate the setting of longer-term objectives and targets.

The Group's carbon management strategy also addresses the primary risks that could arise as a result of climate change, including physical risks, such as water and electricity supply shortages, drought and flooding and rising costs. At the same time, however, climate change presents opportunities for the PGMs



Natural capital continued



industry as these metals are used in autocatalysts to control the harmful elements contained in vehicle exhausts. While the use of PGMs in fuel cells for 'clean' energy generation is still in its infancy, it is interesting to note that our refinery operation has investigated and implemented small-scale fuel cells as alternative energy sources. See the Marketing and Product Responsibility sections of our reports for more information.

Optimising energy usage and ensuring security of supply

Energy security and pricing is a significant material issue for Implats, in terms of both our existing and planned operations. The Group's new generation mining operations are becoming more energy-intensive (deep level mining and extended underground footprint), as we endeavour to grow our production.

In FY2011, around 69% of our total energy consumption was electrical energy, which made up approximately 9% of our overall cash cost base (FY2010: 8%). The increase in 2011 reflects the sharp rise in electricity costs of 25%, year-on-year.

Eskom introduced a power conservation programme (PCP) in 2008 and the South African mining industry was encouraged to voluntarily reduce 10% of its total energy consumption. The Group's South African operations worked closely with Eskom and participated in demand-side management (DSM) programmes on offer to effect a reduction in its load requirements, especially during peak demand times.

Our new Shafts (16, 17 and 20) have all been designed with high-level specifications for energy efficiency and power management in terms of the main fan stations, refrigeration systems, underground pumping systems, underground lighting, air compressor and reticulation systems and hot water control systems for change houses.

However, opportunities to reduce the use of electrical energy at our smelters and refineries are limited, as these energy requirements are largely fixed and based on throughputs. Our focus is therefore on optimising the energy efficiency of our mining operations.

We have a similar energy management issue in Zimbabwe, where severe power outages and punitive electricity tariffs have become significant financial incentives for power-conservation strategies.

While we expect our energy optimisation initiatives to deliver incremental improvements, given the Group's expansion plans, our emphasis will remain on improving efficiencies rather than reducing absolute consumption.

Ensuring secure access to water and efficient and responsible management of this resource in a water-scarce environment

Implats participated in the CPDP Water Disclosure Project in both 2010 and 2011.

We recognise that water is a scarce resource and that the security and optimisation of water usage is fundamental to the success of our business now and in the future.

Implats is highly reliant on water for its mining, processing and refining operations and for human consumption, using large volumes of water across our various operations.

During the year under review, a Group-wide water conservation strategy was developed to effectively integrate the responsible management of water into our core business operations. Our strategy covers both resource consumption and water quality management and proposes a framework for operation-specific water conservation strategies. It also defines a water consumption baseline for the period 2001 to 2020, to be extended to 2030 in the near future. Our strategy has identified water consumption reduction targets and these have been communicated to all our operations, where implementation plans are being effected.

The water conservation strategy graph indicates the potential savings in water consumption with the implementation of the water management strategy.

Total Group water consumption in FY2011 was 42 megalitres, an increase of 13% on FY2010.

This increase is as a result of an initiative implemented at the Rustenburg operation which resulted in a significant improvement in the amount of water recycled. This improvement has, however, not yet translated to a decrease in water withdrawn and consumed, as it is a phased approach. The table below indicates the various sources of water used in our operations.

Consumption in (kℓ) (000)	FY2011	FY2010	FY2009
Water from water service providers or municipalities (1)	12 636	11 970	13 151
Waste water from other organisations (2)	3 769	3 668	3 829
Water from rivers (3)	2 337	2 659	2 328
Water from dams (4)	7 016	7 506	5 816
Water from ground water (5)	1 287	1 276	658
Water withdrawn (1 + 2 + 3 + 4 + 5)	27 045	27 079	25 783
Water internally recycled	14 823	9 981	11 652
Total water consumption	41 868	37 060	37 435

Note: Our Zimplats operation uses a potentially significant amount of fissure water in one of its mining operations which has not as yet been quantified. It is therefore excluded from the above figures. *Please note that data was not available per category in 2008 but was combined.

Implats has noted that there are various inconsistencies in water consumption data collection across the Group. Group definitions are currently being reviewed and aligned.

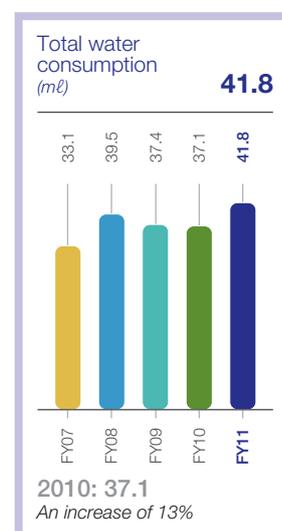
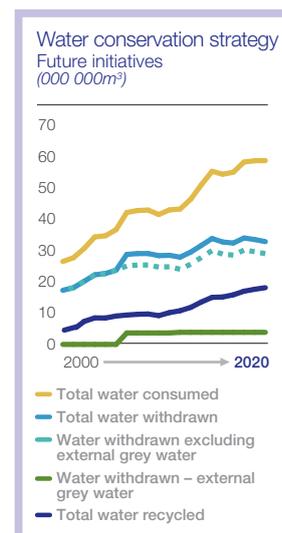
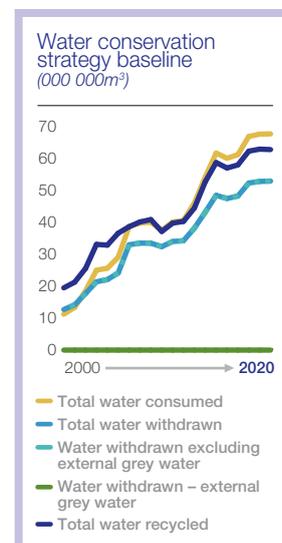
From FY2011 the Zimplats and Mimosa water withdrawn from rivers and dams excluded water donated to communities. Fissure water has been included for both Zimplats and Marula where it is used for operational purposes. For Refineries, the increase in water consumption was as a result of the inclusion of domestic water used previously excluded. Most of the inconsistencies identified for water consumption have been addressed.

Numerous water reduction projects have been identified and others are still being evaluated. The main emphasis of these projects is on reducing potable water consumption, optimising industrial water use and recycling water.

As an overall approach the focus is on increasing effluent recycling capacity. Our refineries operation is a zero effluent site with some of the process water streams treated to boiler quality and re-used with no effluent released into natural water courses.

At the Rustenburg operation, examples of the larger projects implemented to improve water management are:

- The construction of a storm water dam at the UG2 processing plant and ensuring that all run-off from the plant area is directed and captured in this dam, whereafter the water is returned to the plant for re-use
- The completion of the final design for a similar storm water system at the central processing plant, with the first phase of construction expected to commence towards the end of 2011



Natural capital continued

- Construction of additional water storage dams at the tailings storage facility (TSF) to capture water that is returned to the processing plants for re-use. The pumping arrangement for these new dams is still being optimised to ensure maximum re-use of tailings return water
- Installation of cut-off trenches at one of the shafts located close to a water course to intercept possible seepage and return the water to the process for re-use
- Lining various smaller dams to minimise seepage and maximise re-use of process water.

At Marula, various initiatives have been identified and some have already been implemented, including the construction of a storm water dam at one of the shafts with the design for the storm water dam at the second shaft complete. The tailings return water system is being optimised and lining of the return water dam is planned and should commence soon.

Operational water balances are updated regularly to monitor water use at the various operations. Treatment of process water at the Rustenburg operation will become a necessity in future and various treatment options are being investigated.

In total, 15 megalitres of water was recycled in FY2011, which equates to 35% of all the water consumed in our operations (FY2010: 27%). This is an improvement in our recycling of some 49% from prior year, with all operations having contributed to this improvement.

Water security becomes much more of an issue during the planning of new projects and in accessing new water supplies. We are currently in negotiations regarding water access for our Afplats project and have managed to secure an initial allocation. However, in the longer term we will have to consider more innovative solutions, including the possibility of participating in the feasibility study investigating a long-distance water pipeline into the Rustenburg area from the Witwatersrand Basin deep level decant. Water for the 18 Shaft project will be sourced

from the Vaalkop pipeline project routed south of the Sun City complex. This is being undertaken in conjunction with a number of other potential users in the area.

Both of our operations in Zimbabwe have acceptable water allocations, but as they withdraw water from local water sources, any threat to these sources would have an impact on the water resources at their disposal.

We work very closely with other water users and in addition to continually increasing our recycling of water, we are always looking for other alternative sources, albeit on a small scale.

One such example is that by assuming responsibility for pumping at a local village sewage pump station, we have secured access to this process water. This has been beneficial to Implats, which has gained a small water allocation and reduced pollution in the area surrounding our operations, as well as to the village where previously pollution resulting from pump failure was an environmental and health hazard.

PREVENTING POLLUTION THROUGH RESPONSIBLE MANAGEMENT

Water

Given the nature of mining operations, the primary concern with water pollution is the possible release of process water containing sulphates, chlorides and nitrates into receiving water bodies. None of Implats' operations are associated with acid rock drainage or the use of cyanide.

Regular surface and groundwater sampling takes place at all operations. At Impala Rustenburg, groundwater data is fed into a regional model, which is used as a management tool for identifying and addressing groundwater problems.

Capital expenditure was allocated to water-related projects in FY2011. These include:

At Impala Rustenburg operations:

- Lining of pollution control dams at 16 Shaft
- Groundwater and other specialist studies at project locations
- Final design of catchment dam at central processing
- Optimisation of the tailings return water pumping circuit.

At Marula:

- Lining of return water dams
- Storm water catchment dams
- Upgrading of sewage treatment facilities.

At Refineries:

- Construction of second PMR crystalliser to increase effluent treatment capacity
- Construction of second PMR pond to allow separation of rainwater from effluent
- Feasibility study into cheaper recycling of rainwater
- Alternative treatment option for spent filter material from the PMR
- Effluent treatment plant (ETP) upgrades
- Boiler ash storage upgrades.

At Mimosa:

Capital expenditure allocated to water-related projects in FY2011 include:

- Upgrading of sewage treatment plant
- Installation of a tailings return water line to link plant process with second return water dam
- Plant process emergency ponds.

Air

Sulphur dioxide (SO₂) emissions represent the most significant air quality risk for the Group. SO₂ is emitted by our smelting and refining operations in Rustenburg, Springs and Zimplats.

Total Group direct SO₂ emission in FY2011 was 18 881 tonnes, up 12% on the prior year. Zimplats' operations contributed 64% of the total SO₂ emitted while Rustenburg and Refineries operations contributed 33% and 2%, respectively. At Impala Rustenburg and Zimplats, average daily SO₂ emissions are calculated through a mass balance approach while at the Impala Springs operations specialist sampling is conducted.

The Group continues to benefit from the SO₂ emission abatement strategy initiated in 2006, the critical components of which included meeting air quality standards, limiting visual emissions and minimising occupational exposures. An upgrade to the smelter at our Rustenburg operations, at a cost of R830 million, included the upgrading of the sulphuric acid and Sulfacid™ plants and the construction of new tail gas and fugitive gas scrubbing plants.

The calculated SO₂ emitted at our Rustenburg operations during FY2011 increased to the equivalent of 17.3 tonnes of SO₂ a day compared with an average of 10.4 tonnes SO₂ day for the previous financial year, indicating that there was an increase in sulphur dioxide emissions at these operations. We have investigated the cause of this deteriorating trend and the results have shown an inefficiency in the abatement equipment in the first half of the year which was further compounded by an increase in sulphur content in the ore from the Merensky reef. During the second half of the year some improvements were achieved and will be monitored in the year ahead.

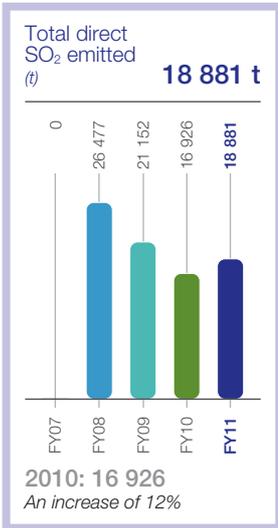
Additions have also been made to continuous stack monitoring with the commissioning of inline monitors at the Rustenburg operations as part of the continual improvement of monitoring and reporting on emissions.

At our Zimplats operations the average SO₂ emitted in a day during FY2011 was 33.2 tonnes (FY2010: 34.1 tonnes per day).

The Group has embarked on a capital project to install SO₂ abatement equipment at Zimplats' Selous Metallurgical Complex (SMC) to ensure that, as a minimum, there is no increase from the current emissions profile as production increases by approximately 30% in its Phase 2 expansion project.

A prefeasibility study was completed during the year focusing on three different technologies, including a market study on the availability of raw materials and demand for by-products. The outcome has recommended a specific approach which will now require a

Natural capital continued



comprehensive feasibility study planned to start in the new year.

Ambient air quality in the vicinity of our operations, including some meteorological parameters, is also monitored via a network of ambient air monitoring stations. The ambient monitoring network at Impala Rustenburg comprises six monitoring stations, three of which measure selected meteorological conditions, SO₂ and PM10 (particulate matter smaller than 10 microns) levels, two measure selected meteorological conditions and SO₂ levels and one monitors only meteorological conditions. In addition to ambient stations, a comprehensive total dust fallout network is maintained.

Our refineries in Springs are located within the Highveld Priority Area, so declared under the National Environmental Management: Air Quality Act. The draft Air Quality Management plan for the Highveld Priority Area was gazetted for public comment and it contains various commitments directly affecting the Refineries. At the Refineries two ambient stations are operational, monitoring CO₂, SO₂, ammonia, PM10 and NO_x, CO and meteorological parameters.

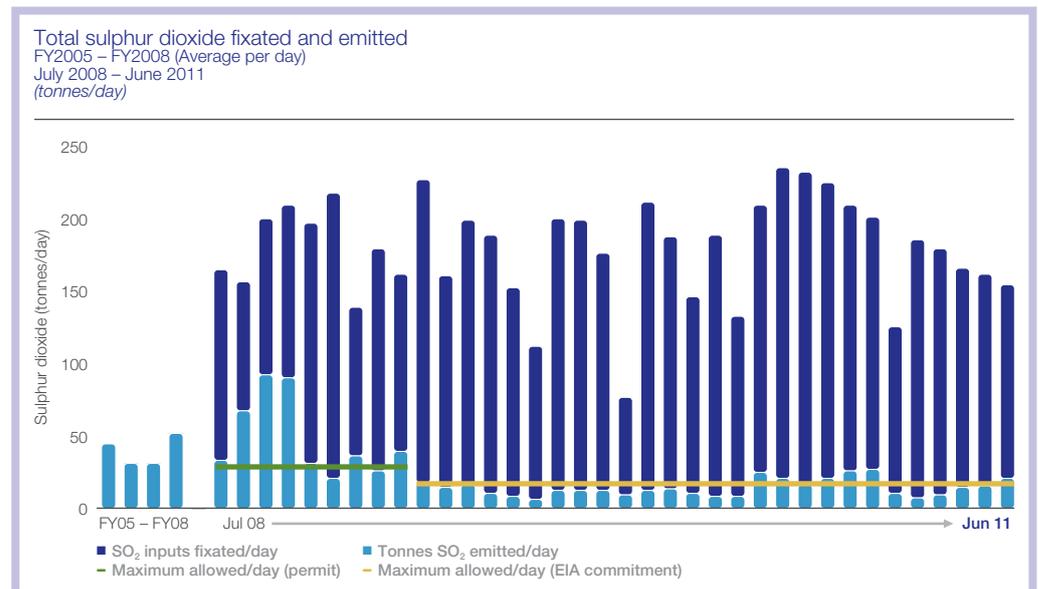
At Marula, an ambient meteorological monitoring station, measuring wind speed and direction, relative humidity, ambient temperature and rainfall, is maintained to assist in establishing an onsite meteorological database. In addition, a comprehensive dust fallout monitoring network is maintained to obtain dust deposition rates.

The Zimplats operations have two ambient monitoring stations, both refurbished at the beginning of 2011. Although some internet connectivity challenges have been experienced, data collation is underway. The ambient station located at SMC monitors SO₂, PM2.5 and PM10, while the station located at the Martindale Mission School, approximately 3km from the plant, monitors SO₂, PM2.5, PM10 and NO_x. A broad total dust fallout network is maintained.

The total NO_x from electricity consumption was 15 307 tonnes in FY2011. (FY2010: 14 335 tonnes).

In the year under review, the Mimosa operations conducted a surveillance audit on ozone depleting substances used at the operations, in line with a Zimbabwean statutory Instrument 7 of 2011 (Environmental and Natural Resource

RUSTENBURG OPERATIONS



Management – prohibition of ozone depleting substances and ozone – depleting substances dependent equipment regulation, 2011). The survey identified several areas where ozone depleting substances were present in equipment.

In view of the significant impact that ozone depleting substances have on the environment, a technical team was tasked to look into a phase-out plan and the following action was taken:

- A procurement system was put in place to ensure no purchases of equipment dependent on prohibited or controlled ozone depleting substances are made with immediate effect as continual purchase conflicts with Mimosa Business

Management Policy and also will leave redundant, unserviceable equipment which will be a huge waste challenge to the next Mimosa generation that will come after 2030

- Developed an ozone depleting substance-dependent equipment inventory which will be reviewed annually to reflect any replacement of existing equipment
- Phasing out of prohibited/banned ozone depleting substances and management of the phased out equipment will be done in the new year.

Additional environmental reporting information can be found in the notes to the consolidated non-financial statements.



Consolidated non-financial statements





Creating value

Economic capital

Human capital

Social capital

Natural capital

Consolidated non-financial statements

Statutory reporting and notes to the non-financial statements

Economic performance

Local procurement

Group local procurement grew to 53% from 48% in FY2010 with the greatest achievement being at Impala Springs.

Significant assistance from government

In the year under review Implats, through its South African operations and its Sustainable Development Department, undertook to build several schools in its areas of operation and labour sending area. These projects were undertaken with the Department of Education in the various provinces on a Rand-for-Rand contribution basis.

In the year under review the Department of Education contributed a total of R8.5 million towards the construction of the following schools:

- Mbadong Primary School – Eastern Cape (R3.5 million)
- Marula Schools – Limpopo (R5 million).

In kind or political donations

Implats abides by its policy of not making political donations, either in kind or directly. For the year under review no such contributions were made by the organisation.

Associations and memberships

Implats is a member of the National Business Initiative (NBI) and the South African Mining Development Association (SAMDA).

Social performance

Safety

COMPLIANCE

Implats has a safety management system guided by OHSAS. All safety reporting is in line with the requirements of the DMR. Following the review of the Mining Charter in 2010, safety and health reporting as part of the social and labour plan as outlined by the Minerals Petroleum and Resources Development Act (MPRDA), Implats has reviewed its reporting procedures to ensure compliance.

EMERGENCY PREPAREDNESS

Implats has emergency teams at all operations that undergo regular training including drills, to manage a range of incidents.

AWARDS

Internal awards

The following shafts received safety awards:

- Platinum – Ngwarati, Zimplats process, Rukodzi 2A and 2 Shaft – Rustenburg
- Gold – Refineries, Mimoso, Zimplats
- Silver – SA processing, Bimha, opencast (Zimplats)
- Bronze – 8, 5, 7, and 6 Shaft – Rustenburg

Health

HEAT STRESS

Heat stress remains a potential occupational health risk in certain occupations. The process of testing and controls to ensure employees are able to work in hot environments is very well controlled, however, and no cases of heat exhaustion or heat stress were diagnosed during the year.

Cholera and malaria

Following the cholera epidemic in Zimbabwe in early 2009, Zimplats continued its extensive education campaign and, where necessary, provided medication and treated water to employees and their families. These measures have successfully contained the number of infections at our operations.

Implats provides ongoing malaria education, advisory services and prophylaxis for employees who travel to malaria areas.

Following the identification of the anopheles mosquito larva at Zimplats, this region is now being treated as a malaria area. Employee and community education, spraying and mosquito surveillance and monitoring are in place. A total of 52 cases were diagnosed in FY2011 (FY2010: 35).

Swine flu

No cases of swine flu were reported in the year under review.

People

COMPLIANCE

Implats complies fully with all legislation governing the mining industry and reports annually to the Department of Mineral Resources. Through its social and labour plans, it ensures the delivery of empowerment projects and ensures the achievement of its objectives as dictated by the Mining Charter. Areas of focus are on employment equity, skills development, preferential procurement, enterprise development, housing and living conditions, as well as income-generating projects and infrastructure.

EMPLOYMENT CREATED

As at FY2011 year-end, the Implats Group had 57 127 employees. Of these 39 624 were own employees, while 17 504 were contracted labour. The 11% increase in contracted labour was as a result of project development at our Impala Rustenburg operations, building up to the 1 Moz platinum production beyond 2016.

Due to the historical legacies of migrant labour within South Africa 13,4% of the employees working in our South African operations were sourced from neighbouring countries. While Implats does not discriminate against employees from neighbouring countries, we aim, as much as possible, to employ people from the areas surrounding our operations.

SOCIO-ECONOMIC DEVELOPMENT

Awards

In FY2011 Implats received the Sunday Times: Corporate Social Investment Leadership Award for its contribution to social development through its various SED projects and initiatives.

SIGNIFICANT FINES RELATING TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

No fines were received in the year under review for non-compliance to laws and regulation.

Environmental performance

Compliance

Implats environmental programmes are guided by various legislation both in South Africa and Zimbabwe. In Zimbabwe legal compliance is with respect to laws governing that country on a “polluter pays” principle. Some of our operations are accredited through the ISO14001 Environmental Standard.

AWARDS

Implats was awarded two gold certificates by the National Business Initiative in recognition of our participation in the 2010 Carbon Disclosure Project. The awards were made for a high rating on the Carbon Disclosure Leadership Index (CDLI) and for a Band B (fast following) rating on the Carbon Performance Leadership Index (CPLI).

KEY PRODUCTION STATISTICS AND MATERIAL CONSUMPTION

Non-renewable raw material consumed include rock mined and milled, slag treated as well as liquid fuels, coal, explosives, oils, grease and grinding medium (steel balls). Timber used by our operations is sourced from sustainable forestry enterprises. Total Group ore milled was 20 794 tonnes, a 3% increase from the previous years. Platinum produced equated to 1,836 oz, a 7% increase from the previous year.

LAND MANAGEMENT, BIODIVERSITY AND REHABILITATION

Closure plans have been developed for all our mining operations. The MPRDA requires the holders of mining licences to annually reassess their environmental liability and amend their financial provision accordingly. The calculation of the closure liability of Implats' South African mining operations is performed annually by an independent specialist and is based on available rehabilitation fees. The liability estimate

Statutory reporting and notes to the non-financial statements continued

is reflected in current monetary terms. Impala is required to align the liability assessment with the DMR's guideline on closure-related financial provision. This has resulted in the ongoing addition of certain regulatory costing components which were omitted from previous assessments. Improved understanding and quantification of operational environmental impacts and stricter environmental requirements may further influence the liability estimate. The MPRDA's provisions for mine closure, including financial provision, is only applicable to our South African mining operations and therefore excludes our Zimbabwean and refining operations.

All environmental issues at the Refineries operation are therefore governed by the NEMA which is South Africa's framework legislation governing environmental issues. Apart from NEMA's duty of care responsibility, no formal closure plans and financial provision are required.

The Mines and Minerals Act (MMA) and the Environmental Management Act (EMA) govern the Zimbabwean mining operations. The MMA requires an authorised environmental impact assessment (EIA) prior to the commencement of any mining activity. This EIA and the associated remediation of impacts are managed by Zimbabwe's Environmental Management Agency. The requirement of approved closure plans is also contained within the EIA process. The only requirement on financial provision is currently contained under Statutory Instrument (SI) 6 of 2007: Effluent and solid waste disposal. These regulations state that "fees for financial guarantees for security for complying with environmental conditions for reclamation of mines and mining operations will be based on third-party costs to rehabilitate land that is disturbed as a result of mining operations". This, however, has not been implemented fully and currently no fees are listed. It is anticipated that in future these fees will be payable into a state-owned fund, and for which Implats has made provision.

Rehabilitation at Impala Rustenburg is undertaken concurrently with all opencast mining activities with a total of 40.2ha rehabilitated during FY2011. Impala has initiated a project to assist in evaluating the status and success of its rehabilitation programme. Landscape functionality is assessed and used as a basis from which rehabilitated areas are signed off.

All opencast mining operations at Zimplats ceased towards the end of 2008. A rehabilitation programme was subsequently developed and formally implemented in January 2011. The programme is aimed at backfilling the voids with waste rock, sloping to a maximum of 18° and re-establishing indigenous grass and tree species. This project is expected to be completed in 2016 at an estimated cost of US\$7.9 million.

In FY2009, Impala Springs decommissioned the enhanced evaporation spray system it had used since the early 1990s as part of its effluent treatment facilities. The site is now being rehabilitated using phytoremediation (vegetation) techniques. Once root systems are established, the trees begin to extract pollutants from the soil, storing these in their leaves. For the first few years, it will be necessary to harvest the leaves until the soil has been sufficiently cleansed. The main purpose of the first phase is to stabilise the soil pH by extracting the salts from the ground. After this initial period, more trees will be introduced to assist with metal uptake from the soil.

Group rehabilitation provisions and liabilities are indicated in the table overleaf.

Tailings dam management

During the process of mining, significant amounts of ore (minerals-bearing material) are brought to the 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. Implats uses

on-land impoundments for the disposal of tailings, called tailings storage facilities (TSFs). Comprehensive controls are in place to contain and collect all decanted water from these TSFs and to re-use this water in our processing facilities.

The safe management of tailings dams is a specialist task and is typically contracted to civil engineering and environmental consultants. Very specific plans are in place for their design, construction, operation, monitoring and closure.

A TSF guideline document was also compiled in FY2011. This will aid with the life cycle management of the TSF and ensure environmental and operational sustainability.

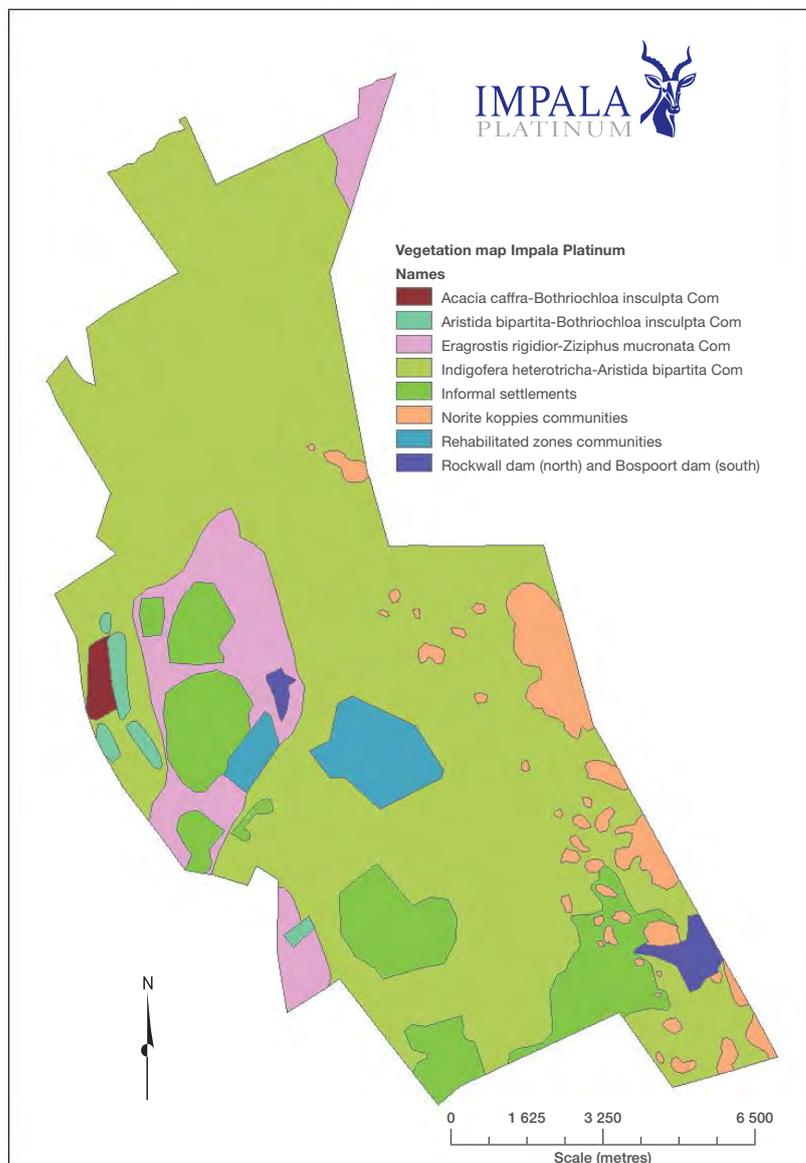
Given their high salt concentrations, these TSFs are a potential source of ground and surface water contamination. Programmes are in place to minimise this impact, including landscaping and vegetation, appropriate to the area of operation and designated land use. As far as possible, rehabilitation takes place concurrently with tailings deposition processes. At Impala Rustenburg woodchips and sewage sludge from our operations are collected and used by a community-based business to make compost. The compost is then used in the process of rehabilitating tailings dam slopes.

As with the opencast operations LFA has also been introduced to assess the tailings rehabilitation programme.

Biodiversity management

All prospecting, mining, processing and refining activities are subject to environmental impact assessments (EIAs) and ecological impact assessments before any activity may begin.

Biodiversity is considered in each operation's EMP and is managed as an integral part of each operation's EMS. Formal Biodiversity Management plans have been compiled for both the Rustenburg and Marula operations. The primary aim of these plans is to identify any species and habitats that are at risk and to



implement mitigation measures to protect and restore biological systems within the mining operations. Mimosa, which is not in a protected area of high-biodiversity value, has a resource conservation plan that focuses on wildlife habitats protection and flora conservation. Impala Refineries is a corporate trustee of the Blesbokspruit Environmental Centre. Blesbokspruit Environmental Centre, which is located near a wetland site, provides environmental education to schools and communities.

Statutory reporting and notes to the non-financial statements continued

Other than Implats' Ngezi Mine, which partially extends into a national park, none of the Group's operations are in protected areas.

Biodiversity Management reports provide quantitative and spatial data which will be used to compile systematic conservation plans where required. For the Rustenburg operations, six core conservation areas are proposed, based on the identified red data-listed species and sites with above average species richness. These areas also correlate well with the hot spots of species richness for the different organism groups. Implementation of management strategies will commence in FY2012.

Development of a Heritage Resources Management Plan was initiated in January 2011 for the Rustenburg operations and the project is expected to be completed during FY2012. A Heritage Management Plan was also completed for Marula and action plans are being implemented.

Both the biodiversity and heritage management plans at the Rustenburg operations will be managed through a central Geographic Information System (GIS) which was developed and implemented during FY2011.

This approach is in line with the Group's intention of becoming more involved in biodiversity offset programmes to mitigate long-term harm to the environment.

Waste management

Dramatic changes to the waste management legislation in South Africa took place with the promulgation of NEMWA in July 2009. Subsequently, various draft regulations have been published and are expected to be formally implemented in FY2012. The regulations will require waste management activities to be licensed.

All our South African operations have identified their various waste management activities and licensing of these activities has commenced.

We plan, if possible, to have completed the licensing of all these activities within FY2012.

Rustenburg operations and Springs refineries have both commenced with the EIA processes to obtain the required waste licences, in line with NEMWA.

NEMWA requires Implats' South African operations to demonstrate that it complies with its waste hierarchy requirements. Updates of the waste inventories have been completed at Rustenburg, Springs and Marula and they have been aligned with the newly proposed waste categorisation proposed by government. These inventories will form the basis of long-term waste management plans which we expect to implement at these operations over the next few years. These plans will focus on reducing waste and increasing recycling activities.

The Group is developing a waste management strategy which will set the approach for waste management at a Group level. Implats adopted a strategy of total waste management as a long-term solution to the waste management problem, with the establishment of a new central salvage yard at our Rustenburg operations as a first step. This will provide our Rustenburg operations with a central facility from which they can manage their waste streams. Formal design plans are being drawn up for the yard and we will apply for a licence in accordance with NEMWA's licensing requirements. Formal design plans have been compiled and will be submitted as part of the waste licences application initiated in FY2011.

To ensure that Impala's liability in terms of waste handling and disposal is clearly identified, various waste audits were conducted on our current waste contractors. These audits, aimed at ensuring that Impala's waste is handled in an environmentally acceptable and responsible manner, will continue in FY2012.

Internal and external reporting requirements for waste management are becoming more stringent. A centralised waste management

facility at the Rustenburg operation will facilitate accurate and consistent recording and reporting of waste volumes.

The centralised salvage facility will also form the platform from which our implementation of the SAP waste management module can be resumed. While the implementation of the system has seen many delays over the past few years, it has been successfully implemented at our Rustenburg landfill site, where all volumes are recorded in real time onto SAP. This has provided easier and quicker access to waste volumes. The system also forms the basis of reporting onto the Department of Environmental Affairs' (DEA) Waste Information System (WIS).

At Impala Rustenburg, an external specialist company is contracted to salvage, reclaim, sort and recycle waste and final collection and transportation of hazardous waste is carried out by a waste contractor. Due to the special requirements for handling and disposal of medical waste, all medical waste generated by Impala Medical Services is collected, treated and disposed of by a specialist external contractor.

Impala Rustenburg operates its own permitted general landfill site, managed by an external landfill operator, giving Impala Rustenburg operations full control over its general waste and allowing further recycling to be conducted at the disposal site. Current discussions with the Royal Bafokeng Nation will see this site made available for waste disposal from the surrounding villages.

Impala Springs has a holistic effluent management programme in place and is a zero effluent site. The refinery generates three major waste streams: salt from the precious metals refinery crystalliser, boiler ash and jarosite, both from the base metals refinery. These are disposed of in appropriately registered landfills. Crystalliser salts and jarosite are currently deposited at a permitted hazardous landfill and boiler ash is recycled for brick-making.

Marula's waste inventory has also been updated and action plans are in place to ensure compliance with the waste hierarchy requirements of the new legislation.

An issue of concern in Zimbabwe is that currently there is no permitted hazardous landfill site, so operations in Zimbabwe have no option but to accumulate hazardous waste or to export it. Implats has facilitated discussions between government and service providers and we hope to find a practical solution to this issue in the near future.

Mimosa is implementing an alternative method of analysing ore which does not generate lead laden cupels which is the main hazardous waste stream. Other hydrocarbon contaminated waste is being incinerated.

SIGNIFICANT FINES FOR NON-COMPLIANCE TO ENVIRONMENTAL LAWS

In the year under review, no significant fines were received for breach or non-compliance in relation to environmental regulations.

Non-financial statements

Consolidated non-financial statement

Economic performance

Procurement South Africa	Actual 2011	2010	2009	2008	2007
Local procurement as % of total procurement					
Impala Rustenburg	51	48	42	42	43
Impala Springs	79	74	82	66	74
Marula	28	16	16	8	4
SA operations total	53	48	43	42	44

Local procurement as % of total procurement Zimbabwe	2011	2010	2009	2008	2007
Zimplats	36	14	6	6	7
Mimosa	51	32	49	1	61
Local procurement	40	20	29	4	40

Social performance

Year	2011	2010	2009	2008	2007
SAFETY					
FIFR					
Impala Rustenburg	0.06	0.17	0.11	0.06	0.11
Impala Springs	0.00	0.00	0.00	0.00	0.00
Marula	0.00	0.00	0.13	0.37	0.14
Zimplats	0.00	0.00	0.00	0.13	0.00
Mimosa	0.10	0.00	0.00	0.19	0.48
Group	0.05	0.12	0.08	0.10	0.12
LTIFR					
Impala Rustenburg	5.68	5.35	3.63	3.80	4.36
Impala Springs	0.60	0.00	0.40	0.21	0.68
Marula	9.19	9.39	5.35	1.24	1.63
Zimplats	0.75	0.69	0.45	0.69	0.28
Mimosa	0.20	0.35	0.52	0.88	1.74
Group	4.94	4.61	2.92	2.92	3.48
TIFR					
Impala Rustenburg	12.60	15.41	15.16	16.09	23.07
Impala Springs	26.92	20.60	20.01	24.31	28.63
Marula	34.15	41.25	28.88	45.09	28.88
Zimplats	3.39	3.61	5.49	9.69	8.87
Mimosa	5.70	3.74	5.45	7.51	15.22
Group	13.47	15.21	13.95	16.97	22.49
MTCIFR					
Impala Rustenburg	6.03	8.32	9.92	12.30	18.72
Impala Springs	26.12	20.38	19.00	24.10	27.94
Marula	17.99	20.15	17.25	43.85	36.71
Zimplats	1.79	1.98	4.20	9.00	8.60
Mimosa	4.15	2.92	4.40	6.64	13.48
Group	7.10	8.49	9.41	14.08	19.01

Social performance continued

Year		2011	2010	2009	2008	2007
HEALTH						
VCT	Impala Rustenburg	12 647	6 236	5 595	2 808	6 193
	Impala Springs	19	24	34	74	67
	Marula	275	130	119	291	467
	Zimplats	889	204	401	344	53
	Mimosa	242	243	114	92	25
	Group	14 072	6 837	6 263	3 609	6 805
People on ART	Impala Rustenburg	2 488	1 709	872	632	–
	Impala Springs	19	14	10	6	–
	Marula	51	29	19	277	–
	Zimplats	92	63	51	34	–
	Mimosa	123	90	54	25	–
	Group	2 773	1 905	1 006	974	–
TB cases	Impala Rustenburg	318	352	380	286	313
	Impala Springs	0	0	5	3	4
	Marula	19	25	12	12	7
	Zimplats	5	11	14	6	14
	Mimosa	8	11	15	22	10
	Group	350	399	426	329	348
NIHL	Impala Rustenburg	52	92	44	31	52
	Impala Springs	0	0	0	0	1
	Marula	4	14	1	0	1
	Zimplats	0	0	0	0	0
	Mimosa	1	1	0	0	0
	Group	57	107	45	31	54
PEOPLE						
Total in service						
	Impala Rustenburg					
	Own employees	31 681	30 791	29 462	28 453	27 627
	Contractor employees	13 541	13 443	11 862	14 206	10 200
	Impala Springs					
	Own employees	1 053	1 004	1 006	1 007	992
	Contractor employees	282	260	904	1 172	257.00
	Marula					
	Own employees	3 272	3 241	2 512	2 493	2 094
	Contractor employees	937	727	998	1 098	917
	Zimplats					
	Own employees	2 757	2 418	2 136	1 584	1 128.00
	Contractor employees	2 610	1 262	3 323	3 998	2 275.00
	Mimosa					
	Own employees	784	788	812	771	752
	Contractor employees	115	113	20	126	65
	Corporate					
	Own employees	77	75	72	73	61
	Contractor employees	19	14	20	10	4
	Group employees	39 624	38 317	36 000	34 381	32 654
	Group contractor employees	17 504	15 819	17 127	20 610	13 718

Non-financial statements continued

Social performance continued

Year	Actual 2011	2010	2009	2008	2007
Turnover %					
Impala Rustenburg	8.4	6.1	7.3	8.00	–
Impala Springs	5.4	6.7	8.6	9	–
Marula	21.7	4.8	10.0	13	–
Zimplats	4.4	5.3	10.7	11	–
Mimosa	3.4	6.2	6.2	12	–
Corporate	11.3	18.7	11,1	5	–
Group	8.3	6.0	7.8	8.9	–
Women turnover %					
Impala Rustenburg	0.4	0.2	0.3	–	–
Impala Springs	0.7	2.0	1.4	–	–
Marula	0.9	0.3	0.4	–	–
Zimplats	–	5.2	–	–	–
Mimosa	0.4	–	–	–	–
Corporate office	5.2	12.0	16.9	–	–
Group	0.4	0.6	0.4	–	–
SKILLS DEVELOPMENT					
Expenditure (R'million)					
Impala Rustenburg	312	233	229	164	138
Impala Springs	21	20	39	34	27
Marula	24	19	12	17	9
SA operations total (5% of wagebill)	357	272	280	215	174
Employee literacy %					
Impala Rustenburg	57	55	51	32	30
Impala Springs	92	90	90	89	88
Marula	88	88	88	87	–
Zimplats	99	99	99	99	99
Mimosa	96	96	95	96	96
Average Group literacy	86	85**	85	81	78
ABET training employees*					
Impala Rustenburg	804	851*	939	1 220	–
Impala Springs	13	58	61	89	–
Marula	25	32	42	23	–
SA operations total	842	941	1 042	1 332	–

* New enrolments in the financial year. FY2010: Restated from 1 108 to 851.

** Excluding Zimbabwean operation FY2010:78%.

Social performance continued

Year	Actual 2011	2010	2009	2008	2007
Total number of employees trained including ABET					
Impala Rustenburg	24 178	24 751	22 042	23 040	–
Impala Springs	1 127	1 039	1 063	992	–
Marula	1 421	1 210	533	442	–
SA operations total	26 726	27 000	23 638	24 474	–
Value of ABET training value (R000)					
Impala Rustenburg	11 157	10 002	11 315	–	–
Impala Springs	1 600	4 161	5 862	–	–
Marula	1 260	1 012	900	–	–
SA operations total	14 017	15 175	18 077	–	–
Hours of ABET training					
Impala Rustenburg	190 525	165 840	194 184	–	–
Impala Springs	15 136	27 808	39 088	–	–
Marula	14 450	24 422	13 920	–	–
SA operations total	220 111	218 070	247 192	–	–
Unionised workforce %					
Impala Rustenburg	72.9	73.1	70.3	–	–
Impala Springs	61.8	84.3	59.9	–	–
Marula	70.0	65.0	70.0	–	–
Zimplats	37.0	26.5	25.3	–	–
Mimosa	24.8	25.5	25.4	–	–

Non-financial statements continued

Environmental performance

Natural capital	2011	2010	2009	2008	2007
WATER (000kℓ)					
Total water withdrawn					
Impala Rustenburg	18 115	17 482	18 843	19 812	16 715
Impala Springs	769	715	758	752	858
Marula	1 817	1 494	1 169	1 001	1 083
Zimplats	4 007	4 729	2 685	2 386	930
Mimosa	2 337	2 659	2 328	2 019	2 138
Group	27 045	27 079	25 783	25 970	21 724
Total water consumed					
Impala Rustenburg	28 044	22 859	26 401	29 530	24 608
Impala Springs	1 244	1 125	1 195	1 186	1 310
Marula	3 355	2 841	2 160	2 031	2 174
Zimplats	5 528	6 172	3 793	3 442	2 078
Mimosa	3 697	4 063	3 885	3 286	2 972
Group	41 868	37 060	37 434	39 475	33 142
Total water recycled					
Impala Rustenburg	9 928	5 376	7 557	9 719	7 893
Impala Springs	474	411	438	433	457
Marula	1 541	1 347	991	1 030	1 091
Zimplats	1 521	1 443	1 109	1 056	834
Mimosa	1 359	1 404	1 557	1 267	1 148
Group	14 823	9 981	11 652	13 505	11 423
ENERGY (000GJ)					
Total energy consumed					
Impala Rustenburg	12 220	11 295	11 138	10 875	10 441
Impala Springs	2 695	2 530	2 554	2 520	2 789
Marula	694	674	637	613	472
Zimplats	1 865	1 826	1 413	1 587	1 468
Mimosa	747	688	646	540	491
Group	18 222	17 013	16 388	16 135	15 661

Environmental performance continued

Natural capital	2011	2010	2009	2008	2007
EMISSIONS					
Total direct CO₂ (tonnes)					
Impala Rustenburg	208 463	186 193	203 541	187 538	187 583
Impala Springs	166 267	149 707	150 992	149 359	139 497
Marula	7 157	6 959	6 571	6 993	1 252
Zimplats	41 190	42 371	48 272	61 658	60 319
Mimosa	12 528	9 673	11 034	8 778	7 605
Group	435 605	394 903	420 410	414 326	396 256
Total indirect CO₂ (tonnes)					
Impala Rustenburg	2 725 366	2 532 798	2 347 267	2 235 447	2 174 423
Impala Springs	155 388	150 433	138 343	139 022	144 019
Marula	168 970	163 747	149 570	139 379	123 064
Zimplats	375 408	355 287	201 849	188 299	171 864
Mimosa	161 491	156 493	133 757	109 469	102 865
Group	3 586 623	3 358 758	2 970 786	2 811 616	2 716 235
Total direct SO₂ (tonnes)					
Impala Rustenburg	6 319	3 638	14 223	18 184	10 990
Impala Springs	462	839	455	342	475
Marula	0	0	0	0	7 820
Zimplats	12 100	12 449	6 474	7 951	
Mimosa	0	0	0	0	
Group	18 881	16 926	21 152	26 477	19 285
KEY PRODUCTION STATISTICS					
Ore milled (tonnes)		20 309	20 083	21 247	21 564
Tailings disposed on tailings dam (000)	23 163	21 809	20 333	19 162	17 413
Dump slag treated (000)	250	179	235	365	302
Furnace and converter slag generated and treated (000)	880	844	842	903	842
Total slag treated (000)	1 130	1 023	1 076	1 268	1 208
Platinum produced (000oz)		1 741	1 704	1 865	2 026
GROUP MATERIAL CONSUMPTION					
Diesel (000 litres)	26 000	23 466	29 262	29 349	25 999
Petrol (000 litres)	1 666	1 250	1 621	1 206	1 121
Coal (tonnes)	170 000	159 240	164 378	160 947	163 588
IBO (000 litres)	2 453	2 034	1 728	2 393	2 032

Non-financial statements continued

Environmental performance continued

	2011 Disturbed areas rehabili- tated (ha)	2010 Disturbed areas rehabilitated (ha)	2009 Disturbed areas rehabilitated (ha)	2008 Disturbed areas rehabilitated (ha)
LAND MANAGEMENT				
Impala Rustenburg	40.2	56	51	–
Impala Springs	0	0	0	–
Marula	0	61	0	–
Zimplats	0	0	305	–
Mimosa	0	0	0	–
Group	40.2	117	356	64.8

	2011	2010	2009	2008	2007
LAND UNDER MANAGEMENT					
Rehabilitation liabilities/current cost (R'000)					
Impala Rustenburg	708	768	520	540	499
Marula	70	80	66	70	63
Zimplats	164	166	122	122	102
Mimosa	62	67	64	14	12
Group	1 004	1 081	722	746	676
Rehabilitation provisions					
Impala Rustenburg	455	432	289	227	213
Marula	41	35	33	36	21
Zimplats	99	111	99	51	87
Mimosa	40	42	17	10	8
Group	635	620	438	324	329

Environmental performance continued

	2011	2010	2009	2008
WASTE MANAGEMENT				
Non-mineral waste				
Non-hazardous waste sent to landfill	78 963	6 598	7 860	
Non-hazardous waste sent for incineration	0	0	0	
Hazardous waste sent to landfill	4 931	8 385	9 207	
Hazardous waste sent to hazardous incineration	354	299	214	
MINERAL WASTE (000)				
Accumulated tailings	22 878	21 809	20 333	
Accumulated waste rock (on surface)	1 388	1 202	6 405	



Reporting in line with the global reporting initiative



Reporting in line with the Global Reporting Initiative

Implats has adopted the GRI as the basis of its reporting. This report has been compiled in accordance with the GRI's G3 guidelines. In preparing this report, Implats has been guided by GRI principles in respect of content, quality and reporting boundaries:

Principles relating to the quality of this report

- **Materiality:** The issues covered in this report have been guided by a combination of feedback from stakeholders, the identification of material issues by the sustainable development forum, and matters identified through the Group's risk management process
- **Stakeholder inclusiveness:** The views and concerns of stakeholders have been considered in this report. Following the appointment of a stakeholder engagement manager in FY2009, this process has been formalised
- **Sustainability context:** The Group has considered the nature of its products and markets (mainly used in first-world, developed nations) with the real sustainability matters in developing countries such as South Africa and Zimbabwe
- **Completeness:** The Group's revised approach to sustainability management was reported extensively in FY2009, and only material changes from that basis were covered in this report
- **Balance:** The Group has endeavoured to report in a balanced manner, reflecting both achievements and challenges during the year
- **Comparability:** In almost all performance areas, comparisons with FY2010 have been made. Where possible and where the information is available, data has been provided over a period of five years
- **Accuracy:** Implats believes data has been provided in a format that is broadly acceptable and comparable against industry norms – where necessary definitions have been provided
- **Timeliness:** This integrated report is published annually, combining financial and non-financial performance
- **Clarity:** The Group has adopted a reporting style that is concise, but comprehensive enough to be understandable to the lay person
- **Reliability:** In FY2009, Implats implemented a sustainability toolkit to collate and verify data, and to ensure greater accuracy and reliability. Certain performance indicators have been verified by the external assurance provider.

Principles relating to the boundaries of this report

This report includes operations that are wholly owned or managed by the Group, as well as Mimosa mine, in which Implats has a 50% interest. The Two Rivers operation, in which the Group has a 40% interest and does not directly manage, is not directly covered.

GRI application level

GRI requires that the Company self-declares an application level ranging C B to A. The requirements for these levels are indicated below. The + symbol indicates external assurance.

For 2011, Implats has declared a B+ level of reporting and this has been verified by a third party assurance provider. (See statement on page 111).

Implats will seek GRI confirmation of this level of reporting.

Report application level

	C	C+	B	B+	A	A+
Standard disclosures	G3 profile disclosures	Report on 1.1 2.1 – 2.10 3.1 – 3.8 3.10 – 3.12 4.1 – 4.4 4.14 – 4.15		Report on all listed		Same as requirement for Level B
	G3 management approach disclosures	Not required	Report externally assured	Management approach disclosures for each indicator category	Report externally assured	Management approach disclosed for each indicator category
	G3 performance indicators and sector supplement performance indicators	Report on a minimum of 10 performance indicators including at least one from each of the social, economic and environment	Report externally assured	Report on a minimum of 20 performance indicators at least one from each of the social, economic and environment, human rights, labour society, product responsibility	Report externally assured	Respond on each core G3 and sector supplement indicator with due regard on the materiality principle by either a) reporting on the indicator or b) explaining the reason for its omission

GRI index

	Page		Page		Page
Vision and strategy		Environmental		Human Rights	
Strategy and analysis		Materials		Management approach	
1.1	16 – 21	EN1	105	Investment and	
1.2	34 – 39	EN2	NR	procurement practices	
Organisational profile		Energy		HR1	30
2.1	1, 3	EN3	105	HR2	30
2.2	3	EN4	85	HR3	NR
2.3	3	EN5	NR	Non-discrimination	
2.4	3	EN6	NR	HR4	30
2.5	3	EN7	86	Freedom of association	
2.6	3, 44	Water		and collective bargaining	
2.7	12	EN8	87	HR5	30
2.8	IFC 3, 42, 43	EN9	NR	Child labour	
2.9	60, 2	EN10	87	HR6	30
2.10	94, 95	Biodiversity		Forced and compulsory	
Report profile		EN11	95 – 99	labour	
3.1	2	EN12	NR	HR7	30
3.2	2	EN13	106, 95 – 96	Security practices	
3.3	2	EN14	97 – 98	HR8	30
3.4	2	EN15	NR	Indigenous rights	
Report scope and boundary		Emissions, effluents and		HR9	NR
3.5	2	waste		Community	
3.6	2	EN16	85, 105	Management approach	
3.7	2	EN17	NR	Community	
3.8	2	EN18	85	SO1	69 – 77
	within report,	EN19	NR	Corruption	
3.9	116	EN20	90, 105	SO2	29
3.10	within report	EN21	NR	SO3	NR
3.11	2	EN22	107	SO4	29 – 30
GRI content index		EN23	NR	Public policy	
3.12	108 – 109	EN24	NR	SO5	27
Assurance		EN25	NR	SO6	94
3.13	111, 112, 2	Products and services		Anti-competitive behaviour	
Governance		EN26	NR	SO7	NR
4.1	28, AR (78 – 83)	EN27	NR	Compliance	
4.2	AR (78, 79)	Compliance		SO8	95
4.3	AR (79, 88 – 89)	EN28	99	Product responsibility	
4.4	28	Transport		Management approach	
4.5	28	EN29	NR	Customer health and safety	
4.6	AR (81)	Overall		PR1	31
4.7	AR (88 – 89)	EN30	83	PR2	12
4.8	MAPC, 2	Social		Products and services	
4.9	28, 32 – 33	Management approach		PR3	NR
4.10	AR (84)	Labour practices and		PR4	NR
Commitments to		decent work		PR5	NR
external initiatives		Employment		Marketing communication	
4.11 Risk process	32 – 33/80 – 81	LA1	101	PR6	NR
4.12 Mining Charter	37 – 38	LA2	102	PR7	NR
4.13 Associations	94	LA3	NR	Customer privacy	
Stakeholder engagement		Labour/management		PR8	NR
4.14	26 – 27	relations		Compliance	
4.15	25	LA4	103	PR9	NR
4.16	25 – 27	LA5	59	Key	
4.17	26 – 27	Occupational health and		NR: Not reported as information is not	
Economic		safety		available at this time	
Management approach		LA6	NR	NA: Not applicable to Implats	
Core		LA7	59, 100	NM: Not reported as this is not deemed	
Economic performance		LA8	50	to be material by Implats	
EC1	42 – 45	LA9	NR	IFC: Inside front cover	
EC2	35	Training and education		BCP: Back cover page	
EC3	NR	LA10	62, 103	MAPC: Management approach per section	
EC4	94	LA11	62	AR: Annual Report	
Market presence		LA12	NR		
EC5	NR	Diversity and opportunity			
EC6	100, 42 – 45	LA13	64		
EC7	95	LA14	NR		
Indirect economic impacts					
EC8	69 – 77				
EC9	70				

Reporting in line with UNGC

Implats became a signatory to the UN Global Compact in July 2008. In line with its signatory status, the Group reports on performance against its stated commitments. Aspects of this performance are included in this report and cross-referenced below for convenience.

Principle		Page
1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	30
2	Make sure they are not complicit in human rights abuses.	30
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	30
4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	30
5	Businesses should uphold the effective abolition of child labour.	30
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	30
7	Businesses should support a precautionary approach to environmental challenges.	31
8	Businesses should undertake initiatives to promote greater environmental responsibility.	78 – 91
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	85 – 86

Independent assurance report on selected sustainability information

To the directors of Impala Platinum Holdings Limited

We have undertaken a limited assurance engagement on selected sustainability information, as described below, and presented in the Sustainable Development Report of Impala Platinum Holdings Limited (Implats) for the year ended 30 June 2011 (the report).

We have complied with the International Federation of Accountants' Code of Ethics for

Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our engagement was conducted by a multidisciplinary team of health, safety, environmental and assurance specialists with extensive experience in sustainability reporting.

Selected sustainability information

We are required to provide limited assurance on the following selected sustainability information:

1. Selected performance information:

Social and labour indicators (only applicable to the South African based Implats' operations)

Description	Assured value	Page
Number of new enrolments (employees) on adult basic education and training (ABET)	842 employees	63, 102
Number of employees who are classified as historically disadvantaged South Africans (HDSA) and who are employed at management levels (excluding non-executive directors)	385 employees	64
Number of women employees in mining	2 740 employees	64
Total socio-economic development (SED) expenditure	R130 million	69
HDSA procurement (>25%) as a percentage of total discretionary procurement	55%	43 (table 1)

Health and safety indicators

Description	Assured value	Page
Contractor and employee fatalities	Seven fatalities	48
Contractor and employee lost-time incident frequency rate (LTIFR)	4.94 pmhr	51, 100
New cases of noise induced hearing loss (NIHL)	57 cases	55, 101
New cases of pulmonary tuberculosis diagnosed and treated	350 cases	55, 101
Number of patients on the HIV wellness programme – employee VCT uptake (tested cases) and employees on ART – net enrolment	14 072 VCT tested cases 2 773 employees on ART	56, 101

Environmental indicators

Description	Assured value	Page
Total energy consumed	18 222 (000 GJ)	85, 104
Total water withdrawn	27 045 (000 kilo litres)	87, 104
Total water consumed	41 868 (000 kilo litres)	87, 104
Total direct carbon dioxide (CO ₂) emissions	435 605 tonnes	85, 105
Total indirect carbon dioxide (CO ₂) emissions	3 586 623 tonnes	85, 105
Total direct sulphur dioxide (SO ₂) emissions (only Zimplats, Springs and Rustenburg Operations)	18 881 tonnes	89, 105
Total indirect nitrogen oxide (NO _x) emissions	15 307 tonnes	90

Independent assurance report on selected sustainability information continued

2. Implats' self-declaration of a Global Reporting Initiative (GRI) B+ Application Level (Pg 2)

Directors' responsibilities

The directors are responsible for the selection, preparation and presentation of the sustainability information, the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance, and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived, and for such internal control as the directors determine is necessary to enable the preparation of the report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for the selection and application of the following reporting criteria used in the evaluation of the selected sustainability information:

- The GRI G3 Guidelines applied to the selected performance information
- The GRI G3 Guidelines for the B+ application level.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on our work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

Our procedures and the extent of our procedures depend on our judgement including the risks of material misstatement of the selected sustainability information. In making our risk assessments, we considered internal control relevant to Implats' preparation of the report. In a limited assurance engagement, the evidence gathering procedures are less than where reasonable assurance is expressed. We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Summary of work performed

Our work included the following evidence gathering procedures:

- Interviewing management and senior executives at Group level to assess the

application of the GRI G3 principles and to obtain an understanding of the general control environment relative to the reported sustainability information

- Obtaining an understanding of the processes and systems which generate, aggregate and monitor the selected sustainability information;
- Inspecting supporting documentation and performing analytical procedures;
- Visiting a risk based selection of four operation sites, including Rustenburg (mining, concentrating and smelting), Springs (refineries), Marula (mining and concentrating) and Zimplats (mining and concentrating).
- Conducting an application level check on the report to ensure all disclosure requirements of the GRI B+ application level have been adhered to.
- Evaluating whether the information presented in the report is consistent with our findings, overall knowledge and experience of sustainability management and performance at Implats.

Conclusions

1. On the selected performance information

Based on our work performed, nothing has come to our attention that causes us to believe that the selected sustainability information set out in 1 above for the year ended 30 June 2011 is not fairly stated, in all material respects, in accordance with the GRI G3 Guidelines.

2. On Implats' self-declaration of a GRI B+ application level

Based on our work performed, nothing has come to our attention that causes us to believe that Implats' self-declaration of a B+ application level is not fairly stated, in all material respects, on the basis of the GRI G3 Guidelines.

Limitation of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of Implats in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Implats, for our work, for this report, or for the conclusion we have reached.



KPMG Services (Pty) Limited

Per PD Naidoo
Director

Johannesburg
17 August 2011

Glossary of terms and acronyms

ABET	Adult Basic Education and Training
AIDS	Acquired immune deficiency syndrome
ART	Anti-retroviral therapy, provided for the treatment of HIV and AIDS (excluding state and private medical aid)
BEE	Black economic empowerment
CBO	Community-based organisation
CO₂	Carbon dioxide
dB	Decibels. Unit of measurement for sound
DMR	Department of Mineral Resources, South Africa
DSM	Demand-side management
EIA	Environmental Impact Assessment
EMP	Environmental Management Programme
EMS	Environmental Management System
ESOP	Employee Share Ownership Programme
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
FIFR	A rate expressed per million man hours of any Impala employee, contractor or contractor employee or visitor who is involved in an incident while performing his duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road-related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from LTI to a fatality
FOG	Fall of ground
FY	Financial year (to 30 June)
GJ	Gigajoules. Unit of measure for energy
GHG	Greenhouse gases
GRI	Global Reporting Initiative
HDSA	Historically disadvantaged South African
HIV	Human immuno-deficiency virus
IBT	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
ICDT	Impala Community Development Trust, vehicle for socio-economic development, now dissolved
IDP	Integrated Development Plan
ILO	International Labour Organisation
Impala Platinum	Impala Platinum Limited, comprising the Rustenburg operations and the Refineries in Springs
Implats	Impala Platinum Holdings Limited
Independent directors	Directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the Board may affect their independence.

Glossary of terms and acronyms *continued*

IRS	Impala Refining Services
IPA	International Platinum Association
ISO	International Organisation for Standardisation
LED	Local Economic Development
Local community	Communities that are directly impacted on by our mining operations and are on or near the mine lease area
Lost time	A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next roster shift, a lost-time injury is deemed to have occurred
LSE	London Stock Exchange
LTIFR	Number of lost-time injuries expressed as a rate per million hours worked and excludes restricted work cases
Marula	Marula Platinum (Pty) Limited
Materiality and material issues	Issues of materiality are those aspects that may have a significant impact on the organisation's reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through ad hoc or routine engagements with a range of stakeholders
Mimosa	Mimosa Platinum (Private) Limited
Mining Charter	Broad-based Socio-Economic Empowerment Charter for the South African Mining Industry
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
Medical Treatment Cases (MTCs)	A Medical Treatment Case is defined as a one-time treatment and subsequent observation of minor injuries by an appointed medical professional. Such minor injuries may include treatment by the application of bandages, antiseptic, ointment, irrigation of the eye to remove non-embedded foreign objects or the removal of foreign objects from the wound. MTCs never involve a loss of one or more calendar days after the injury, regardless of the injured person's next rostered shift or where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional.
MW	Megawatt, a measure of electric power
NBI	National Business Institute
NGO	Non-governmental organisation
NIHL	Noise-induced hearing loss
Non-executive director	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder.
NO_x	Nitrous Oxide
NUM	National Union of Mineworkers, South Africa
PGI	Platinum Guild International
PGMs	Platinum group metals being the metals derived from PGE

RBH	Royal Bafokeng Holdings
RBN	Royal Bafokeng Nation
RWC	Restricted Work Case. This refers to an individual who is injured on duty and receives medical treatment and is deemed by medical staff to be fit to resume his/her normal duties, in a normal working place, but with specific restrictions for a specific time period
Reportable	A reportable injury is an injury which results in: <ul style="list-style-type: none"> a) the death of the employee; b) an injury, to any employee, likely to be fatal; c) unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric short or electric burning accidents of or by any employee and which is not reportable in terms of paragraph (d), or as required by the OHS Act where applicable. d) an injury which either incapacitates the injured employee from performing that employee's normal occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability.
PBC	PGM Beneficiation committee
PPM	Parts per million
Restricted Work Injuries (RWI)	A Restricted Work Injury is a work-related injury which results in the employee being able to return to his or her permanently assigned workplace, to perform his or her permanently assigned work on the next calendar day, but where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional
RLM	Rustenburg Local Municipality
SAMMIR	South African Minerals to Metals Research Institute
SAWIMA	South African Women in Mining Association
SED	Socio-economic development
SHEQ	Safety, Health and Environment Quality
SLP	Social and Labour Plan
SMMEs	Small, medium and micro enterprises
SO₂	Sulphur dioxide
TB	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
Traditional council leadership	Elected/appointed members of a community according to customs and practices. The tenure of these leaders differ among communities. The chief King/Kgoshi/Kgosi or inKhosi is the head of the Traditional council leadership and the Chairman of the council
UASA	United Association of South Africa
UNGC	United Nations Global Compact
VCT	Voluntary counselling and testing, in respect of HIV and AIDS
WHO	World Health Organisation
WIM	All females including foreign nationals who are involved in core business activities of mining

Glossary of terms and acronyms continued

Basis of calculating both direct and indirect energy and resulting CO₂ emissions

Indicator	Basis of calculation
Indirect energy	2010 DEFRA Guidelines
Indirect CO ₂	Eskom Integrated Report FY2010 (sold factor)
Direct energy from diesel, petrol and IBO	2010 DEFRA Guidelines
Direct CO ₂ from diesel, petrol and IBO	2010 DEFRA Guidelines
Direct energy from Sasol Gas	From Sasol Gas (supplier)
Direct CO ₂ from Sasol Gas	From Sasol Gas (supplier)
Direct energy from coal consumption	Supplier analysis
Direct CO ₂ from coal consumption	Supplier analysis

Contact details and administration

Registered office

2 Fricker Road
Illovo, 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254
Email: investor@implats.co.za
Registration number:
1957/001979/06
Share codes:
JSE: IMP
LSE: IPLA
ADRs: IMPUY
ISIN: ZAE 000083648
Website: <http://www.implats.co.za>

Impala and Impala Refining Services

Head office

2 Fricker Road
Illovo, 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Impala Platinum (Rustenburg)

PO Box 5683
Rustenburg, 0300
Telephone: +27 (14) 569 0000
Telefax: +27 (14) 569 6548

Impala Platinum Refineries

PO Box 222
Springs, 1560
Telephone: +27 (11) 360 3111
Telefax: +27 (11) 360 3680

Marula Platinum

2 Fricker Road
Illovo, 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Zimplats

Block B
Emerald Park
30 The Chase (West)
Emerald Hill
Harare, Zimbabwe
PO Box 6380
Harare
Zimbabwe
Telephone: +26 (34) 332 590/3
Telefax: +26 (34) 332 496/7
Email: info@zimplats.co.zw

Impala Platinum Japan Limited

Uchisaiwaicho Daibiru
Room number 702
3-3 Uchisaiwaicho
1-Chome, Chiyoda-ku
Tokyo
Japan
Telephone: +81 (3) 3504 0712
Telefax: +81 (3) 3508 9199

Company Secretary

Avanthi Parboosing
Email: avanthi.parboosing@implats.co.za

United Kingdom Secretaries

St James's Corporate Services
Limited
6 St James's Place
London
SW1A 1NP
United Kingdom
Telephone: +44 (020) 7499 3916
Telefax: +44 (020) 7491 1989
Email: phil.dexter@corpserv.co.uk

Public officer

Francois Naudé
Email: francois.naude@implats.co.za

Transfer secretaries

South Africa

Computershare Investor Services
(Pty) Limited
70 Marshall Street
Johannesburg 2000
PO Box 61051
Marshalltown 2107
Telephone: +27 (11) 370 5000
Telefax: +27 (11) 688 5200

United Kingdom

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Auditors

PricewaterhouseCoopers Inc.
2 Eglin Road
Sunninghill
Johannesburg
2157

Sustainability assurance providers

KPMG Services (Pty) Limited
KPMG Crescent
85 Empire Road
Parktown
2193

Corporate relations

Bob Gilmour
Investor queries may be directed to:
Email: investor@implats.co.za

Sustainability reporting

Cindy Mogotsi
Sustainable development manager:
Reporting
Telephone: +27 (11) 731 9074
Telefax: +27 (11) 731 9053
Email: cindy.mogotsi@implats.co.za

Selected South African photographs in this document were taken by Graeme Williams and selected Zimbabwean photographs were taken by Mike Fluxman.

www.implats.co.za