



Sustainable development report 2015
Supplement to the integrated annual report 30 June 2015



Summary performance data



“Implats is one of the world’s foremost producers of platinum and associated platinum group metals (PGMs)”

Production data**		2015****	2014****	2013	Variance %	△▽
Tonnes milled	(000t)	16 024	13 916	17 209	15	△
Refined platinum	(000oz)	1 276	1 178	1 582	8	△
PGMs	(000oz)	2 618	2 370	3 233	11	△
Revenue	(Rm)	32 477	29 028	29 844	12	△
Operating cost	(Rm)	19 882	14 613	16 654***	36	△
Capital invested***	(Rm)	4 287	4 345	6 134	1	▽
Taxes	(Rm)	(217)	144	1 392	51	△
Unit cost* per oz Pt	(Rand)	22 222	19 430	16 526	14	△
People		2015	2014	2013	Variance %	
Employees in service						
Own	Number	40 019	40 238	40 237	1.000	▽
Contractors	Number	14 729	15 602	17 130	3.000	▽
Turnover	%	5	5	6	—	—
HDSA in management	%	51	50	48	2	△
Safety rates						
FIFR	Pmmhw	0.058	0.043	0.065	35	△
RIFR	Pmmhw	2.63	2.68	3.06	2	▽
LTIFR***	Pmmhw	5.27	6.10	5.8	14	▽
RWCR	Pmmhw	0.65	2.18	1.59	70	▽
TIFR	Pmmhw	9.78	11.90	10.91	18	▽
Employees' health						
People on wellness programmes	Number	6 140	6 286	6 014	2	▽
Total people on ART	Number	4 429	4 276	4 039	4	△
TB cases	Number	304	268	334	13	△
Medical incapacitation	Number	505	331	588	53	△
The environment			2014	2013	Variance %	
Energy consumed	(000GJ)	15 937	14 395	17 574	11	△
Energy intensity	(GJ/tonne milled)	0.995	1.034	0.955		▽
Total CO ₂ emissions	(000t)	3 351	3 037	3 788	10	△
Total direct SO ₂ emissions	(t)	27 706	30 734	18 536	10	▽
Total water consumed	(Mℓ)	39 701	34 774	40 711	14	△
Water withdrawn	(Mℓ)	25 376	21 365	25 440	19	△
Water intensity	(Mℓ/tonne milled)	0.0025	0.0025	0.0022	—	—
Total water recycled	(Mℓ)	14 325	13 409	15 271	7	△
Social capital			2 014	2 013	Variance %	
SED expenditure (RSA)	(Rm)	83	71	102	17	△
SED expenditure (Zimbabwe)	(Rm)	62	67	89	7	▽
Total SED spend	(Rm)	145	138	191	5	△
Housing and living conditions expenditure (RSA)	(Rm)	228	261	445	13	▽
Housing and living conditions expenditure (Zimbabwe)	(US\$m)	6	15	24	60	▽

△▽ Improvement △▽ Deterioration * Excluding share-based payments and Two Rivers and hence impact intensity factors — Unchanged ** Production costs exclude Mimosa and Two Rivers and hence impact intensity factors *** Restated numbers **** Ramp up and strike impacted ***** Ramp up and strike impacted

Our approach to reporting

This report reviews our approach to addressing those social, economic and environmental issues that are seen as having a material impact on the long-term success of our business

Boundary and scope

This report provides information relating to our sustainable development policies, practices, performance and prospects for the financial year 1 July 2014 to 30 June 2015, for operations over which we have direct management control and for which we set and implement policies and standards. Our last report was published in September 2014 covering the financial year: 1 July 2013 – 30 June 2014. These operations are Implats, Marula, Zimplats and Mimosa. No changes to the boundary and scope have been applied in the year under review. Restatements of financial information have been due to the exclusion of Mimosa from the consolidated figures informed by new International Financial Reporting Standards (IFRS). Safety statistics for the lost-time injury frequency rate have been restated due to a change in the calculation which now includes restricted work cases. The five-month strike of the 2014 financial year has had a material impact on some comparative data and performance indicators year-on-year.

Materiality and target audience

The report reviews our approach to addressing those social, economic and environmental issues that are seen as having a material impact on the long-term success of the business, the sustainability of the economy, the environment and the communities in which we operate, or that are important to key stakeholders. This year's report includes a review of our contribution in terms of:

- The Mining Charter which governs the mining sector in South Africa and Indigenisation Policy in Zimbabwe
- National developmental priorities – as defined in the South African National Development Plan
- Local sector-specific commitments in South Africa – as provided in the

Framework Agreement for a Sustainable Mining Industry, entered into by organised labour, organised business and government.

While the report is of interest to all our existing and prospective stakeholders, it is focused primarily on addressing the interests of socially responsible investment (SRI) analysts and investors, as well as sustainability professionals. Our approach to identifying the issues we regard as being most material to Implats in 2015 is described on page 26.

Reporting standards

Our sustainability reporting criteria has been compiled in accordance with G4 Core Compliance and the Mining Sector Supplement of the Global Reporting Initiative (GRI), as well as Implats' internally developed reporting guidelines. In addition to this report, we have provided a response to the core criteria of the GRI G4 Compliance Guidelines in a detailed online GRI response table, available at www.implats.co.za/implats/Annual-reports.asp. As a signatory to the United Nations Global Compact (UNGC), we have also used the UNGC's Advanced Level reporting criteria in our communication on progress, and we consider that we meet the 24 advanced criteria.

Independent assurance

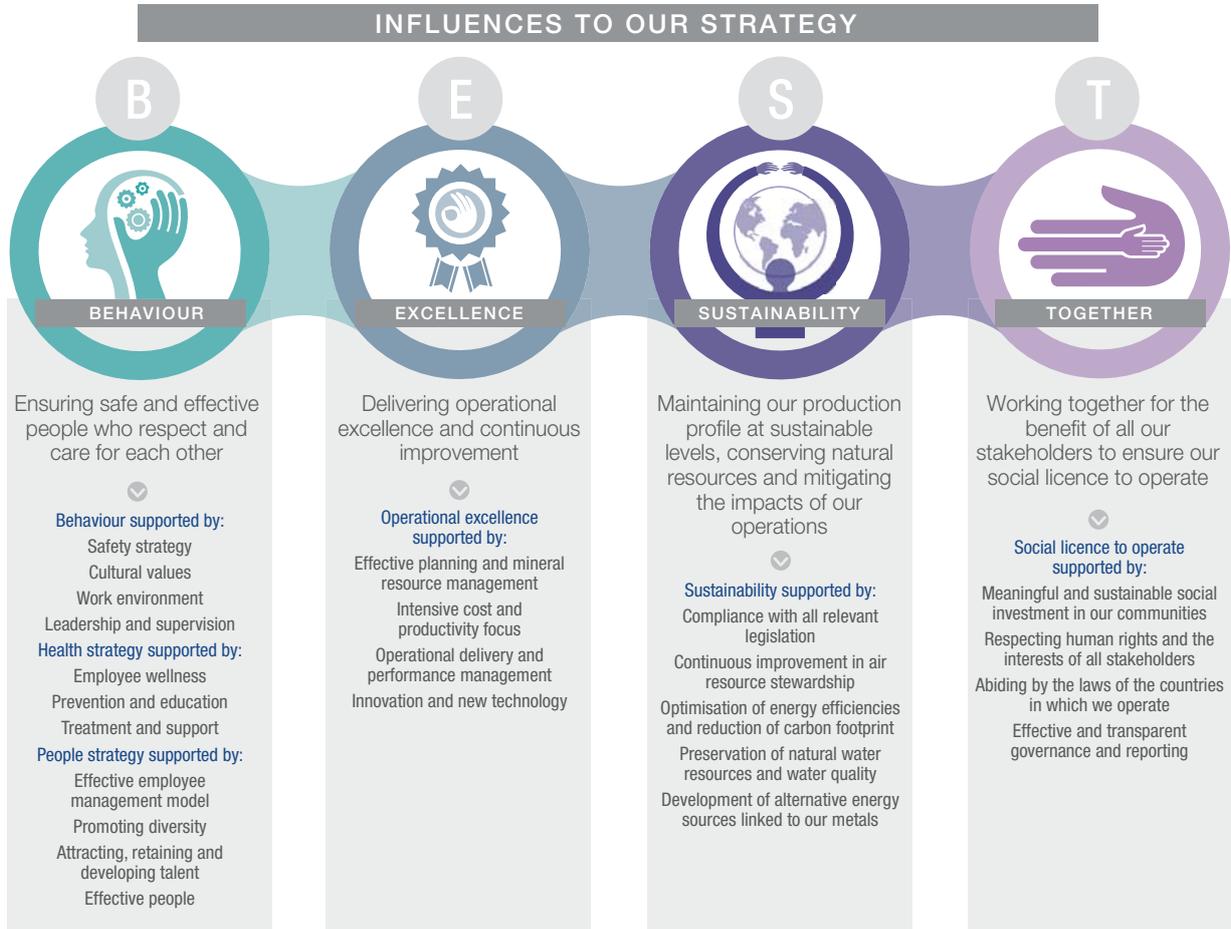
Selected performance information has been independently assured by a third-party assurance provider, KPMG. The scope of the assurance, the selected performance information and the independent statement of assurance are provided on page 143.

Contacts

Please address any queries or comments on this report to the corporate relations department.
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Tel: +27 11 731 9000

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Summary of the influences to the Group strategy



OUR ABILITY TO DELIVER ON THESE FOUR STRATEGIC OBJECTIVES IS IMPACTED ON AN ONGOING BASIS BY THE RISK ENVIRONMENT IN WHICH WE FIND OURSELVES AS A BUSINESS

Additional information regarding Implats is provided in the following reports, all of which are available at www.implats.co.za

Integrated report



- Strategy, risks, resource allocation, business model and materiality
- Operational information
- Summarised reserves and resources

Annual financial statements



- Audited group and company annual financial statements

Mineral resource and mineral reserve statement



- Conforms to the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC)
- Conforms to the Australasian Code for the Reporting of Mineral Resources and Ore Reserves (JORC)
- Been signed off by the competent persons

Online



- Direct access to all our reports
- Our website has detailed investor, sustainability and business information

Our vision, mission, purpose and values



Our vision

To be the world's best platinum producing company, delivering superior returns to stakeholders relative to our peers.

Our mission

To safely mine, process, refine, recycle and market our products at the best possible cost ensuring sustainable value creation for all our stakeholders.

Our purpose

To safely and responsibly produce platinum group metals (PGMs) in order to make a meaningful contribution to the sustainability of our planet. PGMs are environmentally friendly 'green' metals, which ensure cleaner air through effective emission control and are also used in electronics and electro-chemical processes, in the medical and dental fields and increasingly in the development and use of fuel cells.

Our values

We respect

- All our stakeholders, including:
 - Shareholders
 - Employees and their representative bodies
 - Communities within which we operate
 - Regulatory bodies
 - Suppliers and customers
 - Directors and management
 - All other interested and affected parties
- The principles of the UN Global Compact
- The laws of the countries within which we operate
- Company policies and procedures
- Our place and way of work
- Open and honest communication
- Diversity of all our stakeholders
- Risk management and continuous improvement philosophies.

We care

- For the health and safety of all our stakeholders
- For the preservation of natural resources
- For the natural environment in which we operate
- For the socio-economic well-being of the communities within which we operate.

We strive to deliver

- A safe, productive and conducive working environment
- A fair working environment through equitable and competitive human capital practices
- On the development of our employees
- Positive returns to our stakeholders through an operational excellence model
- On our commitments to all stakeholders
- On our capital projects
- Quality products that meet or exceed our customers' expectations.

Statement by chairman of social, ethics and transformation committee



Thandi Orleyn (59)
Social, ethics and transformation committee chairperson
BJuris, BProc, LLB

Delivering societal transformation in the context of turbulence

As chairman of Implats' Social, Ethics and Transformation (SET) committee, my primary responsibility has been to ensure that the committee delivers on its independent oversight and advisory function regarding Implats' activities relating to the promotion of social and economic development, good corporate citizenship, the environment, and labour and employment issues.

I believe that our main imperative as a committee is to help the company in its contribution to the transformation agenda of the countries in which it operates. Driving social and economic transformation – using 'transformation' in its broadest sense – is an increasingly important business driver, not just in South Africa but across the world. Business is coming under greater scrutiny regarding its social, environmental and human rights performance and the nature of its contribution to meeting the needs and desires of society. This is particularly the case for the mining sector that is facing growing pressure, globally and nationally, to demonstrate greater social returns from its extraction of natural resources.

The events in the platinum sector over the past three years have highlighted both the importance of delivering social value, as well as some of the profound challenges in doing so. We have seen some significant changes in the operating environment and socio-political climate, characterised by challenging labour dynamics, widening socio-economic disparities, and increasingly vocal local communities who have heightened expectations for mining companies to provide meaningful social and economic opportunities. These expectations come amidst a significantly resource-constrained business climate, compounded by lower PGM prices, higher costs of production, continuing regulatory uncertainty and an increasingly wary investment community.

While we remain particularly conscious of the need to deliver on the transformation agenda, the tough market conditions have been constraining our ability to do so at scale. Without the luxury of a cash-flush environment, it is essential that we maximise operational efficiencies and maintain the building blocks for when the economy turns, so that we can drive the transformation agenda over the longer term.

Despite the unavoidable impacts of the tough market environment, there is a strong recognition within the Company that delivering on socio-economic transformation is non-negotiable. As with safety, driving the transformation agenda – within the Company, our neighbouring communities and the country more broadly – is an imperative for all seasons. Promoting social development, acting ethically and investing in transformation are not 'soft issues' that we should seek to address when times are good. While their impact on Company performance might be less immediately tangible, ensuring effective delivery on these issues is critical to the long-term performance of the Company. These are issues that we need to constantly ensure are embedded in the organisational DNA, informed by an understanding of their contribution to our collective long-term growth and development.

Reflecting on our achievements and challenges

In my 11 years on the board I have seen some significant developments that I believe Implats can justifiably be proud of in terms of its contribution to the transformation agenda:

- The Company has shown leadership in its delivery of the social commitments encompassed within its social and labour plans, particularly when it comes to the housing and living conditions of employees;
- The equity deal with the Royal Bafokeng was inspired, adding value for all the parties involved and providing a genuine example of broad-based beneficiaries;

Statement by chairman of social, ethics and transformation committee

- The Group has engaged positively in Zimbabwe, demonstrating its commitment to indigenisation and continuing to make a positive economic contribution to the region despite some challenging operating conditions;
- At a leadership level we have managed to develop and maintain a constructive relationship with the new union representatives from AMCU, and have worked hard to maintain positive relations with the NUM and other union bodies;
- We have seen visible positive changes in the composition of the Company's management and executive team, as well as significant initial progress in promoting women in mining with almost 10% of our underground workforce being women, up from 1% when I joined the Company; women representation in management has grown steadily to 20% in the current year.

Despite these valuable achievements, there is more that we can do to ensure that the Group remains well positioned to respond effectively and constructively to the socio-political and economic challenges it faces:

- There remains scope for us to further extend our efforts in driving transformation and promoting local socio-economic opportunities through our procurement, skills development and enterprise development activities;
- We should continue our work in understanding and responding to the social fabric in our areas of operation, building on the social impact studies that we have undertaken in some of our communities, and further advancing our social investment initiatives that seek to promote community sustainability;
- We must continue to promote the organisational culture change programme for respect and care;
- There remain opportunities for us to leverage more through our various partnerships, and to work on deepening our relationships with government through more active communication of our activities.

Looking to the future, I foresee some continuing challenges in the operating environment for the mining sector. Some tough decisions will need to be made – by business, government and labour – as we seek collectively to address some of the deep structural challenges facing the sector so that we can maintain its longer-term ability to deliver social value.

In doing so, we need to recognise the significant changes that are happening globally across the mining industry. While I believe firmly that the PGM sector has a strong future, and a continuing capacity to deliver value for stakeholders, we should not have an overly romantic notion of the mining sector's ability

more generally to meet increasing societal expectations. With significant innovations in technology relating to digitisation, transportation and energy generation, and with shifting requirements regarding climate change and the environment, it is important that governments explore and support alternative industries and sectors – including agriculture – as the basis for longer-term economic growth and employment.

Acknowledgements

In closing, I wish to thank my colleagues on the SET committee for their advice and support over the many years that I have had the privilege of chairing this committee. Their experience and perspectives have proved particularly valuable in helping us deliver on our oversight and advisory duties relating to social transformation.

In this sustainability report we outline what Implats has been doing – and what the Company plans to do – to deliver on its strategic commitments relating to its material sustainability focus areas. As one of Implats' stakeholders I encourage you to share your views with us, both on our performance and on our disclosure.

It is only through informed engagement and dialogue on the socio-economic challenges facing all of us, that we can most effectively identify the opportunities to leverage on the legacy of mining in the region, and to ensure that we remain relevant to the communities in which we operate.

Thandi Orleyn

Chairman of the SET committee

Who we are – what we do

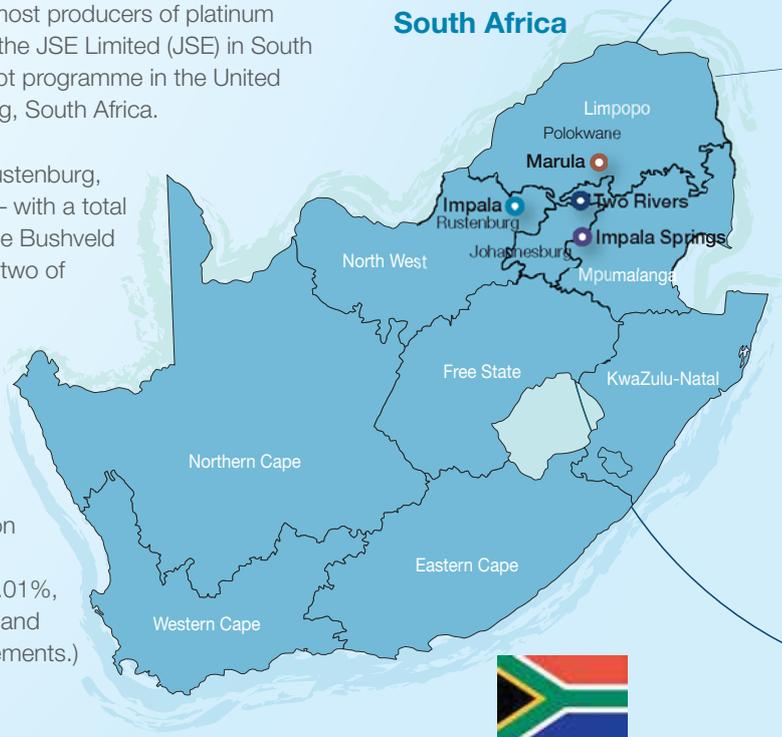


“As at 30 June 2015 our major shareholders were Coronation Fund Managers (18.8%), the Royal Bafokeng Nation (RBN) (13.2%) and the Public Investment Corporation (PIC), at 13.01%”

Impala Platinum Holdings (Implats), one of the world’s foremost producers of platinum and associated platinum group metals (PGMs), is listed on the JSE Limited (JSE) in South Africa, and sponsored a level 1 American Depositary Receipt programme in the United States of America. Its Head Office is based in Johannesburg, South Africa.

Implats is structured around six main operations: Impala Rustenburg, Zimplats, Marula, Mimosa, Two Rivers and Impala Springs – with a total of 24 underground shafts. Our operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, two of the most significant PGM-bearing ore bodies in the world. 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.

As at 30 June 2015 our major shareholders were Coronation Fund Managers (18.8%), the Royal Bafokeng Nation (RBN) (13.2%) and the Public Investment Corporation (PIC), at 13.01%, with the balance of the shares being held by various public and non-public shareholders. (Refer to the annual financial statements.)



Marula

74 000 ounces
of platinum in concentrate

Contribution to Group Pt production
5.8%

Life of mine > 30 years
Average current depth 320m

SUSTAINABILITY INDICATORS

- 1 fatality
- FIFR 0.111
- 4% decrease in LTIFR
- 13% decrease in TIFR
- 23% increase in VCT interventions
- 45% increase in ART uptake
- R1 million spent on socio-economic development*

Impala

575 000 ounces
of refined platinum

Contribution to Group Pt production
45%

Life of mine > 30 years
Average current depth 850m

SUSTAINABILITY INDICATORS

- 6 fatalities
- FIFR 0.067
- 19% decrease in LTIFR
- TIFR 20% decrease
- 29% increase in VCT interventions
- 2% increase in ART uptake
- R71 million spent on socio-economic development*

Two Rivers

174 000 ounces
of platinum in concentrate

Contribution to Group Pt production
13.6%

Life of mine > 30 years
Average current depth 350m

SUSTAINABILITY INDICATORS

- 0 fatalities
- FIFR 0.000
- 20% decrease in LTIFR

* The R11 million balance in socio-economic development expenditure for South African operations is attributable to our Social and Labour Plan for Afplats' Leeuwkop project in the North West province.



We produce around 25% of the world's supply of platinum with a workforce of approximately 55 000, including 15 000 contractors, none of which are self employed. The organisation does not have seasonal employees. A detailed breakdown of our workforce can be found on page 128 of this report. In the financial year ended 30 June 2015, the Group produced 2.618 million ounces of PGMs (2014: 2.370 million ounces), which included 1.276 million ounces of platinum (2014: 1.178). Our markets are in South Africa, Japan, China, the US and Europe.

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, of which less than 200 tonnes are platinum), they are playing a progressively important role in everyday life, whether it is in goods we use daily, or in the processes required to produce these goods, as well as in auto-catalytic converters for emission control.



Zimplats

190 000 ounces
of platinum in matte

Contribution to Group Pt production
14.9%

Life of mine > 30 years
Average current depth 150m

SUSTAINABILITY INDICATORS

- 0 fatalities
- FIFR 0.000
- 17% increase in LTIFR
- 49% decrease in TIFR
- 36% decrease in VCT
- 7% increase in ART
- 15% decrease in SO₂
- US\$1 million spent on socio-economic development

Mimosa

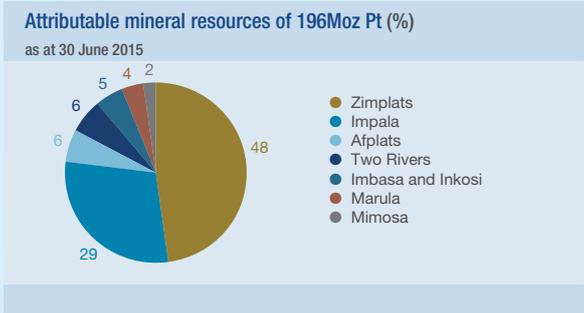
117 000 ounces
of platinum in concentrate

Third-party contribution to Group Pt production
9.2%

Life of mine > 15 years
Average current depth 200m

SUSTAINABILITY INDICATORS

- 0 fatalities
- FIFR 0.000
- 49% decrease in LTIFR
- 78% decrease in TIFR
- 0.3% decrease in VCT
- 0.7% increase in ART
- US\$4.1 million spent on socio-economic development



OUR CAPITALS

INPUTS



Cultural values
Work environment
Safety, Health and People strategies
Leadership and supervision



Sustainable social investment in our communities
Respect for human rights and stakeholder interests
Transparent governance and reporting
Legal compliance

How we create value

PROCESS

OUTPUTS

Mineral resource management
 Cost and productivity focus
 Operational delivery and performance management
 Innovation and new technology

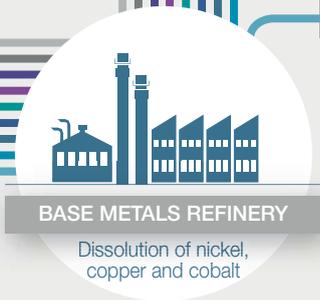
STRATEGIC RESPONSES



EXCELLENCE

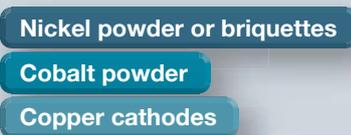
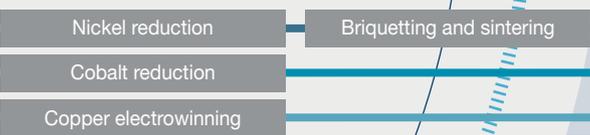
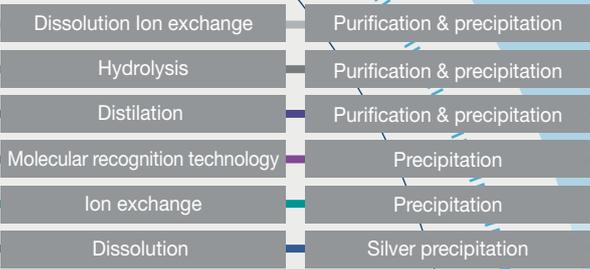


PLATINUM METALS REFINERY



BASE METALS REFINERY

Dissolution of nickel, copper and cobalt



SUSTAINABILITY

Legal compliance
 Optimise energy efficiency and reduce carbon footprint
 Preservation of natural water resources and water quality
 Development of alternate energy sources linked to our metals

POSITIVE AND NEGATIVE IMPACTS

FINANCIAL YEAR 2015 OUTCOMES

- Injuries and fatalities
- Occupational health (NIHL, Platnosis)
- Skilled leaders and employees
- Economic empowerment of our people
- Equity and transformation

Well trained and skilled workforce

R523m spent on training and development (Zimbabwe **US\$5.2m**)

Group FIFR **0.058**

Group LTIFR **5.27**

(Including RWC)

Number of employees including contractors

55 000

Wage bill of

R10 224m

- Debt, cost of capital, exchange rate
- Labour, legal, consumables, power and utility costs
- Shareholder and investor returns, reinvestment of profits
- Contribution to balance sheet, tax revenues and economic growth for country

Financial health of Company
R2 328m net cash generated from operating activities

Procurement of **R7.6bn** in South Africa from businesses and suppliers (**US\$441m** in Zimbabwe)

All taxes and royalties paid in South Africa **R1 704m** (in Zimbabwe **US\$99m**)

Dividends per share

Rnil

Total liabilities

R24 853m

- Products that generate revenue and improve the environment
- Depreciation and disposal of assets, maintenance costs
- Reinvestment in shafts, side stream beneficiation

PGMs produced

2.6Moz

Re-investment in the Group to sustain value creation

R4 287m

Revenue generated

R32 477m

- In-migration and constraints on infrastructure and social amenities
- Informal settlements
- Labour and social unrest
- Social investments
- Education, health and housing
- Good advances in promoting community relations

An investment of **R83m*** in South Africa in our surrounding communities (**US\$5.1m*** in Zimbabwe)

Local procurement spent in South Africa

R2.6bn

Small business supported

supported

Improved living conditions **402** houses built in South Africa **R228m** spent (in Zimbabwe **US\$6m** spent on housing)

- Increased competition for already scarce technical skills
- Continous improvement – safe and efficient operations
- Development of IP
- Business improvement

Spend on modernisation

R25m

(mechanisation)

Fuel cell project

R3m

R&D expenditure

R94m

- Generation of waste
- Pollution (air, water, land) and climate change
- Land availability and disturbance
- Emission control – use of PGMs in auto and industrial catalyts
- Conservation of natural resources through recycling, rehabilitation

Investment of **R100m** spent on energy conservation initiatives over the last three years

Emissions **27 706** tonnes **SO₂**

and **349 000** tonnes

direct (scope 1)

CO₂

Water withdrawn

25 376Mℓ

Water recycled

14 325Mℓ

Water consumed

39 701Mℓ

* Community investment spend excludes housing.

Our products

First industry-wide PGM life cycle assessment completed

The International Platinum Group Metals Association (IPA) has conducted a life cycle assessment (LCA) to assess the environmental impacts of the primary and secondary production of platinum group metals (PGMs). The study also evaluated the benefits of using PGMs in automobile catalytic converters (autocatalysts) to control vehicle exhaust pollution. Implats was one of 11 IPA members that contributed to the study, representing the primary producers of PGMs (from mining to production), the secondary producers of PGMs (recycling and production), as well as the fabricators of autocatalysts.

This study is the first industry-wide assessment of the life cycle of primary and secondary PGM production, and is highly representative of the industry, covering 64% of the global PGM supply. The results represent the global average primary and secondary production of PGMs by the participating members.

The six PGMs (platinum, palladium, rhodium, ruthenium, iridium and osmium) occur together in nature alongside nickel and copper. Due to their economic value and higher quantities, platinum and palladium are the most important metals in the PGM mix and also the main products. The PGMs are highly resistant to wear, tarnish, chemical attack and high temperature, and have outstanding catalytic and electrical properties. All these unique characteristics have made them indispensable in many industrial applications.

The PGM industry carried out this LCA study in order to generate a reliable, up-to-date and independent dataset of the environmental footprint of PGMs and PGM-containing products, and identify possible areas in the PGM life cycle for improving environmental performance. The LCA followed the “cradle-to-gate” approach, and included all aspects of ore extraction, the production of other raw materials, energy supply and the production of the PGMs themselves.

- The extraction and refining of PGMs is a capital, energy and labour-intensive process. PGMs are produced in low volumes and are used in very tiny quantities. The high and repeatable recyclability of PGMs means that the environmental burden of PGM production decreases with each recycling round.
- Power consumption during mining and ore beneficiation has been identified as the major impact (72%) of the production of PGMs on the environment; a further 27% of the impact comes from smelting and refining. Only 1% of impacts are attributed to recycling; the low footprint of recycling compensates for the higher footprint of primary production.

“The extraction and refining of PGMs is a capital, energy and labour intensive process that provides metal for a cleaner planet”



- By far the largest single use of PGMs today is for autocatalysts, a pollution control device fitted to cars, trucks, motorcycles, and non-road engines. In this application, PGMs are coated onto a substrate housed in the exhaust system where they act as catalysts to reduce levels of harmful emissions to legislated levels. PGMs enable car manufacturers to comply with emissions standards and help regulators to implement tightening emissions regulations.

The LCA illustrates that even though the impacts of PGM production appear to be high, from a life cycle perspective, these impacts are significantly mitigated by the in-use benefits, as indicated by the following findings:

- Over 1.3 tonnes of toxic and harmful polluting gases (including carbon monoxide, nitrous oxides, unburned hydrocarbons and particulate matter), are reduced by the catalytic converter systems in one EURO 5 gasoline and one EURO 5 diesel vehicle in use over 160 000km; these emissions are reduced by up to 97%.
- Emissions of carbon dioxide (CO₂) are increased by between 2% and 6% through the use of autocatalysts; this is due to the conversion of carbon monoxide and hydrocarbons into CO₂ during vehicle use; however, this increase is small when compared to CO₂ emissions from the combustion of the fuel used to drive the vehicle.
- The emissions reductions as a result of the use of an autocatalytic converter outweigh the emissions generated during the production of the catalyst including PGMs and other related materials used to support the functionality of the catalyst.

The LCA study supports the industry’s commitment to understand and improve the sustainability performance of PGMs. Please refer to our website for more details on the benefits of our products. **(This can be found on our website www.implats.co.za.)**

CEO's statement

Dear Stakeholder

In each of my two previous annual letters, I highlighted the unprecedented challenges facing our company and the platinum sector more generally. Unfortunately it seems that volatility, and increasing challenges in society, have become the new normal as once again we have had a particularly difficult year. In the context of a subdued global PGM market, a continuing rise in input costs and less than desired productivity, we have been faced with a challenging regulatory environment, persistent electricity supply constraints, and heightened stakeholder expectations across a range of fronts.

The events across the sector have highlighted the business significance of issues in society, and underlined the importance of maintaining a strong focus on sustainability. In this letter, I reflect on our performance over the past year on each of our material sustainability focus areas. Given the challenging market conditions, I believe that our performance this year demonstrates our commitment to the safe and responsible production of PGMs, and to making a meaningful contribution to the well-being of our communities. Doing so is integral to realising our vision of being the world's best platinum-producing company that delivers superior returns to stakeholders.

Driving a safety culture

It is with deep regret that I report the loss of life of five of our employees and two contractor employees. All sustained injuries while working for the Company; six of the fatal incidents occurred at Impala Rustenburg and one was at Marula. We extend our sincere condolences to the families and friends of Mojalefa Makhobeng, Otlabusa Itumeleng, Martin Briedenhann, Jonathan Mabelane, Joseph Sithole, Kgosithebe Richard Oreng and Mantsonyane Malimole. Five of these fatalities occurred in the first quarter, very shortly after the return to work following the five-month strike.

This regrettable increase in fatalities – up from four last year – comes despite the valuable improvements in safety that we

have made across many of our leading and lagging indicators for the year. While I am encouraged by some of the significant improvements in our safety performance this year, this loss of life remains unacceptable. I am determined to see a further step change in our safety performance, and am fully committed to achieving our goal of zero fatalities.

To deliver on this goal, our safety strategy is built on changing the culture of the organisation, improving supervision, and adopting and implementing various technical initiatives to improve workplace safety. In driving this strategy, there have been several positive activities that we have implemented this year:

- We have continued to place a strong focus on training: 139 stoping teams participated in a five-day team-mobilisation training programme with a focus on embedding the right safety and associated productivity culture, and more than 4 000 employees and safety representatives have undertaken a 10-day Mine Qualification Authority (MQA) occupational health and safety skills programme. In addition, all Implats executives, E and D level production managers have attended the three-day zero incident process for leaders training programme. This provides managers with insight into the human behavioural aspects of safety, and on how to influence this to achieve improved safety performance.

“We completed a third-party review of our baseline risk assessment, and have taken appropriate steps to address the key findings from this review



- We completed a third-party review of our baseline risk assessment, and have taken appropriate steps to address the key findings from this review. This includes implementing an online hazard identification and rectification system across the Group, providing ready access to the required controls and procedures associated with the 14 identified major hazards across our operations.
- We invested a further R221 million in an array of technical safety initiatives at the Rustenburg operations. These include: equipping all underground trackless mobile machinery at all operations with personnel detective systems; installing new shaft safety devices and interlocking winder facilities in Rustenburg; replacing all high-risk conveyor belts with fire retardant belts and implementing a policy that the Group will only install fire retardant belts; introducing a SafeBlast® system across most of our operations; and installing electronic winch signalling devices and an improved fire detection system.

We have made some significant achievements this year across many of our operations. Notably between October 2014 and April 2015 the Group achieved a record of 6.9 million fatality free shifts. Impala Services and Impala Springs each achieved 10 million fatality free shifts and Impala Rustenburg's

CEO's statement



Terence Goodlace (56)
 Chief executive officer
 NHD in metalliferous mining, BCom, MBA

12 and 7A shafts as well as Mimosa each achieving five million fatality free shifts. Zimplats also achieved 3 million fatality free shifts. The total injury frequency rate – a measure of all recorded injuries, including fatalities, lost-time injuries, restricted work cases and medical treatment cases (including first aid cases) – was 9.78, down from 11.90 in 2014. The serious injury frequency rate improved to 2.63 per million man-hours, down from 2.68 in 2014. These improvements in safety performance have been underpinned by the effective implementation of the safety recognition agreement with AMCU at Impala Rustenburg and Marula, which lays out the agreed responsibilities for management and union representatives on safety issues.

On 8 July 2014, a major ground collapse occurred at Zimplats Bimha Mine. The collapse was attributed to a weak geological structure, the Mutambara shear, which caused pillar failure and the subsequent partial collapse. Employees were evacuated timeously and there were no injuries. However, because of the potential of stress propagation and the possibility of further ground collapse, and the safety of our employees could not be guaranteed, a precautionary decision was made to stop all mining in the existing workings at Bimha and to withdraw all employees. These employees were redeployed to other areas at Zimplats and an extensive

geological monitoring and risk mitigation programme was put in place. Redevelopment of Bimha Mine was then restarted through two new access ways, 30 metres north of the existing workings, leaving an indestructible pillar between the new drives and the risk areas. The monitoring programme has shown that ground conditions have stabilised and further redevelopment can now take place along 5 North roadway which will improve the Bimha redevelopment plan.

A continuing challenge that we have faced this year has been the number of 'Section 54' stoppage instructions issued by the Department of Mineral Resources (DMR). This year, 55 such instructions were issued, resulting in the loss of approximately 260 shaft days of production at Impala Rustenburg, and 42 shaft days at Marula. The estimated loss of production between Impala Rustenburg and Marula was 63 000 4PGE ounces and amounted to a loss of revenue of R833 million. While we fully support all work stoppages where this is necessary to manage a direct danger to safety, extending these stoppages beyond the scope of the risk is problematic and in certain instances may have a negative impact on safety performance. In February this year, I joined with other platinum group CEOs to meet with the Minister of Mineral Resources to highlight the negative impact that unjustified work stoppages were having on productivity and profitability.

In November 2014, at the tripartite Mine Health and Safety Council, we agreed a new set of sector-wide health and safety milestones. These include commitments to: eliminate fatalities by December 2020; achieve an annual 20% reduction in lost-time injuries; eliminate silicosis, pneumoconiosis and noise-induced hearing loss; reduce the TB incidence rate in mines to or below the national TB incident rate by December 2024; meet clear targets on implementation of the approved culture transformation framework; and launch a centre of excellence to transfer knowledge and technology of quick win projects. We are committed to delivering on these targets through our continuing focus on embedding an effective culture in the organisation, supported by our investment in the physical environment.

Promoting health and well-being

We have continued to make progress this year in delivering on our health strategy, and managing the principal health risks facing employees, namely: pulmonary tuberculosis (TB), the associated human immunodeficiency virus (HIV) co-infection, and the occupational health risk of noise-induced hearing loss (NIHL). On occupational health issues, we strive to ensure that all occupational health risks are identified, mitigation controls are in place and any ill health is detected and treated early and efficiently. Our strategy on non-

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occupational health risks focuses on ensuring that all employees have access to affordable healthcare so that health stressors can be identified, managed and treated.

There was a significant increase this year in occupational medical examinations undertaken, mainly due to the reopening of the Rustenburg Occupational Health Centre following the end of last year's strike. No previously unknown occupational illnesses were detected over the year. This year, 49 cases of NIHL were diagnosed and submitted for assessment for compensation. All patients who are diagnosed with early signs of NIHL on screening audiograms have been counselled and are being monitored. Another potential occupational illness in the South African mining sector is silicosis. Fortunately the risk of contracting silicosis on our operations is extremely low due to the very low levels of Alpha Quartz in the rock mined at our operations. This year, 19 employees and two contractors were diagnosed at our Rustenburg operation, all of whom have proven historical gold mine exposure.

We are already meeting the sector-wide health milestone at reducing TB incidence rate on mines to below the national TB incident rate by December 2024; our incidence rate of 755 per 100 000 employees is below the national rate of 940/100 000. Although we have increased the speed and accuracy of diagnosing TB resistance through PCR laboratory testing, the growth in multiple drug-resistant TB continues to be a concern. Our HIV prevalence rate is estimated at 23% based on available data for the Impala Rustenburg operation. This year, a total of 6 140 employees participated in company-funded and managed HIV-wellness programmes, of whom 4 429 received antiretroviral therapy.

We have continued to work closely with the South African Department of Health and other partners in support of the national health insurance plan, including through investments in healthcare facilities around our lease areas.

Investing in employee relations

The events in the South African platinum sector over the past few years and the five-month strike in 2014 have highlighted the importance of developing and maintaining positive relations between management and employees. Anecdotal evidence points to a significant socio-economic impact of the strike particularly on businesses, education and health communities surrounding the mines. (Refer to case study on page 100).

Informed by these events, we have been focusing our efforts on fostering a new, dynamic and sustainable partnership with our employees and their representative bodies, with the goal of becoming the best employer in the sector.

We have placed a particular emphasis this year on building relationships with the AMCU national leadership and their elected representatives at Impala Rustenburg, while continuing to maintain a good relationship with NUM representatives at our other operations. Early in the year our Exco team and AMCU's national leadership jointly undertook a relationship building exercise, working within the structures outlined in our recognition agreement with the union. This process has contributed to a positive relationship at the leadership level. We have subsequently run similar relationship-building sessions throughout our operations, with most of our shafts having completed the process. While the dynamics vary between the different shafts, I believe that we have set the foundation for a constructive relationship across the Group.

In addition to our ongoing engagements with union representatives, we are taking measures to encourage greater communication directly between management representatives and employees at all levels. We are implementing a structured, two-way communication model that cascades information from weekly executive management meetings all the way through to half-level shaft-based meetings, with weekly feedback to the executive. This is complemented by periodic employee surveys, as well as engagements through videos, briefings, general manager feedback, and daily, weekly and monthly meetings at shaft level. We have also been working to enhance the knowledge, skills and attributes of managers, employees and their representatives. We have focused initially on the empowerment of first line managers through a robust training process, particularly on people management skills.

In the year under review, we have also focused on employee well-being, by launching a responsible living campaign, which focuses on physical, mental and financial well-being. This included assisting employees with financial literacy, understanding their payslips, debt and loan repayments. Aligned to this process was the review of all emolument attachment orders brought against our employees by third parties, of which 40 were subject to a court process and were declared invalid. We believe this to be a critical issue which has a significant impact on employee well-being. We will continue to ensure we do not indirectly perpetuate such unjust acts as this has a direct impact on our employees and their families.

Following the return to work at Impala Rustenburg, we recommenced our 'respect and care' culture change initiative. Building on a culture survey undertaken prior to the strike, focus groups were held across our South African operations in which employees

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raised various concerns and suggestions aimed at fostering a desired organisational culture. We have shared the outcomes of this process with each of the business units, highlighting the important role of employees as the main drivers in developing change. We have also commenced a diversity survey at our operations to gather the perceptions of leaders and staff on issues pertaining to the implementation of our values, our approach to managing diversity and women in mining, our human resource processes, and related issues.

Given the challenging market context of low commodity prices and rising costs, there is pressure to explore all opportunities for operating and capital costs savings. As we pursue our strategic objectives we intend to not only reduce costs but also increase productivity. This requires that every person employed contributes towards ensuring the financial sustainability of the Group and in essence protect their own jobs. Current employment levels are at risk within the broader developments in the business environment.

Promoting diversity and transformation

Our commitment to promoting employee diversity reflects not only a strong compliance requirement, but is driven also by the recognition that a more diverse organisation is ultimately more competitive. Encouraging diversity and localisation also forms an important part of our efforts at promoting socio-economic transformation in our host communities.

We made progress this year in promoting equitable representation, particularly at board and senior management level where we remain well positioned relative to our competitors. At our South African operations, at year end we had achieved and in most cases exceeded all of the Mining Charter targets for levels of historically

disadvantaged South Africans (HDSA) in management. We have continued to place a particular emphasis on encouraging female representation at all levels of the organisation. By year end we had 146 women in management, representing almost 20% of total management; overall women representation across the Group remains at 10.6%. In seeking to increase the number of women working in underground conditions, it has been encouraging to see the good participation of women within our mining training programmes: this year, 38% of mining graduates were women, while the representation of women completing the rock breaker qualification increased from last year's 25% to 30%.

Following extensive consultation and analysis by each operation, we have completed and approved our next five-year employment equity plan for 2015 to 2019. We have appointed employment equity managers for all our operations, and established representative transformation forums, each of which has received formal training on employment equity. Recruiting and retaining highly sought-after skilled HDSAs, particularly women, remains a challenge given the extreme competition for suitable candidates. In this context, we have prioritised our efforts towards retention and promotion, supported by various initiatives such as career progression path and the provision of accelerated training and mentorship programmes. To assess the quality of our diversity efforts, we commissioned an external diversity audit; the findings of this exercise are being incorporated into our diversity management programme.

In Zimbabwe, we have had ongoing engagements with the government on indigenisation. We are engaging with the Reserve Bank of Zimbabwe in order to implement the employee share ownership scheme which constitutes

10% of total shareholding of Zimplats Private Limited.

Investing in community development

One of the most significant risks facing the mining sector in South Africa is the crisis of expectation. More and more of our stakeholders are expecting more and more from us in terms of jobs, infrastructure, service delivery and economic opportunities, in an industry that has been hit by plunging commodity prices and increasing production costs. While we recognise the critical importance of contributing to the well-being of our host communities, it is equally important that the often-competing expectations of our stakeholders are tempered by an appreciation of what we can deliver given the current market environment. It is important to note that a total of R10 224 million in wages was paid to employees during the year and that this contribution to local communities is significant. Managing these heightened expectations – in the context of an increasingly vocal and frustrated community and depressed local and global markets – presents us with a particular challenge.

In response to this challenge, we completed a detailed assessment this year of how we manage and maintain our social licence to operate. Through this process we have prioritised our focus on implementing targeted social interventions in our areas of operation, driving legislated transformation requirements, and engaging proactively with stakeholders.

Our investment in socio-economic development programmes focuses primarily on infrastructure, health, education, and community empowerment initiatives. The social investment strategy complements our accommodation and living conditions initiatives, through the provision of

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schools, clinics and other amenities. Our goal is to establish infrastructure that will address urgent needs in mine communities with the focus on longer-term impacts. Our social programmes and investments are identified in collaboration with community representatives, the local municipality and traditional authority in our areas of operation. In South Africa these identified initiatives are integrated within the social and labour plans (SLPs) for each of our operations.

This year, the South African operations **invested R83 million in socio-economic development projects, and an additional R228 million towards improving accommodation** and living conditions of our employees. Our Zimbabwe operations invested US\$5 million on socio-economic development projects, with an additional US\$6 million on employee housing. Every year an external consultant undertakes an independent review and assessment of the socio-economic impacts of most of these investments. A summary of our social investments, and of the review of their impact, is provided on pages 74 to 83 and pages 102 to 105.

One of the most significant contributions we make to the well-being of our communities and employees is our investment in improving the accommodation and living conditions of employees, an area where we are recognised as leaders across the sector. In December 2014 the board approved a revised housing strategy that seeks to address the findings of two independent social impact studies. Since the inception of our previous housing strategy in 2008, **we have invested R3.5 billion on improving housing and living conditions at all our operations in South Africa. In the new social and labour plans compiled for the five-year period 2014 to 2018, we have committed just over R1 billion to improving housing and living**

conditions for the South African operations. At our **Zimbabwean operations we have spent US\$6.1 million in providing housing for our employees.** Our goal is to have at least 50% of our employees residing in decent accommodation by 2020. In implementing this goal, we will continue to partner with government to ensure that our housing projects contribute to fully functional communities with all the required amenities, and that they are constructed within a broader integrated spatial development framework. We will also be partnering with government and the Royal Bafokeng Nation to provide bulk infrastructure and services to mine communities in line with our own developmental needs at our Rustenburg operation.

Our social investment programme, and our investment in housing and living conditions, is further supported by our preferential procurement practices and enterprise and supplier development activities. **At our South African operations we spent R2.6 billion this year on procurement from local tiered suppliers**, constituting 34% of the total procurement spend. In addition to our direct procurement activities, we have encouraged some of our existing large contractors to support local contractors and to identify opportunities to fill any vacancies with youth members from the local community. We are also working with the Royal Bafokeng for the possible development of a supplier park, as well as with the North West Development Corporation regarding the potential for a North West Platinum Special Economic Zone. **In Zimbabwe, local suppliers accounted for 73% of the Zimplats' annual expenditure on goods and services** and Mimosa's indigenous procurement as a percentage of total discretionary expenditure was above 60%.

In 2014 we embarked on a process to prepare the Group to become signatories to the United Nations

Voluntary Principles on Security and Human Rights. A detailed audit plan was developed and a gap analysis conducted at Impala Springs whose findings were provided to the executive team for action. A similar process was commenced in the latter part of financial year 2015, at the Rustenburg operation and a plan is in place to extend this process to the Marula operation, with work at the Zimplats operations having been completed in 2014. Upon completion, a detailed plan for implementation will be developed and executed at the respective operations to ensure that our codes of practice and procedures are aligned to these principles and that all relevant personnel are appropriately trained.

Conserving natural resources and minimising our impact

As a company involved in the extraction and processing of mineral resources, our activities unavoidably have environmental impacts. Given the nature of these impacts, it is important that we demonstrate responsible stewardship of the resources we share with the communities in which we operate. Through our policy commitments, we strive to integrate environmental management into all aspects of the business, mitigating the direct environmental impacts of our operations and investing in local community environmental projects.

The strategic importance of water was highlighted during the reporting period, with rainfall in the Rustenburg area being a third of its usual levels. We saw a 12% increase in total water consumption for the Group, largely as a result of the return to production following the end of last year's five-month strike, as well as the reduced rainfall levels. Despite this absolute increase in water consumption, we maintained our unit consumption rate of water (megalitres per tonne ore milled), giving a positive indication that we are improving our water management practices.

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Security of energy supply, rising energy prices, and possible climate change policy instruments (such as the proposed carbon tax) remain significant material risks for our operations. Given these challenges, we have continued with a strong emphasis on energy-efficiency projects. These are targeted mainly at our mining operations, as there is seen to be limited scope for further energy efficiency at our smelters. We **have invested over R100 million on energy conservation programmes in the last three years, resulting in a reduction of 8% in indirect energy usage when compared against the year 2013.** The FY2014 performance was impacted by the five-month strike and is thus not comparable year on year. In South Africa we are working closely with Eskom, and continue to participate in various demand-side management (DSM) programmes. Our longer-term strategic investments include exploring a carbon neutral fuel source for our operations, and participating in collaborative efforts to develop fuel-cell technology.

The most significant air quality emission for the Group relates to the sulphur dioxide (SO₂) emissions from our smelting and refining operations in Zimplats, Impala Rustenburg and Impala Springs. Both our Impala Rustenburg and Impala Springs operations are located within the priority areas as promulgated by the National Environmental Management Air Quality Act. We are fully compliant with the current licence conditions, which expire in July 2019 when new permit conditions are anticipated. At Impala Springs a R250 million capital project is in progress to ensure that our boiler emissions for NO_x, SO_x and particulates are fully compliant. Phase I which addresses SO_x and particulates will be commissioned in November 2015, with Phase II addressing NO_x, to follow. In Zimbabwe we are presently undertaking a feasibility study to install a new stack which will reduce ground level concentrations of emissions at Zimplats.

Ensuring effective rehabilitation is an important regulatory and financial risk for the Company. This is linked to our closure liabilities, which are reviewed and updated annually in line with regulations. Our strategy on rehabilitation is to entrench the concept of 'design for closure' throughout our operations, ensuring that all aspects of rehabilitation are defined at the project-planning phase. Our rehabilitation activities focus on ecosystem functionality, which we believe is essential in ensuring sustainability beyond closure. The total area rehabilitated reduced from 46.6ha in the 2014 financial year to 9.37ha in the 2015 financial year as a consequence of the completion of the Open Pit project at the Rustenburg operation in December 2013. The current cost estimate for Rustenburg closure amounted to R1 013.7 million. The project to backfill redundant open pits continued at Zimplats with a total of 320 437 loose cubic metres (LCMs) being backfilled in the 2015 financial year at an estimated cost of US\$5.8 million.

Unfortunately, the difficult socio-political environment in the Rustenburg area this year has negatively affected our environmental impact assessment and environmental management programme amendment processes, with several public participation meetings being cancelled following community disruptions. Given current challenges with community engagement, we have halted some of these processes, while with others we have chosen to submit the required documents to regulatory authorities for their decision.

Conclusion

The events of this past year have reaffirmed my belief that the pursuit of sustainable development and zero harm are competitive imperatives, and that these should be recognised as fundamental elements of a mining company's fiduciary responsibility. We further commit to the principles of the United Nations Global Compact, supporting human rights, the environment, fair labour practices,

and the promotion of anti-corruption (refer to www.unglobalcompact.org).

We have continued to work throughout the year with the Chamber of Mines, industry bodies, relevant government departments, labour representatives and community organisations in the hope of finding solutions to some of the collective challenges that we face. In doing so, an important objective has been to ensure strategic alignment with the relevant national imperatives outlined in the South African national development plan and the framework agreement for peace and stability in the mining industry. These initiatives speak to legislative issues, taxation, social and labour challenges (such as employee indebtedness, health and safety, the migrant labour system, housing and living conditions), as well as economic imperatives (such as beneficiation, infrastructure constraints, energy and water supply). In the year ahead we shall actively participate in the review of the Mining Charter, through the structures established in the Chamber of Mines (CoM). Our progress in meeting the commitments contained in these initiatives (reviewed on pages 92 to 93) reflects our commitment to ensuring the growth and stability of the industry and our country.

Despite the difficult market conditions, and the likelihood that PGM prices may remain depressed over the short term, Implats' management and the board firmly believe in the future of PGMs and their important positive contribution for society at large. We are committed to ensuring the viability both of our Company and the sector, which will allow us to continue to make an important positive contribution to society.

I wish, once again, to thank the board for their leadership and my colleagues on the Implats' management team and throughout the Company, as we strive to position the Company for a more secure and sustainable future.

Terence Goodlace
Chief executive officer

The challenging business context



“This has been yet another very challenging year for Implats and the platinum sector as a whole



Responding to a challenging business context

This has been yet another very challenging year for Implats and the platinum sector as a whole, with low PGM prices, general volatility in global markets and difficult operating conditions in South Africa and Zimbabwe. Continuing regulatory and policy uncertainty, increased production costs and persistent electricity supply constraints have been accompanied by heightened stakeholder expectations on a range of fronts. Neighbouring communities are demanding greater economic opportunities and improved local services, governments are pushing for rapid transformation, indigenisation and employment, unions are taking a tough stance on wages and job protection, and a wary investment community continues to put pressure on cost efficiency, capital management and the delivery of dividends.

Subdued PGM prices amidst a tough production environment

PGM prices have generally remained subdued throughout the year. Platinum was down from a high of US\$1 520 in early July 2014 to around US\$1 080 by financial year end and broke the US\$1 000 mark in August 2015, while the other PGMs remained generally flat after an initial peak early in the year. Depressed platinum prices come on the backdrop of a market driven mainly by investor sentiments on stock overhang, rather than by market fundamentals.

The outlook for the global economy and the PGM market continues to be uncertain, driven by continuing geopolitical tensions, divergent monetary policies, and further financial and exchange rate volatility. In the United States of America, the economic outlook is positive, with GDP growth supported by increased employment, gains in real income, and an accommodating monetary policy. Retail sales rose in March for the first time since November as consumers stepped up purchases of vehicles and other goods, suggesting that the

sharp slowdown in economic growth in the first quarter was temporary and more to do with unfavourable weather. The backdrop of low interest rates and an improving labour market, coupled with a drop in fuel prices, has boosted vehicle sales.

Vehicle sales have also increased in Western Europe, reflecting improving consumer confidence across the region. While growth is likely to improve in the eurozone, uncertainties remain regarding the impact of the Greek bailout agreement and possible developments in the Ukraine. In China, the recent significant fall in equity markets and the devaluing of the yuan suggests that the world's second-largest economy may be losing momentum, as the country seeks to find the right policy mix to sustain growth. Despite slowing growth fears, there has been positive growth in vehicle sales in both China and India. In contrast, the Japanese market has seen a decline in sales, where the economy remains sluggish.

Looking to the future in the PGM market, we anticipate a slow but steady growth in demand, driven by the gradual economic recovery in the US and Europe, as well as an increasing middle class in India and China fuelling demand for diesel vehicles and platinum-based jewellery. The recent negative diesel sentiment is likely to result in increased legislation for emission controls and ultimately higher PGM loading to meet compliance standards and hence increase demand. On the supply side, industry is expected to return to pre-strike production levels by 2016, accompanied by a relative slowdown in the availability of recycled PGM primarily as a result of the recent rapid decrease in global average new vehicle engine size. While there is no complete certainty on current liquid stocks, based on a range of available figures it is assumed that these will be depleted either by the end of this year or as late as mid-2018. Given current and projected market sentiment, and expectations for a stronger US dollar, we anticipate that PGM prices will remain lower for longer, possibly for the next 24 months.

The challenging business context



“Post the strike of 2014, much effort has been made to return production to pre-strike levels



The sluggish PGM market has been accompanied by a challenging production environment, characterised by rising labour, consumable and utility cost inflation, continuing uncertainty regarding the availability and cost of electricity, and lower production volumes mainly as a result of the build-up after the prolonged strike. Given this tough operating context, which has seen reduced sales and revenues and higher unit costs, it is increasingly difficult to meet the growing, and often conflicting, expectations of our stakeholders. Over the short term, our focus necessarily is on ensuring the continuing financial viability of the business, which is constraining our ability to deliver on addressing some of the immediate social challenges surrounding our operations.

Production pressures and power supply

Post the strike of 2014, much effort has been made to regain production to pre-strike levels. However, the continued disruption to power supply resulting in load curtailment has significantly impacted the production cycle. Of significance are the increased input costs associated with power, and the proposed 25% tariff increase recently proposed by Eskom. Our mines continue to go deeper and will require additional power for underground workings. These constraints counter all efforts towards economic growth and job creation, and as such continuous engagements towards finding solutions with all stakeholders remain a key focus area.

Coupled with this challenge has been the increased issuing of section 54s and 55s which have resulted in a significant impact on production levels.

Various efforts are in place to improve productivity as well as engage with the Department of Mineral Resources around the nature and length of instructions issued, and to ensure speedy responses to remedial actions required.

Responding to shifting community expectations

The challenging business environment was exacerbated by the growing demands and expectations in particular of our neighbouring communities. In South Africa, many communities have been protesting against what they see to be poor service delivery by local municipalities. Increasingly, they have been looking to mining companies to address these shortcomings by providing employment, investing in infrastructure, and supporting local businesses through their procurement activities. Their calls have been strengthened by local community-based organisations that are becoming more active in holding companies to account. Collectively, these events suggest a groundswell of community expectations and activism that have significant implications for how mining companies seek to retain their social licence to operate.

The recent election to parliament of the Economic Freedom Fighters (EFF), and their strong appeal to many of the economically disenfranchised through their fight for social justice and economic parity, is having an important impact on local political dynamics. The growing support of the EFF in the northwest mining communities, and the continuing rivalry between NUM and AMCU – which raises additional political complexities – has heightened the need for effective community engagement processes.

While traditional structures for engagement and communication have served us well in the past, the changing landscape, informed by an increasingly vocal youth, many of whom reject the use of traditional structures, has reinforced the need for a new approach. This has been complicated in some communities by the power play between municipalities and traditional authorities, with each of them claiming greater legitimacy as the guardians of community interests.

The challenging business context

The slow pace of delivery on basic services has further exacerbated this complex dynamic. In-migration and unemployment are putting considerable strain on limited resources, raising expectations for mining companies to deliver on education and health, employment and skills development, infrastructure, procurement and other key services.

Collectively, these expectations are changing the nature of our social licence to operate. Not only have we been prompted to revise our traditional models of communication and engagement, but we are needing also to revisit aspects of our corporate social investment initiatives. We are placing a greater emphasis on assessing the social impact of our investments, and on ensuring closer alignment both with the national developmental imperatives of the country and with the Company's strategic growth objectives. In addition, we have been exploring opportunities to collaborate across the mining sector and with neighbouring municipalities to build local government capacity and assist in delivering much needed services.

Continuing policy uncertainty

Reduced commodity prices and tough market conditions have seen an increase in resource nationalism globally, with governments seeking new opportunities for revenue generation as they struggle to meet growing social expectations. This has resulted in policy initiatives such as changes in royalty and tax rates, mandated beneficiation strategies, and an increased emphasis on localisation and the legislation of social delivery expectations.

In South Africa, mining companies are facing regulatory uncertainty on a range of fronts, with increasing legislation, for example, on environmental performance, climate change mitigation, tax reform, health and safety, and black economic empowerment. One of the main regulatory challenges facing the sector is the continuing disparity between the Mining Charter and the Broad-Based Black Economic Empowerment (B-BBEE) Act, with the greater demand to comply with both presenting significant administrative and implementation costs. A key concern relates to government demands for greater ownership equity in mines, with the concept of 'once empowered always empowered' not being accepted by government. This poses significant challenges for the sector, with many mining licences at risk given the dilution that has occurred over the last few years with the sale of black owned equity stakes. We have also faced challenges this year with the Department of Trade and Industry evaluating developmental pricing of PGMs.

In Zimbabwe, there is continuing uncertainty regarding policy developments relating to indigenisation, beneficiation, land tenure and taxation. A recent legislative change has made royalty payments non-tax deductible and a 15% export levy has been added to un-beneficiated platinum, which affects our Mimososa operation. While we have implemented various measures to drive indigenisation and localisation, and are refurbishing our base metal refinery in support of beneficiation, the continuing uncertainties in the fiscal and regulatory regime are constraining our capacity for long-term planning. We support the government's attempts to grow the local economy and continue to engage with regulators on these issues.

Developing partnerships to address challenges in society

The challenging social context in our two countries of operation highlights the growing need for business in general, and the mining sector in particular, to play an active and informed role – in partnership with government, labour and civil society – in ensuring that mineral wealth is generated more responsibly, and that its benefits are shared more equitably between shareholders, workers and the country as a whole. We have continued to work throughout the year with the Chamber of Mines, industry bodies, relevant government departments, labour representatives and community organisations in the hope of finding solutions to some of the collective challenges that we face. In doing so, an important objective has been to ensure strategic alignment with the relevant national imperatives outlined, for example, in the South African National Development Plan and the framework agreement for peace and stability in the mining industry.

The fundamental changes needed to address some of the shortcomings within the current business model – be it progressive mechanisation, the effective introduction of performance incentive schemes, or measures to address the migrant labour system – will not be possible until there is a significant shift in the nature of the dialogue between business, government and labour, to an approach based on cooperation, trust and mutual respect. Through effective dialogue, collaborative partnerships and agreement on a conducive policy environment, the mining sector has significant potential to contribute to the economic growth and development of the region.

The challenging business context



“Stakeholders are defined as those who are interested and affected by our business as well as those who have a material influence on our ability to create value



Stakeholder review and mapping



“Each stakeholder is allocated a responsible executive or champion to manage the relationship with the organisation”



Stakeholders are defined as those people who are interested and affected by our business as well as those who have a material influence on our ability to create value.

In the year under review, we embarked on a stakeholder review process with the primary objective of improving relationships by becoming proactive in our approach to building relationships.

This process involved:

- Identifying all stakeholders
- Determining their level of influence on the business
- Prioritising stakeholders according to our impacts on them and the nature of the relationship
- Mapping each stakeholder against a designated champion or responsible executive
- Defining the method of engagement and identifying potential opportunities for relationship building
- Establishing a tool for monitoring and evaluating relations in order to take proactive measures to improve these where they are found lacking.

The process identified six priority stakeholder groups for the 2015 financial year in Zone 1 for immediate intervention, informed by the nature of the current relationship and the effectiveness of existing engagement structures. This remains an area of critical focus and requires our continuous engagement to build better relationships. Each stakeholder is allocated a responsible executive or champion to manage the relationship with the organisation as outlined in the table alongside.

Responsibilities are sub-delegated by each executive to specialist personnel and operational executives depending on the nature of the issues. Quarterly stakeholder engagement meetings where operational executives and group champions meet to discuss and identify material issues were initiated in the latter part of the reporting period. Part of the agenda is to:

- Identify key stakeholder issues;
- Highlight potential risks; and
- Develop appropriate action and responses.

The action items have been populated into the risk management system and allocated to a responsible person, thus ensuring that stakeholder actions and responses are managed on a continuous basis and are accessible to the entire executive team for oversight.

Zone 2 stakeholders have existing and mature engagement structures, as such our objectives are to further build on these relationships. Progress made in Zone 1 is likely to have an impact on the relationship with stakeholders in Zone 3.

Stakeholder review and mapping



“Quarterly stakeholder engagement meetings where operational executives and group champions meet to discuss and identify material issues were initiated”

Priority areas for 2015
Zone 1

Employees Group executive – People
Unions Group executive – People
Community Group executive – Corporate affairs
Government Group executive – Corporate affairs
Suppliers Chief financial officer
Media Group executive – Corporate affairs

Evolutionary progress in 2015
Zone 2

Shareholders/ analysts and investment community Group executive – Corporate affairs
Implats board Chief executive officer
Customers Group executive – Marketing and refining
Business partners Chief financial officer
Industry and business forums Chief executive officer

Progress here will be influenced by progress in Zone 1 stakeholders
Zone 3

Political parties Group executive – Corporate affairs
Competitors Chief executive officer
Emergency services Group executive – Health and safety
Civil society Group executive – Corporate affairs

- Priority area
- Evolutionary progress
- Influenced by progress in Zone 1

Responding to stakeholder interests

While we recognise that all stakeholders are important, we have prioritised our strategic relationships with employees and unions, government, shareholders and investors, local communities, and the media, each of whom has a material bearing on the success of our business. Some stakeholders are engaged at various forums and structures which have been established on a periodic basis and are supported by a charter, while others are met through ad hoc arrangements as and when is deemed necessary. The following table outlines the engagements for the year under review and the stakeholder issues raised.

Stakeholders	Nature of engagement	Material issues raised
Employees	<ul style="list-style-type: none"> Internal communication Engagement with trade unions Workplace forums 	<ul style="list-style-type: none"> Conditions of employment Safety and health initiatives Progress with transformation Production and performance
Trade unions	<ul style="list-style-type: none"> Internal communication Collective bargaining units Branch committees Chamber of Mines Tripartite Forum – Northwest 	<ul style="list-style-type: none"> Living wage Conditions of employment Discrimination Union recognition Safety Transformation
Shareholders, analysts and investment community	<ul style="list-style-type: none"> Roadshows Results presentations Investor conferences One-on-one appointments 	<ul style="list-style-type: none"> Industrial relations climate Wage negotiations The situation in Zimbabwe Future metal prices, and PGM supply and demand dynamics Cost control measures Capex programme Progress at Impala Platinum
Government	<ul style="list-style-type: none"> Meetings with officials from local, provincial and national government Compliance visits from government Chamber of Mines Parliament Portfolio Committee Mining Industry Growth, Development and Employment Task Team (MIGDETT) 	<ul style="list-style-type: none"> Labour relations Safety (accidents and stoppages) Progress with transformation (SA) and indigenisation (Zimbabwe) Progress with social and labour plans (SA) Community investments and engagement Environmental compliance The establishment of a Base Metal Refinery (Zimbabwe)
Traditional council, local land owners and local communities	<ul style="list-style-type: none"> Community engagement meetings Community trust meetings Future forum meetings One-on-one meetings 	<ul style="list-style-type: none"> Employment and procurement opportunities Enterprise development Infrastructure development Health and social facilities Environmental impacts and property damage Business opportunities Educational planning Unemployment
Media	<ul style="list-style-type: none"> Press releases One-on-one interviews (radio, TV and print media) 	<ul style="list-style-type: none"> All of the above
Advocacy groups	<ul style="list-style-type: none"> Stakeholder liaison meetings One-on-one meetings Surveys, hotlines and publications 	<ul style="list-style-type: none"> Ensuring greater community benefit Improved labour relations Environmental impacts Greater transparency
Suppliers	<ul style="list-style-type: none"> Supplier forums One-on-one meetings 	<ul style="list-style-type: none"> Conditions of contracts Review of contractor operating standards in line with Implats policy and standard
Customers	<ul style="list-style-type: none"> Industry forums One-on-one meetings Customer feedback Reputation surveys 	<ul style="list-style-type: none"> Effective delivery against terms Sustainability of supply
Chamber of Mines (CoM)	<ul style="list-style-type: none"> Contribute to CoM meetings (at CEO and working group level) 	<ul style="list-style-type: none"> Contribution to industry positioning and lobbying activities
Producer and industry forums	<ul style="list-style-type: none"> Strategy meetings Industry interest group meetings 	<ul style="list-style-type: none"> All of the above

Responding to stakeholder interests

Our response	Reference
<ul style="list-style-type: none"> ● Collaborative engagements to find solutions to issues of concern ● Undertaking a culture survey ● Reviewing internal incentive systems ● Team mobilisation 	Page 63
<ul style="list-style-type: none"> ● Strong focus throughout the year on engaging with union representatives, and establishing a new labour relations environment that fosters open, honest and effective communication 	Pages 61 to 63
<ul style="list-style-type: none"> ● Detailed presentation and road shows have been undertaken to explain current performance and underlying issues related to the business 	Pages 22 and 23
<ul style="list-style-type: none"> ● Implats engages constructively with government at all levels, both as a Company and through industry representative bodies (such as the Chamber of Mines) on these material issues ● In the current year, engagement in South Africa included a particular focus on finding solutions to the industrial dispute ● Key issues addressed in 2015: (i) New Employee Share Ownership Plan (ESOP), (ii) Mining Charter audit and data submission, (iii) New Employee Share Ownership Trust (ESOT) in Zimbabwe, (iv) New Community Share Ownership Trust (CSOT) in Zimbabwe, (v) Establishment of Refinery in Zimbabwe. Engagements were also held with the health and safety inspector to resolve issues relating to Section 54s and 55s 	Pages 91 to 99
<ul style="list-style-type: none"> ● Detailed performance information regarding employment, procurement, infrastructure and environmental issues are provided at the Community Forums in the year under review and a revised communication plan has been developed and will be implemented in the new year. A detailed review of engagement structures was also conducted for the Rustenburg operation and implementation is planned in the new year 	Pages 72 to 75
<ul style="list-style-type: none"> ● Media releases are done throughout the year, updating the public on all material issues affecting the Company 	—
<ul style="list-style-type: none"> ● Where possible one-on-one engagements with the executive have been held to provide information on progress and challenges relating to communities 	Pages 22 and 23
<ul style="list-style-type: none"> ● Modified engagements with contractors developed clear principles that will guide the selection and use of reputable contractors with the right skills and values systems to do specific tasks that the business is not able to do. Transformation in the supply chain was also discussed with suppliers 	Page 36
<ul style="list-style-type: none"> ● Track and respond to customer feedback. Keeping customers informed of any possible supply disruptions due to industrial action. Keeping customers informed of the long-term viability of Implats and our sustainability strategies 	Pages 22 and 23
<ul style="list-style-type: none"> ● Key issues addressed in the year were ownership, energy constraints, Mining Charter review, employee indebtedness and migrant labour 	Pages 91 to 99
<ul style="list-style-type: none"> ● Ongoing cost pressures within the PGM industry resulted in the formation of a platinum CEOs forum, handled through the CoM 	—

Identifying our material sustainability focus areas



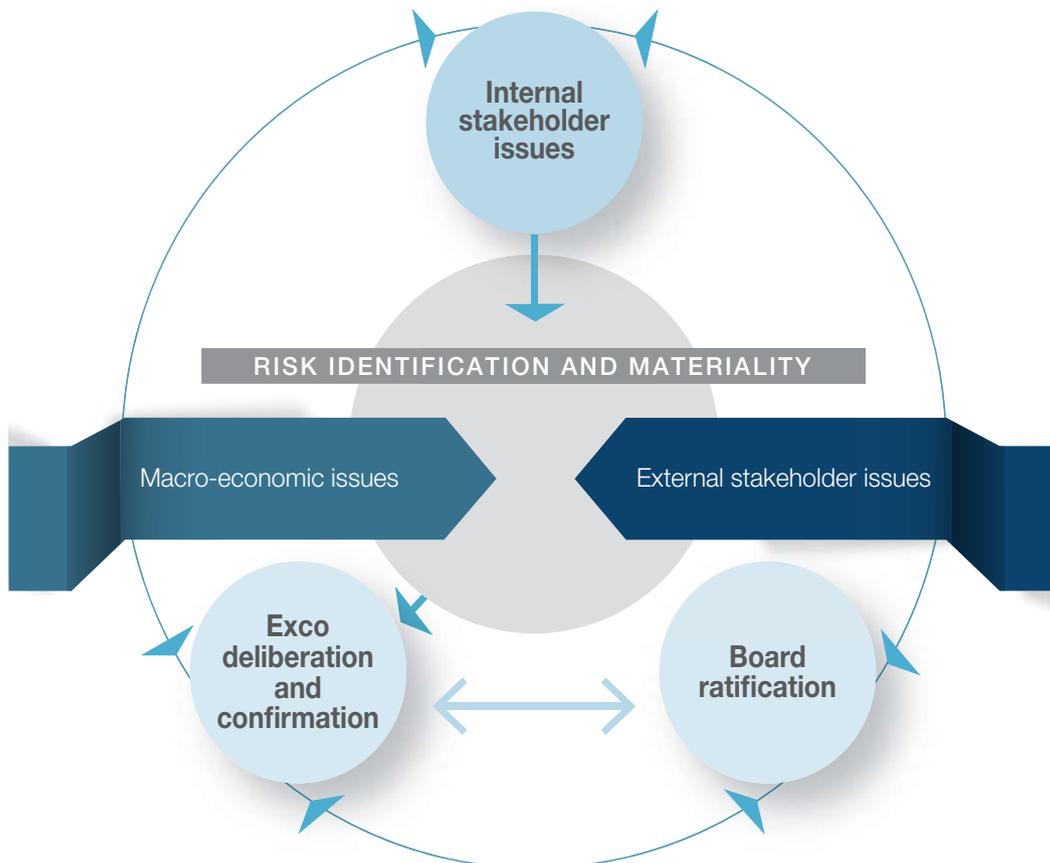
“Implats’ risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward



We identify our strategic business objectives, and our material sustainability focus areas, through our structured internal risk management process, and with consideration to the views and interests of our stakeholders.

Our risk assessment and management process

Implats’ risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. This process enables the board and senior managers to take decisions regarding the possible trade-off between risk and reward, and assists them to identify and pursue appropriate strategic growth opportunities informed by the Group’s risk appetite and risk tolerance levels.



Identifying our material sustainability focus areas



“We consider the nature of the external operating context, and the views and interests of our stakeholders



Our risk management process comprises the following steps:

- **Establishing the context:** We consider the nature of the external operating context (pages 28 and 29), and the views and interests of our stakeholders (pages 24 and 25)
- **Identifying the risk:** We establish both the source and cause of the risk, and evaluate all possible consequences (page 28)
- **Analysing the risk:** We identify and assess what this means for the achievement of our objectives (page 28)
- **Evaluating the risk:** We determine the risk rating (by severity, exposure and frequency), identify the controls (both existing or new), and prioritise the risks
- **Treating the risk:** We consider all options to establish the most appropriate response for each identified risk.

Arising from this process we identify a set of objective-based risk assessments (ORAs) that cover approximately 80 of the most important aspects of the Implats business. Each identified risk, as well as its associated controls, has a clearly defined line management owner. This process is repeated and reviewed regularly, ensuring that the information remains relevant. All

information is captured into the Group risk repository system that informs the Group risk profile. The Group risk profile is presented on a monthly basis to the Exco and quarterly to the board risk committee, which is separate from the audit committee. This approach allows for robust discussion regarding the materiality of the risk, its likely impact on the business in the short, medium and long term, and the necessary risk mitigation measures.

This process culminates in the identification of a prioritised set of Group strategic risks (see page 28). Collectively, these risks, along with the outcomes of our internal and external stakeholder engagement activities, and our assessment of market fundamentals, are used to identify our material sustainability-related issues. These issues are prioritised in terms of their impact both on the organisation and on our key stakeholders. They inform the nature of our Group strategic objectives (page 31), as well as the performance issues for monitoring and reporting material sustainability focus areas, through our structured internal risk management process, and with consideration to the views and interests of our stakeholders.



Identifying our material sustainability focus areas

Classification of Group strategic risks – June 2015

This year the Group risk profile identified the following top 10 priority risks:

Group strategic risk	Context
Depressed PGM basket prices	The current weakness in the PGM basket price remains a concern as it is too low to sustain the industry at these depressed levels.
Non-delivery of production and productivity targets at Impala Rustenburg	Short-term challenges include: ramping up to full production; maintaining our ability to achieve completion of the mining cycle; speeding up the establishment of face length in new mining areas; ensuring increased productivity.
Weak balance sheet and cash flows (liquidity)	The financial impact of the protracted strike has been far reaching. The cash reserves have been largely consumed by the start-up and ramp-up process. Implats is currently operating in a cash constrained mode, as are our peers.
Excessive taxation and levies at Zimbabwean operations	There is an exposure to high taxation as a result of the unique Zimplats taxation, particularly the special mining lease (SML). There are multiple and sometimes conflicting interpretations of this piece of taxation legislation, giving rise to taxation risks.
Revenue impact of Section 54s	Section 54 stoppages have cost Impala Rustenburg and Marula approximately R833 million in direct forgone revenue during the 2015 financial year. The indirect cost of these stoppages in terms of management time and start-up difficulties are of a similar magnitude.
A significant deterioration in safety performance	Safety is the primary priority for the Implats leadership. The increase in the number of fatalities is unacceptable. It must be noted that there has been an improvement with regard to NLTIs and LTIs, but not with fatalities this year. Mine safety is receiving high priority at a national political level and any significant deterioration in performance carries significant risk. Since the end of the strike, we have had six fatalities at our Impala Rustenburg operations.
The security of supply of electricity in South Africa	In South Africa, the electricity supply industry is dominated by Eskom, which owns and operates the transmission grid. Eskom has a net installed generation capacity of 42 000MW. Given planned and unplanned outages it is able to bring a maximum of 36 000MW on line at present. 60% of the generating capacity is beyond the 30 years design life.
Capital constraints affecting project delivery	The current cash constrained environment has necessitated the review and reconsideration of a number of our capital projects. Current capital constraints run the risk of affecting not only delivery of current projects, but also the project pipeline as a whole.
Employee relations climate	Following the profound impacts of last year's five-month strike, we need to shape relationships with trade unions based on shared values and mutual interest, allowing unions/managers to share information more freely/openly and to resolve conflicts seeking mutually beneficial outcomes.
Maintaining a social licence to operate in South Africa	Our current approach to mine communities is not meeting our objectives of respect and care from a community perspective. It is vital that, as we explore the future of mining, we seek a new social contract that will ensure mine communities and employees are given a fair say in how mining will affect their own future. We are working with the Chamber of Mines (CoM) in an effort to develop a new social contract that explores the scope for and means of improving the coordination, scale and impact of social investments by mining companies.

Identifying our material sustainability focus areas

Our response measures	Strategic objective	Reference
Understanding the future demand for our products, and the corresponding industry supply-side profile. Scanning the environment for technological advances that may affect the demand for Implats' products (substitution), and instituting appropriate responses where possible.	<ul style="list-style-type: none"> ● Excellence: Deliver operational excellence ● Wisely preserve cash 	(Integrated Annual Report) IAR Page 10 IAR
Ensuring the safe return to work for all employees by implementing the detailed start-up plan for the operations. Implementing initiatives relating to: mechanised off-reef development, management of critical spares, detailed work procedures, team mobilisation, training, mine planning protocols, production planning, quality mining and visible felt leadership.	<ul style="list-style-type: none"> ● Excellence: Deliver operational excellence ● Consistently deliver on production targets 	Page 38 IAR
Proactive and rigorous review of the short and long-term business planning process and parameters, together with ensuring that appropriate debt and equity funding is available or in place.	<ul style="list-style-type: none"> ● Excellence: Deliver operational excellence ● Continually improve operational efficiency 	Page 42 IAR
Ensuring compliance through external tax audits and the use of specialist tax advisory services. Strong commitment to tax training and awareness, resolution of historical tax matters and the tax risk management framework.	<ul style="list-style-type: none"> ● Together: working together for the benefit of all our stakeholders ● Strive to be a good corporate citizen 	Page 48 IAR
Rigorous interrogation of the impact of Section 54s, along with participation in the initiative by the Chamber of Mines. Strong commitment to training of management, as well as to incentivise safe working conditions.	<ul style="list-style-type: none"> ● Behaviour: Safe and effective people 	Page 54
Strong strategic commitment to develop an appropriate safety culture, driven through initiatives relating to people, practices and the physical environment.	<ul style="list-style-type: none"> ● Behaviour: Safe and effective people 	Page 41
Maintaining regular contact with Eskom to ensure we are aware of any situation that may affect us. Ensuring appropriate emergency evacuation plans. Implementing initiatives to reduce energy consumption.	<ul style="list-style-type: none"> ● Sustainability: Conserving natural resources 	Page 116
Continual review of project prioritisation along with stringent application of professional project management principles and methodologies. Rigorous risk management is practiced at every level of capital projects.	<ul style="list-style-type: none"> ● Excellence: Deliver operational excellence ● Wisely preserve cash 	Page 73 IAR
Striving to provide an enabling work environment that fosters open, honest and effective relations between management, employees and elected union representatives. Engaging with various government departments directly, working with the Chamber of Mines and labour representatives to find sustainable solutions to industrial relations challenges in the country.	<ul style="list-style-type: none"> ● Behaviour: Safe and effective people ● Together: Social capital investment 	Page 62
Committing to developing a deep understanding of the situation by conducting a social impact assessment, as well as participating in the multi-disciplinary research on the mining sector. Ensuring that human rights are protected by committing to adopt the Voluntary Principles on Security and Human Rights. Restructuring of engagement forums to be more inclusive and are structured at various levels (executive and operations).	<ul style="list-style-type: none"> ● Together: working together for the benefit of all our stakeholders 	Page 87 Page 106 Page 74

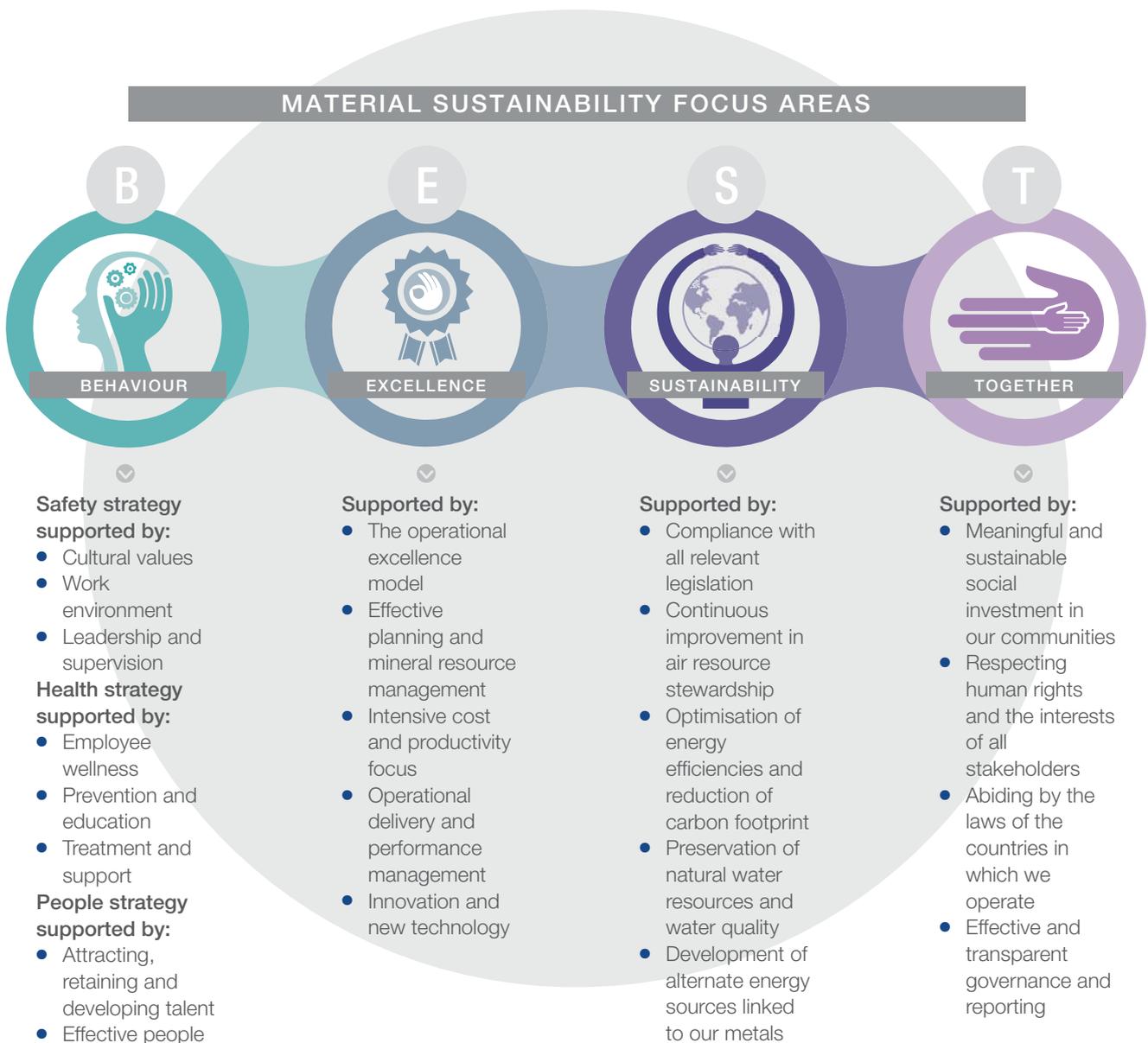
Identifying our material sustainability focus areas

Our material sustainability focus areas

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

Informed by the Group risk process, and the material interests and concerns of our key stakeholders, we have identified the following four material strategic focus areas, and the associated issues to meet this vision:

- Safe and effective people who respect and care.
- Deliver operational excellence.
- Maintain our production profile at a sustainable level and conserve natural resources and mitigate impacts.
- Social capital and licence to operate.



Our business strategy

In this report we address our strategic objectives relating to Behaviour, Sustainability and Together, while Excellence is detailed in the integrated report.

Strategic objective 1:

Behaviour – Safe and effective people

Our ability to secure an effective employer/employee relationship is vital in the present labour climate and going forward. We continue to focus on developing our employee value proposition so that employees' personal goals and aspirations are aligned to the objectives and deliverables of the organisation. We will ensure that our employee housing, skills development, health and reward programmes, contribute to these goals.

We will strive to institutionalise a more open, democratic and transparent industrial relations climate through our cultural change management process introduced in 2013. We aspire to achieve a common vision and value system, advanced and owned by our people together with the executive and the board.

Given the nature of our business, ensuring the safety and well-being of our workforce is critical to our ability to create value as it impacts on productivity, and ultimately affects the long-term sustainability of the business. We will continue to invest in new technology and modernise our operations where possible in the quest to reach zero harm. Our strategy focuses on promoting the right behaviour, ensuring the right practices, and providing the right working environment. This is addressed on page 40 of the report.

Strategic objective 2:

Excellence – Delivering operational excellence and continuous improvement

To sustain our business we need to ensure an effective mineral resources management system, coupled with a strong drive to manage costs and enhance productivity. Delivering consistent returns through optimised operations, focused on increased mine volumes and grade quality, is essential to reward our stakeholders and ensure their continued support. Ensuring profitability allows us to reinvest in our human resources, motivate our staff and continue to contribute towards developing sustainable communities in our areas of operation. Refer to the integrated report for more details.

Strategic objective 3:

Sustainability – Conserving natural resources and mitigating impacts of our operations

The Group creates value primarily by extracting and refining PGMs. Without access to these natural minerals we have no business. To support our extraction and processing of these

resources we rely on access to land, water and energy – all of which have a material impact on the environment and the communities in which we operate. We recognise that the supply of these resources is likely to be constrained going into the future, resulting in increased costs of doing business, and greater efforts required to address impacts on communities.

We continue to address security of supply through recycling, reuse and reduction of use initiatives, as well as actively seeking to minimise impacts, mitigate risks, minimise the cost of doing business and address community sustainability in our areas of operation. This is demonstrated on page 110 of the report.

Strategic objective 4:

Together – Social capital and licence to operate

The viability of our business is dependent on us making a meaningful contribution to the societies in which we operate, by implementing projects that have positive impact on our communities. Respect for human rights and the interests of our stakeholders, and abiding by relevant laws and regulations, are critically important. Our strategic approach in investing in socio-economic development is premised on the belief that the long-term viability of our business is closely linked to the success and well-being of the communities in which we operate and the areas from which a significant portion of our employees emanate. Securing the trust and endorsement of these communities and their traditional representatives is essential to maintaining our licence to operate. Our commitment to improving the living conditions of our employees through access to housing, provides an opportunity for differentiation and competitive advantage. It represents a strong business/employee linkage and serves as the cornerstone of other pillars of our broader transformation strategy such as skills development and retention, local procurement and enterprise development. We are committed to meeting the transformational objectives of the countries of operation through the empowerment of historically disadvantaged South Africans and the indigenous people of Zimbabwe. Our strategy to address this issue can be found on page 66 of the report.

These four pillars of our strategy are addressed in this report and in our 2015 integrated report. This report covers those sites in which we have a majority stake, and excludes Two Rivers. The operational specific performance for each of the material indicators is outlined in the operational review of each site in the integrated report.





Our sustainable development management approach

Our management approach and strategic response informs our response to those societal issues that have an impact on our business, and over which we have some influence.

Our Group strategy and sustainable development policy are regularly reviewed and revised to provide for the changing social context, and to ensure that we are focusing on the most material issues.

Our sustainable development management approach



“At board level, sustainable development issues are addressed through the social, ethics and transformation (SET) committee



Our management approach

At board level, sustainable development issues are addressed through the SET committee (established in 2004 and restructured in 2012), and the health, safety and environment (HSE) committee (in place since 1988).

- The SET committee, was chaired by Thandi Orleyn, an independent non-executive director, is responsible for the Group’s activities relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment issues.
- The HSE committee, chaired by Alastair Macfarlane, an independent non-executive director, guides strategy, assesses the adequacy and appropriateness of HSE policies, standards and procedures, and reviews Group-wide performance on a quarterly basis. The committee also investigates and reviews all major incidences and fatalities that have occurred.
- The audit committee, chaired by Hugh Cameron, an independent non-executive director, oversees the appointment of the assurance provider for non-financial performance each year. The results of these are presented to the committee with the necessary recommendations and action. In future this will fall under the SET committee.
- The risk committee is chaired by our independent non-executive director, Almorie Maule, which oversees Group risk issues and assesses the recommended mitigation measures and actions.

A more detailed review of the composition and activities of these board committees is provided in our integrated annual report.

At an executive level, sustainable development falls under the responsibility of the executive committee, which is responsible

for reviewing performance in terms of the Group’s non-financial indicators.

The sustainable development issues are informed by the following principal objectives:

- Identify material sustainability issues and risks that have an impact on the business and devise appropriate strategic responses to these risks.
- Align strategic interventions to global best practice, the national and industry agenda concerning sustainable development such as the South African National Development Plan and the Framework Agreement for a Sustainable Mining Industry.
- Ensure compliance to relevant regulatory statutes in countries of operation such as South Africa’s Mining Charter and Broad-Based Black Economic Empowerment Act, and Zimbabwe’s National Indigenisation and Economic Empowerment Plan.
- Ensure that the organisation maintains its social licence to operate in host countries by advancing social transformation and upliftment in affected communities.

The Exco lends support to the board’s HSE committee, the SET committee, and the audit and risk committees. Sustainability objectives form part of the key performance indicators against which the performance of Implats’ management and executives is measured and remunerated. Details on these KPIs and their implications for the executive are provided in our integrated annual report.

People management

The people management function is headed by a dedicated Group executive reporting to the CEO. The scope of work includes remuneration, human resource development, talent management and employment equity.

Our sustainable development management approach



“The Group’s environmental team has close links with operational and project management teams and is involved in due diligence exercises



Group policies and procedures on people management issues are established at corporate level and applied at our operations. Our policies and procedures are aimed at contributing to sound employee relations, attracting and retaining talent, and ensuring the continuous development of our employees, while at the same time offering opportunities for career progression with a particular emphasis within our South African operations on historically disadvantaged South Africans (HDSAs). Each operation has a transformation committee comprising representatives from management, unions and women, as well as various other stakeholder groups who contribute to overseeing and advancing transformation at each operation. The operational committees report to the Group SET committee. Our operations also have community forums, at which issues of concern to local communities – such as employment opportunities, procurement, health, safety and environmental performance – are discussed. Issues arising from these community forums are relayed to the operational committee and, ultimately, to the Exco. These are elevated to the SET committee on a quarterly basis and board, as required.

Managing health, safety and environmental (HSE) issues

Group and site-specific HSE policies, procedures and standards are in place to ensure that we comply with legislative requirements and support our vision of zero harm. Responsibility for implementing HSE policies and procedures rests with line management. All operations submit quarterly performance reports to the board-appointed HSE committee. Group and operational level HSE specialists support line management in implementing the strategy and in monitoring and managing performance. The Group HSE executive is a member of Exco.

The Group’s environmental team has close links with operational and project management teams and is involved in due diligence exercises undertaken in connection with acquisitions and the development of strategic initiatives. Implementation of our policies is enhanced by our commitment to maintaining ISO 14001 certification for our environmental management systems. Regular compliance audits are conducted at our operations by the Group’s internal auditors, as well as by the external auditor. All of the Group’s operations are now ISO 14001 certified.

In addition to the ISO 14001 certification, the refineries are signatories to Responsible Care® and retained their certification. Responsible Care® is the chemical industry’s global voluntary initiative under which companies, through national associations, such as the Chemical and Allied Industries Association (CAIA) in South Africa, work together to continuously improve and communicate on their HSE performance.

Managing our investments in socio-economic development

The sustainable development department based at Impala Rustenburg manages our socio-economic development initiatives in our South African operations. A technical team is responsible for implementing the projects, working together with the stakeholder engagement department. The identification of community projects is an ongoing process based on a needs analysis, undertaken in consultation with stakeholder representatives from communities and local government. The sustainable development project steering committee is responsible for reviewing the proposed projects after due diligence has been done. Once approved by the project steering committee, the projects are recommended to the Exco, a multi-disciplinary executive-level management team that evaluates the merits of investing in each project.

Our sustainable development management approach

In Zimbabwe, sustainable development initiatives are implemented and managed by the stakeholder engagement executive supported by technical personnel from the operations.

Each year an independent audit (Triologue) is conducted on selected social projects, based on the financial, legal and reputational risk as well as to determine impact, progress and potential remedial action where a project faces possible failure. A detailed summary of this can be found on pages 76 to 78 of this report.

Managing contractors and suppliers

Implats suppliers span the entire value chain from exploration to final production of precious metals in the refining process. Our approach is to source all goods and services within the country of operation, with a greater emphasis on local suppliers defined as tier 1, 2 and 3 based on their proximity to the operations in South Africa. Tier 1 suppliers are those from directly and indirectly impacted communities (Bafokeng Villages and Freedom Park in Rustenburg, and the Four-farms area in Burgersfort), tier 2 suppliers are within the local municipality around the operations, and tier 3 suppliers are those within the bigger areas surrounding the local municipality. In Zimbabwe local suppliers are those that are within the country of operation. Local procurement is advanced through our enterprise development initiatives as described on pages 104 and 105 of the report.

In response to concerns regarding contractor behaviour not reflecting our value systems, and to minimise any potential liability, last year we reviewed our contractor strategy. This strategy seeks to ensure that we have defined principles that will guide the engagement of reputable contractor companies

with the right skills and value systems to undertake specific tasks that we are not able to do ourselves. All contractors and suppliers are appraised on our policies and business practices and are expected to, at a minimum, abide by these principles in their business conduct and practices at all our operations. The strategy has been structured into two phases. The first phase entails using our training and recruitment resources to ensure that all contracting employees are vetted and assessed according to our own internal standards. The second phase specifically interrogates each contracting company and the work they do for us. We have completed the detailed assessments with the assistance of an external specialist and will, over time, effect the required change. In the short term we are planning to insource all development mining, ventilation construction as well as sweeping and vamping services.

In the year under review a pilot project was instituted to survey supplier labour practices and to identify possible risks. The review looked at various supplier aspects such as compliance to legislation, labour hire, diversity management, compensation, living conditions of employees, human rights, skills development and other. The review targeted five of our top suppliers. The findings of the survey highlighted that some suppliers did not have the capacity to provide information requested and that more work needs to be done. We will continue to look at processes to provide such information in order to better mitigate risk associated with suppliers.

We will continue to focus our attention on suppliers' B-BBEE certificates and prompting suppliers well in advance of their expiry dates. Penalties on annual increases will continue to be levied on untransformed suppliers. During the year no services of suppliers were terminated.



Promoting ethics and good governance



“The executives and line management are responsible and accountable for the implementation of the fraud policy, code of ethics and the procedures associated with these policies”

We are committed to promoting the highest standards of corporate governance, and to ensuring that our practices are materially aligned with the expectations of the King Code of Governance for South Africa 2009 (King III). The Implats board assumes overall responsibility for the effectiveness of internal controls, risk management and governance, and for ensuring that our business objectives are effectively achieved.

We maintain a zero tolerance stance on fraud and corruption. We expect all our employees at Impala operations, Marula and Zimplats operations to conduct themselves in accordance with the Implats code of ethics (the code) and our fraud policy. Both the code and policy are fully compliant with the laws and regulations of the countries within which we operate.

The Implats code of ethics addresses issues relating to conflict of interest, the prevention of dissemination of Company information, the acceptance of donations and gifts, and the protection of the Company's intellectual property and patent rights. Furthermore, it describes the disciplinary action (including dismissal or prosecution) that will be taken in the event of any contravention. The code is complemented by a recently revised fraud, corruption and whistleblowing policy that applies to all employees as stated above. The policy underlines our commitment to creating an environment that encourages an anti-fraud and anti-corruption culture, informed by our organisational core values and our respect for open and honest communication.

The executives and line management are responsible and accountable for the implementation of the fraud policy, code of ethics and the procedures associated with these policies.

The table below provides the classification of the allegations and outcomes in each category:

Number of fraud/ethics-related cases reported Group-wide in the 2015 financial year

Nature of allegation	Investigation pending	Allegations unfounded	Allegations founded	Total
BEE fronting	1	0	0	1
Conflict of interest and corruption	10	2	4	16
Fraud and theft	9	7	19	35
Misconduct and other	23	15	12	50
Total	43	24	35	102

Oversight of the code, policy and procedures has been delegated by the board to its SET committee.

An ethics line, which is a toll-free helpline, is in place to facilitate the confidential reporting (whistle-blowing) of alleged incidents. This year, 102 cases were reported across the Group, 48% of which were from the South African operation, 36% from the Zimplats operation, and the remaining 16% from the Mimosa operation. This reflects a 13% increase from last year's figure. The founded cases, however, levelled at 34% of total cases compared to a slightly higher 38% of last year.

Of the 102 cases reported and investigated this year, only one was classified as BEE fronting; 16 were conflict of interest and corruption; 35 were fraud and theft and 50 related to misconduct and other irregularities.

The status on the 102 cases referred to above is as follows:

- 43 are still pending;
- 24 were unfounded; and
- 35 were founded.

In keeping with our zero tolerance stance on fraud and corruption, out of the 35 founded cases, disciplinary action was taken, with 21 cases receiving sanction ranging from counselling to written warnings to dismissals. Two are still in progress and 12 did not require further action. Only nine of the 35 founded cases were subsequently recommended for prosecution all of which were at the Zimbabwean operations.





Safe and effective people who respect and care

We recognise that our business will only prosper if we are able to gain trust of our employees by adopting an employee value proposition that aligns employees' personal goals and aspirations with the objectives and deliverables of the organisation. To achieve this, we will continue to implement the cultural change management process aimed at developing a common vision and value system developed and owned by our people and their representatives, together with the executive and board. We will strive to institutionalise a more open, more democratic and more transparent industrial relations climate, where employees are recognised and respected as equals, based on a culture of trust and respect.

Prioritising safe production, and ensuring the health of our employees, underpins all that we do and remains key to ensuring the sustainability of our business. We seek to achieve this by focusing on promoting the right behaviour, ensuring the right practices, and providing the right working environment.

Our strategic approach to safety

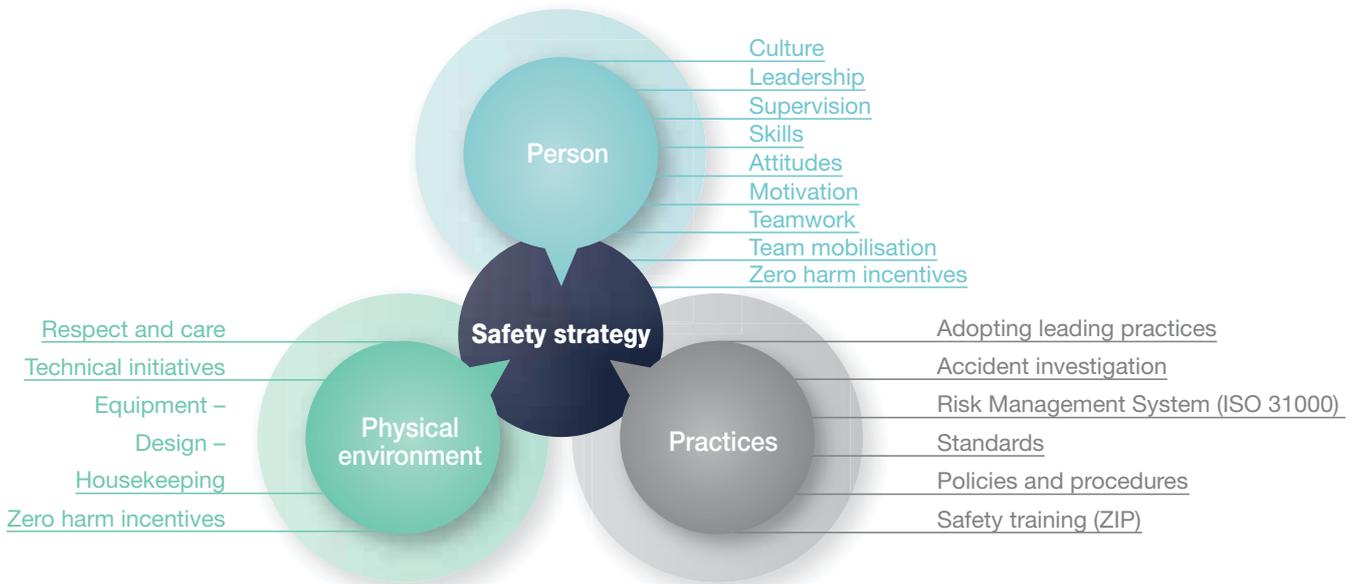


“Our safety strategy strives to foster a culture of safety within the organisation with the aim of achieving our vision of zero harm”



Our safety strategy strives to foster a culture of safety within the organisation with the aim of achieving our vision of zero harm. We have developed our strategy informed by external and internal reviews of our safety systems and culture, and by a continual analysis of the root causes of all fatal, reportable and lost-time incidents.

As outlined in the diagram below, our safety strategy has three main pillars, each of which is underpinned by an accompanying set of action plans.



Safety



“The Group achieved a number of new safety milestones and record performances during the year



The Group achieved a number of new safety milestones and record performances during the year and excellent progress was made in implementing new safety technology and training however, these achievements were overshadowed by the seven fatal incidents involving our employees and contractors that occurred during this year.

Four of the seven fatalities occurred immediately following the five-month strike at Impala Rustenburg. Prior to this, the Group had achieved an all-time record of 6.9 million shifts without a fatal incident.

Details of the fatalities and of the Group’s safety performances are contained in this report. (Pages 46 and 133.)

Ensuring the safety and health of our employees, contractors and suppliers is essential if we are to respect their most fundamental human rights; without a meaningful commitment to respecting the rights of those with whom we interact, we will have no social or political licence to operate.

Significant improvements are evident across almost all of our leading and lagging performance indicators. Our improvements in safety performance have been underpinned by the effective implementation of the safety recognition agreement with AMCU. Completed in November 2013 after a three-month negotiation process, the agreement lays out the agreed

responsibilities for management and union representatives on safety issues.

Developments during the year

Following is an overview of the progress made during the year on some of the key strategic initiatives under each of the three pillars of our safety strategy.

Person Culture

- A core goal of our safety strategy is to drive a change in the safety culture across the Group, from the traditional measured culture of dependence to independence, and ultimately to interdependence. In our dependent culture, although there is an acceptance of the need for safe practices, these are generally only followed when effective supervision is present and demands it. In an independent culture, every employee is committed to safe working practices, taking clear responsibility for their own actions. In the interdependent culture that we are striving for, there is the added focus of helping others to adopt good safety practice.
- We have continued in our efforts to implement the five-pillar cultural transformation framework developed by the Mine Health and Safety Council (MHSC), and have taken further steps to embed the Mining Charter’s health and safety commitments. The new milestones are outlined on page 45.



Safety

Effective leadership

- The CEO, with the support of the executive team, is driving our overarching objective of developing the right safety culture through effective leadership and by demonstrating visible personal commitment. This strong executive commitment is evidenced by the measures taken early in the year following the five fatal injuries that occurred shortly after the return to work after the five-month strike. In response to the increase in incidents the Implats CEO and members of the Implats' executive relocated to Impala Rustenburg for two weeks to assess and review our safety plans. A revised business plan was developed with input from internal and external sources. An important aspect of the new plan is a focus on safe behaviour and compliance to standards and, where wilful deviations occur, the enforcement of discipline.
- Implats' executives and all E and D level production managers have attended the Zero Incident Process (ZIP) for Leaders training programme. The programme, presented by Australia's Sentis Group, provides managers with insight into the human behavioural aspects of safety and how to influence this in order to achieve improved safety awareness and performance in their subordinates.
- Safety-related issues also form a key component of the five-day supervisory leadership training course that provides for managers, mine overseers, engineers and services managers. This year, 57 employees participated in the three-day people leadership programme.

Motivation

- A new zero-harm incentive scheme which divides the incentive equally between safety and production has been implemented. The safety component comprises the leading requirement that nets and bolts be installed on all panels and development ends, as well as the lagging measure of workforce lost-time injuries. The long-term incentive scheme for D and E levels also includes the lagging FIFR three-year performance compared with industry peers. The short-term incentive scheme for E level management has been increased to 35%, with a component of lead indicators.

Team mobilisation

- This year 139 (23%) of the 600 targeted teams underwent our five day team-mobilisation training programme aimed at enhancing team functionality among our underground stoping teams. Team mobilisation includes a strong safety focus whereby teams are trained in the importance of safe production.

Practices

Risk management system

- A third-party review of our baseline risk assessment was completed this year. Appropriate steps are being taken to address the key findings from the review. An online hazard

identification and rectification system has been implemented across the Group, providing ready access to the required controls and procedures associated with the 14 identified major hazards across our operations. We are currently finalising the process of refining the critical controls for these major hazards.

Triggered Action Response Plan (TARP)

- TARP is a formalised process that enhances the identification of hazards and ensures that these are documented by the team. TARP then requires the formal implementation of appropriate and predetermined action and response measures. During the year, training was provided to all teams on all shafts on TARP which is currently focused on the recognition and response to ground conditions.

Women in Mining (WiM)

- Our WiM task team meets monthly to identify and resolve safety and health issues specific to women. We have been trialling personal protective equipment (PPE) for women, to measure its effectiveness and comfort, and we have implemented awareness initiatives aimed at improving the safety and security of women working underground.

Occupational Health and Safety Assessment Series (OHSAS) 18001

- Independent consultants have completed a detailed gap analysis of our occupational health and safety systems at Impala to identify potential compliance gaps with OHSAS 18001. To meet our goal of full compliance with OHSAS 18001 within three years, our 2016 safety and health business plan will include a specific focus on addressing the findings of the gap analysis.

Critical safe behaviours

- In collaboration with our HSE representatives, we have identified a set of 'critical safe behaviours' for 13 critical mining occupations and nine critical occupations at our processing division. With our branch safety representatives we are developing a training and awareness programme, and measurement system, aimed at encouraging the right behaviours needed to keep one safe.

Section 23 actions

- Section 23 of the Mine Health and Safety Act empowers employees to leave their workplace if it appears that there is a serious danger to their health and safety.

Accident investigations have revealed that this does not always occur, even when employees have identified possible danger. During the year, all employees were retrained on these rights and on the formal process which must take place in order to report the danger and to ensure that it has been addressed.

Safety

Safety training

- Every team and workplace has an elected safety representative. The Mining Charter set a target for 8% of all employees to undergo a 10-day occupational health and safety skills programme. This ensures that employees who put themselves forward for election by their team are well versed in health and safety issues. By June 2015, 4 044 employees had undergone training, exceeding our target of 3 422 by 11.8%.
- 2 339 employees participated this year in our five-day training programme for miners, shift supervisors and mine overseers.

Safety environment

We continued to make substantial investments in technical initiatives, with the aim of minimising the human element of risk within our operations. The following initiatives are under way:

- **Roof bolts and nets:** All stope panels and all 'on reef' and 'off reef' development ends require bolting and netting to be fitted; this initiative is used as a formal lead indicator component of the production bonus and accounts for 25% of the team's bonus value.
- **Proximity Detection Systems (PDS) on trackless machinery:** All underground Trackless Mobile Machinery (TMM) at Rustenburg and Marula have been equipped with a vehicle-to-vehicle and vehicle-to-person detection system.
- **PDS on track-bound machinery:** We are implementing a pilot project on PDS on locomotives in three of our Rustenburg shafts; this includes front drive technology and vehicle-to-vehicle and vehicle-to-beacon detection. The trial has confirmed that successful interface between the PDS technology and controllers is possible. We are now focusing efforts on ensuring reliability and addressing identified challenges with hand-held front-drive technology.
- **Vertical shaft bank and station safety devices:** We have made good progress across the Rustenburg operation with the installation of new shaft safety devices and interlocking winder facilities.
- **Fire retardant conveyor belts:** All identified high-risk conveyor belts have been replaced with fire retardant conveyor belts; 30% of all other belts have been replaced, and we are on track to have all belts replaced by 2017.
- **Electronic winch signalling devices:** The Rustenburg operation has standardised an electronic winch signalling device which gives a 15-second audible and visual warning before it powers the motor. The system also includes a facility to trip the winch from any remote area along the length of the gully. All centre gullies are now equipped with these signalling and safety devices.
- **Enhanced Central Electronic Blasting System:** We have introduced a SafeBlast® system at our Rustenburg, Mimosa and Zimplats operations to mitigate the possible risk of an unintended lightning induced blast. A technical problem was experienced at one of the sections at 14 Shaft in Rustenburg; this has been investigated and addressed by management and the supplier
- **Emergency preparedness and response:** Eskom has provided assurance that the underground SA operations will not be subject to load shedding, but rather to load curtailment as per an agreement to reduce electrical demand. Implats is considered by Eskom to be a "Key Customer" or "Energy Intensive User". There is a signed load



Safety

curtailment agreement in place. When the Eskom power system becomes severely constrained, Impala Rustenburg is cautioned timeously to implement load curtailment as per the agreement. The load curtailment requirements are outlined in various stages. In addition to the load curtailment agreement, essential load registers, which are formal agreements, are also in place with Eskom. These registers dictate the essential load requirement in the event of a network collapse (blackout), as well as continuous load curtailment (stages 1 to 4). The real time power monitoring system on site at Impala Rustenburg has enabled Impala to act swiftly and accurately when required. A blackout differs from load shedding/curtailment in that the former is considered a sudden, unexpected interruption in supply to a significant area, while the latter is a controlled (manual or automatic) intervention to protect the total system from collapse in the event of an emergency. Load shedding and curtailment measures are one of the measures implemented to protect the system from a blackout. While the risk of a

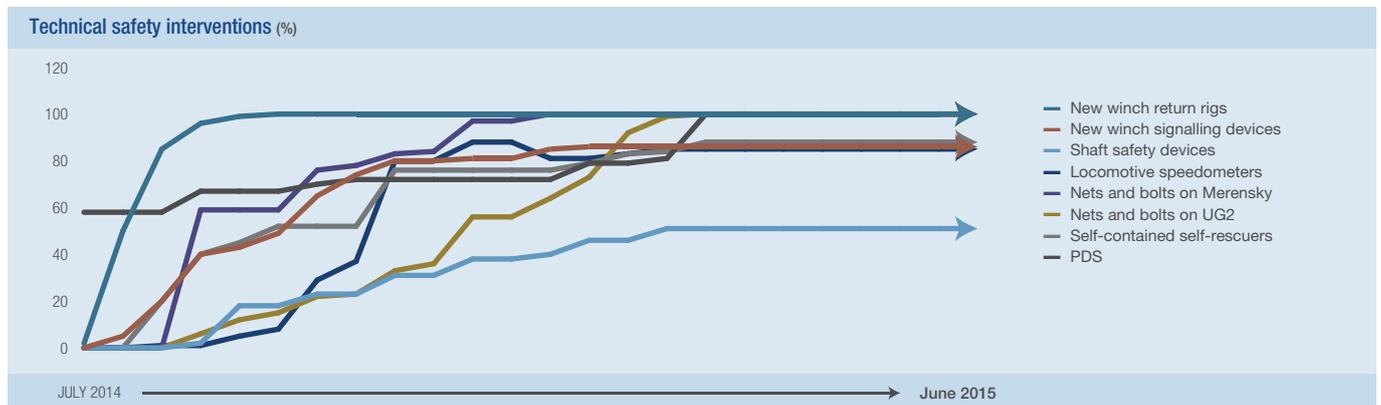
national blackout has a low likelihood of materialising, further risk assessments have been conducted to ensure that our emergency preparedness and response plans are robust and effective. Further responses have been identified for implementation.

- **Underground fire detection system enhancements:** We have completed the installation of equipment as part of the expansion of the significantly improved fire detection system at Impala Rustenburg.
- **Gas measuring instrument:** The scope of the project entails the supply and commissioning of GDI Sentinel Triple Gas measuring instruments, chargers, auto calibration test units and calibration test stations to 11, 11c, 14, 16, 20 shaft and the training centres.

Over the year we invested R221 million (2014: R148 million) in various technical solutions aimed at protecting all those who work in our mines. These investments are reflected in the table and graph below.

Safety technical initiatives

Initiative	Expenditure to date R'000	Total estimated expenditure R'000	Estimated completion date
Roof bolt and netting	259 016	259 016	Ongoing working cost
Fire retardant conveyor belting	48 306	60 000	Ongoing
Self-contained self-rescuers	69 476	85 000	Completed
SafeBlast® system	40 684	84 083	July 2019
Fire detection system	7 712	9 674	October 2016
WPD signalling devices for scraper winches	119 594	119 594	Ongoing working cost
Proximity detection systems on track-bound machinery	5 608	252 264	June 2019
Gas measuring instruments	13 152	15 152	October 2015
Shaft Station Safety Devices	30 378	35 000	May 2016



Safety

Case study: 2014 to 2024 safety milestones

Implats embraces the 2014 occupational health and safety milestones and we consider these milestones an important tool to transform the culture of health and safety in the workplaces to control risks with the intent to further accelerate our Journey to Zero Harm.

The milestones were developed in national collaboration with all stakeholders and agreed upon by the principals. These efforts will ensure learning and participative culture where all are treated with care, respect and dignity.

The 2014 to 2024 milestones are:

- **Milestone 1:** Elimination of fatalities and injuries
 - Zero fatalities and 20% reduction in reportable injuries. From 2017 20% reduction in LTIs.
- **Milestone 2:** Elimination of occupational lung diseases
 - Platinum dust exposure <1.5mg/m³ (all measurements)
 - No new case of pneumoconiosis for employees starting 2009 onwards.
- **Milestone 3:** Elimination of noise-induced hearing loss
 - Noise emitted by any equipment < 107dB(A).
 - No employee's Standard Threshold Shift (STS) will exceed 25dB from the baseline when averaged at 2 000, 3 000 and 4 000Hz in one or both ears.
- **Milestone 4:** Prevention of TB and HIV/Aids
 - The TB incidence rate < National TB incident rate.
 - 100% of employees offered HCT annually. ART for eligible employees.
- **Milestone 5:** Implement five pillars of the Culture Transformation Framework (CTF).

- **Milestone 6:** Implement a National Centre of Excellence (CoE).

The rationale behind the CoE is to conduct occupational health and safety research, and facilitate the implementation of research outcomes for the mining sector.

The CoE will enhance capacity through collaboration; develop beneficial relationships; attract and retain top research talent; provide high quality training; and facilitate education and training in partnership with the MQA.

The progress on these milestones will be reported to the DMR in March 2016 for the calendar year 2015.

Pillar	Intention
Bonus and performance system	Prioritise zero harm ahead of production
Risk management	Eliminate risks at their source and investigate root causes
Leadership	Leaders to lead by example and walk the talk of zero harm
Leading practice	Common approach to identifying and facilitating the adoption of leading OHS practices and research outcomes
Elimination of discrimination	No racism, genderism and any forms of unfair discrimination

Safety

Our 2015 safety performance

It is with regret that we report that five of our own employees and two contractor employees died at our operations during 2015. Four of these incidents occurred in the first quarter, shortly after the return to work following the five-month strike at Rustenburg. Although these fatalities occurred at different shafts and from different contracting companies, non-compliance to standards and safe production rules was a common factor in all fatalities. Two incidents were caused by falls of ground, three incidents involved underground moving equipment, and the other two were drilling-related incidents. We have undertaken investigations into the root causes of these fatal incidents and have implemented remedial actions.

This very regrettable increase in fatalities – up from four last year, but down from nine in 2013 – detracts from the improvements in safety that we have made across many of our leading and lagging indicators for the year. Despite this progress, we acknowledge that there is still much to be done in our drive for zero harm.

IN MEMORIAM

We extend our sincere condolences to the families, friends and colleagues of the five permanent employees and two contractors who died at Impala in the course of work during 2015.

Own employees

- Mr Mojalefa Makhobeng died in an incident involving a scraper winch on 7 August 2014 at Rustenburg No 10 Shaft
- Mr Otlabusa Itumeleng died in a fall of ground incident on 26 August 2014, at Rustenburg No 1 Shaft
- Mr Jonathan Mabelane died on 5 September 2014 in an incident when drilling blast holes at 11C Shaft
- Mr Joseph Sithole died in a fall of ground incident on 6 September 2014 at Marula Platinum
- Mr Mantsonyane Malimole died in an incident involving mobile equipment underground on 13 April 2015 at Impala Rustenburg's 12 Shaft

Contractor employees

- Mr Martin Briedenhann from Shaft Sinkers died in an incident involving a drill rig on 4 September 2014 at No 16 Shaft
- Mr Kgosithebe Richard Oreng from RAK Mining died on 19 March 2015 after a locomotive incident which occurred at Impala Rustenburg's E&F Shaft

Key lagging indicators

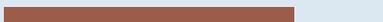
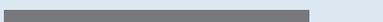
- The Group's fatal incident frequency rate was 0.058 per million man-hours worked, up from 0.043 in 2014.
- The Group's RIFR improved by 2% to 2.63 per million man-hours (FY2014: 2.68).
- The Group's lost-time injury frequency rate (excluding RWCs) per million man-hours (LTIFR), increased to 4.62 from 3.92 in 2014. At Rustenburg and Marula, injuries which would have been classified as restricted work cases in the previous year were classified as lost-time injuries. These included employees with minor injuries who would have been able to return back to work on the next calendar day but were not able to perform their full duties because of the restrictions advised by the treating medical practitioner. For comparative purposes between Group operations and previous financial years, the LTI and RWC rates should be combined. The combined rate of 5.27 improved from 6.10 in 2014, a 14% improvement. Going forward RWCs will no longer be applied and the Group shall report on total LTIs and Medical Treatment Cases (MTCs). Additional safety data can be found on page 133 of this report.

RIFR (per million hours worked)

2011		3.23
2012		3.13
2013		3.06
2014		2.68
2015		2.63

FY15: 2.63 (2% improvement)

LTIFR (including RWCs)

2011		6.24
2012		5.91
2013		5.80
2014		6.10
2015		5.27

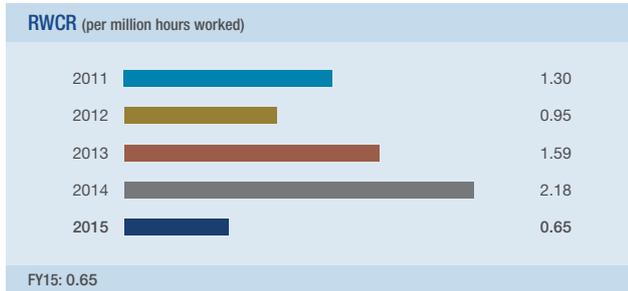
FY15: 5.27 (14% improvement)

LTIFR (per million hours worked) (excluding RWCs)

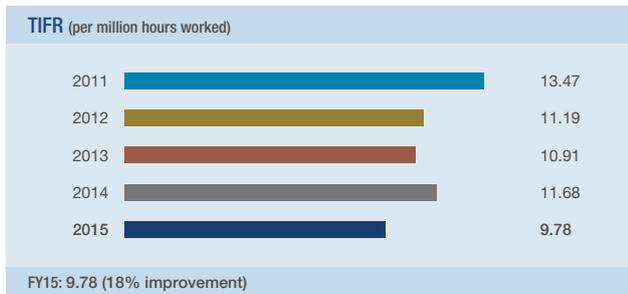
2011		4.94
2012		4.96
2013		4.21
2014		3.92
2015		4.62

FY15: 4.62 (18% deterioration)

Safety



- The total injury frequency rate (TIFR) – a measure of all recorded injuries, including fatalities, lost-time injuries, restricted work cases and medical treatment cases – was 9.78, an improvement from 11.90 in 2014. For comparability with industry peers refer to safety data on page 48 of this report.



Key leading indicators

- A total of 55 Section 54 stoppage instructions were issued in 2015 (2014: 40), resulting in the relevant shaft being closed for a period. The shafts collectively lost approximately 260 shaft days of production at Impala Rustenburg, and 42 days at Marula (compared with 208 and 29 days respectively in 2014). This resulted in 63 000 PGEs ounces

lost amounting to R833 million in revenue lost. We continue to engage actively with the authorities on these stoppage instructions. Where we feel this to be unjustified we have challenged the authorities legally. While we support all safety work stoppages where its condition or behaviour has been identified as posing a direct danger to safety, extending these stoppages beyond the scope of the risk is problematic and in certain instances may have a negative impact on safety performance. In February, Implats' CEO joined other platinum group CEOs in a meeting with the DMR Minister to highlight the negative impact that unjustified work stoppages were having on productivity and profitability. While it was made clear that none of the CEOs were opposed to Section 54 stop notices, they expressed concern with cases where inspectors were stopping shafts for administrative issues, and noted also instances of insufficient training of DMR inspectors.

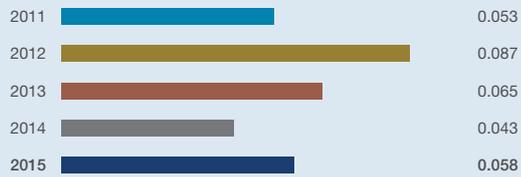
- Our internal safety stoppage system, formalised in 2013, recorded a total of 4 016 proactive stoppages made in workings during 2015, compared to 2 562 in 2014.
- We achieved 94.4% compliance in our road behaviour testing, as compared with 95.2% last year; still short of our target of 100%.
- We conducted 1 191 278 breathalyser tests throughout our operations in line with Company policy of zero alcohol in the workplace. As a result, 472 tested positive, representing a 0.04% decrease in the number of individuals who tested positive in 2014; disciplinary action has been taken against all employees testing positive.

During the year, several potentially serious safety incidents occurred, during which no injuries were sustained. In each case, an investigation into the root cause was conducted and remedial actions undertaken.

Fatal injury frequency rate (FIFR) Per million man-hours worked	2015	2014	2013	2012	2011
Impala Rustenburg	0.070	0.052	0.092	0.115	0.061
Impala Springs	0.000	0.000	0.000	0.000	0.000
Marula	0.111	0.000	0.000	0.130	0.000
Mimosa	0.000	0.000	0.000	0.000	0.100
Zimplats	0.000	0.068	0.000	0.000	0.000
Group	0.058	0.043	0.065	0.087	0.053

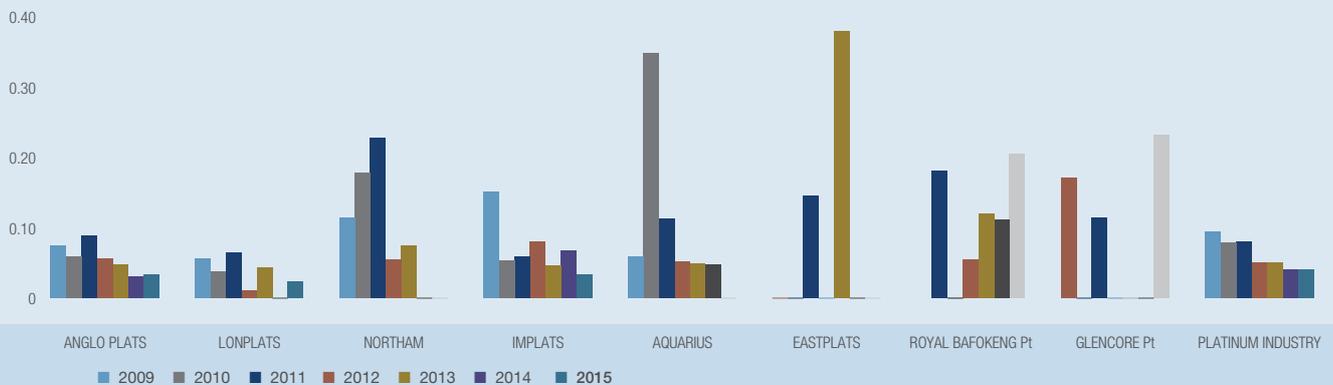
Safety

FIFR (per million hours worked)



FY15: 0.058 (35% deterioration)

Comparison of fatality rates (calendar years) across the South African platinum industry (per million man-hours worked)



Safety performance

Notable safety achievements

Operation	Date	Achievement
Two Rivers	5 September 2014	Two million fatality free shifts (2 years and 7 months)
Impala 12 Shaft	11 November 2014	Five million fatality free shifts (6 years)
Impala Services	6 December 2014	Ten million fatality free shifts (13 years and 6 months)
Impala 9 Shaft	6 January 2015	One million fatality free shifts (2 years and 4 months)
Impala 20 Shaft	20 January 2015	One million fatality free shifts (1 year and 10 months)
Implats	23 March 2015	6.9 million fatality free shifts (6 months)
Impala 7A Shaft	25 March 2015	Five million fatality free shifts (13 years)
Impala 14 Shaft	22 April 2015	One million fatality free shifts (1 year and 4 months)
Zimplats	22 April 2015	Three million fatality free shifts (1 year and 9 months)
Springs Refineries	21 May 2015	10 million fatality free shifts (19 years and 2 months)
Mimosa	30 May 2015	Five million fatality free shifts (4 years and 9 months)

Safety



“On 10, 11 and 12 December 2014 a safety summit was held at the Royal Bafokeng Stadium in Rustenburg for all Impala’s mining and processing safety representatives

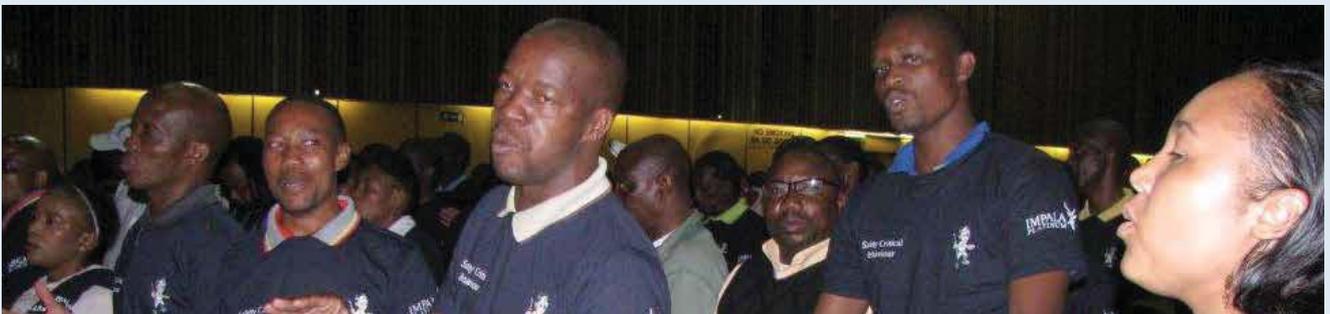


Impala safety summit

In December 2014 a three-day safety summit was held at the Royal Bafokeng Stadium in Rustenburg for all Impala’s mining and processing safety representatives. The summit was called following the five fatal accidents that occurred shortly after the commencement of work following the five-month strike. Over 600 safety representatives attended the three-day summit, during which good progress was made on the following issues:

- Identifying the critical safe behaviours for the top critical mining and processing risk occupations.
- Agreeing to develop a system to formalise the ‘Section 23’ withdrawals by safety representatives.
- Introducing a ‘Buddy Barring’ system, involving the second-person observation of the barring process.
- Highlighting the concern that safety representatives are not being adequately recognised or rewarded for their duties and responsibilities.

These four groupings of issues have been further reviewed and included within a subsequent implementation plan.



Our safety focus for 2016 and beyond

We continue to prioritise the following strategic objectives and focus areas for safety in the year ahead:

- **Normalising the employee relations environment:** From a safety perspective, we will continue to pursue interactions with senior union leadership to gain commitment for safety initiatives.
- **Promoting a culture shift:** Shifting the safety culture through leadership, using the Chamber of Mines Five Pillar Cultural Transformation Framework (CTF), remains an ongoing priority. This will include using opportunities presented through the revised health and safety agreement with all employee representative groups, to engage more effectively with employees in promoting the right safety culture.
- **Supervision and technology:** In seeking to mitigate safety risks in the workplace, an ongoing focus is to increase supervision and leadership skills and implement best practice technical initiatives.
- **Targets:** Our target is zero fatalities across all of our operations. In striving for zero fatalities and zero harm, we will continue to focus on ensuring that all operations have behaviour-based safety programmes in place. Each operation is expected to achieve at least a 20% improvement in their LTIFR performance in support of the MHSC safety milestones. In addition, we will strive to achieve:
 - 100% compliance with road behaviour;
 - 100% compliance with platinum rules;
 - 100% disciplinary action for non-compliance, to these rules.

Our strategic approach to health



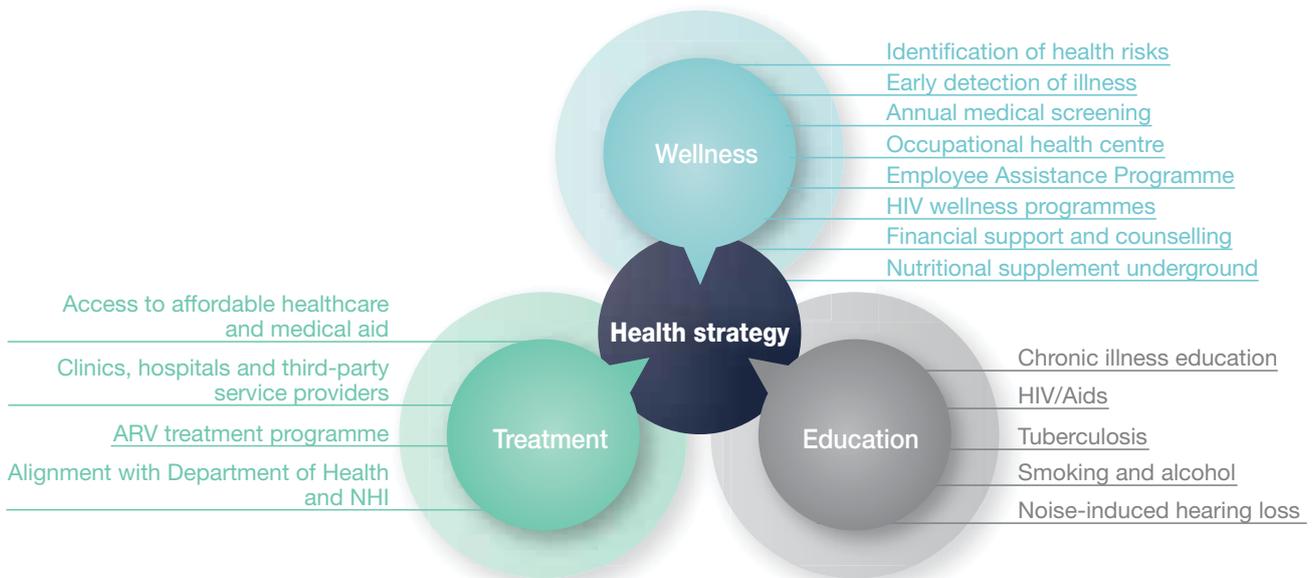
“Our strategy on non-occupational health focuses on ensuring that all employees have access to affordable healthcare



Our health strategy addresses both occupational and non-occupational health and is focused on preventing harm to our employees.

As outlined in the diagram below, it is structured around three main pillars: wellness, education and treatment.

On occupational health, our strategy is to ensure that all occupational health risks are identified, mitigation controls are in place and that any ill health is detected and treated early and efficiently. Any resulting disability is referred to independent third parties for assessment and possible compensation. Our strategy on non-occupational health focuses on ensuring that all employees have access to affordable healthcare so that all health stressors can be identified, managed and treated. The delivery and funding arrangements depend on local facilities and conditions, and differ between our operations in South Africa and Zimbabwe.



Health



“This year we made good progress in managing health risks and delivering on our health strategy



Employee health and well-being

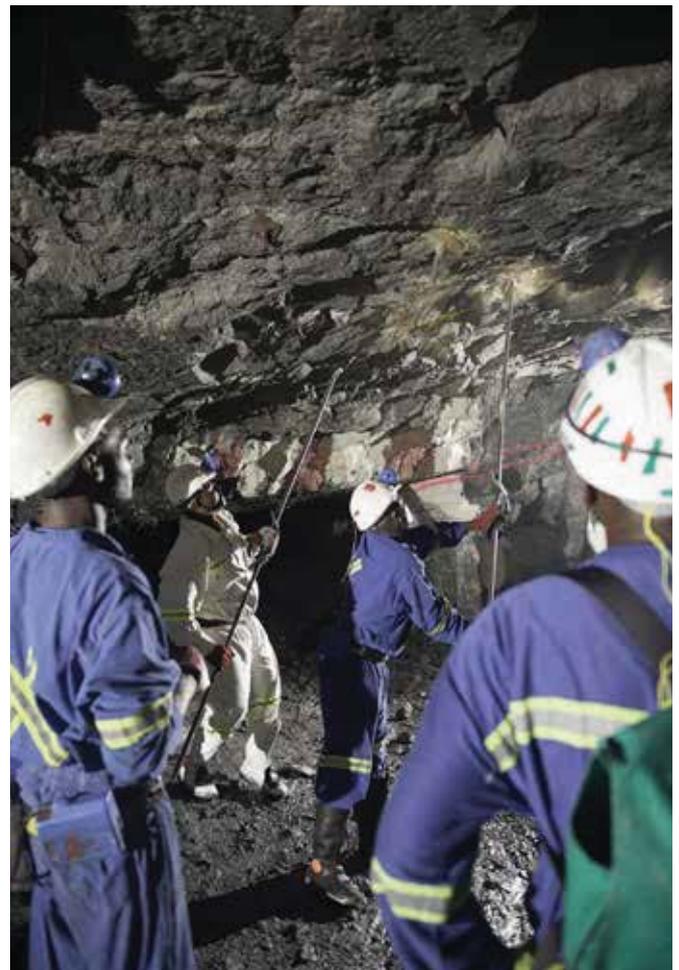
Effective management of occupational health risks, and promoting health and well-being in the workplace, protects our employees, enhances productivity, and helps maintain our licence to operate. Investing in healthcare in communities around our operations provides a significant societal benefit and is also important for achieving our longer-term business goals.

At our South African operations, employees and their families have the choice of belonging to one from a menu of medical schemes. Company funding is based on the cost of the internal medical aid, the Impala Medical Plan (IMP). The IMP is a registered medical scheme that was formed to provide private care to employees and their dependants through Company-owned and operated facilities at Impala Rustenburg, Marula and Impala Springs. In addition, we provide access to external medical schemes to those employees who prefer alternative private arrangements. During the second quarter of this year, following a request by AMCU, we added a new scheme, ‘Commed Roots’ at Impala Rustenburg. The scheme was well received and attracted 1 733 new members in the change period at Impala Rustenburg. Extensive consultation took place with individual employees, to ensure an understanding of the associated benefits and rules.

The South African Government’s commitment to developing National Health Insurance (NHI) will impact our non-occupational health strategy. We continue to support the NHI through partnerships, working closely with the Department of Health (DoH) directly and through the Bojanala Health Forum.

At our Zimbabwean operations, Mimosa has also been able to institute a national safety and health campaign dubbed the “Let’s Go Zero” Health and Safety Campaign. The initiative aims at mobilising stakeholders’ support operations on the basis of shared national goals. Drawn from Mimosa’s existing company motto, “Zero Harm is Possible”, the private-public partnership campaign seeks to bring better living through encouraging good driving habits to achieve zero carnage on the roads, zero

pollution and deforestation, zero new HIV infections and also zero accidents at the workplace. To ensure that the campaign is highly impactful, Mimosa works with sustainable development partners such as the National AIDS Council (NAC), Traffic Safety Council of Zimbabwe (TSCZ), the Environmental Management Agency of Zimbabwe (EMA), Zimbabwe National Roads Association (ZINARA) and the Zimbabwe Republic Police (ZRP).



Health



“The principal health risks facing our employees are pulmonary tuberculosis (TB), and the associated human immunodeficiency virus (HIV) co-infection”

Our 2015 health performance

The principal health risks facing our employees are pulmonary tuberculosis (TB), and the associated human immunodeficiency virus (HIV) co-infection, both of which are of epidemic proportions in Southern Africa. The major occupational health risk associated with our mining activities is noise-induced hearing loss (NIHL).

A review of health-related trends and performance during 2015 is summarised below. A more detailed breakdown of our health performance at an operational level is provided in the table on page 135.

- General health indicators:** This year 84 345 occupational medical examinations were conducted, as compared to 59 322 last year. The significant increase is primarily due to the reopening of the Rustenburg Occupational Health Centre following the end of last year's five-month strike, during which only exit examinations and examinations of essential services personnel and certain supervisors were conducted. No previously unknown occupational illnesses were detected in the Group this year. We experienced a challenge this year associated with resistance from AMCU regarding fitness assessments at the Rustenburg Rehabilitation and Fitness Assessment (RFA) centre. Despite various meetings with the union, and bringing in industry experts to explain the value of RFA, we have not reached a final agreement on this issue and continue to engage with the union to reach a resolution.
- Noise-induced hearing loss (NIHL):** In 2015, 49 cases of NIHL were diagnosed and submitted for assessment for compensation, up from 36 in 2014. We continue to introduce equipment with improved sound suppression and exposed individuals are trained in the use of custom-made hearing-protection devices. Ensuring adherence to relevant requirements remains a challenge. All patients who are diagnosed with early signs of NIHL (5% to 9.9%) on screening audiograms have been counselled and are being monitored.

NIHL submitted for compensation

2011	57
2012	63
2013	50
2014	36
2015	49

FY15: 49 (36% deterioration)

- Pneumoconiosis:** The risk of contracting silicosis on our operations is extremely low due to the very low levels of Alpha Quartz in the rock being mined at our operations. This year, 19 employees and two contractors were diagnosed at our Rustenburg operation; all of these cases have proven historical gold mine exposure. All cases have been submitted for assessment and compensation to the Department of Health's Medical Bureau of Occupational Diseases. All new employees are thoroughly screened for pneumoconiosis at pre-employment examination. Pre-employment individuals who have x-ray changes suggestive of silicosis are classified as unfit and referred back to their previous employer for assessment and submission to the Bureau of Occupational Diseases.
- HIV/Aids:** Our HIV/Aids policy, which covers activities across all our operations, ensures patient confidentiality, non-discrimination and highlights our commitment to ARV-treatment programmes. Our HIV prevalence rate is estimated at 23% based on available data for Impala Rustenburg. During the year, we undertook 11 875 voluntary counselling and testing (VCT) of employees (2014: 10 086). A total of 6 140 employees participated in company-funded and managed HIV-wellness programmes (2014: 6 286), of whom 4 429 (2014: 4 276) received antiretroviral therapy (ART). Altogether 1 296 of those on ART joined the ART programme during the year, a net 4% increase from the previous year. There was a reduction in reported ARV cases

Health

from Company medical facilities due to changes in medical aid membership that took place in January 2015 following the introduction of Commed Medical Aid to the menu of available schemes. Ongoing fitness monitoring of these patients is a concern as this can now only be done through the Occupational Health Centre. The number of employees receiving ART through external medical aids or government health facilities is not known and so these figures may be underestimated. Regrettably, 73 employees passed away due to HIV-related illness during the year (compared with 68 in 2014), while an additional 505 patients applied for medical incapacity and left the Group (2014: 331). This increase was primarily compounded by the impact of the strike which resulted in some people defaulting from treatment.

Aids deaths in service

2011	131
2012	112
2013	69
2014	68
2015	73

FY15: 73 (7% deterioration)

ART

2011	2 773
2012	3 566
2013	4 039
2014	4 276
2015	4 429

FY15: 4 429 (4% improvement)

- Pulmonary tuberculosis (TB):** During the year, 304 new cases of pulmonary TB were detected (2014: 268), of whom 68% are HIV-positive. Our incidence rate of 755 per 100 000 employees is below the South African population rate of 940 per 100 000. Multiple drug-resistant TB continues to be a concern; we have 16 cases on treatment, all at

Rustenburg, up from 11 in 2014. The use of PCR laboratory testing has increased the speed and accuracy of diagnosing TB resistance. All cases of pulmonary TB are submitted to the Department of Health's Medical Bureau of Occupational Diseases. At Impala Rustenburg, where the majority of cases are diagnosed, these cases are also now first submitted via the Rand Mutual Assurance Company for independent third-party evaluation and record keeping.

TB

2011	350
2012	389
2013	334
2014	268
2015	304

FY15: 304 (13% deterioration)

- Malaria:** This year, 39 cases of malaria were diagnosed at Impala Rustenburg and eight at Zimplats. All of these patients had recently travelled to malaria endemic areas and were successfully treated.
- National Health Insurance (NHI):** We are continuing to work with the South Africa Department of Health (DoH) in support of the government's NHI plan. Last year we signed an MoU with the DoH, allowing appointed Impala medical personnel and forensic medical experts to attend post-mortem examinations. This has assisted us in determining the medical causes of death where the cause is not obvious. Through the Impala Bafokeng Trust (IBT) we have committed to renovate and expand the Luka Clinic on the Impala lease area; an MoU has been signed and building will commence soon.
- Medical aid and non-occupational medical care:** During 2015 the Impala Medical Plan (IMP) received 3 023 new applications and membership of medical aids increased by more than our targeted 5%. Currently, membership levels are 22 231. The cost of external medical schemes is becoming prohibitive for many employees and we strive to ensure that the IMP maintains affordable contribution levels.

VCT interventions

2011	14 072
2012	9 820
2013	11 782
2014	10 086
2015	11 875

FY15: 11 875 (18% improvement)

Medical incapacity

2011	388
2012	699
2013	588
2014	331
2015	505

FY15: 505 (53% deterioration)

Health



“Striving for zero harm



Our health focus for 2016 and beyond

We have prioritised the following key focus areas for health in the year ahead:

Delivering on our strategic priorities

- Striving for zero harm
- Ensuring further mitigation of risks relating to occupational chronic illnesses, HIV/Aids, as well as noise-induced hearing loss (NIHL)
- Promoting access to effective, affordable healthcare
- Ensuring that our health strategy is aligned with the South African Government's national health strategy, including providing healthcare facilities around our lease areas
- Achieving the 2024 industry health milestones.



Health

Noise-induced hearing loss

- We will continue to have annual audiometric screening examinations to detect deterioration of hearing early and before permanent NIHL develops. Any employee who shows signs of early hearing loss of between 5% and 10% will undergo a formal evaluation and safety investigation. We will continue to track and investigate all cases of early NIHL. Employees showing an early hearing loss shift of between 2.5% and 5% will undergo formal counselling on the risks of noise, the importance of wearing hearing protection devices (HPD) and the implications of NIHL. Action will be taken against employees who have been counselled and are found without HPD in the designated areas. We will continue with our programme of silencing machines across the Group and with our buy quiet policy in support of the 2024 milestone that no equipment must exceed a sound pressure level of 107dB(A).

Diesel particulate matter (DPM)

- The monitoring of personal exposures to DPM will continue. The risk of exposure to DPM is mitigated by adequate ventilation, low sulphur diesel replacement and DPM exhaust filters in underground diesel combustion engines. Implats' fuel cell Load, Haul, Dump (LHD) machine project is focused on eliminating DPM underground. All underground locomotives are electric and therefore do not emit any DPM.

Pulmonary tuberculosis (TB)

- We will continue to support initiatives aimed at achieving an effective regional response to TB in mining, an issue that receives a high level of political focus in southern Africa. We will focus our efforts on improving our assessment of TB risks in contractors, enhancing contact tracing in communities, and mitigating the risk of exporting active TB to our labour-sending areas. This will enable us to retain a TB incidence rate below the national average as required by the new 2024 milestones.

HIV/Aids

- We will strive to ensure a further uptake of at least 5% of known HIV-infected employees onto our wellness and ART programmes, as well as carefully monitoring and driving compliance of all existing patients on ART treatment. All employees will be offered HIV counselling and testing annually as required by the Mine Health and Safety milestones.

Attracting, retaining and developing talent



“Implats employs approximately 40 000 permanent employees and approximately 15 100 contractors, none of whom are self-employed individuals. The organisation does not have seasonal employees



Attracting and retaining talent, and enhancing the productivity of our workforce, remains a significant challenge, not only for Implats, but for the mining industry as a whole, locally and globally. Factors contributing to the challenge of securing talent in our operations include the growing competition for skilled resources, the reduced supply of skilled and semi-skilled mining talent, generally low education levels in our semi-skilled talent pool, and the traditionally poor image of the mining industry as a potential employer.

Our strategic approach to people

Our approach to securing talent focuses on ensuring that our employees are motivated, have the ability and requisite skills to carry out their duties, and that they operate in a safe, fair and ethical work environment.

Our people strategy aims to support the overall corporate strategy by ensuring that we have the right people, at the right place doing the right things. We strive to achieve this, and maintain our competitive advantage, through our talent and skills development initiatives aimed at developing individuals and teams informed by our shared values founded on respect and care. Our longer-term vision is to progressively mechanise our mining processes, while continuing to improve levels of workforce proficiency, satisfaction and diversity.

Our strategic approach to people



Attracting, retaining and developing talent

We made progress this year in implementing our people strategy, with a focus on three key areas:

- **Motivating our people:** through appropriate remuneration, recognition and reward
- **Developing people with potential:** by investing in skills development, talent management and team mobilisation
- **Developing a fair, ethical and sustainable organisation:** with a focus on instilling a culture of respect and care, and investing in diversity and transformation.

Motivating our people

A key focus this year has been on ensuring more effective communication throughout the organisation of the benefits and opportunities associated with working at Implats. This year we reviewed and have been implementing our 'employee value proposition' (EVP). This encompasses our programmes and initiatives relating to employee housing, skills development, health and financial reward. Our EVP is communicated through posters, graphics displayed in the workplace and in public places such as shopping malls. The underlying message is: if you work for us, this is what you will enjoy.

In delivering on our employee value proposition, we have the following strategic focus areas:

- **Recognising and rewarding performance with appropriate remuneration:** Through our performance management programme we have committed to offering attractive remuneration and employment benefits, coupled with effective incentives linked to our safety and production efficiencies. We undertake regular benchmarks of pay and conditions to ensure that we remain competitive. As with the other companies in the sector, this year we have continued to be faced with lower levels of mining productivity, lower PGM prices and increased costs. This has unavoidably placed pressure on variable pay elements and employees' disposable income, highlighting the need for us to find opportunities to increase productivity levels, while seeking to further enhance efficiencies.
- **Providing career advancement opportunities:** This year we concluded career paths for all disciplines. Succession planning is undertaken at semi-skilled and supervisory level positions, as well as at professionally qualified (D level) and senior management (E level). Discipline-specific talent management forums and area-specific talent identification forums identify, develop and assess talent at various levels within the organisation as a line management function with the support and assistance of the talent department. We review and assess our talent pools on a quarterly basis to ensure that identified talent is considered for promotion and developmental opportunities, and share the outcomes with management and unions at our transformation committees.

- **Improving the physical working environment:** We have continued to invest in further improving the physical working environment, including through enhanced illumination, better underground bathroom facilities, enhanced ventilation and noise reduction initiatives, and general housekeeping measures. Improving the working environment is a critical part of our drive for zero harm, and also contributes to higher levels of employee motivation, reduced employee error rates and absenteeism, and enhanced relationships between employees, supervisors and managers. Further details on some of these investments are provided in our review of employee safety on pages 43 and 44.

Developing people with potential

Our training and skills development activities go beyond compliance to promote a people-focused culture, with relevant programmes aligned to Implats' strategic imperatives and values aimed at instilling excellence in efficiency, productivity and safety.

Our skills development, talent management and team mobilisation activities focus on three main areas: optimising team output and productivity, developing our talent pipelines and maintaining an inflow of requisite skills. These are all critical enablers for us to increase intellectual capacity within the Group and to facilitate succession planning and advancement activities, thus reducing our reliance on the external market for these skills. Talent development also supports the attainment of our employment equity targets in our South African operations. We continue to improve the measurement (both quantitative and qualitative) of the outcomes of the training and development programmes being implemented.

We also invest in developing effective leadership skills and capacity, which is critical in promoting sound employer-employee communication and relations. Developing the right attributes to deal with people challenges remains a critical priority in the current labour environment. Our targeted leadership interventions focus on developing the technical ability of managers, as well as on ensuring that they have the necessary people leadership skills.

Attracting, retaining and developing talent

Skills development, talent management and team mobilisation/developing people with potential

Optimising team output and productivity	Developing our talent pipeline	Maintaining an inflow of future requisite skills
<p>Objective: To ensure the development and retention of talent with the requisite skills, knowledge and experience, in an environment conducive to maintaining continuity and improving safety and productivity.</p> <p>Key initiatives</p> <ul style="list-style-type: none"> • Team mobilisation: developing respect among team members and ensuring that mine overseers and supervisors are equipped to effectively lead and mobilise their teams. • Shaft optimisation: focusing on direct coaching/training in mining best practices. • New technology: mitigating the human element risk from our activities and promote a safe culture through new technology implementation. • Technical mining training: ensuring that line managers and supervisors are kept informed about evolving standards and regulations, and new technologies. 	<p>Objective: To minimise avoidable turnover, secure the best available talent in the market, and recognise, develop and reward talent within the organisation.</p> <p>Key initiatives</p> <ul style="list-style-type: none"> • Mining academy: developing an in-house mining academy to provide best practice training interventions. This training is in line with the team mobilisation initiative. • Engineering training: Implats training projects to develop artisan and engineering skills. • Graduate development training: awarding mine manager and mine overseer certificates, in support of joining the Implats graduate training programme. • Novice mining training: training people from the local community in mining skills. • ABET: offers full and part-time classes to ensure career progression and functional literacy and numeracy. 	<p>Objective: To improve education within our neighbouring communities, identifying and developing skills in local schools, as part of efforts to improve skills in our communities.</p> <p>Key initiatives</p> <ul style="list-style-type: none"> • School adoption programme: developing management and infrastructure at targeted schools. • School support programme: mentoring educators, developing school sporting facilities, offering Impala bursaries to top achievers. • Bursary programme: offering fully paid high school scholarships, and offering university bursaries to learners in mining related fields.



Attracting, retaining and developing talent

Developing a fair, ethical and sustainable organisation

Underpinning our efforts to attract, retain and develop talent is our commitment to providing a work environment informed by mutual trust, respect and care.

We strive to do so through our Respect, Care and Delivery initiative by maintaining high standards of corporate governance and ethical behaviour throughout our activities (page 37). By driving diversity and transformation and improving employee relation underpinned by mutual respect in our South African operations (page 65). Our approach to delivering on these commitments is reviewed in other sections of this report.

Our 2015 performance on people management

A summary of our performance on key human resource issues for 2015 is presented below. Additional detail at an operational level over the past four years is presented in the performance table on pages 129 and 136.

- **Skills turnover:** Employee turnover is monitored on a monthly basis and has overall remained fairly constant for the year. However, given the current rationalisation, this has resulted in an increase in turnover in certain categories and this may increase overall. Total workforce turnover for 2015 was 5.1%, as compared with 4.5% in 2014. Turnover of miners at our South African operations was 10.7% for the year, as compared with 5.3% last year. Turnover of rock drill operators was 5.1%, compared with 3.9% last year. Turnover at our Implats operations was 4.4% (2014: 3.6%).
- **Skills development interventions:** Our skills development activities focus on three main areas: technical skills, general education and people management skills. The following initiatives were implemented during 2015:
 - **Team mobilisation:** During 2015, we trained 139 teams as part of this initiative, which seeks to develop a respectful and caring attitude among all Implats team members with the aim of ensuring safe production. Specific focus areas include safety, the nature and economics of the platinum business, the role played by the individual and team, and the reward structure for delivery on targets.
 - **Supervisory training:** This year 57 mine overseers and supervisors participated in a three-day people leadership programme aimed at enhancing their capacity to lead and mobilise their teams effectively.
 - **Zero incident process for leaders (ZIP):** The best-practice ZIP initiative is designed to empower people to take control of their personal safety by becoming more effective within the systems they work in. This year all D and E level management attended the three-day ZIP training. To further embed the ZIP concepts throughout the Group, ZIP training will be cascaded downwards to supervisors level.
- **Occupational health and safety skills training for safety representatives:** Impala has trained 884 health and safety representatives in the 10-day occupational health and safety skills programme, meeting the Mining Charter requirements of 8% of the workforce receiving such training.
- **Labour Relations Course for Supervisors:** From January 2015 we have provided a one-day training course for supervisors on labour relations issues. Thus far 50 supervisors have received this training.
- **Mining academy:** We invested R863 000 this year in our in-house mining academy for our South African operations. The academy seeks to accommodate 1 000 trainees (young people with grade 12 qualifications) per year, providing training interventions that will evolve in line with changing technology, legislative requirements and training needs. The second phase, in 2016, will involve the building of training venues.
- **School adoption programme:** We have continued to work closely with the South African Department of Education to formally 'adopt' a selection of community schools that we have either built or that are in our mining lease area but that do not benefit from existing support programmes. We currently have seven schools in the scheme, which we aim to develop into schools of excellence.
- **Skills development expenditure:** In our South African operations we invested R523 million this year in skills development, as compared with R331 million in 2014. Expenditure was 6.2% of payroll, against our targeted level of 5.5%. At our Zimbabwean operations, we spent US\$5.3 million on skills development, 10% down from the previous years. Over the year we provided an average of 86.93 hours of training per employee for all our employees, while our contractors received an average of 54.1 hours each of training at our South African operations.
- **Bursaries and learnership programmes:** Over the course of 2015, our South African operations had 49 full-time bursary holders (80% of which are HDSA) at university studying primarily in the engineering and mining-related disciplines, while we had no new full-time bursaries from our Zimbabwe operations in the current year. In addition, 222 and 169 individuals benefited from our apprenticeship and learnership programmes (95% are HDSA) across the South African operations respectively.
- **Adult basic education and training (ABET) and Foundational Learning Competence (FLC):** We have continued to see improvements in the level of basic literacy (ABET3) at our mining operations, reaching 82.4% literacy rate in 2015. During the year, 433 employees were enrolled for ABET across the South African operations, in both full-time and part-time classes, representing a 39% decrease on 2014 (707 students). At year end the net enrolment was

Attracting, retaining and developing talent

292 people. We will implement the anticipated National Senior Certificate for Adults (NASCA) qualification, developed as an equivalent to the South African school-leaving qualification, for implementation by 2016.

- **Leadership development:** This year we suspended our external leadership development programme that was presented by the Gordon Institute of Business Science (GIBS) and reallocated resources to run in-house people leadership programmes for frontline managers and supervisors. This programme remains suspended and a future decision will be taken in 2016.
- **Promoting local employment:** We continued this year to hold open days at various shopping malls in neighbouring communities, to present the opportunities available at Implats operations. Despite efforts to hire more local people, migrant workers continue to play an important role in the industry, particularly for rock drill operators and winch operators, who come principally from the Eastern Cape, North West, Northern Cape and Lesotho. We continue to

invest in various skills development initiatives in our local communities, as well as seek to promote local employment through our local procurement practices (see page 86).

Our focus on people development for 2016 and beyond

In striving to implement an effective people strategy, our principal objectives for 2016 are to:

- Retain key talent (mine overseers, shift supervisors, miners, engineers, foremen and artisans); this is vital to maintain continuity and improve safety and productivity
- Increase supervision and leadership skills and introduce best practice technical initiatives
- Address potential skills shortages through in-house technical trainee programmes, capacity-building at supervisory and managerial level, and enhanced people-leadership initiatives
- Promote our employee value proposition and develop a pipeline of talent in schools, to support our efforts to recruit from communities around our operations.



Investing in employee relations



“Driving our shared value of respect and care



The events in the South African platinum sector over the past few years have highlighted the importance of developing and maintaining positive relations between management and employees. The incidents before, during and after last year’s five-month strike across the Rustenburg platinum belt brought to the fore the significant challenges associated with rebuilding trust between and within business, labour and government. Working to regain this trust and restore productivity is fundamental to restoring the long-term economic viability of the platinum industry, and remains a core focus area for the Company.

Our approach to employee relations

Informed by the developments of the past year, our employee relations (ER) vision has been to foster a new, dynamic and sustainable partnership with our employees and their representative bodies, with the aim of becoming the best employer in the platinum industry. Our ER mission is to ensure that our people are treated with respect and care, fairly rewarded for their contribution, empowered to raise their concerns, safely engaged in their daily duties, and able to deliver on their organisational goals.

To achieve this mission and vision, we have set ourselves the following strategic goals:

- Ensuring high levels of employee engagement, based on the shared values of respect and care
- Establishing collaborative relationships with all unions in a multi-union environment
- Empowering frontline management to engage effectively with employees
- Restructuring the ER function to enable the achievement of the ER strategy.

Our labour relations policy deals with freedom of association, recognition of trade unions, discrimination and the rights of employees and contractors. We constantly monitor the state of labour relations in our operations, with reports regularly submitted from the operations to the Exco. An independent

third party conducts biannual surveys on the effectiveness of our labour relations. We respect the independent status of unions and the right of our employees to associate, or not to associate, and we strive to ensure full compliance with local labour legislation, which is in alignment with the provisions of the core conventions of the International Labour Organisation (ILO). We work closely with unions to resolve all internal disputes through dispute resolution mechanisms and (in South Africa) within the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA). We prohibit any attempt to differentiate between people on the basis of colour, religion, gender or creed, other than as part of conscious efforts to promote diversity and transformation.

Currently 82% of permanent employees in South Africa, and 37% of employees in Zimbabwe are covered by collective bargaining agreements. These agreements address issues relating to salary and benefit reviews, the 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.

We carefully monitor the state of industrial relations and the wage negotiations environment, both among our immediate competitors as well as in the mining industry more broadly. A key focus this year has been the wage negotiation process within the gold sector. Our monitoring activities include holding round table discussions with labour analysts, tracking developments on social media, participating at the forums hosted by the Chamber of Mines, and through our Impala future forum, a body that includes representatives from the Rustenburg local municipality (RLM) and the Royal Bafokeng Nation/Administration (RBN/A), as well as representatives from unions and Impala management. Prior to wage negotiations we hold business planning meetings with union representatives. We also provide externally run negotiation training and bargaining courses for shop stewards.

Investing in employee relations



“In July 2014, we signed a recognition agreement with AMCU, the new majority union at Impala Rustenburg



In South Africa, as at year end, 82% of our workforce is unionised. The Association of Mineworkers and Construction Union (AMCU) have the following representation: Impala Rustenburg 71.1%, Impala Springs 25.8%, Marula 79.9%. The National Union of Mineworkers (NUM) have the following representation: Impala Rustenburg 4.0%, Impala Springs 49.1%, Marula 9.5% and United Association of South Africa (UASA) has representivity at Rustenburg and Marula at 6.1% and 1.7% respectively). This year we concluded wage negotiations at our Impala Springs and Marula within mandate and without industrial action.

In Zimbabwe, the Associated Mine Workers Union of Zimbabwe (AMWUZ) comprise 82% of the unionised workforce, with the remaining 18% being members of the National Mine Workers Union of Zimbabwe (NMWUZ). We have continued to enjoy generally cordial relations in our Zimbabwe operations, with no industrial action experienced throughout the year from either of these main unions. Collective bargaining for the Zimbabwean mining industry went smoothly and was concluded without incident in February 2015.

Our 2015 performance on employee relations

This year we prioritised our efforts on three key areas, aligned with our four strategic goals for employee relations:

- Building effective relationships with all unions in a multi-union environment
- Ensuring direct engagement with employees
- Driving our shared values of respect and care.

Building relationships with unions

In July 2014, we signed a recognition agreement with AMCU, the newly dominant union at Impala Rustenburg. This followed the lengthy process last year aimed at ensuring a smooth transition from a work environment previously dominated by NUM. Following a process of union membership verification conducted in accordance with the Labour Relations Act, we signed new recognition agreements this year at Marula (with

AMCU) and Impala Springs (lower order rights recognition with AMCU). The verification exercises were conducted in an orderly fashion, confirming that this approach has been widely accepted and is embedded in the organisation.

As we reported last year, we have unfortunately not been able to deliver fully on our efforts at establishing a multi-union dispensation with a lower threshold and the avoidance of a ‘winner takes all’ majoritarian system. Through our engagements with government and other stakeholders, we have continued to pursue the implementation of a democratic labour dispensation. We believe that recent changes in the Labour Relations Act will assist in dismantling the principle of majoritarianism.

We have placed a strong focus this year on building relationships with the AMCU national leadership and their elected representatives at Impala Rustenburg, while continuing to maintain a relationship with NUM representatives at our other operations. Early in the year our Exco team and AMCU’s national leadership jointly undertook a high-level relationship building exercise, working within the envisioned structures outlined in the recognition agreement. We have subsequently begun to run similar relationship-building sessions throughout our operations, with most of our shafts having successfully completed the process. We plan to complete this process in 2016.

As part of this process we have jointly agreed a code of conduct, and we have begun to run a capacity-building training process for shop stewards, undertaken by an external service provider. All full-time shop stewards have been through an initial shop steward development process, and are currently undergoing an advanced programme. Additional training is planned at all our operations focusing on issues such as roles and responsibilities, conflict resolution, negotiation skills and related topics.

Investing in employee relations

As part of the agreement that ended last year's strike, we committed with all other parties to continue talks on various outstanding issues including: the review of microloans and garnishee orders; the nature of the medical separation agreement; the retrenchment agreement/severance policy; retirement benefits and funeral cover; sub-contracting, labour hire and employment agencies; the nature of the job grading reviews; employee shareholding; medical aid; and the establishment of a life skills centre. In delivering on this agreement we have established seven task teams, comprising company managers and union representatives, to address these specific issues. We have agreed terms of reference for each task team and work has commenced. Through our representation on these teams we will be seeking to create an attractive value proposition for our employees that management, employees and unions perceive as fair and that, collectively, we can be proud of.

Engaging directly with employees

In addition to working with union representatives through the mutually agreed structures we are implementing measures to ensure effective communication directly between management representatives and employees at all levels. In delivering on the Group ER strategy, we recognise the need to operate at both an informal and formal level. We contract individually with each of our employees; it is thus our responsibility to ensure that we engage directly with them.

This year we have developed and are implementing a structured two-way communication model that cascades information and feedback from weekly executive management meetings all the way down to half-level meetings. We complement this structured process with periodic surveys of employee opinions, as well as engagements through videos, briefings, CEO addresses, general manager feedback daily, weekly and monthly meetings at shaft level.

To achieve the necessary shift in culture throughout the organisation we have been working to enhance the knowledge, skills and attributes of managers, employees and their representatives. We have focused initially on the development and empowerment of our first line managers by implementing a robust process of training, particularly in the areas of people management, coaching, developing subordinates and handling employee grievances.

Promoting our respect and care initiative

In 2013, as part of the change management initiative led by the CEO, we conducted a survey of a representative 10% sample of our South African workforce to assess employees' perceptions of the Implats culture, and to provide an opportunity for employees to give input into the culture they

desire. The survey raised various employee concerns, and highlighted the need for further transformation and leadership development across the Company.

During the first half of the 2015 financial year, following the return to work at Impala Rustenburg, we held focus group discussions across our South African operations to further investigate the survey findings and to consider possible remedial actions. These focus groups identified various concerns, including the level of mistrust between management and employees, the nature of the leadership style in the mines, and the perceived poor relationship between organisational leadership and the unions.

In response to the findings, we ran a communication process to disseminate the outcomes to each of the business units, highlighting the need for a change in the culture of the organisation, and emphasising the importance of employees being the main drivers of this change. We have also commenced a diversity survey at our operations to gather the perceptions of leaders and staff on issues pertaining to the implementation of our values, our approach to managing diversity and women in mining, our human resource processes, and related issues.

Our focus currently is on integrating and embedding our values into our key activities, and establishing key success indicators.

Our focus on employee relations for 2016 and beyond

Looking to the future, an important lesson that we have taken from the strike is that the current industrial relations landscape and mining model cannot continue in the same way. Addressing the challenges raised by employees during the strike will require more than changes to our employee relations strategy alone. It will require us to revisit our approach to the migratory labour system, to work on transforming the low skill, low paying, labour-dependent mines, and to continue with our significant social investments in housing and education. We recognise that we cannot deliver solutions to these issues on our own, and that we need to work actively with our industry partners, government, union leaders and other stakeholders.

Recognising the need for a structural change in our approach to employee relations in South Africa, we shall continue to participate actively in relevant forums at the Chamber of Mines, including those relating to: the migratory labour system; the nature of majoritarian system; labour hire and employment agencies; the secondment of shop stewards to the regional and national institutions of the union; the establishment of life skills centres; and mining housing initiatives.

Investing in employee relations

Case study: Addressing the challenge of employee indebtedness

Indebtedness is a serious and complex social challenge in South Africa. Many of our employees are struggling with a level of personal debt that is difficult to manage. Indebtedness has a deep impact on employees and their families and research has shown that it is an underlying cause of low morale, stress and labour unrest in the mining industry.

As part of our commitment to addressing this challenge, we have identified the following principal causes of debt:

- Employees living beyond their means: Employees succumb to peer pressure in seeking to emulate the lifestyle of their neighbours, even though their income may differ substantially.
- Financial illiteracy: Employees lack sufficient literacy to understand the detail of credit agreements and the complexity around interest and fee structures. Other challenges are a failure to budget effectively or determine the affordability of taking on additional repayment commitments.
- Easy access to cash: Nearby shops advertise cash offers, attracting employees into the debt cycle.
- Irresponsible money lenders: Mineworkers are often vulnerable to irresponsible lenders who act outside of the law and exploit borrowers.
- Fraudulently obtained emolument attachment orders (EAO): Some of the EAOs issued are obtained by fraudulent means.
- Providing for a second household: Some of our employees who migrated from the rural areas or neighbouring countries have established a second family in the vicinity of the mine, which they need to support.
- Protracted strike: The five-month-long strike in the platinum sector in the first half of 2014, during which the 'no work no pay' principle applied, had a material socio-economic impact on our mineworkers, resulting in many increasing their dependence on credit still further.

This year we have been continuing to focus on initiatives to assist workers with financial literacy and planning, and to mitigate employee indebtedness. In addition to addressing financial literacy and education as part of our team mobilisation process, we have established an internal task team to promote progress. We have also launched a campaign and a one-day financial life skills course to explain employee payslips, focusing on providing employees with an understanding of the pay structure, benefits and deductions, overall impact on net pay, managing their budget and debt. We have a wellness forum that meets monthly to consider all employee wellness issues, including financial wellness, within an integrated framework.

We have implemented measures to ensure that micro-lenders found to be operating at residences and mine property are removed. During 2015, unscrupulous lenders, some of whom masqueraded as selling safety equipment, were found to be operating on Rustenburg Impala property, including the residences.

We have employed a former sheriff of the court in our finance department to assist us in identifying and curbing fraudulent garnishee orders. We have already seen some improvements, as some garnishee orders in place have been deemed illegal. The Pay-roll Office records levels of personal debt and monitors trends for discussion in Joint Forum meetings. We refer high-risk employees to Careways financial advisers for assistance with understanding and managing their debt. Careways also provide debt counselling and debt consolidation services.

This year, we audited 40 cases in which judgments had been obtained against employees and emoluments attachment orders (EAOs) issued. In virtually all these cases we found one or more substantial breaches of the rules relating to judgments and EAOs. In August 2015 a court ruled that these EAOs had been obtained illegally and thus fall away and employees released from all obligations to pay. The money lenders will also abandon the debt of some 330 more employees with existing EAOs.

Implats has made detailed submissions to the Chamber of Mines, which is consolidating information on the number and legality of garnishee order issues. We are working with the National Credit Regulator (NCR) and Department of Trade and Industry, and providing input on the review of the National Credit Act Amendment Bill.

Promoting diversity and transformation



“Our commitment to diversity is driven by a strong belief that a more diverse organisation is ultimately more competitive”

Our commitment to employee diversity is driven not only by strong compliance requirements, but also by the belief that a more diverse organisation is ultimately more competitive. Encouraging diversity is also an important part of our efforts at promoting broader socio-economic transformation in the communities in which we operate.

Our approach to diversity

Implats is committed to continuous transformation with regards to employment equity. Our diversity and employment equity strategy focuses on addressing the following issues:

- Our focus will be to continuously go beyond meeting legislative employment equity targets within the Mining Charter targets, our focus will be on areas where we are under-represented in line with the demographics of the Employment Equity (EE) Act
- Integrating transformation and employment equity considerations within our talent-management activities, and retaining key talent as far as possible, aiming for turnover of less than 7.5% per annum
- Accelerating the recruitment, development and promotion of designated groups into occupational levels that are under-represented
- Advancing the representation and role of women in mining, supervisory and management positions
- Inculcating a corporate culture and value system to advance transformation, supporting the cultural transformation strategy for the South African mining industry.

This year, after extensive consultation and analysis by each operation, we have completed and approved our next five-year employment equity plan for the period 2015 to 2019. We have appointed employment equity managers for all our operations, and established representative employment equity forums,

each of which has received formal training on employment equity issues. The delivery of our employment equity plan involves various initiatives, including:

- **Career progression paths** – placing selected high-potential individuals on a clear career progression plan
- **Accelerated training programmes** – assisting identified employees to accelerate their training within one of the available career paths
- **Skills transfer** – mentoring targeted HDSAs to a level where they are skilled to take over identified positions, with the aim of preventing skills loss from the Company in core business areas
- **Bursary holders** – ensuring appropriate appointment of high-potential HDSA bursary students following completion of their tertiary studies
- **Experiential training** – offering practical experiential training to graduates to obtain a qualification
- **Mentorship programme** – upskilling individuals identified as management candidates
- **Recruiting and headhunting** – if required, looking for the best talent through credible recruitment agencies and at tertiary institutions.

The recruitment and retention of highly sought-after skilled HDSAs, particularly women, is an ongoing challenge, with the widespread lack of skills in South Africa resulting in extreme competition for suitable candidates. Given the current operating challenges, our efforts remain directed towards retention and promotion. To further develop our understanding of our strengths and weaknesses in promoting diversity, we commissioned consultants to undertake a diversity audit in 2015. The findings of this exercise are being incorporated into our diversity management programme.

Promoting diversity and transformation

Driving the advancement of women

We have continued to place a strong emphasis on encouraging female representation at all levels of the organisation. Our approach classifies women into two specific groups: women at all levels, and women in mining (specifically those working in underground conditions). As we progressively mechanise our mining methods, there will be greater opportunity to advance women representation in the long term.

Our employment equity transformation forums and talent management forums have placed increased emphasis on identifying high-potential female candidates for placement and promotion opportunities. There have been good levels of participation this year of women within our mining training programmes. Representation of female mining graduates for the 2015 financial year is at 33% (total of 57), and mining diplomats increased to 67% (total of six).

During the year we conducted a risk assessment for women at the mines, and identified various issues that need to be addressed as we seek to promote the representation of women in our mines. These included issues relating to the provision of appropriate personal protective equipment for women, and implementing measures to minimise any potential for sexual harassment on the mine. We established a Women in Mining Safety Forum at the Rustenburg operation, comprising management, the safety department and women representatives from each shaft with the agreement of the three HSE union branch committees. During the year we also approved a revised policy on pregnancy.

In Zimbabwe, there is no legal target set for gender equity. Nonetheless, we are committed to promoting gender equity at all levels of the organisation, particularly at managerial level. The operation aims to achieve at least a ratio of 10% of new recruits as females, specifically targeting surface engagements.

Our 2015 performance on diversity

We made good progress this year in promoting equitable representation, especially at board and senior management level, and remain well positioned relative to our competitors. At year end, we had achieved and in most cases exceeded the charter's targets (see table below). Due to operational requirements, several management positions were put on hold and not all vacant positions were filled.

At our South African operations, at year end we had 146 women represented in management translating into 17% of total management. Our overall women representation remained at 10.6%. As outlined earlier we have various 'women in mining' initiatives, and women representation in mining development programmes continues to improve in all mining training streams. In 2015, women comprised 32% of those who completed the rock breaker qualification. We increased our targeted intake of females at entry level/novices from 10% to 15%.

At Zimplats, this year 17% of all surface engagements were women, surpassing our target of 10%. The number of women in mining is improving year on year, with females currently constituting 6% of the total Zimplats workforce.

HDSA in management (South Africa)

	2015				2014			
	Mining Charter target 2014 %	HDSA %	Total number of employees/members	HDSA employees/members	Mining Charter target 2013 %	HDSA %	Total number of employees/members	HDSA employees/members
Board	40	63	16	10	40	62	13	8
Exco	40	44	9	4	40	50	10	5
Senior management	40	40	99	40	40	39	105	41
Middle management	40	46	211	98	40	45	210	95
Junior management	40	56	425	239	40	54	434	236
Total management		51	760	391		50	772	385

HDSA excluding non-executives is 381 which represents 51% of management. Senior management representation is E levels (excluding Exco), middle management is D upper and junior management is D lower.

Promoting diversity and transformation

Employment equity at our South African operations

Level	Total in service	Total HDSA employees	% HDSA
F – Top management	4	2	50
E – Senior management	104	42	40
D – Professionally qualified	636	337	53
C – Skilled technical	5 115	3 924	77
B/A – Semi-skilled and discretionary decision making/unskilled	30 117	26 439	88
Total permanent	36 036	30 744	85
Non-permanent employees	68	65	96
Total	36 104	30 809	85

The tables below summarise the indigenous people representation at our Zimbabwean operations.

Indigenous people representation at our Zimbabwe operations

Mimosa

Level	% indigenous people	Number in-service	Number of indigenous employees
F – Top management	100	7	7
E – Senior management	100	12	12
D – Professionally qualified and experienced specialists and mid-management	100	71	71
C – Skilled technical and academically qualified junior management	100	100	100
B – Semi-skilled and discretionary decision making	100	142	142
A – Unskilled and defined decision making	100	369	369
Total	100	701	701

Zimplats

Level	% indigenous people	Number in-service	Number of indigenous employees
F – Top management	100	4	4
E – Senior management	100	19	19
D – Professionally qualified and experienced specialists and mid-management	99	83	82
C – Skilled technical and academically qualified junior management	99.9	954	953
B – Semi-skilled and discretionary decision making	100	1 557	1 557
A – Unskilled and defined decision making	100	601	601
Total	99.94	3 214	3 212

Our focus on diversity for 2016 and beyond

- Continue to focus on promoting diversity in the organisation and the advancement of HDSAs and women across all operations
- Graduate programmes will continue to focus on transforming the organisation while retaining talent is critical
- Addressing amendments in the new charter and the provision for women representation
- Continue to focus on representation of HDSAs at senior management level.





Social capital and licence to operate

Securing the trust and endorsement of communities and their traditional representatives is essential to maintaining our social licence to operate.

Social investments



“Through our core activities, Implats’ operations make a significant positive contribution to socio-economic development in both South Africa and Zimbabwe



Through our core activities, Implats’ operations make a significant positive contribution to socio-economic development in both South Africa and Zimbabwe.

We provide employment, skills and training for our employees, we pay taxes and royalties to governments and dividends to our shareholders when we are financially able, we purchase goods and services from local businesses, and we invest in the development and improvement of infrastructure and other social services in the communities that are home to our employees.

A detailed breakdown of the economic value added throughout 2015 is provided in the following table.

Value added statement for the year ended 30 June	2015 Rm	2014 Rm	2013 Rm	2012 Rm	2011 Rm
Revenue	32 477	29 028	29 844	27 393	33 132
Net cost of products and services	(18 855)	(17 091)	(14 542)	(13 463)	(14 031)
Value added by operations	13 622	11 937	15 302	13 930	18 174
Other net (expenditure)/income	903	153	(185)	1 152	581
Depreciation	(8 877)	(3 341)	(3 332)	(1 629)	(1 372)
Total value added	5 648	8 749	11 784	13 453	18 755
Applied as follows to:					
Employee benefits	10 224	7 609	8 276	6 521	6 732
Labour and other	10 414	7 378	8 374	6 894	6 783
Share-based payments	(190)	231	(98)	(373)	(51)
The state as direct taxes	1 459	706	1 080	1 109	1 897
Deferred tax	(1 676)	(562)	312	698	507
Royalty recipients	(575)	693	674	598	901
Providers of capital	(121)	666	1 008	3 731	2 881
Financing costs	355	432	375	248	190
Non-controlling interest	(476)	(137)	53	119	172
Dividends	0	371	580	3 364	2 519
Total value distributed	9 311	9 112	11 350	12 657	12 411
Reinvested in the Group	(3 663)	(363)	435	796	6 344
	5 648	8 749	11 785	13 453	18 755

Social investments

During 2015, we created value for our various stakeholders in the form of:

Employee wages and benefits

R10 224 million

Dividends paid to shareholders

Rnil

Skills and training spend in South Africa

R523 million

Skills development in Zimbabwe

US\$5.3 million

Investments in socio-economic development initiatives in our communities

In South Africa

R83 million

In Zimbabwe

US\$5.1 million

Taxation and royalties paid to government excluding PAYE

R1 459 million

Payment to providers of capital

R355 million

Reinvestment in the Group to sustain value creation for stakeholders

R4 287 million

Payments to suppliers and contractors

In South Africa

R7 627 million

In Zimbabwe

US\$441 million

Taxation

Our approach to taxation

Tax is a critical element of the overall economic contribution we make to host governments and communities. Our tax contributions can play an important role in the economic development of the countries in which we operate. The amount of tax we generate and pay to governments, and our general approach to tax and tax disclosure, are of considerable interest to many of our stakeholders.

We are committed to ensuring good tax governance. Our operations are required to comply with their legal obligations and responsibilities in relation to their tax affairs and make such payments as are required by law within all countries of operation. Our approach to tax supports the principles of transparency and proactive engagement with tax authorities, governments and other relevant stakeholders. Implats has supported the principles of the Extractive Industries Transparency Initiative on the disclosure of payments since 2012.

Our tax practitioners are committed to act in accordance with sound business principles in supporting commercial decision-makers and ensuring that the business is compliant in both the collection and payment of taxes to governments. Tax matters are governed through the finance department and oversight is provided by the audit committee of the board.

Tax regime developments

We recognise government efforts to become more efficient and effective in the collection and distribution of taxes and to ensure that the tax regime is applied in an equitable and consistent manner. In the year under review there were two significant tax reforms in our host jurisdictions.

The Government of Zimbabwe introduced a 15% export tax on unrefined PGMs in January 2015, earlier than expected. The tax was first proposed in 2013 and planned for implementation in January 2017 to give companies time to build the necessary smelting and refining plants. Talks between the government and the industry in Zimbabwe have been ongoing, while plans for a

Social investments

base metal refinery in Zimbabwe are being progressed. In August 2015, the Government of Zimbabwe announced the deferment of the export tax levy for another two years to 2017.

Tax policy in South Africa has been subject to broad review by the Davis Tax Committee. The findings of this committee are being reviewed by the Treasury Department that falls under the Reserve Bank of South Africa. Under the leadership of the Chamber of Mines and certain professional bodies, Implats has proactively engaged with the committee and fully supports its recognition of the need to consider tax policy as part of a wider social and economic framework.

Our contribution

Mining is a major contributor to national economies. In recent years, however, a challenging business context, compounded by a complex labour relations environment in South Africa, increased input costs. Despite the diminishing commodity prices, there was an increase in mining revenue streams and a resultant tax contribution increase compared to previous years (10% and 27% for South Africa and Zimbabwe respectively), further demonstrating the important contribution mining makes towards gross domestic production and the fiscus.

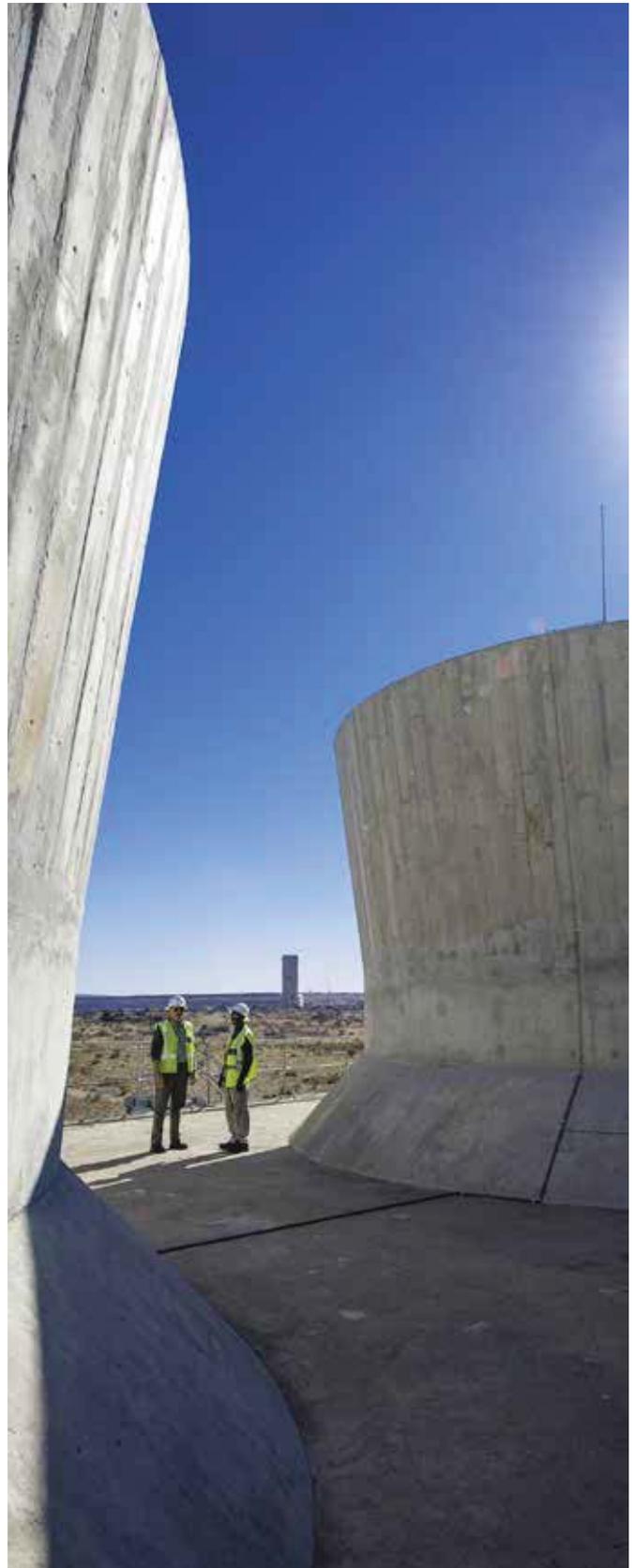
Taxes paid directly to government by category and country*

	South Africa (Rm)**	Zimbabwe (US\$m)***
Profit taxes	190	61.4
Employee PAYE	1 434	16
Royalties taxes	80	22
Total	1 704	99.4

*Reporting in line with the Extractive Industries Transparency Initiative (EITI).

** Excludes Two Rivers.

*** Excludes Mimoso.



Our strategic approach to maintaining our social licence to operate



“Our strategic approach to investing in socio-economic development is premised on the belief that the long-term viability of our business is linked to the well-being of our neighbouring communities”

Our strategic approach to investing in socio-economic development is premised on the belief that the long-term viability of our business is linked to the well-being of the communities in which we operate and the areas from which many of our employees emanate. Securing the trust and endorsement of these communities and their political representatives is essential to our maintaining our social licence to operate.

This year we undertook a detailed strategic assessment of how we manage and maintain our social licence to operate in the different regions and countries where we operate. Through this process we identified the following three strategic focus areas as critical in ensuring business sustainability:

- Implementing social interventions in our areas of operation;
- Ensuring compliance with all transformational imperatives; and
- Engaging with our stakeholders to ensure responsiveness to their interests. (Refer to pages 24 and 25)

Our strategic approach to social capital and licence to operate



Investing in community development – South Africa



“The sustainability of our mining activities depends on our ability to contribute to the well-being and prosperity of our mine communities



The sustainability of our mining activities depends on our ability to contribute to the well-being and prosperity of our mine communities. In South Africa, the challenging social context highlights the need for sustainable community development as both a commercial and social imperative. Many of our operations are in rural areas characterised by low levels of formal economic activity, and inadequate provision of infrastructure and services.

Social interventions

This strategic focus area recognises the importance of targeted social investments aimed at building sustainable local communities. Our approach is to provide financial resources and technical expertise to ensure effective implementation of the community projects outlined in the Social and Labour Plans (SLPs) for each of our operations. These SLP investments are supported by our enterprise development and procurement practices, our significant investments in housing and living conditions for employees, and our collaborative research initiatives.

- Our procurement strategy prioritises potential opportunities for promoting new entrants into the procurement space, with a particular focus on small and medium black-owned local enterprises, as well as companies owned by historically disadvantaged South Africans (HDSAs) that have benefited from our enterprise and supplier development initiatives.
- We have an advanced housing and living conditions strategy that seeks to promote decent living conditions for our employees; this includes investments in social amenities, education, infrastructure (such as roads, bulk water and power), as well as health facilities. Most of these investments are taken in collaboration with government institutions, other industry players and social partners in the affected regions.
- Our interventions are informed by detailed research in collaboration with other institutions. This year we completed two studies: a social impact assessment study undertaken in collaboration with the Royal Bafokeng Administration (see page 87), and a second study conducted through the Human Science Research Council (HSRC) funded by ourselves and other industry players.

Social investment

Our management approach to social investment

Our strategic approach to investing in socio-economic development initiatives focuses primarily on infrastructure, health, education, and community empowerment initiatives. The strategy aims to complement our accommodation and living conditions initiatives, through the provision of schools, clinics and other amenities. Our goal is to establish infrastructure that will address urgent needs in mine communities with the focus on longer-term impacts.

Our social programmes and investments are identified in collaboration with community representatives, the local municipality and traditional authority in our areas of operation. These are further aligned with the municipalities' Integrated Development Plans (IDP) for the South African operations. Through the human resources committee, people investments are discussed on a monthly basis, taking into account skills development expenditure, the team mobilisation programme and other people-related initiatives. This is evaluated against team productivity, absenteeism, skills turnover and other indicators.

Our engagement forums consist of representatives from municipalities, communities, traditional authority, unions and management. These forums allow management to engage on various socio-economic investments. Performance elements are monitored and reported quarterly to the social ethics and transformation committee of the board.

Our SLPs are a critical component of our social investment activities. In March this year, the North West Regional Manager of the DMR granted Impala Platinum permission to proceed with the implementation of the second generation five-year SLP. This SLP was developed through an engagement process with the Mine Communities Leadership Engagement Forum (MCLEF) which involves the participation of representatives from the various mine communities at our operations, representatives of the municipality and traditional authority. The aim is to ensure that the SLP addresses the developmental needs of these

Investing in community development – South Africa

communities. While there were some challenges and delays in the finalisation of the SLP, we believe that the consultation process for the second generation SLP was comprehensive and in line with the expectations of the mine communities and the DMR. Implementation of our Marula SLP has faced challenges as a consequence of fragmentation in communities. A consultation process through the local municipality and DMR is being explored in order to facilitate buy-in and speedy implementation.

Our 2015 performance and achievements for social investment

This year we invested R83 million in socio-economic development projects for our South Africa operations, inclusive of our SLP commitments, up from R71 million in 2014. An additional R228 million was spent on improving accommodation and living conditions of our employees (see pages 79 to 82). A detailed breakdown of our community investments is presented in the table below.

A review of our progress in developing homeownership houses and promoting enterprise development is provided later in this section.

South African operations socio-economic development expenditure (Rm)

Programme	2015	2014	2013	2012	2011
Empowerment of community structures	19	20	13	17	31
Health, safety and environment	1	1	2	2	2
Education	49	21	18	15	17
Government and municipality support infrastructure	7	17	45	34	38
Sport development	3	7	10	10	11
Enterprise development	2	3	5	9	28
Community welfare, arts and culture	2	2	9	3	3
Total socio-economic development expenditure	83	71	102	90	130
Housing and living conditions	228	261	445	430	277
Total sustainable development investment	311	332	547	520	407

Our focus on social investment for 2016 and beyond

- Ensure implementation of the approved SLP projects that were prioritised in consultation with Impala's MCLEF in May 2015 for the Rustenburg operation; these include projects relating to the development and/or completion of infrastructure for schools, community centres, sporting facilities, offices, roads and storm water reticulation.
- Identify additional collaborative enterprise development initiatives that bolster economic activity in our areas of operation.
- Implementing our community communication plan to enhance information sharing.

Investing in community development – South Africa

Case study: Review and assessment of socio-economic impacts

Every year an external consultant (Trialogue) undertakes an independent review and assessment of the socio-economic impact of most of our social investments. During the year under review, Trialogue visited 31 Socio-Economic Development (SED) projects, accounting for R57 million of the R83 million of the 2015 financial year SED spend in South Africa and US\$115 013 of the 2015 financial year Sustainable Development (SD) spend in Zimbabwe (12% of the total), as well as one housing project. Twelve of the reviewed projects received no monetary support from Implats during the year. These were mainly infrastructure projects completed prior to the 2015 financial year and visited to assess sustainability and risk.

The following is a brief summary of the identified contribution associated with the 32 reviewed investments:

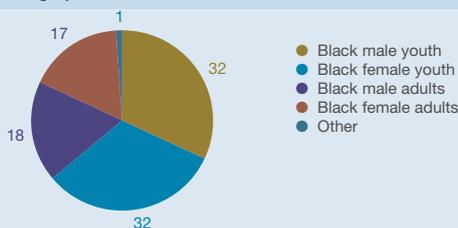
- Our socio-economic development expenditure on the reviewed projects have benefited over 40 000 people in South Africa and close to 8 000 in Zimbabwe. Of these, over 23 000 people benefited from our expenditure in the 2015 financial year.
- The majority of these people (around 35 000) benefited from general community projects, including 20 000 community members in Marula that benefited from projects implemented by the Marula Community Trust, 8 500 people from projects funded by the Impala Bafokeng Trust (IBT) and 5 400 learners at eight schools in and around Rustenburg that benefited from Implats' school support programme.
- More than 12 000 people continue to benefit from infrastructure paid for by Implats in the 2015 financial year and the preceding five years, including a university library in Zimbabwe, library upgrades and a new school in the Eastern Cape, and new primary and secondary schools in Sunrise View, close to our Rustenburg operation.
- Our flagship accommodation project, the development of houses for our Impala Rustenburg and Impala Springs employees, continued and in Impala Springs 108 new houses benefited a further 400 people, many of whom became homeowners for the first time.
- Our enterprise development initiatives helped to create or sustain around 740 jobs in small black-owned companies. Some of these are part of our supplier development programme, in which Aurik provides business skills training and mentoring to local SMEs that are part of our supply chain. One such company, Tirafalo IT Solutions, increased its profit by 35% between 2012 and 2013 and attributes part of this growth to the support it received from Aurik.
- Another enterprise development project involves our funding of Raizcorp to provide incubator services to 10 small local organisations that are not part of our supply chain. Loapi Investments, a construction and maintenance services business, participated in the programme and grew its staff from just two to 35 in the first 18 months of the programme. It also became an Implats supplier.
- In line with the national development plan priorities and our own skills requirements, we continue to fund a number of education projects. These projects supported almost 5 900 lecturers, educators, learners and students with salary supplements (for university lecturers of mining-related subjects), bursaries, learnerships, novice training, mentorship and sports programmes.
- In the 2015 financial year we contributed R10 million to the IBT, which was established in 2007 by the Royal Bafokeng Nation and ourselves to augment the CSI commitments of both organisations. Its health and education programmes benefited over 8 400 children, people with HIV/Aids, early childhood development practitioners, educators and learners in the Bojanala area.
- The demographic of beneficiaries shows that over 99% of the beneficiaries of the reviewed socio-economic development projects were black. Almost 60% of these were youth (35 years of age and under), making them the greatest pool of beneficiaries. Geographically, most beneficiaries of reviewed projects (42%) were in Limpopo around our Marula operation. In addition, over 16 000 people around our Rustenburg operation and 8 000 around our Zimbabwean operations benefited from our socio-economic projects. The remainder were in the Eastern Cape and Gauteng.
- The four projects reviewed in Zimbabwe included: the construction of a library extension and provision of library facilities for a university in Zimbabwe benefiting 7 000 students and 896 staff at a cost of US\$83 800; support of a community market gardening project in Chegutu, with the aim of increasing the farm's income; and support of a women empowerment enterprise development project in Ngezi, at a cost of about US\$30 000. Zimplats also entered into an agreement to support a livestock commercialisation project, at a cost of US\$116 000, which aims to benefit more than 2 500 households in Ngezi when it is implemented.

Investing in community development – South Africa

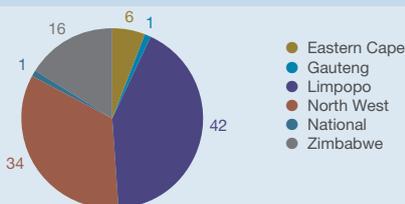
Beneficiaries by type of project (%)



Demographics of beneficiaries (%)



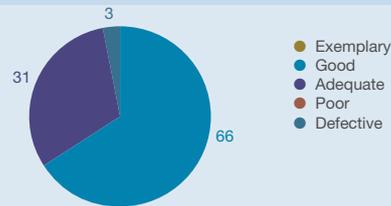
Location of beneficiaries (%)



Each of the 32 projects was reviewed using one of three templates: infrastructure, enterprise development or social development. The templates cover 22 criteria against which the projects are reviewed in the following categories: use of Implats' funds, project design, implementation, results, sustainability and risk.

Of the stated project objectives 50% were fully achieved, with 45% partially achieved. Only two projects did not achieve one or more of their objectives – one which is dysfunctional and one which has not yet been implemented. The categories in which projects scored best were use of funds and project design. Those with weaker scores included results (often because the results are not measured) and sustainability of projects. Overall 66% of the reviewed projects were rated good, 31% rated adequate and one was found to be defective. No projects were rated exemplary or poor. Recommendations for all the projects rated adequate will be taken into account so that the performance and rating can improve in the coming years.

SD project rating (%)



2015 highlights

- Having been suspended during the 2014 strike, our enterprise development initiatives kicked off again and are supporting small black-owned businesses around our operations.
- We have strengthened our relationship with Royal Bafokeng Enterprise Development (RBED) and 88 of the local companies on RBED's database are now approved Implats suppliers.
- We trained 108 local community members in 2015 to be rock drill or scraper winch operators through our novices programme. The 1 478 people that have been through the programme since its inception in 2012 are all now employed by Implats.
- We continue to support the children of Implats' employees who died in mining accidents by paying their school fees and providing school uniforms and supplies. In 2015, 128 such children were supported.

2015 challenges

- Ongoing tensions between the Marula Community Development Agency (MCDA) and Marula pose a significant risk. The MCDA was established as a community forum to liaise between Marula and community members, but split up in 2012, and in 2013 while Dikgoshi recalled their members as they felt that the structures were no longer representing the views of the communities. These tensions are impacting the implementation of Marula's SLP.
- There are also challenges at the Marula Community Trust (MCT), which owns 9% of Marula, as the long-term goal of ensuring community buy-in to mining in the area is being compromised by lack of funds (due to the unprofitability of Marula) and a community that doesn't accept the financial position of the trust.

Investing in community development – South Africa

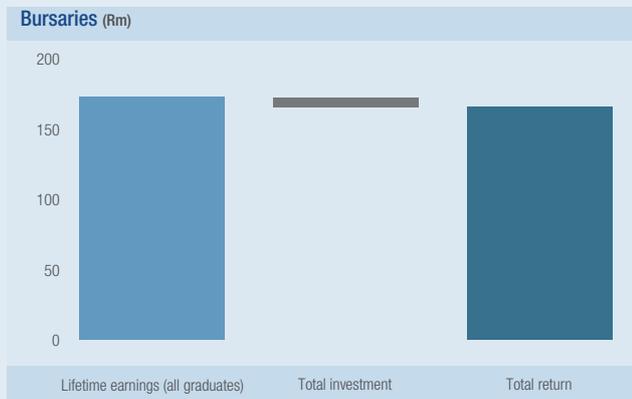
Social return on investment of our bursary and learnership programmes

Implats has calculated a social return on investment (SROI) for its SLP bursary and learnership programmes for the first time. SROI is a way to measure the value created by our programmes. It does this by assigning a monetary value to the programme outcomes, so that these can be compared with the investment made.

Bursary programme

The calculation is based on the 27 students from the Eastern Cape that participated in our bursary programme between 2008 and 2014. The values provided in the graphs is for total investment made for all graduates. Of these students, five dropped out, 12 graduated and work at Implats, and 10 are studying, mainly mining engineering and electrical engineering.

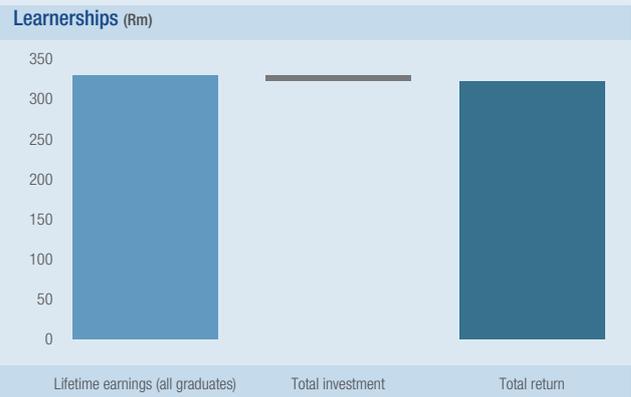
The net present value of the lifetime earnings per student is R14.4 million, while the average cost of educating a student is R383 825 (adjusted for inflation). For those students that graduate the SROI is thus 1:37, or R37 of social value created for every R1 spent on the programme by Implats. Taking into account those students who drop out of university, and those still studying, the SROI is 1:25, which is an extremely high return.



Learnership programme

The calculation is based on the 46 learners from the Eastern Cape participating in our learnership programme between 2008 and 2014. The learners study at the Rustenburg Training Centre and are enrolled at the Rustenburg Technical College to write their trade tests in electrical engineering, fitter and turner, diesel mechanics and welding. Of these learners, 22 passed their trade tests and are employed at Implats, six dropped out and 18 are expected to write their trade tests in 2015 and 2016.

The net present value of the lifetime earnings per learner is R14.9 million, while the average cost of educating a learner is R253 292 (adjusted for inflation). For those learners that graduate the SROI is thus 1:58, or R58 of social value created for every R1 spent on the programme by Implats. Taking into account those learners that drop out, and those still studying, the SROI is 1:44, an even higher and very satisfactory return.



Assumptions and limitations

- The assumed starting annual salary of bursary graduates is R360 000 and of qualified learners is R374 000. These are based on Implats figures.
- The working life of employed graduates and learners is assumed to be 40 years (start work in early 20s and retire in early 60s).
- The money earned by the graduates over their lifetime (40 working years) is considered the value created by the project. The salary is assumed to increase with inflation each year and the calculation does not take into account performance or promotional salary increases.
- Other social impacts, such as the benefits that accrue to graduates' families (for example, better education and nutrition from the money remitted), are not included in the calculation.
- The investment is made up of the sum of the amounts spent by Implats on all students and learners per year. This includes tuition costs, living costs, as well as book and travel allowances.
- It is assumed that the learners or bursars would not have a job if they had not participated in the Implats programmes (ie the full salary is included in our calculation, rather than the difference between an Implats graduate job and another job).

Investing in community development – South Africa



“We are recognised leaders in the mining industry for our contribution towards improving the accommodation and living conditions of employees



Accommodation and living conditions

We are recognised leaders in the mining industry for our contribution towards improving the accommodation and living conditions of employees. Through our investment in housing we aim to create viable local communities in which employees are able to reside with their families in a stable, healthy and secure environment within commuting distance of their place of work in line with the goals of the national development plan.

The housing projects we initiate extend into other community projects, including roads, lighting, water, health, sewerage and schools as we seek to collaborate with local government to eradicate informal settlements surrounding our operations. This investment is the most significant of our contributions to the well-being of our communities and employees.

Currently 24% of our employees in South Africa make use of company accommodation in various forms, and an additional 12% are on the Company’s homeownership scheme. The balance of employees utilise private accommodation. As part of our social responsibility we have completed a baseline study within the communities in which we operate. This has assisted us in identifying those employees who are not in decent accommodation and has informed our reviewed housing strategy.

Our strategic approach to accommodation and living conditions

Following extensive interaction with organised labour, our industry peers, and other key stakeholders involved in the housing environment, in 2013 we adopted the following vision on accommodation and living conditions: “All company employees should live in decent accommodation within a reasonable distance from work by 2020.” Our mission is to be a pioneer in facilitating and promoting decent housing and living conditions for employees by creating a sustainable partnership with organised labour, government and third parties.

Our activities in this area have been guided by our accommodation strategy that was approved by the board in May 2007. The aim of the strategy was to improve the

accommodation and living conditions of our employees, and to address key challenges in attracting and retaining critical skills for 16, 17 and 20 shafts; and also social and labour plan compliance. The strategy included clear commitments aimed at promoting homeownership options, hostel conversion and improved living conditions for all employees. As outlined in the table and brief performance review (page 82), we have had some significant positive results in delivering on this strategy. We recognise, however, that substantial challenges remain in terms of the living conditions of some of our employees and contractors. To address these challenges, in December 2014 the board approved a revised strategy.

This revised housing strategy seeks to address the findings of two recent studies: a social impact assessment survey completed in 2014 (page 87), and a study conducted by the University of North West in May 2013. These studies highlighted the need to provide for different types of tenures and dwellings, and to reconsider the conditions of contractor employees and major contractors, with the aim of providing them with decent living conditions.

Our revised strategy includes the following outcomes-based strategic goals:

- **Achieve collaborative relationship with government to accelerate housing delivery:** We will work actively with government with the aim of sourcing government grants, as well as either jointly developing state land that fits within our housing strategy or sourcing state land for such development.
- **Develop low cost housing rental stock:** We will establish a joint working relationship with provincial governments, local municipalities, the Royal Bafokeng Nation and individual land owners to facilitate the development of community residential units or private rental stock for the low-end market; the target market is employees who work for contractors, employees of foreign origin and employees from labour sending areas. We are currently exploring opportunities relating to the provision of innovative low-cost, flexible accommodation, principally aimed at the rental

Investing in community development – South Africa



“Implats has invested over R3,5 billion since 2007 on improving the housing and living conditions of our employees



market, with the potential to make a significant positive impact on conditions in Freedom Park informal settlement.

- **Promote and facilitate home ownership:** We will investigate further opportunities for facilitating home ownership, depending on employees’ appetite for owning homes.
- **Promote other forms of tenure:** Recognising that there are some employees and contractors who do not wish to own homes in our neighbouring communities, we will be considering opportunities relating to rental stock provided by reputable third parties.
- **Financial well-being and indebtedness:** Introduction of debt consolidation is proposed as a catalyst to home ownership for credit defaulters who have shown keen interest in our programme. During the debt rehabilitation programme employees should be accommodated in another form of secure tenure within the home ownership programme.
- **Address infrastructure deficiencies collaboratively with government:** On our SLPs we have provided for the development and/or improvement of basic services and social amenities within surrounding mine communities, in support of projects identified by communities and local municipalities on integrated development plans (IDP).
- **Improve the housing conditions in communal land:** We are investigating opportunities for providing housing financial assistance for local employees who live on communal land where traditional financing is constrained due to the lack of title deeds.
- **Secure additional land and funding options:** While we secured enough land for housing purposes, there is a need for additional land to ensure the provision of bulk services. We are exploring innovative opportunities for securing access to this land, as well as new forms of financing housing and living conditions projects in partnership with third parties.

In the new SLP compiled for the five-year period 2014 to 2018, we have committed R1 billion to improving housing and living conditions over this period.

Our 2015 performance and achievements on accommodation and living conditions

We are proud to have been recognised by government and other stakeholders for our progressive stance and leading example in implementing programmes aimed at improving the housing and living conditions of mineworkers.

Since the inception of our previous housing strategy in 2008, we have invested R3.5 billion on improving housing and living conditions in South Africa. Key results of this investment over the past seven years include:

- Providing 2 687 units in Rustenburg, Impala Springs and Burgersfort for home ownership
- Converting hostels into 5 375 single units, and 264 hostel rooms into family units
- Upgrading 1 058 existing housing units and increasing our existing portfolio by 800 units, and
- Securing substantial portions of land at Burgersfort and Rustenburg for future development.

We are building on this leadership position in seeking to deliver on our ambitious objectives for 2020. This year, at our South African operations: We invested R228 million on employee housing (2014: R261 million).

Investing in community development – South Africa

Case study: Tswelopele housing development survey

The Tswelopele housing development in Springs, Gauteng, consists of 108 new homes and was completed by Implats in 2013. A small sample of 29 home owners and residents was surveyed in 2015 on the quality, pricing and amenities of the housing development. Of those surveyed, 89% were first time home owners while the remaining 11% now own two properties. More than half were Implats' employees.

The majority of residents (72%) are satisfied with the building and design of their new homes. Almost all (90%) find the bond affordable and 79% of them were pleased with the price of the property, which is in keeping with our aim of providing affordable housing. Although all respondents mentioned that there were not enough leisure facilities in the area and that public transport was insufficient, 72% of them were pleased with the access to healthcare.

Tswelopele has had a great impact on the lives of our employees and is appreciated by most of the owners, with 78% stating they are pleased with their purchase. Affordability, safety and security are the aspects of the housing scheme that our employees find most attractive.

Employee comment:

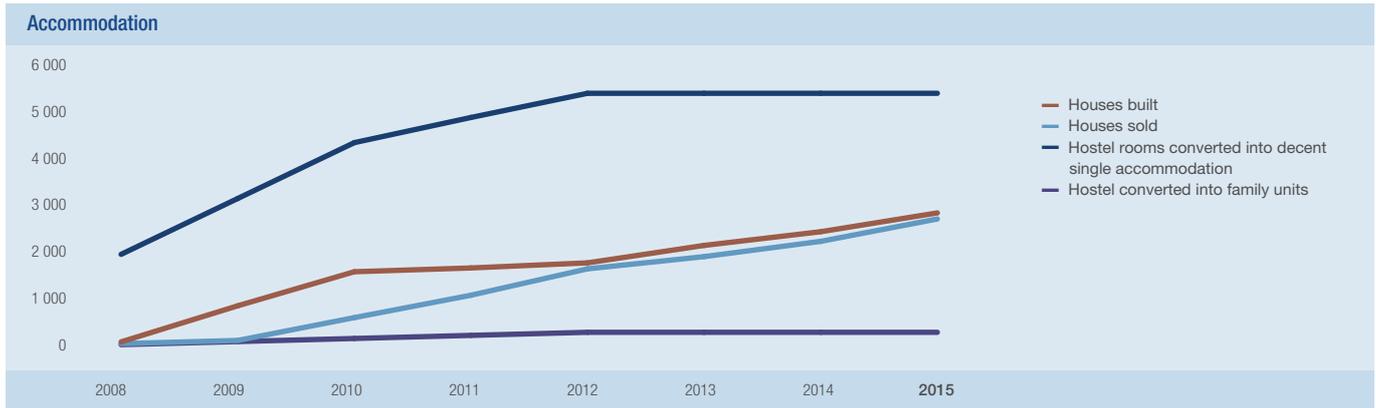
"Most people would not have qualified for these houses, it was thoughtful of them to give employees a chance to own homes. The house is affordable. The building of the house is also good."



Investing in community development – South Africa

Housing – South African operations, accumulative totals 2011 to 2015

	2015	2014	2013	2012	2011
Houses built	2 817	2 415	2 122	1 749	1 640
Houses sold	2 687	2 209	1 882	1 621	1 057
Hostel rooms converted into decent single accommodation	5 375	5 375	5 375	5 375	4 858
Hostel converted into family units	264	264	264	264	198



Our accommodation and living conditions focus for 2016 and beyond

In working towards our vision of having a majority of our workforce at the mines residing in decent accommodation by 2020, we will place a strong focus on the delivery of the strategic goals outlined above. In driving out our recently revised strategy, we have set ourselves the following commitments for our South African operations over the next few years:

- Complete 2 420 units at Platinum Village, and acquire the land adjacent to Platinum Village for the next phase
- Upgrade basic infrastructure in Freedom Park A
- Investigate the use of mobile housing units to replace informal settlements at Freedom Park and to provide decent accommodation for backyard dwellers
- Develop a convenience shopping centre in Platinum Village, and provide opportunities for SMME development
- Ensure the availability of social amenities.

We will continue to partner with government to ensure that our housing projects contribute to fully functional communities with all the required amenities, and that they are constructed within a broader integrated spatial development framework. We will also partner with government and the Bafokeng Nation to provide bulk infrastructure and services to mine communities in line with our own developmental needs.

Investing in community development – South Africa

Case study: National Research Foundation (NRF) study

Following the strike at Marikana in 2012, a multi-disciplinary study was commissioned with the Human Sciences Research Council (HSRC) and National Research Foundation (NRF), funded by the then Xstrata, Impala Platinum Holdings Limited and Anglo American. The study sought to identify the underlying issues that led to the tragedy and to find solutions that can mitigate the risk of such an incident occurring again as well as finding sustainable solutions to some of the social challenges.

The NRF study was delayed and was only completed in November 2014. As a result, some of the findings may appear out of date in light of developments such as the implementation of the President's Framework Agreement. An important issue during the research was the lack of union cooperation in the study, as a result of which no interviews were conducted with the workforce, one of the primary role players in the study.

Key recommendations point to a need for:

- Enhanced cooperation between stakeholders in dealing with social pressures in mining towns;
- Undertaking a review of government policy to foster an environment for development particularly with regards to SLPs, migrant labour and housing issues;
- Ensuring effectiveness of policy by designing and implementing monitoring and evaluation measures for enforcement of non-compliance;
- Aligning the policy of the DMR with the goals of the national development plan (NDP);
- Reviewing policy and practice on micro-lending and debt regulation; and
- Adopting a collective approach to dealing with all these issues.



Investing in community development – South Africa



“Preferential procurement and investments in enterprise and supplier development provide important opportunities for promoting social and economic transformation in South Africa



Enterprise development and procurement

Preferential procurement and investments in enterprise and supplier development provide important opportunities for promoting social and economic transformation in South Africa. Their potential has been recognised in the recently revised Broad Based Codes, where they are allocated a substantial weighting of 40 out of 105 points. At Impala, our investment in supporting small businesses, and targeting our procurement expenditure, forms a critical part of our commitment to supporting socio-economic development in the communities in which we operate.

Investing to support small- and medium-sized businesses

Our enterprise and supplier development activities – which focus primarily on supporting local and black-owned businesses – are designed to ensure compliance with regulatory expectations, contribute to socio-economic development in neighbouring communities, and build a more robust and competitive supply chain for the Group. We work closely with the Royal Bafokeng Enterprise Development unit in Rustenburg, and the Marula Community structures in Burgersfort. All our initiatives are regularly evaluated to ensure that they meet defined expectations.

This year, we continued to provide support to various small to medium local black businesses through the following principal initiatives.

- **Supplier development programme:** Launched in 2013, this initiative seeks to enhance the competitiveness of 10 local small, medium and micro enterprises (SMMEs) and black-owned businesses that were already part of the Implats supply chain. This 24-month university-accredited training and mentoring programme includes business-specific training and bi-weekly on-site meetings with the owner/manager. All companies completed the programme during the strike period last year. Since its inception in January 2013, 70% of participating companies increased their turnover, with an average turnover growth rate of more than 400%. A total of 33 jobs was created equating to a 13% job creation rate.

- **Business advisory and development service:** This programme helps local black entrepreneurs to grow and sustain their businesses and become part of the Implats supply chain. The aim is to develop business skills that will lead to increased efficiencies, turnover and profit. Of the companies selected in January 2013, 50% are still on this programme and continue to be assisted by an external service provider. Two of the candidates will complete the programme by December 2015 and the others in 2016. Collectively up to the strike period, the original businesses experienced turnover growth of 20% and employment growth of 61%. Up to June 2015, the turnover of the remaining beneficiaries grew by 92% collectively while they created 49 jobs since they started on the programme.

Our enterprise development (ED) office within the supply chain department provides a business assistance programme that provides support to any local and black-owned businesses experiencing difficulties in meeting their contractual obligations. The department conducts a diagnostic analysis to determine intervention or development needs required. We then assist these companies to implement corrective action and provide mentoring as required. In addition, the ED office functions as a walk-in centre to give guidance to comply with regulatory and Implata's procurement requirements for start-up entrepreneurs.

A review of our compliance with the enterprise and supplier development requirements of the BBBEE Charter is provided on page 94.

Promoting transformation through procurement

Supporting local and black-owned businesses through preferential procurement is an important part of our contribution to promoting transformation. Our approach to preferential procurement strategy focuses on addressing the following:

- Seeking, identifying, supporting and promoting appropriate historically disadvantaged suppliers through sustainable procurement practices;
- Leveraging our existing supplier base to unlock local employment opportunities, mentorship and investment in the greater value chain;

Investing in community development – South Africa



“Supporting local and black-owned businesses through preferential procurement is an important part of our contribution to promoting transformation”

- Nurturing an environment for partnerships and joint ventures between our existing supplier base and local entrepreneurs; and
- Striving to improve our year-on-year BEE spend performance relative to the requirements of the Mining Charter, and reporting in parallel on B-BBEE performance as per the dti Codes of Good Practice.

Implats is continually engaging with suppliers to obtain a better understanding of black ownership structures and the beneficiaries thereof. Fronting risks are further mitigated by appointing an independent audit firm, to conduct annual assessments on some of our transformed suppliers to gauge the quality and validity of BEE information and compliance levels. Suppliers are selected randomly or handpicked where fronting is suspected through supplier engagements. Compliance to BEE legislation is not negotiable and fronting will not be tolerated.

This year, total South African operations’ discretionary procurement was R7.6 billion of which 72%, or R5.4 billion, was from companies in which BEE ownership was greater than 25% (2014: R7.9 billion or 65%). Included in the overall discretionary procurement spend of R7.6 billion was R1.6 billion

for capital goods. On the operational costs and included in the cost of sales was total discretionary spend of R6.1 billion, of which 75% was spent with suppliers having BEE ownership of greater than 25%. The consumables category recorded 77% and the services category 73% (2014: R5.5 billion, 72% on consumables and 72% on services).

Although overall discretionary procurement was slightly lower (4%) than the previous year, the BEE procurement spend was increased by 6% to R5.4 billion. Included in the R5.4 billion BEE procurement was R1.0 billion from 272 black-owned suppliers (>50% ownership). Capital expenditure has reduced year on year in line with the slowing down on capital projects. It remains a priority to increase the number of black-owned suppliers into Implats’ supply chain and for the year there were 80 suppliers contributing R0.6 billion of the BEE procurement with ownership levels between 40% and 50%. Implats actively and continuously engages with its suppliers to help them transform.

Overall our performance was very good in the key Mining Charter elements of capital goods, consumables and services against the 2015 targets (see table below).

Percentage HDSA/BEE procurement (>25%) of category’s discretionary procurement (South African operations)

Category	Mining Charter target 2015 (%)	2015		2014		2013		2012		2011	
		R billion	%	R billion	%	R billion	%	R billion	%	R billion	%
Capital*	40	0.9	60	1.1	48	1.5	42	1.6	41	2.2	57
Consumables	50	2.1	77	1.8	72	2.0	64	1.5	55	1.3	48
Services	70	2.4	73	2.2	72	2.0	60	1.7	61	1.4	59
Total operations		5.4	72	5.1	65	5.5	55	4.8	51	4.9	55

Note: Capital goods have been reported based on IFRS and Implats’ accounting policies recognition criteria for capital expenditure. Suppliers with a valid broad-based black economic empowerment (B-BBEE) certificate in the financial year under review, contributed to HDSA spend. The Implats policy stops recognising HDSA spend from a supplier if their B-BBEE certificate expired and was not replaced within a two-month period.

* Capital spend has reduced in line with lower capital expenditure.

Investing in community development – South Africa

Promoting development through local procurement

Enhancing procurement opportunities specifically in neighbouring communities is an important contribution towards creating sustainable communities, improving community relations, and advancing local economic development.

Tier 1 suppliers are not only limited to the proximity of the mining operations, but also where local community individuals

have shareholding in companies outside of the tier 1 geographic area. This year, we spent R2.6 billion on procurement from local tiered suppliers (all >25% BEE), constituting 34% of the total discretionary procurement spend (2014: R2.0 billion or 26%). Local suppliers are classified as tier 1, 2 or 3 based on their proximity to the operations (see table below).

Local tiered areas classified as tiers 1, 2 and 3

Category	Tier 1	Tier 2	Tier 3
Impala Rustenburg	Mine lease area (Bafokeng Village)	Rustenburg municipality	Bojanala district
Marula Platinum	Mine lease area (four farms)	Greater Tubatse municipality	Greater Sekhukhune district

Local (tiers 1, 2 and 3) HDSA procurement (>25%) as a percentage of total discretionary procurement

Category	2015		2014		2013		2012		2011	
	R billion	%								
Impala Rustenburg	2 424	42	1 816	30	2 197	27	1 911	25	1 557	22
Marula Platinum	129	18	199	26	156	22	130	21	103	13

Our efforts in stimulating sustainable local procurement have been enhanced by the positive working relationship that we enjoy with Royal Bafokeng Enterprise Development, who have assisted us in identifying local community suppliers that are ready to conduct business. This year, we procured R498 million from 113 local community suppliers (tier 1), up from 102 in 2014.

In addition to our direct procurement activities, we have encouraged some of our existing large contractors to support small tier 1 contractors, for example by appointing them as sub-contractors. We also encourage them to identify opportunities to fill any vacancies with youth members from the local community. As part of our drive to support local job creation, we have been successful this year in encouraging a number of our suppliers to commit to moving part of their manufacturing process closer to the mine lease area.

During this year some significant localisation initiatives were concluded. This resulted in:

- The establishment of joint venture agreements with local entrepreneurs from the local community areas holding significant amounts of shares in the newly incorporated companies.
- Existing large contractors to support small tier 1 contractors, appointing them as sub-contractors.
- Existing contractors committing to fill vacancies with youth members from the local communities.
- Suppliers committing to moving part of their manufacturing processes closer to the mine lease area.

Our preferential procurement, enterprise and supplier development (ESD) focus for 2016 and beyond

Enterprise and supplier development are an integral part and an enabler for preferential procurement. Investment in the development of SMMEs and black entrepreneurs form part of our organisation's contribution to long-term transformation of the mining industry and the viability of the economy. For this reason, Implats will undertake the following to align itself with the revised codes of good practice:

- Parallel to our existing ED activities, Implats will align the ESD strategy with the existing preferential procurement policy to address the requirements of the revised codes of good practice, aiming for implementation across the South African operations.
- Increased focus on developing a localised supplier base to positively impact employment and economic activity at our various South African operations while satisfying B-BBEE and Mining Charter requirements.
- Make an impact on black-owned and black women-owned spend through broadening the supply base and spend shift strategy.

Through focusing on the above objectives, Implats will proactively implement the revised codes and be well positioned to conform to the anticipated DMR Mining Charter alignment with the revised codes.

Investing in community development – South Africa

Collaborative research case study: Social impact assessment study

In October 2013 we commissioned a social impact assessment for our Rustenburg operation. From the onset Implats acknowledges the positive impact of mining in stimulating economic growth and job creation. At the same time there is an acknowledgment of the negative factors that can arise as a consequence of in-migration that increase social pressures due to increased competition for limited resources. While the study covered all surrounding villages at the operations, the focus was on 14 immediate villages directly impacted by the operations as well as one informal settlement – Freedom Park.

The aim of the study was to:

- Obtain a global view of developments that have occurred in the areas of operation over the last 10 years, and begin to understand the social trends that are influenced by mining activities.
- Determine a historical base from which the organisation will be able to monitor, evaluate and track the impacts of future interventions and to take lessons where relevant that will inform future interventions.
- Identify potential risks in current and future areas of operation and determine strategies to turn such risks into opportunities. These need to take into account areas in which mining will decline and those areas where new operations will start, aligned to a clear time horizon.
- Find areas for strategic collaboration with key stakeholders on future interventions and to develop a holistic corporate strategy.

Limitations of the study:

- The strike had an impact on the intermittent availability of migrant workers in the communities, particularly those who work for mining companies and auxiliary industries during field work, and hence revisits had to be conducted where people were not available.
- The study coincided with the national elections, a period dominated by electioneering. This impacted, to some extent, the willingness by some of the households to participate. Refusals to participate in the census, especially mining households, were at 19% for Freedom Park and 15% for RBN villages. This is statistically

acceptable, given that the national census of 2011 had an uncounted rate of 16%.

- The study did not include non-Bafokeng areas such as other informal settlements surrounding the Bafokeng villages and land owned by other private entities. This thus had an impact on the demographic count in comparison to the 2011 census.
- These limitations may have understated real growth in population as non-Bafokeng areas were not covered.

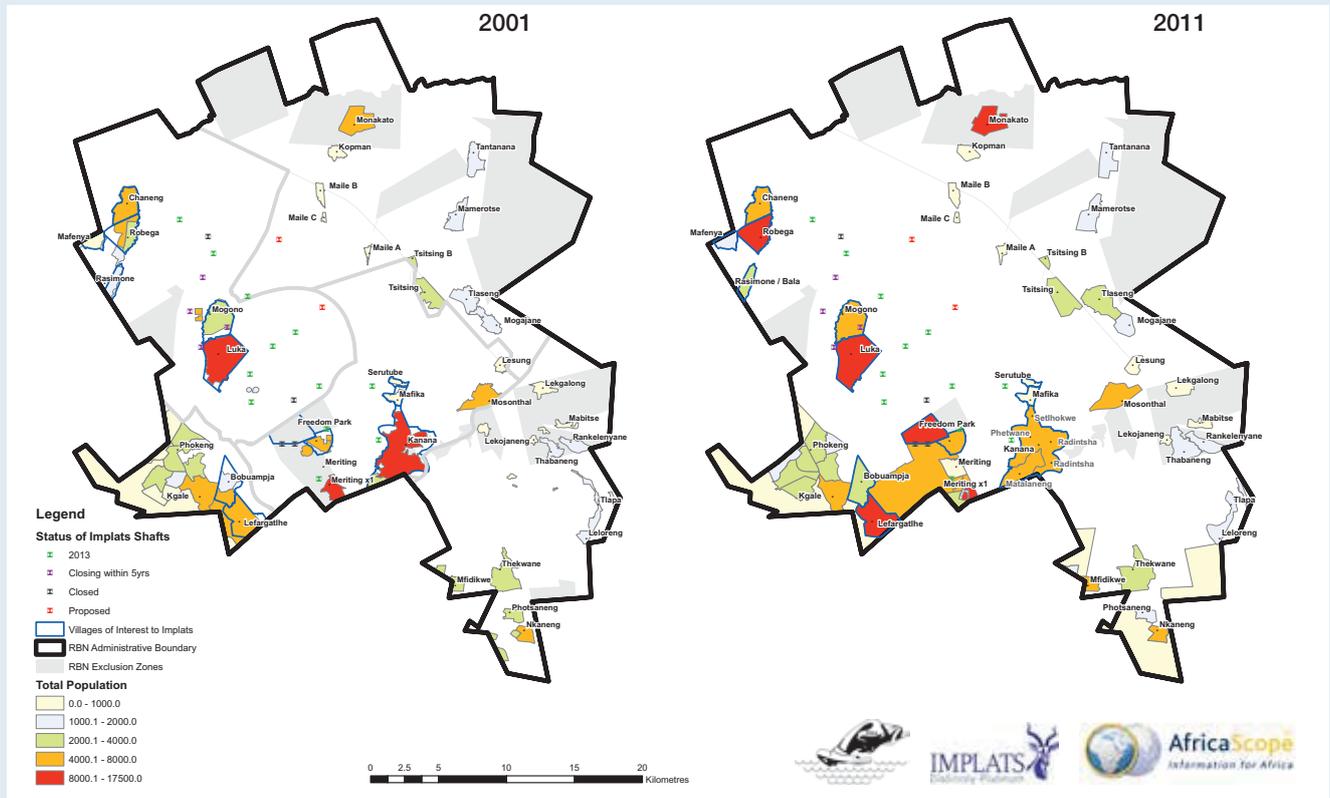
This study was carried out in three phases: a desk-top analysis completed in November 2013 that compared the 2001 and 2011 census findings; a house-to-house survey in the 29 Royal Bafokeng villages completed in June 2014; and a similar survey in the Freedom Park formal and informal settlements completed in September 2014.

Using the census data for 2001 to 2011, the main indicators analysed were basic demographics, access to basic services, educational levels, employment and income, and future shaft closures and the opening of new ones. The study also assisted in identifying the number of Impala mine workers who may be living in vulnerable conditions.

The study confirmed the benefits of mining by way of job creation, economic activity and community investment made by mining companies. However, this invariably acts as a drawback for in-migration.

Investing in community development – South Africa

Social impact assessment study continued



The following is a summary of some of the key findings of the study

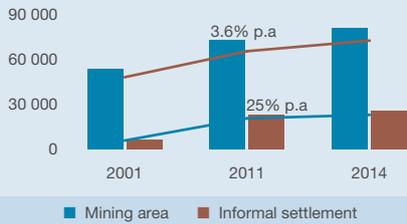
General population

- Overall the population in the surveyed area has increased by 3.3% year-on-year between 2011 and 2014, mainly as a result of in-migration. This has been accompanied by a significant increase in population density, especially near the mine shafts.
- The in-migration of more males has resulted in an increase in the male-to-female ratio, as well as a significant increase in the economically active age population.
- In 2014, an estimated 22% of household heads were unemployed in the RBN villages and Freedom Park, which can be used as a proxy to estimate the level of unemployment. The higher levels of unemployment may be attributed to increased in-migration, as well as the fact that the census was conducted in the strike period.

- All of the villages near the Impala operation have shown an increase in the employed adult population. The only village that has shown a decline is Serutube.
- The proportion of formal housing has increased by 10%, informal dwellings have increased by 15% and backyard dwellings have decreased by 21%.
- Households with no sanitation declined by 11% from 14% in 2001 to 3% in 2011, while the number of households with flush toilets increased by 19% from 12.7% to 31.7%.
- The majority of households in the RBN have access to electricity for lighting, cooking and heating. Access to electricity has improved from 64.6% in 2001 to 84.4% in 2011.
- The population of Freedom Park has grown from approximately 6 000 in 2001 to close to 25 000 in 2014 – faster than other villages immediately surrounding the Impala operation. This is illustrative of in-migration.

Investing in community development – South Africa

Impala mining area population growth



Mining households

- There are approximately 50 000 people who work for mining companies and associated industry within the RBN and Freedom Park area.
- Within the RBN villages, approximately 40% (16 000) miners live in formal housing, 35% (14 000) are in back yards, 18% (7 000) in informal dwellings or shacks; in the Freedom Park area a larger percentage is in formal housing (5 000), mainly in Reconstruction and Development Programme (RDP) housing and villages. The balance can be found in informal settlements.
- Of the approximately 27 000 Impala employees identified, approximately 9 900 were found in Freedom Park, with 17 000 in RBN villages. Approximately 55% of the permanent employees in the RBN villages and Freedom Park live in formal housing, while the balance live in backyards and shacks.

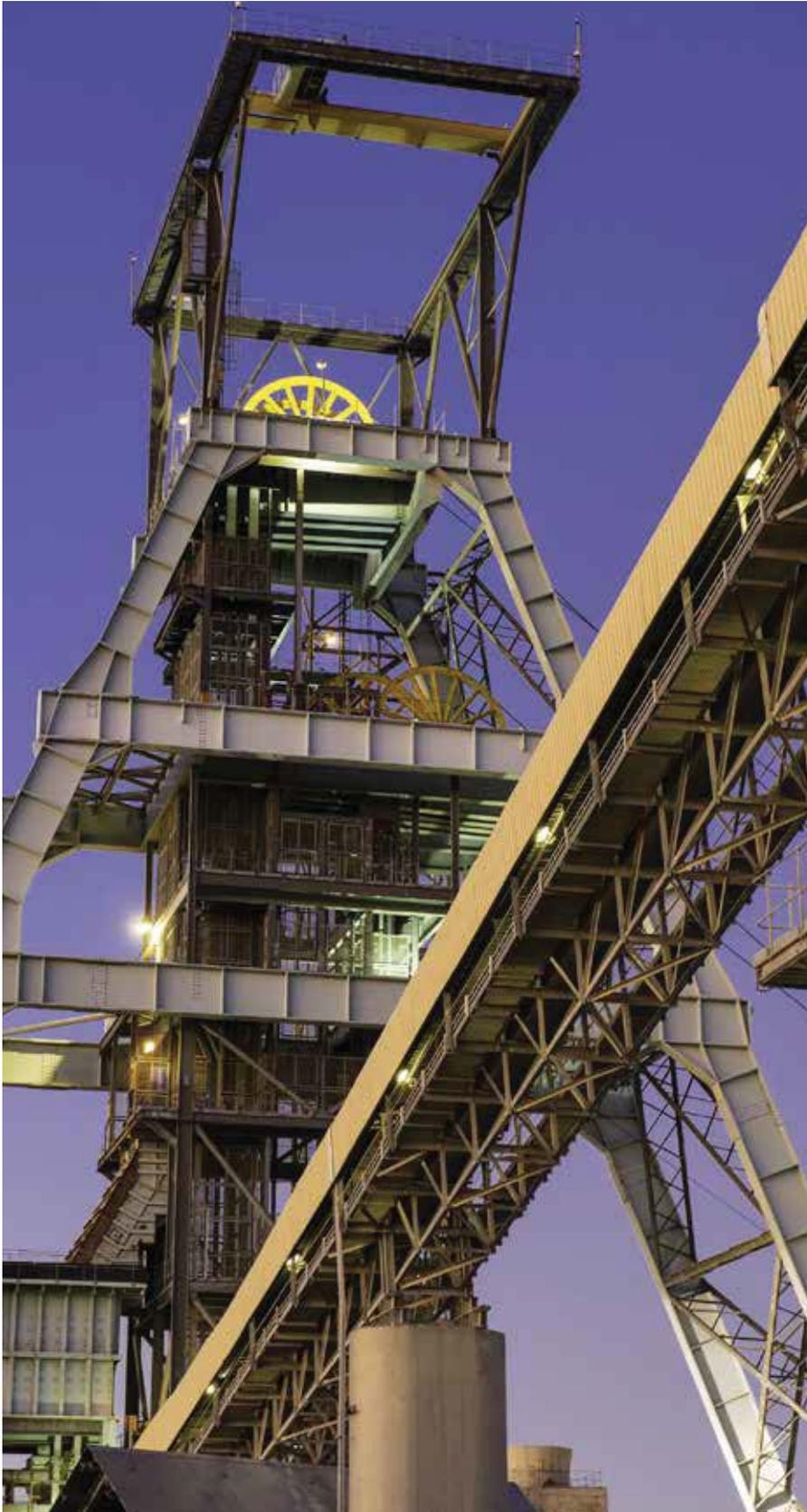
Key interventions

Informed by the study, we have identified the following issues to be addressed as part of our socio-economic development strategy.

- Our housing strategy needs to further reduce the number of employees living in informal dwellings and shacks. Provision also needs to be made for the increase in demand for rental rather than owned accommodation. This study has informed the review of our housing strategy (page 79).
- The significant number of contractor employees living in informal accommodation and shacks needs to be addressed as part of our contractor management strategy as this poses a material risk to employees and to the business.
- The in-migration of women and children indicates a need to address social constraints regarding health and education, and to this end Impala has continued to invest in education and health (page 75).
- Addressing the various challenges will need to be done in collaboration with our social partners, the Royal Bafokeng Administration (RBA) and the Rustenburg local municipality (page 74).
- The possibility of additional research work in collaboration with an academic institution on this initial data gathered is to be explored, which will inform our socio-economic development strategies further.



Legal compliance



“Responding to the Mining Charter



Implats seeks to comply with or exceed all elements of the Mining Charter. Our transformation strategy is informed by the seven elements of the Mining Charter with housing and living conditions playing a pivotal role in five of these elements.

We leverage each element of the Mining Charter in terms of our business performance and therefore increase our value creation potential.

Legal compliance

Mining Charter in South Africa

We have continued to deliver on our commitments made in the SLPs for each of our operations. We have participated in the Mining Charter assessment conducted by the DMR in 2015 and have been assessed as compliant (pages 92 and 93). This year we obtained our first broad-based black economic empowerment verification certificate for the Group and its subsidiaries (page 94).

In December 2014 Implats concluded an equity transaction for the benefit of qualifying employees of the subsidiary company, Impala Platinum Limited (Impala). In terms of this transaction, the newly formed Impala Employee Share Ownership Trust (ESOT) subscribed for new Impala shares, comprising 4% of Impala's share capital. The Implats board of directors approved the provision by Implats of a loan of approximately R1.1 billion to the trust to enable the trust to subscribe for the trust shares. This transaction provides a meaningful way of aligning employees' interests with the future profitability of Impala, while also increasing the ownership of HDSAs to well above the 26% level.

Indigenisation in Zimbabwe

Government has, in line with the pronouncements made on the 2015 national budget, amended the Indigenisation and Economic Empowerment Act to include the role to be played by relevant sectoral ministries. The rationale behind the inclusion of the sectoral ministries is that special circumstances prevailing in each sector will be taken into account, rather than adopting a 'one size fits all' approach.

According to the gazetted amendments, business are to submit indigenisation implementation plans for approval to the respective ministries, who in turn will conduct an indigenisation and empowerment assessment rating. When the assessment has been made, the minister will, at the written request of the business, issue a certificate of compliance to the business within 14 working days. The minister will then transmit a copy to the National Indigenisation and Economic Empowerment Board for inclusion in the register.

In Zimbabwe we remain committed and supportive of the country's indigenisation laws. We have advanced discussions with government on the ESOT. The Reserve Bank of Zimbabwe is now analysing the proposals. Engagement with government on the remaining aspects of the Indigenisation Implementation Plan (IIP) continues.

During the financial year Mimosa made an additional US\$2 million payment towards the community trusts, bringing the total contribution to US\$6 million. The dispute between the Zvishavane Community Share Ownership Trust (ZCSOT) and Mberengwa Community Share Ownership Trust (MCSOT) led to a resolution that mandated payment of the US\$10 million originally payable to the ZCSOT alone to be shared with the MCSOT. The claim for the share by MCSOT was based on the position that 798 hectares of the 6 591 hectares occupied by the Mimosa Mine lease are in Mberengwa. The apportionment of the US\$10 million would be on a 70% – 30% basis to ZCSOT and MCSOT, ie US\$7 million and US\$3 million respectively.

Government continues to maintain pressure for the release of the additional funds to the community trusts.

Our focus for 2016 and beyond

In the forthcoming year we shall focus on the following areas:

- Participating in the review of the Mining Charter and seeking alignment with the Broad-Based Black Economic Empowerment Act and Codes of Good Practice
- Working towards compliance to the new B-BBEE Codes
- Implementation of our approved SLPs in South Africa;
- Meeting the objectives of the President's Framework Agreement and the National Development Plan (NDP).
- Advancing the implementation of the Community Share Ownership Trust and Employees Share Ownership Trust as part of the Indigenisation Plan
- Continue to play a leading role in the Chamber of Mines, helping to ensure that it lobbies on key issues and for a consistent and stable regulatory environment.



Legal compliance

Responding to the mining charter

Implats seeks to comply with or exceed all elements of the Mining Charter. Our transformation strategy is informed by the seven elements of the Mining Charter with housing and living conditions playing a pivotal role in five of these elements. We leverage each element of the Mining Charter in terms of our business performance and therefore increase our value creation potential.

IMPALA PLATINUM

Total score: 98.15%

Element	Description	Measure	Target for year ended 2014	Progress (calendar year 2014)	Weighting	Achieved score
Reporting	Has the company reported a level of compliance for the calendar year	Documentary proof of receipt from Department of Mineral Resources (DMR)	Annually	Yes	Yes/No	Yes
Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation	26%	30.4%	Yes/No	Yes
Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	Occupancy rate of one person per room	100%	Yes/No	Yes
	Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	Family units established	100%	Yes/No	Yes
Procurement and enterprise development	Procurement spent from BEE entities	Capital goods	40%	43.4%	5%	5.0%
		Services	70%	72.3%	5%	5.0%
		Consumables	50%	71.8%	2%	2.0%
	Multinational suppliers' contribution to social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	35.2%	3%	3.0%
Employment equity	Diversification of the workforce to reflect the country's demographics to attain competitiveness	Top management (Board)	40%	66.7%	3%	3.0%
		Senior management (Exco)	40%	50.0%	4%	4.0%
		Middle management	40%	39.0%	3%	2.9%
		Junior management	40%	51.3%	1%	1.0%
		Core skills	40%	74.6%	5%	5.0%
Human resources development	Development of requisite skills, including support for South African-based R&D initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation	HRD spend as percentage of total annual payroll (excluding mandatory skills development levy)	5%	6.8%	25%	25.0%
Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Up to date project implementation	98.2%	15%	14.7%
Sustainable development and growth	Improvement of the industry's environmental management	Implementation of approved EMPs	100%	87.5%	12%	10.5%
	Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on health and safety	100%	100%	12%	12.0%
	Utilisation of South African-based research facilities for analysis of samples across the mining value	Percentage of samples in South African facilities	100%	100%	5%	5.0%

Legal compliance

MARULA PLATINUM

Total score: 93.75%

Element	Description	Measure	Target for year ended 2014	Progress (calendar year 2014)	Weighting	Achieved score
Reporting	Has the company reported a level of compliance for the calendar year	Documentary proof of receipt from Department of Mineral Resources (DMR)	Annually	Yes	Yes/No	Yes
Ownership	Minimum target for effective HDSA ownership	Meaningful economic participation	26%	27.0%	Yes/No	Yes
Housing and living conditions	Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	Occupancy rate of one person per room	100%	Yes/No	Yes
	Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	Family units established	100%	Yes/No	Yes
Procurement and enterprise development	Procurement spent from BEE entities	Capital goods	40%	68.3%	5%	5.0%
		Services	70%	70.6%	5%	5.0%
		Consumables	50%	72.2%	2%	2.0%
	Multinational suppliers' contribution to social fund	Annual spend on procurement from multinational suppliers	0.5% of procurement value	28.4%	3%	3.0%
Employment equity	Diversification of the workforce to reflect the country's demographics to attain competitiveness	Top management (Board)	40%	71.4%	3%	3.0%
		Senior management (Exco)	40%	50.0%	4%	4.0%
		Middle management	40%	50.0%	3%	3.0%
		Junior management	40%	66.0%	1%	1.0%
		Core skills	40%	75.5%	5%	5.0%
Human resources development	Development of requisite skills, including support for South African-based R&D initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation	HRD spend as percentage of total annual payroll (excluding mandatory skills development levy)	5%	6.9%	25%	25.0%
Mine community development	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Up to date project implementation	58.3%	15%	8.8%
Sustainable development and growth	Improvement of the industry's environmental management	Implementation of approved EMPs	100%	100%	12%	12.0%
	Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on health and safety	100%	100%	12%	12.0%
	Utilisation of South African-based research facilities for analysis of samples across the mining value	Percentage of samples in South African facilities	100%	100%	5%	5.0%

Legal compliance

Broad-based black economic empowerment

The B-BBEE Act of 2003 was amended in 2013 and the supporting codes came into effect in May 2015. Earlier this year we completed a verification process under the old codes for Implats and its subsidiaries, and identified key gaps, opportunities and the potential score under the new codes. The comparison of the results with those in the 2012 gap analysis shows that there had been major improvements in all elements with a minimum of one level increase in the different entities. The new codes, however, demand a major leap in our approach to transformation, requiring a clear strategic change particularly in those elements where there are serious challenges in priority elements. The verification outcome places the Group at level 3 and our subsidiaries Impala Platinum and Marula Platinum were at level 2 and level 4 respectively.

The following areas have been identified as priorities:

- **Management control and employment equity:** The new codes give impetus to the representation of black people at executive board level and further recognition for black female participation both at executive board and management level. While both our subsidiaries score well on board executive representation and executive management, the Company falls short at the Exco level in terms of representation of black executives and female executives. Representation of black females remains an opportunity for improvement across all levels and entities.
- **Skills development:** We need to review elements of our skills development expenditure focusing on those programmes that will result in skills acquisition and that can lead to appropriate credits.
- **Enterprise and supplier development:** One of the key changes in the codes is the increased weighting for enterprise and supplier development, and the focus on monetary expenditure for developing black suppliers and procuring from them. There are also increased targets for procuring from >51% black-owned companies and black women-owned entities. While Implats scores well for overall BEE procurement (4.99 out of 5 points), a detailed assessment of our procurement expenditure highlights the need to increase procurement from black-owned companies and black women-owned companies. There will be a need also to increase our expenditure in terms of supplier development and enterprise development.
- **Socio-economic development (SED):** While the Group has performed well under this element, there is an opportunity to improve the link between our SED investments and supplier development aimed at driving transformation in communities.

Our next verification process will be under the new codes and is planned for March 2016.

Details of Implats' B-BBEE scorecard can be found at www.implats.co.za.

Legal compliance

Responding to the President's Framework Agreement

The framework agreement	Context and commitments In signing the FA, Implats commits to:	Our contribution in 2015
Building a relationship among stakeholders based on trust and respect	<ul style="list-style-type: none"> ● Acting in a fair and impartial manner in dealing with trade unions and acting swiftly where these principles are violated ● Working with government and labour to identify and address factors behind workplace conflict ● Improve internal security measures and consistently implement them at the workplace ● Negotiate in the workplace and industry in ways that support long-term development and constructive peaceful labour relations 	<p>A code of conduct has been developed and leadership relationship-building exercises have been completed with union and management at most of our shafts; this process will be completed in 2016</p> <p>The Company interdicts against any unapproved mass meetings or picketing areas. Future forums, as well as employee relations structures and regular meetings, assist in resolving issues in order to prevent marches. There were no employee-related marches in the period under review</p> <p>Mining companies work closely with security to prevent intimidation, and to ensure ethical behaviour. The Recognition Agreement signed with unions at Impala last year lowered thresholds in a number of areas in an attempt to address the issue of majoritarianism</p> <p>Following the Marikana massacre in 2012, Implats co-sponsored a multi-disciplinary study in collaboration with the National Research Foundation (NRF) and the Human Science Research Council (HSRC) (page 83) to identify the underlying issues that led to the tragedy and to find solutions that can mitigate the risk of such an incident occurring again and address some of the social challenges. Initiatives are under way to support the recommendations of the study; this includes reviewing community engagement structures to ensure broader stakeholder representation, as well as engagement at different levels between the community and operations</p>
Strengthening labour relations	<ul style="list-style-type: none"> ● Respect the rule of law and the legal framework in labour relations matters ● When taking decisions, to take account of both the broader context in South Africa (in particular the need to reduce poverty, inequality and unemployment), as well as the interests of investors ● Respect agreements and legal obligations ● Contribute to create cordial relations between unions in the sector ● Follow proper labour relations procedures ● Work with labour to fast-track resolution of disputes ● The development of a pre-negotiations framework ● Recognise and respect cultural diversity in the workplace 	<ul style="list-style-type: none"> ● The envisioned structures required in terms of the recognition agreement with unions are in place and functioning: the industrial relations climate has stabilised ● Union membership verification and processing of union membership stop orders against the Company's payroll is conducted in accordance with the Labour Relations Act (LRA) ● New recognition agreements were signed this year at Marula mining operations and Impala Springs ● We continue to invest in improving the quality of the relationships that we have with employees, unions, government and local communities ● We implement initiatives aimed at ensuring more effective solutions for working in a multi-union environment, and a more open system where all employees are recognised and respected as equals, based on a culture of trust, respect and care ● Implats is consulting labour experts to help in the identification of underlying workplace conflict issues (page 63)
Ensure the rule of law, peace and stability	<ul style="list-style-type: none"> ● Properly adhere to laws, regulations and charters governing the sector and consistently apply their policies and respect agreements ● Take measures to protect staff members from violence and intimidation and to ensure that security personnel act in accordance with the law at all times ● Avoid acting in a manner that provokes or raises tensions in the workplace ● Participate in the Mine Crime Combating Forum (MCCF) ● Take all legal steps against unprotected labour actions ● Work with government and labour in developing protocols for security and law enforcement ● Where possible, inform police of all planned and unplanned strikes and protests 	<ul style="list-style-type: none"> ● The Chamber of Mines (the Chamber) continues to play a very active role in engaging with the security, crime prevention and criminal justice cluster through the national joint operations command (NATJOC). Companies participate through the provincial joint operations command (PROVJOCs) and NATJOC (including information sharing) ● Implats' security maintained improved visibility in traditional safety hotspots, and reaction units remain on high alert to quell any unrest that may erupt ● Security management on the mine work closely with the SAPS ● Security plans were developed jointly with the mine and SAPS and are reviewed regularly to manage possible incidences of unrest ● There were no reports of weapons carrying, or serious violence and intimidation in the period under review ● Strategic relationships have been developed with the Phokeng, Boitekong and public order policing forum ● Operations play an integral part in the mine MCCFs established in lease areas to gain intelligence on any potential security-related issues. Lack of AMCU participation in MCCFs remains a concern ● An initial exercise on the voluntary principles on security and human rights (VPSHR) was conducted at Impala Springs and Zimplats. The exercise at Impala Rustenburg will be completed in 2016. In view of recent xenophobic violence, the adherence to the VPSHR is viewed as a critical step by management

Legal compliance

Responding to the President’s Framework Agreement continued

The framework agreement	Context and commitments In signing the FA, Implats commits to:	Our contribution in 2015
<p>Improve living conditions</p>	<ul style="list-style-type: none"> Accelerating the implementation of human settlement interventions Assisting with resources and technical support for upgrading human settlements around mining towns within the context of regulatory requirements and additional voluntary contributions 	<ul style="list-style-type: none"> A total of R228 million was expended on employee housing (2014: R261 million) Implats continues to participate in the Chamber’s task teams, and to work through SLPs and the Mining Charter to improve living conditions and address housing issues Implats conducted a social impact assessment of the living whereabouts and conditions of its employees. The findings informed the development of a new housing strategy, approved in December 2014. Key focus areas are rental stock and house ownership, mobile units for back dwellers and upgrading communal facilities (page 79) Consultation is ongoing with social partners, the Royal Bafokeng Administration (RBA) and Rustenburg local municipality, to get buy-in on the new approach (page 79) A meeting was held with the RBA to earmark a portion of land in Freedom Park and land portions were subsequently shortlisted The development of our second home-ownership flagship project, the Platinum Village in Rustenburg, has progressed well. In the 2015 financial year, R40 million was expended in completing the project’s Phase 1 construction of 557 houses. Phase 2 will entail the construction of 555 houses. The R1 billion development project has a final target of 2 420 units, to be completed over the next two years. Consistent with government’s vision of integrated human settlements, Implats is developing a Platinum Village schools project At our Marula operation, the R58 million project to construct a target 122 units for employees was completed on schedule in December 2014
<p>Assist workers with financial literacy and financial planning</p>	<ul style="list-style-type: none"> Empower employees to be able to adequately manage their financial affairs Find sustainable solutions to employee indebtedness and guard against unscrupulous micro lenders. Inform individual employees upon receipt of emolument garnishee orders 	<ul style="list-style-type: none"> Financial literacy is addressed as part of the Implats team mobilisation and ex leave induction training In 2015, 433 employees were enrolled for ABET, which provides for basic numeracy skills Implats employs an experienced former sheriff of the court to assist in identifying and curbing fraudulent garnishee orders. Auditing of garnishee orders is ongoing. In instances where breaches of the rules relating to judgments and emoluments attachment are identified, court proceedings are instituted In general, the number of garnishee orders has reduced and maintenance orders and administration orders have stabilised We are also implementing a campaign to explain employee pay slips Payroll officials monitor the indebtedness status of employees and trends; employees with excessive debt are referred to financial advisers (Careways), who also provide debt counselling and debt consolidation services (page 64) A tax workshop facilitated by SARS was held and attended by union leadership The Company continues to participate in efforts to tackle unscrupulous lenders. All unscrupulous lenders are removed from hostels and mine property. The Chamber has an internal task team on employee indebtedness and promoting financial literacy training which we participated in (page 17) In line with the Implats vision of respect and care and Implats’ support of the Presidential Framework for a Sustainable Mining Industry, we undertook an investigation of the impact of the unsecured lending market on our employees at the Impala Rustenburg operation. Our investigations alerted us to the debilitating effect of Emolument Attachment Orders (EAOs) in terms whereof micro lenders obtain direct monthly deductions from employees’ salaries. We investigated the legality of the EAOs concerned and determined that legal actions were warranted. An urgent court application was launched in October 2014, which immediately stayed the EAOs and their resulting consequences. The outcome of the litigation of 14 August 2015 was that 40 of our employees’ debt judgments and resultant EAOs will be rescinded by the money lenders via the court process and the employees who paid money to the moneylenders will be refunded. The moneylenders will also abandon the debt of some 330 more employees with existing EAOs. Additional human resources are employed in the payroll department to stress test all EAOs being sought to be pursued for adherence to all the relevant legislation and the much publicised recent High Court judgment in the Western Cape on the enforceability of EAOs. In parallel with the successful court procedure and further to the already existing in-house financial literacy training of employees. Impala has further implemented debt counselling services for the benefit of employees through Careways. We embarked on the “Dikoloto” (be aware, be wise, be free) financial information and education campaign focusing on responsible personal financial management and lastly the task team established in terms of the 2013 wage agreements is currently investigating bringing in responsible debt consolidation providers to further assist employees.

Legal compliance

Responding to the President's Framework Agreement continued

The framework agreement	Context and commitments In signing the FA, Implats commits to:	Our contribution in 2015
Reaching optimal levels of transformation	<ul style="list-style-type: none"> Accelerate progress in transformation, including the areas of ownership, procurement, employment, beneficiation, human resource development, as well as health and safety in line with the targets set out in the Mining Charter Review its long-term strategy and support initiatives for restructuring, reskilling to achieve competitiveness, sustainable growth and transformation 	Implats has continued to focus on transformation. Our performance against the Mining Charter is as outlined on pages 92 and 93 in this report
Transform the migrant labour system	<ul style="list-style-type: none"> Improve socio-economic conditions in labour sending areas Enforce and implement all elements and commitments of the Mining Charter Ensure integration and implementation of SLPs and IDPs in labour sending areas and mining areas 	<ul style="list-style-type: none"> Implats participates in the task team spearheaded by the Department of Performance, Monitoring and Evaluation (DPME) – a multi-stakeholder committee consisting of labour, industry and government – established last year to participate in the government driven policy review around migrant labour A consultancy appointed by the DPME conducted research pertaining to the migrant labour system, taking into account economic, social, health, safety, industrial relations and mining policy The final report was submitted to the DPME in February 2015. The industry has commented on the report via the Chamber. The outcomes of this process will inform policy around migrant labour In addition to the NRF report (mentioned earlier), a baseline study (SIA) on key socio-economic indicators in Implats' mining communities was completed this year. The findings will be shared with our social partners to see how these influence social development strategies
Resolve labour disputes as speedily as possible in the best interest of members and South Africa	<ul style="list-style-type: none"> Negotiate in the workplace and industry in ways that support long-term development and constructive peaceful labour relations 	<ul style="list-style-type: none"> Impala works closely with unions to resolve all internal disputes through dispute resolution mechanisms and within the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA) Seven task teams, including HR managers and union representatives, have been established to address issues raised in the wage agreement. The work of the task team may include consultation and/or advice from third party expertise. These task teams are dealing with issues that include: <ul style="list-style-type: none"> micro-loans and garnishee orders medical separation agreements retirement benefits and funeral cover subcontracting, labour hire and employment agencies job grading reviews shareholding review medical aid life skills centre Both the Impala Springs and Marula wage negotiations were completed in the year under review

Legal compliance

Responding to the national development plan

The NDP objective	Context and commitments	Our contribution in 2015
Transforming the society and uniting the country	<ul style="list-style-type: none"> Reducing poverty and inequality by broadening opportunity through economic inclusion, education and skills development Promoting mutual respect Deepening appreciation of our mutual responsibilities 	<ul style="list-style-type: none"> Our investment in employment opportunities, education, health and infrastructure contribute to building social cohesion We are committed to promoting broad-based transformation, mutual respect and mutual responsibility as evidenced by the nature of our initiatives presented in this report, for example employment equity, skills development, respect and care, preferential procurement and housing. This year we invested R83 million in socio-economic development projects for our South Africa operations, inclusive of our social and labour plan (SLP) commitments, up from R71 million in 2014. An additional R228 million was spent on improving accommodation and living conditions of our employees (see pages 75 and 80) A detailed breakdown of our community investments is presented in the tables on page 75
An economy that creates more jobs, is more inclusive and that shares the fruits of growth more equitably	<ul style="list-style-type: none"> In 2030, the economy should be close to full employment It should equip people with the necessary skills It should ensure that ownership of production is more diverse The functioning of the labour market should be improved through reforms on dispute resolution Small business should be supported 	<ul style="list-style-type: none"> We provided more than 40 000 direct jobs in South Africa We stimulated significant employment opportunities throughout our value chain with our procurement spend of R7.6 billion to suppliers and contractors in South Africa Our enterprise development initiatives helped to create or sustain around 760 jobs in small black-owned companies With our training spend of R523 million in South Africa we invested significantly in our people skills Taxation and royalties of R1 704 million in South Africa and US\$99.4 million in Zimbabwe were paid to government The detailed breakdown of the economic value added throughout 2015 is provided in the table on page 70
Building safer communities	<ul style="list-style-type: none"> People living in South Africa should feel safe and have no fear of crime People should have confidence in the criminal justice system and police service There should be greater provision for community participation in community safety 	<ul style="list-style-type: none"> Implats continues to participate in various mine crime combating forums (MCCF). The MCCFs were established through the President's Framework Agreement. These include one in Phokeng (Rustenburg), one in Gauteng (West Rand) and one in Limpopo. Mining house security heads are active participants. The agenda points include but are not limited to: <ul style="list-style-type: none"> Crimes against mine and mine employees Public violence Planned marches Intelligence regarding crime Identification of hotspots Profiling of individuals causing violence/destabilisers Further details on our initiatives to ensure the rule of law, peace and stability in our communities are detailed on page 95
Improving infrastructure	<ul style="list-style-type: none"> To grow in a more inclusive manner the country needs higher levels of investment in economic infrastructure, as well as infrastructure that supports human settlements 	<ul style="list-style-type: none"> Our strategic approach to investing in socio-economic development initiatives continues to focus primarily on infrastructure, health, education, community empowerment and poverty alleviation projects The strategy aims to complement our accommodation and living conditions initiatives, through the provision of schools, clinics and other amenities. Our goal is to establish infrastructure that will address urgent needs in mine communities with the focus on longer-term impacts Our 2015 achievements for social investments are detailed on page 75. We also contribute to modernising and optimising of our mining infrastructure through our significant spend on mining research and development projects. In 2015 we invested R94 million on these mining projects

Legal compliance

Responding to the national development plan continued

The NDP objective	Context and commitments	Our contribution in 2015
Reversing the spatial effects of apartheid	Settlement patterns should meet the needs and preferences of citizens taking into account broader social, environmental and economic interests	<ul style="list-style-type: none"> • Our flagship investment in the well-being of our local communities remains our commitment to the provision of accommodation and improved living conditions for our people. To this end, we expended R228 million on employee housing in South Africa and a total of 402 houses were completed and handed over to employees in South Africa • With our housing and community development projects in our areas of operation we endeavour to create viable local communities in which employees are able to reside with their families in stable, healthy and secure environments
Improving education, training and innovation and providing quality healthcare	Measures taken to address poor education and health that significantly reduce opportunities for a productive life and undermines the dynamism of the South African economy	<ul style="list-style-type: none"> • We invested R523 million in skills development programmes in South Africa • 421 employees took part in our ABET programme to ensure career progression and functional literacy and numeracy • In addition to our occupational health measures we continue to address non-occupational health risks such as TB and HIV through our wellness programmes • We partnered with the Employment Bureau of Africa (TEBA) to address community health issues and contributed R1 million to healthcare in labour sending areas • We continue to support the National Health Insurance initiative through partnerships, working closely with the DoH and through the Bojanala Health Forum
Fighting corruption	Measures taken to address high corruption levels frustrate the state's ability to deliver on its development mandate	<ul style="list-style-type: none"> • We promote high ethical behaviour throughout our activities • We have a zero-tolerance stance on fraud and corruption, with all employees, business partners, contractors and associates required to conduct themselves in accordance with the Implats code of ethics and our fraud policy • Adherence to this code is facilitated by a 'whistle-blowing' helpline that enables the confidential reporting of alleged incidents
An inclusive and integral rural economy	South Africa's rural communities should have greater opportunities to participate fully in the economic, social and political life of the country through access to good quality education, healthcare, transport and other basic services	<ul style="list-style-type: none"> • Our social investment projects benefited more than 40 000 people in South Africa through investments in infrastructure, health and housing • Our enterprise development initiatives supported 113 local businesses (tier 1) and helped create jobs
Transitioning to a low-carbon resource efficient economy	The country needs a coherent plan to emit less carbon, use water more sustainably, and protect the oceans, soil and wildlife	<ul style="list-style-type: none"> • Our energy efficiency initiatives are targeted mainly at our mining operations, as there is seen to be limited scope for further energy efficiency at our smelters and refineries. In South Africa we are working closely with Eskom, and continue to participate in various demand-side management (DSM) programmes. Our longer-term strategic investments include exploring a carbon neutral fuel source for our operations, and participating in collaborative efforts to develop fuel-cell technology. In the 2015 financial year we spent R3 million on fuel-cell research • We continue to work with industry bodies and government in seeking an appropriate policy response to climate change that does not compromise the competitiveness of our sector noting both our important development contribution as well as the role of platinum group metals in the transition to a lower carbon economy • Our 2015 carbon and energy management performance is detailed on page 114 of the report

Socio-economic impact of the strike

Case study: The far-reaching socio-economic impacts of the 2014 Platinum strike

The five-month strike between January and June in 2014 across the platinum belt in the greater Rustenburg area in South Africa was the longest in the history of industrial relations in the country and had a material socio-economic impact on employees, their dependants and communities as well as local businesses.

Rustenburg operations were suspended throughout the five-month period in order to protect the safety and security of our employees who faced the risk of violence and intimidation. The strike by the majority union Association of Mineworkers and Construction Union (AMCU) was concluded with a three-year agreement signed on 24 June 2014.

Mineworkers are a major source of income in the Royal Bafokeng Nation (RBN) villages; it is estimated that approximately 29% of the 50 000 households* in RBN include mine employees. The lack of income during the strike had a significant impact on household nutrition, health, education, local business income, rental income and general security in the RBN, informal settlements and other surrounding communities.

The Royal Bafokeng Administration (RBA) conducted an assessment of the far-reaching impact of the strike on communities affected. The review identified some of the following primary social and economic impacts during and following the strike:

Social impacts

- **Social welfare:** Welfare issues impacted by the strike included in particular an increase in the number of children left alone while their mothers went in search of food and income. Tapologo Hospice for orphans and vulnerable children in Phokeng village, which is supported by Impala through the Impala Bafokeng Trust (IBT), experienced an increase in afternoon daily feeding. The orphans and vulnerable children centres experienced a 163% increase in daily afternoon feeding compared to the same period the previous year, and a 280% increase between January and June 2014. This indicates the significant impact the strike had on the availability of food in mining households and those dependent on household income generated by the industry in various forms.

- **Education:** Based on evidence from school principals, the strike had a minimal impact on most schools across the Bafokeng area, with the exception of the schools surrounding the mines and especially those frequented by mine employees' children (in the south-east region such as Photsaneng and Mfidikoe). An increase in levels of absenteeism is principally attributed to families leaving the area temporarily or a lack of affordability for transport. Transport costs were likely to have affected high school learners who attend schools further away from home. Most RBN schools are non-fee schools therefore school fees were not a factor affecting attendance. Many early childhood development (ECD) centres and crèches were suspended during the strike owing to parents being unable to pay fees. While many are likely to have reopened following the resolution of the strike, the children will have been out of care for several months, increasing the burden of care on especially female family members and exposing small children to the strike-related stresses in families.
- **Safety and security:** The RBN's Protective Services Unit collates statistics on all crimes to which it responds. An overall reduction in crime in the RBN area was observed during the strike period, as compared to the same period in 2013. It is unclear whether this is related to the strike or simply a continuation of a longer-term trend in reduced crime incidents based on the effectiveness of the protective services visible policing strategy. However, specific types of crime increased during the strike months, all of which are likely to have had a direct relationship to the strike. Copper cable theft increased considerably during the duration of the strike – in the RBN area and the greater Rustenburg area. Mine shafts that were quiet during the strike were targeted by groups of copper cable thieves who stole large quantities of copper cable from underground. Impala Rustenburg replaced approximately R49 million worth of electrical cables in order to resume the operation of some shafts. Copper cable theft from Eskom lines in

*Households – individuals who live together under one roof and eat from the same pot.

Socio-economic impact of the strike

residential RBN villages also increased. Levels of violent crime, including arson, assault with grievous bodily harm and murder, were observed to have increased during the strike action. These mostly occurred in the south-eastern and northern RBN regions, close to the mining areas, and were part of violent intimidation tactics between striking and (perceived) non-striking mine workers.

Economic impacts

- Local business revenues:** During the strike, the *force majeure* declared by mining houses resulted in contractual obligations being unfulfilled towards certain service providers; consequently some existing contractors were not paid and there were no new contracts. Virtually all other businesses in the area, from mining input manufacturers to the hospitality industry to informal convenience shops, suffered reduced turnover of between 50% and 80%. Many small businesses retrenched staff, or closed. Some small businesses survived by diversifying their client base beyond the Rustenburg area however, a reduction in local economic diversity is expected in the medium term. While employees of the mines returned to work after the strike, the employees of defunct small businesses may have not at the time.
- Rental income:** The RBA data indicates that Impala employees account for approximately 4 000 rental households in the Bafokeng villages. According to anecdotal evidence, most mining households could not afford to pay their rent by the second month of the strike. However, landlords did not evict their tenants for non-payment, in anticipation of future rental income. If the average rental income is conservatively estimated to be R350 (based on a housing market study conducted by the RBA), the rental income lost during the five-month period was approximately R7 million. This would exclude those working in support industries who would have also been affected.
- Micro-lenders and unscrupulous lenders (Mashonisas):** Anecdotal evidence suggests that informal and small-scale money lenders largely went out of business as a result of the protracted strike. This includes individual informal 'mashonisas' as well as cash loan and pawn shops in RBN villages. It is likely that such businesses were very active in the early months of the strike but then could not collect on their lendings and therefore went out of business. Further research is needed to determine the extent to which 'loan sharks' returned once the strike ended, and the impact of their activities on mine workers' back-to-work payments, their first monthly payments and their health and safety in cases of non-repayment.

During the strike the principle of no-work-no-pay was applied. As a consequence the housing bonds of employees on the Company's home ownership scheme were affected. The Company paid these bonds throughout the period in order to assist affected striking employees.

The strike and its impact brought into sharp focus the need for an integrated and collaborative approach to addressing social challenges that exist in communities. We continue to work actively with our industry partners, government, union leaders and other stakeholders to find long-lasting solutions.

Investing in community development – Zimbabwe



“Developing partnerships with our neighbouring communities is one of Zimplats’ top strategic objectives”

Social investment

Zimplats

Our management approach to social investment

Developing partnerships with our neighbouring communities is one of Zimplats’ top strategic objectives. We have developed and are implementing a community development plan that seeks to address some of our neighbouring communities’ expectations and developmental priorities. These priorities have been identified through perception and baseline studies, as well as quarterly stakeholder meetings with community representatives, leaders and local chiefs.

Informed by these interactions, our community development plan focuses on education, health and income generating projects, with the aim of narrowing the gap in terms of community expectations relating to development needs such as clinics, agricultural activity, employment, construction of secondary and primary schools, clean water and sanitation, and food security. Through effective implementation of the plan we seek to further improve the level of communication and neighbourliness between Zimplats and our surrounding communities.

Dialogue with government is currently ongoing towards the conclusion of a substantive indigenisation implementation plan in which we seek credits for some social investment projects. We have reached agreement in principle on a 10% share for the community and 10% for employees. Our discussions are focusing primarily on the remaining 31%.

Our 2015 performance and achievements for social investment

The Zimbabwe operations’ social investment increased by 8% from US\$4.9 million in 2014 to US\$5.3 million this year. A detailed breakdown of our community investments is presented in the tables on pages 103 and 105. Following is a brief summary of the identified contribution associated with the US\$974 000 worth of investments reviewed in 2015:

- **Herd development project:** We launched a three-year community herd development project that will benefit communities in two wards adjacent to Zimplats’ operations in Ngezi. The project aims to improve genetics and herd health and ultimately to contribute towards household nutrition and income generation. Current investment in this project is US\$58 000
- **Library extension:** Zimplats has constructed an extension to the library at Chinhoyi University of Technology. The university has more than 7 000 students. The project scope comprised infrastructural extension to an existing library and provision of furniture at a cost of US\$83 800.

The Zimplats Mhondoro Ngezi Chegutu Zvimba Community Share Ownership Trust was established in October 2011 as part of the company’s indigenisation implementation plan. To date the trust has implemented projects valued at more than US\$4.5 million from the donation of US\$10 million initially provided to the trust by the Company. More than 100 projects have been implemented through the trust in the three districts. These include projects relating to road construction and maintenance, rehabilitation of schools, construction of classroom blocks at more than 30 schools, sinking of boreholes to address access to potable water and the provision of infrastructure for income-generating projects.

Investing in community development – Zimbabwe



“The focus in the years ahead will be to continue to identify income-generating and infrastructural projects in line with community needs and priorities”

Zimplats socio-economic development expenditure US\$000

Programme	2015	2014	2013	2012	2011
Empowerment of communities	—	4 200	2 500	3 300	—
Health, safety and environment	23	91	668	873	223
Education	300	207	3 062	3 283	755
Government and municipality support infrastructure	19	—	—	—	—
Sports development	52	94	54	35	27
Enterprise development	413	—	—	—	—
Income-generating projects	117	88	80	47	303
Community welfare, arts and culture	50	578	340	1 071	41
Total socio-economic development expenditure	974*	5 258	6 704	8 609	1 349
Housing and living conditions	5 474	15 000	20 548	49 000	—
Total sustainable development investment	6 448	20 258	27 252	57 609	1 349

* The community spend for Zimplats is lower than Mimosa as a result of cost management strategies applied across the business on the back of declining metal prices and the impact of the collapse of Biraha Mine on volumes and ultimately revenues.

Accommodation and living conditions

Our strategic approach to accommodation and living conditions

Zimplats' commitment to improving the living conditions of employees mirrors the strong commitment evident in our South African operations. The provision of access to housing provides an opportunity for competitive advantage in attracting future skills, and can be used to support procurement from local enterprises and enterprise development in host communities through the value chain.

This year at our Zimplats operations the following was achieved:

- We invested US\$5.5 million on employee housing in the 2015 financial year (2014: US\$15 million).
- The company commenced the second phase of our employee home ownership scheme, with 680 units completed and handed over to employees.
- Sixty-five company houses which were budgeted under the 2014 financial year and which were behind schedule and will be constructed between July and September 2015 bringing the total number of Company houses to 1 410 at Ngezi.
- Discussions have continued with potential partners on an employee housing scheme for Selous Metallurgical Complex-based (SMC) employees in Chegutu.

Investing in community development – Zimbabwe

Enterprise development and procurement

Zimplats continued to implement its local supplier procurement and development strategy to further assist in the broader economic recovery of Zimbabwe. During the year local suppliers accounted for 73% (US\$294 million procurement spend in the 2015 financial year) of the Company's annual spend on goods and services, up from 66% in 2014. Mechanisms are in place to encourage and continuously monitor the growth of local supplier partnerships. In accordance with the Company's transparency procedures, a cross-functional internal team reviews and approves the awarding of tenders. In addition, we administer an anonymous tip-offs system in partnership with an independent audit company so that suppliers, employees and other stakeholders can report on any incidents of corruption of any nature, including the awarding of tenders.

In addition to our supplier development activities, Zimplats has also embarked on a local enterprise development programme. We are working with several small and medium enterprises within the local community in Mashonaland West Province. We provide them with technical, financial and skills development support. The enterprises supply Zimplats with goods and services such as protective clothing (work suits and overalls), silica, bricks, punch bars, housing maintenance services and ore transportation.

Social investment

Mimosa

Our management approach to social investment

Since inception, Mimosa Mining Company has remained committed to sustainable economic development. Engaging all stakeholders in a collaborative manner to ensure sustainable solutions is key to its operations. In a bid to ensure that it conducts its business in a sustainable manner, Mimosa employs the Triple Bottom Line (TBL) framework of People, Planet and Profit where it maintains the intricate balance among the three elements. Its policy is to achieve ZERO HARM in all its operations, and to minimise its impact on the environment through the sustainable processing of its mineral resource.

The Company strives to provide growth and greater value to its stakeholders by continuing to work in line with relevant policies and guidelines regarding responsible and ecologically friendly business practices. Its business thrust rests on the quartet of People, Safety, Production and Cost Effectiveness, around which strategic objectives are centred. Key strategic objectives are crafted through systematic situational and environmental analysis.

Our 2015 performance and achievements for social investment

The Company implemented and handed over a number of national and local corporate social responsibility (CSR) projects in the financial year. Some of the projects were pursued



Investing in community development – Zimbabwe

following requests by the local communities while others were initiated by the mine, all in line with the Company's CSR policy. The projects had commendable impact on the communities within which they were undertaken. The projects included the following:

The Ebola Awareness Campaign: The Ebola Awareness Campaign was a partnership with the Zimbabwe Ministry of Health. This saw Mimosa providing communication and technological support to the fight against Ebola. The message that was being communicated was that, while Ebola is deadly, it is preventable. The Company installed Ebola monitoring equipment and the associated supporting televisions to disseminate information across the Harare International Airport, Bulawayo and Victoria Falls airports. It also trained personnel on the use of the equipment. In addition Mimosa installed banners and posters at the airports.

A multi-media platform, which was launched by the Ministry of Health and Child Care was also set up, as a tool to manage growing rumours around Ebola on social media. The platform is now being used to communicate about other diseases. Mimosa built the site and provided technical support, while the Ministry of Health dedicated resources and people to respond to comments raised on the site. The campaign generally positioned Mimosa as a caring company and was well received.

Renovations at Mpilo Central Hospital: The Mpilo project saw Mimosa renovating two wards and refurbishing the entire hospital's electrical system. One ward was completed and officially handed over to the authorities.

Zvishavane cleanup campaign: Mimosa has contributed to creating a culture of raising environmental awareness in Zvishavane, a town located 20km from Mimosa. In line with this culture, worker representatives initiated a community clean-up campaign on 7 May 2015 after requesting to utilise the free time created by electricity load shedding on the day. The clean-up campaign covered Platinum Park, 43 houses (Mandava), Eastlea Lot 2 and 4. The exercise was well received by the communities, who were also involved in the clean up.

Local supplier development

Mimosa has a solid policy structure that empowers and supports indigenous companies. Its procurement database comprises both local and foreign suppliers, with local suppliers constituting well above 60% of the total number of suppliers.

Over the years the Company has depended on supplies from local indigenous companies. Its preferred supplier programme has a strong bias towards competent local entrepreneurs and is implemented on cost and quality competitiveness. Local companies also supply and maintain key mining equipment under the Company's technology transfer initiatives.

In 2015, 65% of Mimosa orders were given to local suppliers. The mine also continued generating employment for the local people through contracted companies. There is a clause in the contracts which mandates the contracted companies to employ non-skilled employees from the local, surrounding communities, which the mine enforces.

Mimosa's socio-economic development expenditure US\$'000

Programme	2015	2014	2013	2012	2011
Empowerment of community structures	396	1 065	411	127	9
Health, safety and environment	69	0	0	39	0
Education	163	53	45	1 507	1 869
Government and municipality support infrastructure	2 006	1 086	3 878	987	93
Sport development	0	0	0	0	0
Enterprise development	0	0	0	0	0
Community, welfare, arts and culture	1 497	1 453	336	489	431
Total socio-economic development expenditure	4 131	3 657	4 669	3 149	2 402
Housing and living conditions	67	146	3 031	16 560	15 500
Total sustainable development investment	4 198	3 803	7 700	19 709	17 902

Our social investment focus for 2016 and beyond

In Zimbabwe the key focus will be:

- The implementation of the ESOT as part of our IIP and progression of discussions on the rest of the IIP.
- Enhance relations with the community through continued engagement aimed at nurturing relations based on mutual respect and understanding.
- Continue to explore ways and strategies to increase capacity of local companies so that they can supply quality goods and services to both Zimplats and the country as a whole.

Respecting human rights



“Our human rights commitments form part of our code of ethics. Employees are trained on the code through our intranet and as part of the induction process”

Our 2015 human rights achievements and performance

Our human rights policy, which was approved in 2013, commits us to striving for full compliance with applicable legislation in the regions in which we operate, as well as to implementing the human rights principles in the United Nations Global Compact. Our human rights commitments form part of our code of ethics. Employees are trained on the code through our intranet and as part of their induction process.

We have made provision in relevant policies and procedures for the following human rights issues:

- Rights to freedom of association and collective bargaining
- Minimum employment age
- 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
- Disciplinary and grievance processes
- The need for security personnel to uphold these human rights.

We track implementation of human rights issues through monthly reports. Procedures are in place to ensure that channels are available to deal with unfair practices. No cases of discrimination were reported in the year under review.

While our agreements with contractors 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. We recognise the need to further improve our monitoring of contracted labour on human rights issues. 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 this year.

Following the tragic events at Marikana in 2012, and the subsequent recommendations of the Farlam Commission, we recognise the need across the mining industry to manage

security-related issues. As part of supporting growth and stability in the mining sector, the President's Framework Agreement was signed by all stakeholders in 2013. Part of this agreement promotes the rights of workers and communities in ensuring safety and security. Refer to pages 95 to 99. Enhancing the interface between the South African Police Service (SAPS) and our own security response is critical in avoiding any escalation of conflict. To mitigate this risk we have committed to and are implementing the Voluntary Principles on Security and Human Rights (VPSHR). The VPSHR framework provides useful guidance on: assessing the human rights risks associated with security; engaging with public security providers in a structured manner; establishing a clear set of rules when contracting with private security providers; and creating opportunities for input by affected stakeholders.

We are following a phased approach to the implementation of the VPSHR. Phase 1 of the project is a gap analysis against the requirements of the VPSHR to identify the actions to be taken to fully comply with the requirements. The first phase of the process focused on Impala Springs, which has developed mature security systems in response to the high threat of precious metals criminal activity. The gap analysis has been completed; recommendations will be given to the executive and management for consideration. The next phase is to conduct a similar exercise at Marula and Impala Rustenburg. The assessment of the Rustenburg operation commenced in July 2015.

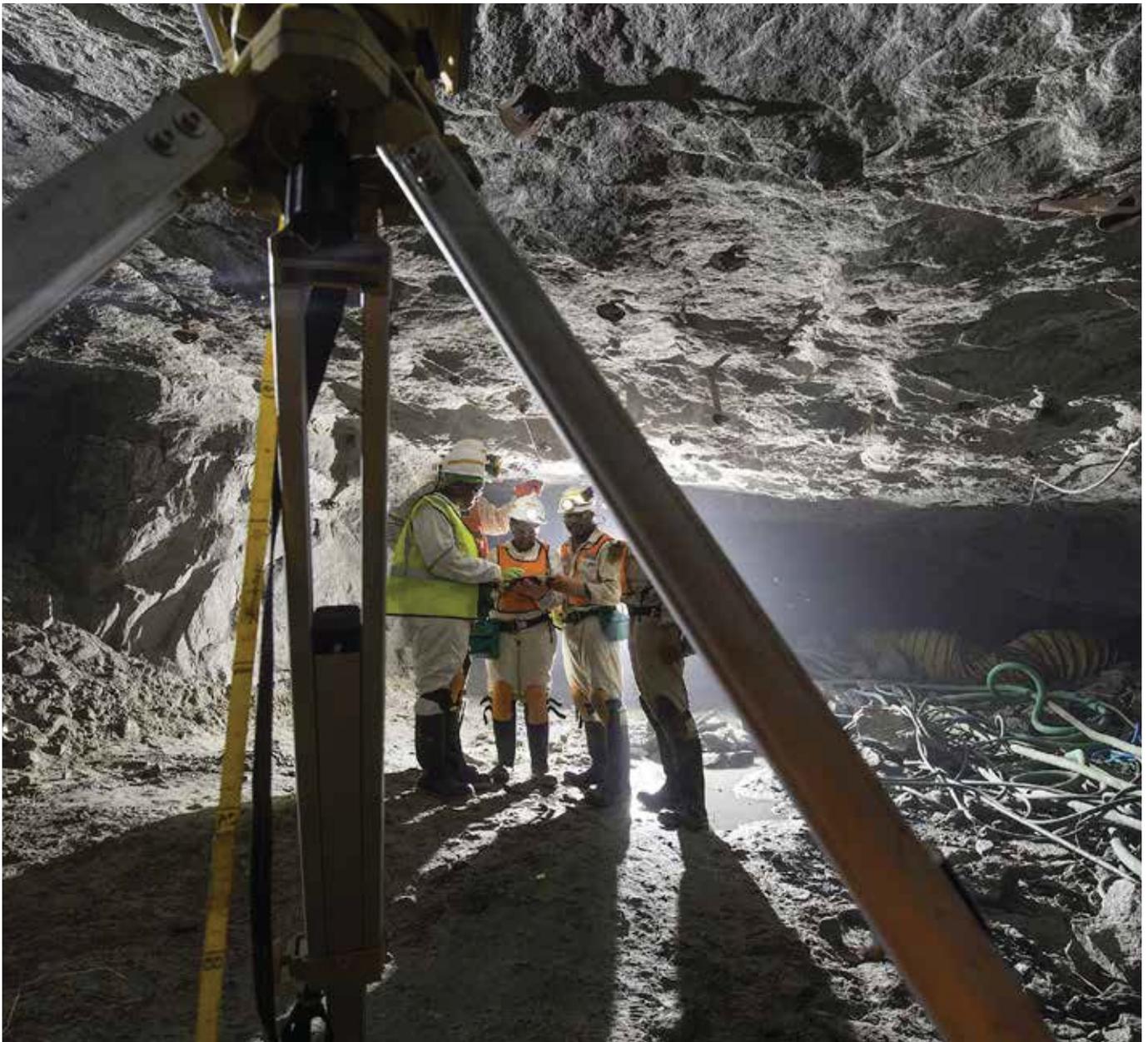
We will be using this framework to guide and train our security contingent. To formulate appropriate security responses, early identification of the potential for violence is critical, which requires regularly updated and credible information on security threats.

Third-party services are contracted to provide security at our South African operations. An assessment of their practices indicates that awareness programmes are in place for their personnel on the protection of human rights. The gap analysis will assist in determining any further training required and will be disclosed in the following year (2016).

Respecting human rights



“We are committed to and are implementing the Voluntary Principles on Security and Human Rights (VPSHR)







Conserve natural resources and mitigate impacts

As a company producing "green metals" we are involved in the exploration, extraction and processing of mineral resources which results in the unavoidable disturbance of land, the consumption of resources, and the generation of waste and atmospheric and water pollutants.

Our strategic approach to managing impacts and conserving natural resources



“All our operations are ISO 14001 certified, and are required to identify and report on all environmental incidents



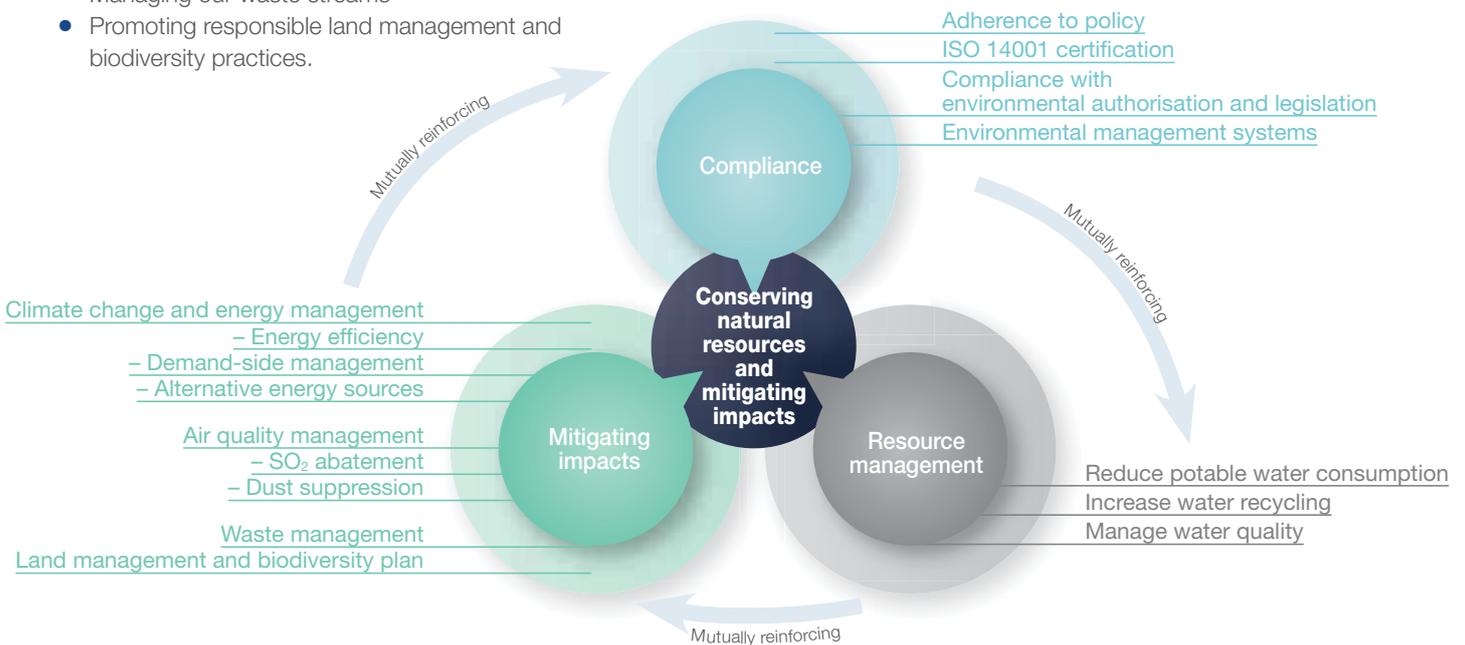
Given these impacts, it is important that we demonstrate responsible stewardship of the resources we share with the societies in which we operate, particularly as our underground operations become deeper and consume greater amounts of energy and water. This involves taking measures not only to address security of resource supply (for example through efficiency, recycling and fuel-switching), but also to actively minimise our impact on natural resources and on the communities around our operations. Taking such measures has direct benefits in terms of reduced costs and liabilities, enhanced resource tenure and improved security of our licence to operate.

Our environmental mitigation activities focus on the following areas:

- Promoting responsible stewardship by minimising water use and pollution
- Minimising our negative impacts on air quality
- Responding to climate change risks and opportunities, and promoting responsible energy management
- Managing our waste streams
- Promoting responsible land management and biodiversity practices.

In October 2013 the Implats board approved a revised environmental policy, committing the Company to running our exploration, mining, processing and refining operations in an environmentally responsible manner, and ensuring the well-being of our stakeholders. Through our policy commitments we undertake to integrate environmental management into all aspects of the business with the aim of achieving world-class environmental performance in a sustainable manner.

All our operations are ISO 14001 certified, and are required to identify and report on all environmental incidents. Systems are in place to investigate and determine the root causes of high-severity incidents, and to address and close out all such incidents. Incident classification has been standardised across all operations in the reporting year and the five-tier incident classification matrix is currently being rolled out. This will enable reporting of incidents for the Group from the 2016 financial year. During the year we implemented a FlexiCadastre software



Our strategic approach to managing impacts and conserving natural resources



“In addition to mitigating their direct environmental impacts, each of our operations are expected to develop or fund a flagship local community environmental project as part of our commitment to moving beyond compliance on environmental issues



system, and have completed the loading of Rustenburg mining rights environmental authorisations. Impala Springs tracks legal compliance to licence conditions on Isometrix. They have a community forum that meets quarterly and feedback is provided on compliance status as well as progress with the various projects.

This year the difficult socio-political environment in the Rustenburg area negatively affected our environmental impact assessment (EIA) and environmental management programme (EMP) amendment processes, with several public participation meetings being cancelled following community disruptions. Given the current challenges with community engagement, we have put some of the processes on hold, while with others we have chosen to finalise and submit the required documents to the authorities for their decision.

Although there are certain areas of improvement such as the operational tailings dam in particular, the general conclusion of the 2014 EMP assessment is that the level of environmental management performance at Impala has dropped since 2012. It is important to note that this may well be a direct consequence of the extended labour strikes that occurred for the first half of 2014. These strikes created a situation where on-site environmental management initiatives were not able to continue as required.

Impacts of most concern are safety of third parties, pollution of soils, surface water, ground water and air quality. These impacts have all been quantified by monitoring and/or specialist modelling. Impala should utilise this information to design and implement appropriate prevention and/or mitigation measures going forward.



Our strategic approach to managing impacts and conserving natural resources



“Our water conservation strategy, introduced in 2011, guides our approach to water management



Water stewardship

Our management approach to water stewardship

Water is a critical input into our mining, processing and refining operations. We recognise our obligations in terms of maintaining water quality, and not compromising the access rights of other users. The strategic importance of water was further highlighted this year, with rainfall in the Rustenburg area being a third of its usual levels.

The strategy focuses on water consumption and quality management, and proposes a framework for operation-specific water conservation strategies, in line with our strategic commitment to reduce the use of potable water and increase recycled water usage. The Group's recycled water target is 40%. We have implemented various projects to reduce potable water consumption, optimise industrial use and increase water recycling. Surface and groundwater monitoring programmes are in place, and we review our water risk assessments annually. In fulfilment of our commitment to transparency on performance, we have once again participated in the CDP Water Disclosure Project.

We engage regularly with the South African and Zimbabwean regulatory authorities in an effort to ensure that all appropriate water-use licences are in place, and that due consideration is given to our proposals for water-use amendments. At our Rustenburg operation we have continued to experience some delays in the issuing of amended licences, largely as a result of government capacity constraints. We work closely with different stakeholders to ensure security of supply for our operations and the surrounding communities.

Impala Springs are experiencing delays in receiving their amended licence. Amendment applications were submitted in 2011/2012. The Integrated Water and Waste Management Plan (IWWMP) and Rehabilitation Strategy and Implementation Plan (RSIP) are reviewed and submitted to the Department of Water and Sanitation (DWS) annually. A water balance has been

developed at Impala Springs by Goldsim and is being tested. There is good control on our effluent pond levels and high recycling figures due to the operation of two crystallisers and the reverse osmosis (RO) plant.

Water management continues to receive particular focus at Impala Rustenburg. The persistently dry conditions experienced in the north-west of South Africa, together with municipal potable water supply problems, continue to present challenges to our operations and highlight the strategic long-term importance of effective water management practices. We have also been implementing a groundwater and surface-water treatment project to remediate the pollution plume around our tailings dam.

Our 2015 performance on water

This year Impala Rustenburg experienced 60% less rainfall during the summer season than the normally expected levels. The reduced rainfall impacted negatively on the operation's water resources, such as the tailings dam return water and the Rockwall dam supplies. The extremely dry conditions also impacted negatively on water recycling levels.

Total water consumption for the Group this year was 39 701 megalitres, including both water withdrawn and water recycled. The increase of 14% on water consumption levels (2014: 34 775 megalitres) is largely attributable to the return to production this year following the termination of last year's five-month strike, as well as the reduced rainfall levels. The maintenance in our unit consumption rate of water (megalitres per tonne ore milled) over the 2014 levels is a positive indication that we are improving our water management practices. This year, 14 325 megalitres of water was recycled, equating to 36% of all water consumed.

Further details on the total water withdrawn, consumed and recycled at each of our operations are provided in the performance table on page 137.

Our strategic approach to managing impacts and conserving natural resources



“Water is a critical input into our mining, processing and refining operations



Water consumption units (Mℓ)	2015	2014	2013	2012	2011
(1) Water from water service providers or municipalities	9 576	7 515	8 851	10 722	12 636
(2) Waste water from other organisations	3 104	2 313	2 598	2 767	3 769
(3) Water from rivers	2 164	2 175	2 344	2 124	2 337
(4) Water from dams	6 897	6 696	8 777	7 891	7 016
(5) Water from ground water	3 634	2 667	2 870	1 770	1 287
Water withdrawn (1 + 2 + 3 + 4 + 5)	25 376	21 365	25 440	25 274	27 045
Water internally recycled	14 325	13 409	15 271	14 840	14 823
Total water consumption	39 701	34 775	40 711	40 114	41 868

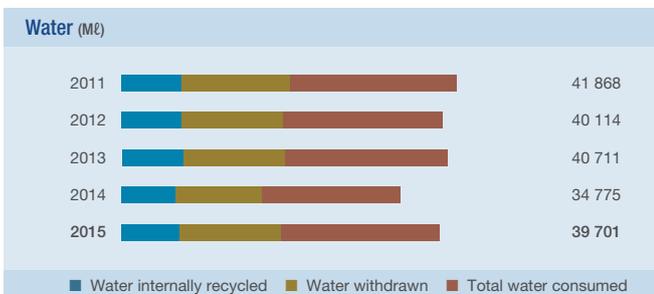
Notes:

Note 1: From 2011 the Zimplats and Mimosa water withdrawn from rivers and dams excludes water provided to communities (in line with the SA operations).

Note 2: At Marula and Zimplats, fissure water is included as groundwater from 2011. Our Zimplats operation uses a potentially significant amount of fissure water in one of its mining operations that has not as yet been quantified.

Note 3: From 2011 the Impala Springs water withdrawn includes domestic water (offices, stores, etc). This is in line with Group reporting.

Note 4: Unit consumption is in kl/tonne ore milled except for Impala Springs which is kl/tonne matte milled.



- Increase the use of grey water sources by utilising fissure water emanating from Rustenburg operations 2, 2A and 5 Shaft into the water circuit.
- Continue with the water projects at Rustenburg operations where scavenger boreholes are drilled close to the operating tailings dam and floating wetlands constructed at the Rockwall dam.
- Continue lining the old BMR pond at Impala Springs operation by installing double lining with leak detection to ensure compliance with the WUL.

Our water focus for 2016 and beyond

In South Africa we aim to:

- Continue efforts to increase the percentage water recycled, and to reduce the volume of water withdrawn.
- Continue to engage with local authorities and communities on water-related issues to ensure we meet regulatory and social expectations.
- Investigate the feasibility of water treatment alternatives.
- Update the Rustenburg operations water strategy and to access the options available for Water Conservation and Water Demand Management (WC/WDM).

In Zimbabwe we aim to:

- Achieve a 40% recycling of water for the Zimplats operations.
- Improve water accounting at Selous Metallurgical Complex (SMC), by installing water meters to account for recycled sewage effluent and storm water.
- Conduct internal water and energy audits to ensure efficient use of resources at Mimosa.

Our strategic approach to managing impacts and conserving natural resources



“Our longer-term strategic investments include exploring and participating in collaborative efforts to develop fuel-cell technology



Climate change and energy management

Our management approach to climate change and energy

Our operations are exposed both to the physical and policy implications of a changing climate, as well as to the more immediate impacts associated with regional electricity capacity constraints. As an organisation we are acutely aware of the risk associated with climate change, its impact on the environment and socio-economic implications. The possible impact on water supply, and possible drying up of water sources has meant that we need to continuously review this risk and look at mitigating measures for both the organisation and communities. A financial impact assessment has also been undertaken in this regard, taking into account the possible tax imposition by government for carbon emissions. Security of energy supply and rising energy prices remain significant material risks for our operations in South Africa and Zimbabwe.

Given these challenges, the primary focus of our carbon management strategy is on energy-efficiency projects. This year electricity consumption accounted for around 70% of our total energy consumption, and almost 10% of our overall cash cost base. Our projected expansion into deeper operations that are more energy intensive, coupled with the anticipated introduction of a carbon tax in South Africa, highlights the business imperative of focusing on reducing and optimising our energy use.

In Rustenburg energy efficiency initiatives are targeted mainly at our mining operations, as there is seen to be limited scope for further energy efficiency at our concentrators and smelter. At Impala Springs, a steam system assessment was completed by the National Cleaner Production Centre (NCPC) and a good operational control score was achieved that indicates efficient use of steam. An energy management plan is planned for the 2016 financial year. A 1.8MW fuel cell installed in two tranches of 900kW is expected in February/March 2016. In South Africa we are working closely with Eskom, and continue to participate in various demand-side management (DSM) programmes. Our

longer-term strategy includes exploring and participating in collaborative efforts to develop fuel-cell technology (see box on page 116).

An important policy development this year has been the South African government’s work on setting desired emissions reduction objectives (DERO) and sectoral carbon budgets. We have kept a close watching brief on these policy developments and have submitted comments on DEROS, carbon budgets and the carbon tax through the Chamber of Mines (COM). At a Group level we have an absolute GHG-emissions reduction target of 5% by 2020 from the 2008 base year, when our first carbon footprint assessment was undertaken.

A more detailed review and assessment of the climate change risks and opportunities for Implats can be found in our submission to the CDP’s Climate Change Programme, available at www.cdproject.net.

Our 2015 carbon and energy management performance

During 2015, our total CO₂ emissions amounted to 3.4 million tonnes, up from 3 million tonnes in 2014. This increase is largely as a result of increased production levels following the end of last year’s strike action at Impala Rustenburg, which typically accounts for about 75% of the Group total CO₂ emissions. Most of the GHG emissions (3.0 million tonnes) are associated with Eskom electricity usage, with the balance (0.3 million tonnes) associated with direct use of coal, diesel, petrol and industrial burning oil. In 2015 our emissions intensity (tonnes of CO₂ per tonne of ore milled) was 0.209, down from 0.218 in 2014. This improvement reflects positively on energy efficiency initiatives.

Additional data on our direct and indirect greenhouse gas emissions and our energy usage, by operation for each of the past five years, are provided in the performance table on page 138.

Our strategic approach to managing impacts and conserving natural resources



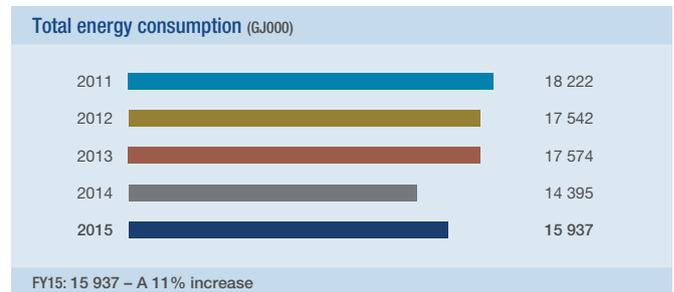
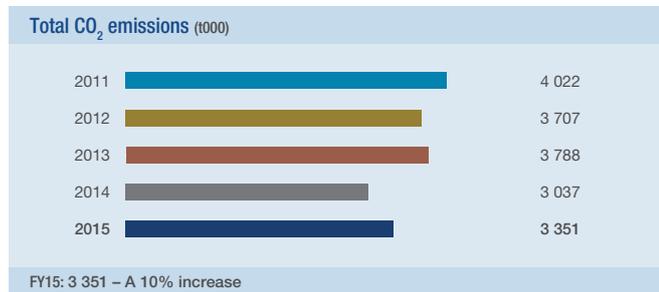
“Each year we conduct a GHG emissions assessment to identify areas for GHG mitigation and increasing efficiencies”



Each year we conduct a GHG emissions assessment to identify areas for mitigation and increasing efficiencies. Over the last three years we have invested over R100 million on energy conservation programmes, resulting in a reduction of 8% in indirect energy usage when compared against the year 2013. The 2014 financial year performance was impacted by the five-month strike and is thus not comparable year on year. Energy efficiency initiatives implemented across the Group are:

- The conversion of all underground lighting at Impala Rustenburg to a more energy efficient lighting source. This is estimated to reduce annual consumption by 15GWh
- The optimised use of compressed air systems at Impala Rustenburg which has achieved an estimated reduction of 7.8GWh per annum
- The underground compressed air optimisation project with an estimated future annual saving of 61.3GWh per annum
- The installation of power factor correction equipment at Rustenburg and Mimosa has resulted in an average 4% reduction in annual energy consumption
- Projects aimed at continuing to investigate opportunities for alternative lower-carbon and carbon-neutral fuel sources.

Climate change indicators	Units	2015	2014	2013	2012	2011
Direct CO ₂ emissions	(t000)	349	323	401	418	436
Indirect CO ₂ emissions	(t000)	3 002	2 714	3 387	3 289	3 587
Electricity purchased	(MWh000)	3 129	2 780	3 395	3 322	3 469
Direct energy	(GJ000)	4 671	4 386	5 350	5 584	5 661
Indirect energy	(GJ000)	11 266	10 008	12 224	11 958	12 561
Total energy	(GJ000)	15 937	14 395	17 574	17 542	18 222



Our strategic approach to managing impacts and conserving natural resources

Case study: Managing energy security concerns

The continuing electricity supply constraints in South Africa present a significant and potentially prolonged impact on our South African operations. In its 2015 budget review National Treasury of the Republic of South Africa stated that the country will experience constrained electricity supply for at least the next two to three years.

Eskom load curtailment

As a 'key customer' or 'energy-intensive user' with Eskom, Implats has specific agreements in place with the electricity provider. In terms of a signed 'load curtailment document', Impala Rustenburg is given timely caution to implement load curtailment measures whenever the power system becomes severely constrained. During a stage 1 and 2 load curtailment, we are required to reduce demand by 10% within two hours of notification, under stage 3 we have to reduce demand by 20% within two hours, while stage 4 represents an unscheduled requirement to reduce demand, as instructed by the National System Operator. As a result of our on-site real time power-monitoring system, we have been able to act swiftly and accurately when required. This information also makes Impala's efforts to assist Eskom more credible, contributing to the ongoing good relationship that we have been careful to maintain with Eskom.

Energy reduction plans have been developed and modelled for a range of Eskom scenarios, designed to minimise risks to employee safety, and ensure minimal production loss.

During the year Impala received 56 stage 1 and stage 2 load curtailment requests to reduce electrical power usage by the required 10%. The total declared emergency amounted to 514 hours. The weekend requests were and are managed by ensuring the compressors do not exceed 60MW. For early morning week-day requests, load reduction first takes place at our Mineral Processing Plant (furnaces, slag plant and milling circuits) until such time as the Impala profile falls below the calculated Eskom average demand. Afternoon requests by Eskom have not impacted production thus far and this is due to significant reduction in the Impala demand profile from early afternoon through to early evening.

Exploring self-generation initiatives

Given the current energy context we are aggressively pursuing opportunities to take Implats along the path of sourcing alternative energy supply. As part of this initiative we have been partnering with local businesses to develop and deliver fuel cell solutions that provide sustainable economic returns. The first phase of the project involves the installation of cells using phosphoric acid fuel cell technology from Fuji Electric in Japan. This will operate off excess hydrogen piped to Impala Springs for the metal reduction process. The fuel cells will supply an initial 1.8MW of power in two tranches of 900kW and will also produce heat that will be integrated into the operation. The chemical reaction by the fuel cells produces zero emissions except for clean water that can be utilised within the plant. The first electricity from this project will be available in 2016, subject to final approval and implementation of a power purchase agreement. The second phase of the project will involve the installation of a Doosan fuel cell system producing up to 20MW operating on natural gas.

Additionally, a solar powered project to deliver sufficient power alleviating stage 1 load curtailment is being considered for installation and across the fence supply of power at Impala. The project will need a vast area for installation of the solar panels, which will require the cooperation/involvement of the Royal Bafokeng (land owners).

Our strategic approach to managing impacts and conserving natural resources

Our carbon and energy management focus for 2016 and beyond

We have prioritised the following climate change and energy management activities for the year ahead:

- Further improving our atmospheric emissions data management systems, to ensure that we are aligned with the requirements of the national atmospheric emissions inventory system (NAEIS) in South Africa, an online national reporting platform that will hold both air pollutants and greenhouse emissions inventories.
- Updating the Group carbon footprint and setting realistic reduction targets for each operation in line with our carbon management strategy.
- Further understanding the impact of climate change on our operations and surrounding communities.
- Continue to work with government and academic institutions on the development of fuel-cell technologies that will utilise PGMs as alternative energy sources. A total of R6 million budget for this project has been spent over the last three years.
- Zimplats is targeting a 1% reduction in carbon emissions through the implementation of energy efficiency initiatives and carbon offset projects.



Our strategic approach to managing impacts and conserving natural resources



“Ambient air quality is monitored at our operations via a network of ambient monitoring stations



Air quality management

Our management approach to air quality

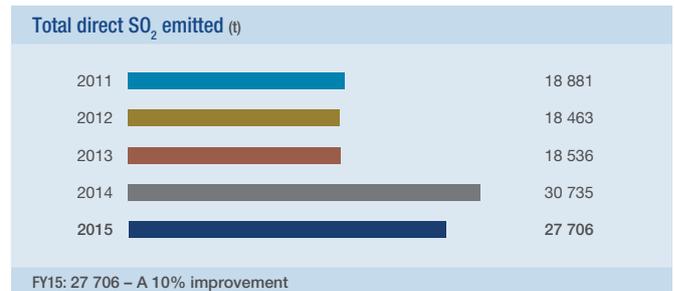
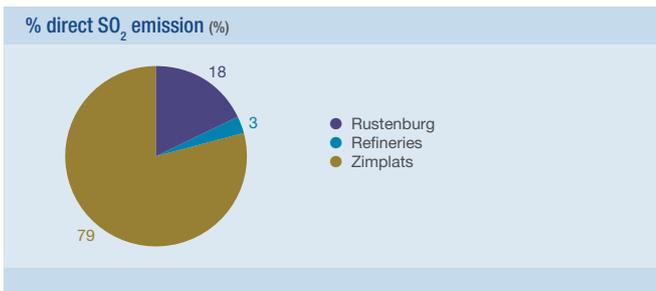
The most significant air quality emission for the Group relates to the sulphur dioxide (SO₂) emissions from our smelting and refining operations in Zimplats, Rustenburg and Impala Springs. In August 2014 we received the new air emission licence required for Impala Rustenburg which expires in July 2019 when new permit conditions are anticipated. Impala Springs received their air emissions licence (AEL) in February 2014 and will be up for renewal in 2018. Both Impala Rustenburg and Impala Springs are located within priority areas as promulgated by the National Environmental Management Air Quality Act. We are fully compliant with the current licence conditions in Rustenburg.

Ambient air quality is monitored at our Impala Springs and Rustenburg operations via a network of ambient monitoring stations. These monitoring stations measure SO₂, NO_x and particulate matter and provide an indication of ambient air quality levels and associated trends. The ambient monitoring results reflect the quality of ambient air in the region and not just around the operations. Source apportionment analysis has been conducted at the Impala Springs operations. However, it is much more difficult to accurately attribute the source of pollution at the Rustenburg operations, due to the extent of

the mine lease area. Various factors influence the ambient measured data. We report on the results of the ambient monitoring to the relevant authority on a quarterly basis and as and when requested. In terms of managing our direct impacts we are operating within the conditions of our air emissions licence for both these operations.

In addition, at Impala Springs, a R250 million project to address airborne emissions from the coal-fired boilers is due for completion during the 2017 financial year. In a phased approach, this will ensure sustained compliance to NO_x, SO_x and particulates emissions from these operations as prescribed by both current and future limits in our air emissions licence.

At the Zimplats operations an SO₂ emissions abatement bankable feasibility study was commissioned in the 2015 financial year to ensure both smelter stack point source and ground level concentrations around the Selous Metallurgical Complex communities fall within the South African legislative limits. The sizing of the acid plant required the definition of the future smelter expansion road map. A conceptual study of the smelter expansion was completed and resulted in the smelter expansion road map. Air dispersion modelling of the smelter expansion scenarios resulted in a sulphur emissions reduction plan (SERP). The SERP identified the installation of a higher



Our strategic approach to managing impacts and conserving natural resources

stack (>200m) as a first step to ensure the ground level concentrations around the SMC communities fall within the South African 24-hour average legislative limit of 125ug/Nm³. However, point source stack emissions will not be complying with South African legislative requirements. An acid plant will then be installed in later years to ensure SO₂ from smelter operations comply on both stack point source and ground level concentrations

Our 2015 performance on air quality

This year, total direct Group emissions of SO₂ were 27 706 tonnes, down from our emissions of 30 735 tonnes in 2014. Our Zimplats operations contributed 79% of total direct SO₂ emissions, while Rustenburg and Refineries operations contributed 18% and 3% respectively. Indirect SO_x amounted to 26 513 tonnes and indirect NO_x amounted to 13 459 tonnes. Further details on the SO₂ emissions at each of our operations over the past five years are provided in the performance table on page 138.

At Zimplats, SO₂ emissions decreased by 18% from the previous year, primarily due to a furnace break out incident.

As a result of the unseasonably low rainfall levels experienced in the Rustenburg area, dust has become a particular concern. We have undertaken climatic modelling around the tailings dam to model the zone of influence, and will be extending the exercise for other dust sources. We are also investigating opportunities for further improving dust suppression.

Our air quality focus 2016 and beyond

At the South African operations we aim to:

- Maintain adherence to Atmospheric Emission Licences
- Complete the coal-fired boilers emission project by end of the 2016 financial year at Impala Springs.

At the Zimbabwean operations we aim to:

- Conduct and complete the higher stack definitive study for the SO₂ management plan in Zimplats.

Managing our waste

Our waste management activities across the Group seek, as a minimum, to ensure compliance with emerging legislative requirements relating to waste.

One of the key requirements of the various regulations published this year under the National Environmental Management: Waste Act is the statutory obligation on our South African operations to reclassify waste streams by October 2016. We have commenced with a pilot study at Impala Rustenburg, focusing on a few of these waste streams. We will commence with the full reclassification of the bulk of the waste streams early next year. The legislation as currently drafted has important implications for the Company, both in terms of additional administrative demands as well as potentially significant cost implications. It is anticipated, for example, that in future, tailings dams and waste rock dumps' design will be required to include some form of plastic (HDPE) liner. Clarifying and understanding the uncertainties between the newly imposed requirements under the Waste Act, and the current regulations under the MPRDA, will remain a focus for Implats in the coming year.

The hazardous waste situation remains challenging in Zimbabwe, with no facilities in line with South African or international best practices being available.

At Impala Springs the reclassification of waste streams commenced and are investigating the export of jarosite to Europe as an option to divert waste from landfill. All legal requirements in terms of the Basel Convention are being assessed. All operations continue to investigate reuse and recycling opportunities.

This year the Group's recycling was 67.1% down from 69.1% in 2014. A large portion of the waste from Impala Rustenburg and Impala Springs is treated; although treatment is regarded as a better waste management solution than disposal, technically it is not considered a 'recycling' method.

Our activities for the coming year will continue to centre on clarifying and complying with regulatory requirements.

Our strategic approach to managing impacts and conserving natural resources

Land management and biodiversity

A principal focus of our land stewardship practices is on ensuring effective rehabilitation. This is an important regulatory, financial and reputational risk for the Company and is linked to our closure liabilities, which are reviewed and updated annually in line with regulations.

The Group has entrenched the concept of 'design for closure' throughout our operations. Our short-term goal is to ensure that all aspects of rehabilitation are defined at the project-planning phase. In support of this, determination of the closure cost liability and the associated financial provision remains a priority. Our rehabilitation activities are focused on ecosystem functionality which is essential in ensuring sustainability beyond mine closure.

Developments in 2015

This year, there was a strong focus on maintaining an active rehabilitation monitoring programme at the Rustenburg operation. We have continued to maintain previously rehabilitated side slopes and grass new risings at our tailings facilities. All opencast sites have successfully been rehabilitated and are currently monitored using a defined monitoring methodology called ecosystem function analysis (EFA). Extensive alien and invasive weed control was also conducted at the sites during the reporting period. We have also completed an agricultural land use potential assessment with the aim of defining achievable post-closure land uses for both the landowner and surrounding communities of all rehabilitated opencast areas.

Following the cessation of all opencast mining at Zimplats in 2008, an opencast rehabilitation programme has been in progress since 2011. To date, 1 703 328m³ of waste rock material has been backfilled and the project reached 69% completion by year end. We aim to backfill all the voids with waste rock and re-establish indigenous grass and tree species by 2017 at an estimated cost of US\$5.8 million.

This year a total of 9.37ha was rehabilitated at our various tailings dam facilities. This figure is low as compared to the 2014 financial year as the last open pit was rehabilitated in the 2014 financial year. The current cost estimate for Rustenburg closure amounted to R1 013.7 million; financial provisions for this amount are in place as per DMR requirements. At Refineries, the Aurora mineshaft has been decommissioned and closed. Rehabilitation obligations and closure of the shaft are being investigated with the DMR.

Biodiversity

Given the potential of mining activities to affect habitats through land disturbance, land use change and pollution, biodiversity monitoring and management is a requirement at our operations. All our operations have site-specific procedures and standards to manage the impacts associated with their activities. A formal biodiversity management plan, which incorporates the published mining biodiversity guidelines from the South African National Biodiversity Institute (SANBI), was implemented at our Rustenburg operation. Our Marula operation has also implemented a site-specific biodiversity management plan. We plan to develop and implement strategic biodiversity management plans at all our operations.

Zimplats and Impala Springs both operate within close proximity to areas of recognised high biodiversity; Impala Springs commenced with an invader species eradication programme. Our refining operation is near the Cowles dam that feeds into the Blesbokspruit, an ecosystem deemed under threat and that appears on the Montreux record. Although Impala Springs is not seen to have any direct impact on this ecosystem, it is nevertheless represented on the Blesbokspruit forum and continues to be involved with environmental education and conservation initiatives at the Blesbokspruit Grootvlei Trust. In Zimbabwe, a total of 276ha of the Zimplats operation is located within the Ngezi National Park. This area, which was associated with historic opencast mining, has subsequently been rehabilitated and is deemed non-operational. Work is currently in progress to renew the memorandum of agreement of lease of the Ngezi mining claims that will expire in October 2015.

Our strategic approach to managing impacts and conserving natural resources

Our focus on waste, land and biodiversity 2016 and beyond

At the South African operations we aim to:

- Conduct an external legal compliance audit as specified by all waste licences
- Ensure that biodiversity heritage standards align with all legislative changes
- Conduct the closure and liability assessments for the Rustenburg mining rights for submission to the DMR
- Ensure all listed waste streams are reclassified as per South African National Standard 10234 at all South African operations in 2016
- Compile and report waste disposal figures at the Impala landfill site onto the National Waste Information system.

At the Zimbabwean operations we aim to:

- Continue with the Ngezi open pit rehabilitation programme at the Zimplats operations
- Plant 500 indigenous trees at the open pit rehabilitated areas
- Set up waste segregation systems at the Zimplats landfill sites to enable recycling
- Renew all environmental licences permits for Zimplats.





Implats has followed the guidance provided by principles and criteria provided in the GRI's G4 guidelines

A brief review of our application of the GRI reporting principles is provided. A detailed response to each of the GRI reporting criteria (with hyperlinks to the corresponding sections of the report) is provided on our website, along with our communication on progress in terms of the UN Global Compact.

Our performance data

People South Africa Occupational levels

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Rustenburg													
Top management	1	0	0	0	0	0	0	0	0	0	1	0	1
Senior management	16	0	2	41	5	0	0	2	2	0	61	7	68
Professionally qualified and experienced specialists and mid-management	139	8	12	227	30	0	5	45	11	0	397	80	477
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2 737	27	1	675	456	7	4	74	272	4	3 712	545	4 257
Semi-skilled and discretionary decision making	7 739	10	0	89	812	2	0	8	1 712	7	9 550	829	10 379
Unskilled and defined decision making	12 856	20	0	14	1 570	3	0	0	1 815	24	14 705	1 597	16 302
Total permanent	23 488	65	15	1 046	2 873	12	9	129	3 812	35	28 426	3 058	31 484
Non-permanent employees	17	1	0	1	12	2	0	2	0	0	19	16	35
Grand total	23 505	66	15	1 047	2 885	14	9	131	3 812	35	28 445	3 074	31 519

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Marula													
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	4	0	0	0	0	1	0	8	0	8
Professionally qualified and experienced specialists and mid-management	26	0	0	17	8	0	0	3	3	0	46	11	57
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	358	2	0	32	49	0	1	8	87	0	479	58	537
Semi-skilled and discretionary decision making	1 103	0	0	0	92	0	0	0	42	0	1 145	92	1 237
Unskilled and defined decision making	1 301	0	0	4	389	0	0		21	3	1 326	392	1 718
Total permanent	2 791	2	0	57	538	0	1	11	154	3	3 004	553	3 557
Non-permanent employees	6	0	0	0	5	0	0	0	0	0	6	5	11
Grand total	2 797	2	0	57	543	0	1	11	154	3	3 010	558	3 568

Our performance data

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Impala Springs													
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	1	0	1	2	1	0	0	1	2	0	6	2	8
Professionally qualified and experienced specialists and mid-management	15	0	5	28	12	1	4	10	6	1	54	28	82
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	155	3	5	93	37	1	1	17	3	0	259	56	315
Semi-skilled and discretionary decision making	391	2	2	25	95	0	1	13	6	0	426	109	535
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0	0	0
Total permanent	562	5	13	148	145	2	6	41	17	1	745	195	940
Non-permanent employees	8	0	1	2	5	0	0	1	0	0	11	6	17
Grand total	570	5	14	150	150	2	6	42	17	1	756	201	957

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Head office													
Top management	0	0	0	2	0	0	0	1	0	0	2	1	3
Senior management	5	0	0	8	1	0	1	3	2	0	15	5	20
Professionally qualified and experienced specialists and mid-management	1	0	0	6	5	0	1	7	0	0	7	13	20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0	0	0	0	3	0	0	3	0	0	0	6	6
Semi-skilled and discretionary decision making	0	0	0	1	1	0	0	3	0	0	1	4	5
Unskilled and defined decision making	0	0	0	0	1	0	0	0	0	0	0	1	1
Total permanent	6	0	0	17	11	0	2	17	2	0	25	30	55
Non-permanent employees	0	0	0	0	5	0	0	0	0	0	0	5	5
Grand total	6	0	0	17	16	0	2	17	2	0	25	35	60

Our performance data

People South Africa Occupational levels

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Combined (South Africa)													
Top management	1	0	0	2	0	0	0	1	0	0	3	1	4
Senior management	25	0	3	55	7	0	1	6	7	0	90	14	104
Professionally qualified and experienced specialists and mid-management	181	8	17	278	55	1	10	65	20	1	504	132	636
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3 250	32	6	800	545	8	6	102	362	4	4 450	665	5 115
Semi-skilled and discretionary decision making	9 233	12	2	115	1 000	2	1	24	1 760	7	11 122	1 034	12 156
Unskilled and defined decision making	14 191	21	0	18	1 975	3	0	0	1 842	31	16 072	2 009	18 081
Total permanent	26 847	72	28	1 268	3 567	14	18	198	3 985	39	32 200	3 836	36 036
Non-permanent employees	31	1	1	3	27	2	0	3	0	0	36	32	68
Grand total	26 878	73	29	1 271	3 594	16	18	201	3 985	39	32 236	3 868	36 104

	Male				Female				Foreign nationals		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
South Africa Combined People with Disability (PWD)													
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	1	0	0	0	0	0	0	3	0	3
Professionally qualified and experienced specialists and mid-management	13	0	0	23	1	0	0	0	2	0	38	1	39
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	167	0	0	71	46	2	1	4	30	0	268	53	321
Semi-skilled and discretionary decision making	263	1	0	12	44	1	0	2	164	0	440	47	487
Unskilled and defined decision making	786	0	0	0	54	0	0	0	268	0	1 054	54	1 108
Total permanent	1 231	1	0	107	145	3	1	6	464	0	1 803	155	1 958
Non-permanent employees	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand total	1 231	1	0	107	145	3	1	6	464	0	1 803	155	1 958

Our performance data

People Zimbabwe Occupational levels

Mimosa	Females	Males	Total
F – Top management	1	6	7
E – Senior management	2	10	12
D – Professionally qualified and experienced specialist	16	55	71
C – Skilled technical and academically qualified	16	84	100
B – Semi-skilled and discretionary decision making	3	139	142
A – Unskilled and defined decision making	7	362	369
Grand total	45	656	701

Zimplats	Females	Males	Total
F – Top management			
E – Senior management	1	18	19
D – Professionally qualified and experienced specialist	6	77	83
C – Skilled technical and academically qualified	76	878	954
B – Semi-skilled and discretionary decision making	91	1 466	1 557
A – Unskilled and defined decision making	33	568	601
Grand total	207	3 007	3 214

Our performance data

In-service	2015	2014	2013	2012	2011
Impala Rustenburg own employees	31 519	31 804	32 226	31 865	31 779
Contractor employees	10 288	11 201	12 624	14 436	13 462
Impala Springs own employees	957	942	991	1 021	1 053
Contractor employees	1 021	679	899	1 138	282
Marula own employees	3 568	3 395	3 165	2 965	3 272
Contractor employees	811	909	853	743	937
Zimplats own employees	3 214	3 325	2 929	2 791	2 757
Contractor employees	2 605	2 749	2 775	6 412	2 610
Mimosa own employees	701	711	776	786	784
Contractor employees	4	64	65	100	115
Corporate own employees	60	61	64	89	77
Contractor employees	0	0	0	0	0
Total own	40 019	40 238	40 151	39 517	39 722
Total contractors	14 729	15 602	17 216	22 829	17 406
Group total	54 748	55 783	57 367	62 346	57 127
% own employees relative to total workforce	73%				

Labour sending areas

South Africa	Number	Impala 2015	Marula 2015
Eastern Cape		5 089	130
Free State		815	24
Gauteng		870	28
KwaZulu-Natal		621	19
Mpumalanga		231	88
North West		18 225	47
Northern Cape		1 266	5
Limpopo		495	3 058
Western Cape		25	1
Total		27 637	3 400
Foreigners		3 847	157
Grand total		31 484	3 557

Zimbabwe (Zimplats)	Number	2015
Bulawayo		31
Foreigner		4
Harare		91
Manicaland		325
Mashonaland Central		321
Mashonaland East		258
Mashonaland West		1 169
Masvingo		481
Matabeleland North		34
Matabeleland South		51
Midlands		449
Grand total		3 214

Our performance data

Labour sending areas

Zimbabwe (Mimosa)	Number	2015
Bulawayo province		47
Foreigner		0
Harare		38
Manicaland		45
Mashonaland Central		35
Mash East		23
Mash West		27
Masvingo		87
Matabeleland North		38
Matabeleland South		31
Midlands		330
Grand total		701

	Unit (%)	2015	2014	2013	2012	2011
Turnover						
Impala Rustenburg		5.1	4.4	6.0	10.1	8.4
Impala Springs		6.2	4.5	7.5	5.3	5.4
Marula		6.3	5.6	4.2	11.0	21.7
Zimplats		4.4	3.6	3.9	4.2	4.4
Mimosa		3.4	9.0	3.5	4.2	3.4
Corporate		18.2	10.0	9.4	7.7	11.3
Group		5.1	4.5	5.7	10.0	8.3
Women turnover						
Impala Rustenburg		0.3	0.2	4.0	0.3	0.4
Impala Springs		1.5	1.4	2.0	1.7	0.7
Marula		0.4	0.3	5.0	0.7	0.9
Zimplats		0.3	0.2	6.0	6	0
Mimosa		0.3	5.0	4.0	0	0.4
Corporate		7.3	1.6	50.0	2.2	5.2
Group		0.3	0.6	5.0	0.8	0.4

Our performance data

Engagements per age group	Number	Male	Female	Total
Impala Rustenburg		1 167	120	1 287
15 – 25		184	26	210
26 – 35		513	63	576
36 – 45		292	25	317
46 – 55		173	5	178
56 – 63		5	1	6
Impala Springs		39	18	57
15 – 25		14	5	19
26 – 35		23	12	35
36 – 45		1	1	2
46 – 55		1	0	1
56 – 63		0	0	0
Marula		274	101	375
15 – 25		46	11	57
26 – 35		138	42	180
36 – 45		82	15	97
46 – 55		4	33	37
56 – 63		4	0	4
Zimplats		86	2	88
15 – 25		2	0	2
26 – 35		74	2	76
36 – 45		7	0	7
46 – 55		3	0	3
56 – 63		0	0	0
Mimosa		1	0	1
15 – 25		0	0	0
26 – 35		1	0	1
36 – 45		0	0	0
46 – 55		0	0	0
56 – 63		0	0	0
Corporate		0	1	1
15 – 25		0	0	0
18 – 35		0	1	1
36 – 45		0	0	0
46 – 55		0	0	0
56 – 63		0	0	0

Our performance data

Left service per age group	Number	Male	Female	Total
Impala Rustenburg		1 513	81	1 594
15 – 25		51	6	57
26 – 35		283	28	311
36 – 45		295	27	322
46 – 55		401	2	403
56 – 63		483	18	501
Impala Springs		48	10	58
15 – 25		2	0	2
26 – 35		18	5	23
36 – 45		1	0	1
46 – 55		7	2	9
56 – 63		20	3	23
Marula		211	14	225
15 – 25		0	2	2
26 – 35		71	6	77
36 – 45		70	5	75
46 – 55		40	1	41
56 – 63		30	0	30
Zimplats		131	11	142
15 – 25		28	3	31
26 – 35		54	4	55
36 – 45		26	2	28
46 – 55		11	1	12
56 – 63		12	1	13
Mimosa		71	1	72
15 – 25		3	1	4
26 – 35		32	0	32
36 – 45		20	0	20
46 – 55		11	0	11
56 – 63		5	0	5
Corporate		6	4	10
15 – 25		0	0	0
26 – 35		2	0	2
36 – 45		0	2	2
46 – 55		2	1	3
56 – 63		2	1	3

Unionised workforce	Unit (%)	2015	2014	2013	2012	2011
Impala Rustenburg		81	78	73	58	73
Impala Springs		75	71	70	70	62
Marula		91	87	75	65	70
Zimplats		37	40	46	52	37
Mimosa		26	25	24	24	25

Our performance data

Male to female pay ratio		Male	Female
Impala Rustenburg	Top management	0.0	1
	Senior management	0.8	1
	Professionally qualified and experienced specialists and mid-management	0.8	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0.9	1
	Semi-skilled and discretionary decision making	1.1	1
	Unskilled and defined decision making	1.0	1
Total		1.0	1
Impala Springs	Top management	0.0	1
	Senior management	0.8	1
	Professionally qualified and experienced specialists and mid-management	0.8	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0.9	1
	Semi-skilled and discretionary decision making	1.0	1
	Unskilled and defined decision making	0.0	1
Total		1.0	1
Marula	Senior management	0.0	1
	Professionally qualified and experienced specialists and mid-management	0.8	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0.9	1
	Semi-skilled and discretionary decision making	1.0	1
	Unskilled and defined decision making	1.0	1
Total		0.8	1
Grand total		0.9	1
Zimplats	Top management	0	1
	Senior management	1	1
	Professionally qualified and experienced specialists and mid-management	0.9	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	0.9	1
	Semi-skilled and discretionary decision making	1.3	1
	Unskilled and defined decision making	1.0	1
Total		1.0	1
Mimosa	Senior management	1	1
	Professionally qualified and experienced specialists and mid-management	1	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1	1
	Semi-skilled and discretionary decision making	1	1
	Unskilled and defined decision making	1	1
Total		1	1
Grand total		1	1

Our performance data

Safety	Unit	2015	2014	2013	2012	2011
Fatalities (employees)	Number					
Impala Rustenburg		4	3	8	7	4
Impala Springs		0	0	0	0	0
Marula		1	0	0	1	0
Zimplats		0	1	0	0	0
Mimosa		0	0	0	0	1
Total		5	4	8	7	5
Fatalities (contractors)	Number					
Impala Rustenburg		2	0	1	5	2
Impala Springs		0	0	0	0	0
Marula		0	0	0	0	0
Zimplats		0	0	0	0	0
Mimosa		0	0	0	0	0
Total		2	0	1	5	2
Group total		7	4	9	12	7
Reportable injuries	Number					
Impala Rustenburg		281	209	358	360	370
Impala Springs		2	1	2	1	2
Marula		24	33	36	60	50
Zimplats		8	6	12	4	8
Mimosa		1	1	0	2	0
Afplats and head office		2	2	13	3	0
Group total		318	252	421	430	431
Medical treatment cases	Number					
Impala Rustenburg		393	341	454	441	589
Impala Springs		84	75	78	82	131
Marula		61	86	90	131	178
Zimplats		6	27	19	33	19
Mimosa		1	10	17	26	47
Afplats and head office		1	6	44	11	0
Group total		546	545	702	724	964
Lost-time injuries	Number					
Impala Rustenburg		456	311	503	573	555
Impala Springs		2	1	2	1	3
Marula		90	47	45	88	91
Zimplats		8	6	12	4	8
Mimosa		1	3	2	11	2
Afplats and head office		2	1	15	4	0
Group total		559	369	579	681	659
Restricted work cases	Number					
Impala Rustenburg		0	77	135	59	86
Impala Springs		0	1	0	1	1
Marula		74	121	71	58	69
Zimplats		4	5	7	6	9
Mimosa		1	1	3	6	8
Afplats and head office		0	0	0	0	0
Group total		79	205	216	130	173

Our performance data

Safety	Unit	2015	2014	2013	2012	2011
Employee hours worked	Hours					
Impala Rustenburg		86 231 570	57 954 414	98 131 748	95 598 107	97 628 130
Impala Springs		3 972 573	3 913 170	4 746 833	4 453 614	5 015 400
Marula		9 013 210	8 885 363	8 303 702	7 678 134	9 897 064
Zimplats		13 560 069	14 646 272	17 257 526	19 361 847	10 627 319
Mimosa		7 643 876	7 803 469	7 762 842	9 250 991	9 996 092
Afplats and head office		498 262	854 084	1 395 686	831 411	141 443
Group total		121 034 823	94 056 773	137 598 336	137 174 104	133 305 270
FIFR	Pmmhw					
Impala Rustenburg		0.070	0.052	0.091	0.115	0.061
Impala Springs		0.000	0.000	0.000	0.000	0.000
Marula		0.111	0.000	0.000	0.130	0.000
Zimplats		0.000	0.068	0.000	0.000	0.000
Mimosa		0.000	0.000	0.000	0.000	0.100
Group		0.058	0.043	0.065	0.087	0.053
LTIFR (including RWC)	Pmmhw					
Impala Rustenburg		5.29	6.69	6.50	6.61	6.57
Impala Springs		0.50	0.51	0.42	0.45	0.80
Marula		18.20	18.91	13.97	19.02	16.17
Zimplats		0.88	0.75	1.10	0.52	1.60
Mimosa		0.26	0.51	0.64	1.84	1.00
Group		5.27	6.10	5.80	5.91	6.24
TIFR	Pmmhw					
Impala Rustenburg		9.85	12.58	11.13	11.22	12.60
Impala Springs		21.65	19.68	16.85	18.86	26.92
Marula		24.96	28.59	24.81	36.08	34.15
Zimplats		1.33	2.59	2.20	2.22	3.39
Mimosa		0.39	1.79	2.83	4.65	5.70
Group		9.78	11.9	10.91	11.19	13.47
MTCFR	Pmmhw					
Impala Rustenburg		4.56	5.88	4.63	4.61	6.03
Impala Springs		21.14	19.17	16.43	18.41	26.12
Marula		6.77	9.68	10.84	17.06	17.99
Zimplats		0.44	1.84	1.10	1.70	1.79
Mimosa		0.13	1.28	2.19	2.59	4.15
Group		4.51	5.79	5.11	5.28	7.10
Total injuries	Number					
Impala Rustenburg		849	729	1 092	1 073	1 230
Impala Springs		86	77	80	84	135
Marula		225	254	206	277	338
Zimplats		18	38	38	43	36
Mimosa		3	14	22	43	57
Afplats		2	7	63	15	0
Group total		1 183	1 119	1 501	1 535	1 796

*Afplats figures include growth and exploration.

Our performance data

Health	Unit	2015	2014	2013	2012	2011
VCT interventions	Number					
Impala Rustenburg		9 851	7 626	10 316	7 792	12 647
Impala Springs		4	10	9	14	19
Marula		698	566	540	292	275
Zimplats		1 002	1 563	714	1 424	889
Mimosa		320	321	203	298	242
Group		11 875	10 086	11 782	9 820	14 072
Employees on ART	Number					
Impala Rustenburg		3 929	3 822	3 639	3 222	2 488
Impala Springs		0	27	28	26	19
Marula		200	138	101	65	51
Zimplats		147	137	120	114	92
Mimosa		153	152	151	139	123
Group		4 429	4 276	4 039	3 566	2 773
Pulmonary TB cases	Number					
Impala Rustenburg		274	213	311	352	318
Impala Springs		1	1	1	0	0
Marula		20	41	15	21	19
Zimplats		5	7	1	6	5
Mimosa		4	6	6	10	8
Group		304	268	334	389	350
NIHL	Number					
Impala Rustenburg		32	16	36	53	52
Impala Springs		0	0	0	0	0
Marula		7	14	12	10	4
Zimplats		6	6	2	0	0
Mimosa		4	0	0	0	1
Group		49	36	50	63	57
SKILLS DEVELOPMENT (Zimbabwe)	Unit	2015	2014	2013	2012	2011
Expenditure	(US\$ 000)					
Zimplats*		1 784	2 568	2 350	2 763	2 216
Mimosa*		3 522	3 341	2 935	2 617	1 888
Total		5 304	5 909	5 285	5 380	4 104

* Zimplats skills development expenditure impacted by Bhima collapse and subsequent cost containment initiatives, hence the large difference when compared with Mimosa.

Our performance data

Skills development	Unit	2015	2014	2013	2012	2011
Expenditure	(R million)					
Impala Rustenburg		456	280	387	313	312
Impala Springs		19	14	16	21	21
Marula		48	37	24	19	24
SA operations total (6% of wage bill)		523	331	428	353	357
Employee literacy (ABET III and above)	Percentage					
Impala Rustenburg		82	82	80	74	57
Impala Springs		92	94	94	93	92
Marula		91	91	90	92	88
Zimplats		99	99	99	99	99
Mimosa		99	99	99	99	96
Average Group literacy		93	93	92	86	86
ABET training employees	Number					
Impala Rustenburg		410[△]	686	794	900	804
Impala Springs		0*	0*	5	7	13
Marula		11	21	6	0**	25
SA operations total		421	707	805	907	842
Total number of employees trained (including ABET)	Number					
Impala Rustenburg		30 031	20 338	29 299	23 477	24 178
Impala Springs		2 661	963	1 053	1 091	1 127
Marula		3 074	2 660	1 874	1 117	1 421
SA operations total		35 766	23 961	32 226	25 685	26 726
Cost of ABET training	(R000)					
Impala Rustenburg		10 664	8 577	12 769	10 220	11 157
Impala Springs		0*	0*	486	578	1 600
Marula		8	19	2	0*	1 260
SA operations total		10 672	8 596	13 257	10 798	14 017
Hours of ABET training	Hours					
Impala Rustenburg		89 736	69 672	148 728	134 842	190 525
Impala Springs		0*	0*	11 064	13 433	15 136
Marula		26 028	20 160	4 032	0*	14 450
SA operations total		115 764	89 832	163 824	148 257	220 111
Functional literacy	Percentage					
Zimplats		99	99	99	99	99
Mimosa		99	99	99	99	96
Average Zimbabwean operations functional literacy		99	99	99	99	98

* No intake

** Stopped ABET and then outsourced

△ No full time intake in Q1 2015 due to the strike and no part-time intake Q1 and Q2 due to the strike.

Our performance data

Environment	Unit	2015*	2014*	2013	2012	2011
Key production figures						
Ore milled (excluding Mimosa)	(000 tonnes)	16 024	13 916	17 209	16 626	20 974
Tailings disposed on tailing dam	(000 tonnes)	17 891	16 004	20 770	20 619	23 163
Dump slag treated	(000 tonnes)	16	90	172	175	250
Furnace and converter slag generated and treated	(000 tonnes)	469	382	783	772	880
Total slag treated	(000 tonnes)	485	472	955	947	1 130
Platinum produced	(000oz)	1 276	1 178	1 581	1 448	1 836
Group material consumption						
Diesel	(000 litres)	21 748	21 776	25 247	27 875	26 000
Petrol	(000 litres)	602	830	1 137	1 237	1 666
Coal	(tonnes)	138 653	127 883	158 732	161 563	170 000
Industrial burning oil	(000 litres)	1 633	1 264	1 730	2 660	2 453
Key production figures – Energy (GJ000)						
Impala Rustenburg		9 766	7 945	11 453	11 360	12 220
Impala Springs		2 523	2 549	2 727	2 688	2 695
Marula		743	792	729	713	694
Zimplats		2 199	2 390	1 940	2 100	1 865
Mimosa		706	719	725	701	747
Group total		15 937	14 395	17 574	17 542	18 222
Key production figures – Water (Mℓ) (Mℓ)						
Total water withdrawn						
Impala Rustenburg		14 491	10 353	14 514	15 961	18 115
Impala Springs		750	758	838	792	769
Marula		1 523	1 690	1 969	1 989	1 817
Zimplats		6 447	6 389	5 775	4 408	4 007
Mimosa		2 165	2 175	2 344	2 214	2 337
Group total		25 376	21 365	25 440	25 274	27 045
Total water consumed** (Mℓ)						
Impala Rustenburg		21 140	16 247	24 735	26 012	28 044
Impala Springs		1 261	1 255	1 244	1 251	1 244
Marula		3 311	3 573	3 544	3 585	3 355
Zimplats		10 725	10 386	7 852	6 003	5 528
Mimosa		3 264	3 314	3 336	3 263	3 697
Group total		39 701	34 775	40 711	40 114	41 868
Total water recycled (Mℓ)						
Impala Rustenburg		6 649	5 894	10 220	10 051	9 928
Impala Springs		511	497	406	459	474
Marula		1 787	1 883	1 574	1 596	1 541
Zimplats		4 278	3 997	2 078	1 595	1 521
Mimosa		1 100	1 138	993	1 139	1 359
Group total		14 325	13 409	15 271	14 840	14 823

* Comparability of year-on-year figures impacted by five-month strike in the 2014 financial year.

** Total water consumed = total water withdrawn and total water recycled.

Our performance data

Key production figures

Emissions	Unit	2015	2014	2013	2012	2011
Total direct CO₂	(tonnes)					
Impala Rustenburg		143 523**	114 432*	182 406	193 317	208 463
Impala Springs		143 687	141 372	158 553	154 077	166 267
Marula		6 437	7 102	6 331	6 450	7 157
Zimplats		45 547	51 257	43 864	53 697	41 190
Mimosa		9 806	9 834	9 815	10 362	12 528
Group total		349 000	323 997	400 969	417 902	435 605
Total indirect CO₂	(tonnes)					
Impala Rustenburg		2 267 832**	1 928 823*	2 534 307	2 444 347	2 725 366
Impala Springs		150 711	159 445	149 223	147 166	155 388
Marula		187 298	206 412	175 914	170 958	168 970
Zimplats*		290 863	312 357	366 492	249 345	222 955
Mimosa*		104 818	107 120	106 506	101 391	189 113
Group total		3 001 522	2 714 157	3 332 442	3 113 207	3 461 792
Total direct NO_x	(tonnes)					
Impala Rustenburg		9 468**	7 932*	10 644	10 370	11 632
Impala Springs		629	656	633	625	663
Marula		782	850	746	725	180
Zimplats		1 896	1 988	1 555	1 587	1 602
Mimosa		684	682	678	645	689
Group total		13 459	12 107	14 257	13 952	14 766
Total direct SO₂	(tonnes)					
Impala Rustenburg		4 865**	3 729*	5 832	4 736	6 319
Impala Springs		824	1 006	687	256	462
Marula		0	0	0	0	0
Zimplats		22 017	26 000***	12 017	13 470	12 100
Mimosa		0	0	0	0	0
Group total		27 706	30 735	18 536	18 462	18 881

* Strike impacted, thus comparability impacted year on year.

** Post strike ramp up.

*** Start up of phase II.

Our performance data

Key production figures

Land management	Unit	2015	2014	2013	2012	2011
Disturbed areas rehabilitated	(ha)					
Impala Rustenburg		2.4	39.7	18.4	23.4	40.2
Impala Springs		0	0	0	0	0
Marula		1.8	3.0	3.3	0	0
Zimplats		2.5	3.2	2.5	0	0
Mimosa		2.7	0.7	4	0	0
Group total		9.4	46.6	28.2	23.4	40.2
Rehabilitation liabilities/current costs	(Rm)					
Impala Rustenburg		767	729	761	712	708
Impala Springs		137	67	63	60	0
Marula		101	102	94	82	70
Zimplats*		413	285	247	216	164
Mimosa		0	0	98	77	63
Afplats		16	16			
Group total		1 434	1 199	1 263	1 147	1 004
Rehabilitation provisions	(Rm)					
Impala Rustenburg		459	436	523	520	455
Impala Springs		96	34	37	38	0
Marula		49	52	54	57	41
Zimplats*		236	145	154	117	99
Mimosa		0	0	47	52	40
Afplats		8	8			
Group total		848	675	815	784	636

* The increase is due to providing for rehabilitation of the open pit operation at Zimplats that was established after the partial collapse of the Bimha Mine.

Our performance data

Key production figures

Land leased and managed

	Implats interest	Mining right (ha)	Prospecting right (ha)
South Africa			
Impala	100%	29 773	
Impala RBR JV*	49%		3 789
Afplats	74%	4 602	1 065
Imbasa	60%		1 673
Inkosi	49%		2 583
Marula	73%	5 494	223
Two Rivers	49%	10 675	
<hr/>			
		Implats interest	Mining leases (ha)
Zimbabwe			
Zimplats		87%	48 535
Mimosa		50%	6 591

* Prospecting joint venture with Royal Bafokeng Resources.

Our performance data

Key production figures

Waste management

	Unit	Total Group 2015	Total Group 2014	Total Group 2013		
Non-mineral/non-hazardous waste						
Reused	tonnes	811	1 014	1 405		
Recycled	tonnes	10 498	7 582	15 026		
Recovered	tonnes	0	0	0		
Treatment	tonnes	0	0	0		
Disposal	tonnes	6 884	3 001	5 324		
On-site storage	tonnes	0	0	0		
Non-mineral/hazardous waste						
Reused	tonnes	89.5	3.0	3.5		
Recycled	tonnes	27 704	23 960	27 991		
Recovered	tonnes	0	0	0		
Treatment	tonnes	5 127	3 294	6 433		
Disposal	tonnes	7 131	8 251	9 194		
On-site storage	tonnes	6.1	9.5	12		
Mineral waste						
	Unit	2015	2014	2013	2012	2011
Accumulated tailings	(000 tonnes)	17 891	16 004	20 770	20 619	22 878
Accumulated waste rock (on surface)	(000 tonnes)	824	778	1 484	1 323	1 388

GRI and UN Global Compact

Implats has followed the guidance provided by principles and criteria provided in the GRI's G4 guidelines. A brief review of our application of the GRI reporting principles is provided below. A detailed response to each of the GRI reporting criteria (with hyperlinks to the corresponding sections of the report) is provided on our website, along with our communication on progress in terms of the UN Global Compact.

Principles relating to the quality of this report

- **Materiality:** As outlined on pages 27 to 30 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.
- **Sustainability context:** The content of the report is informed by the nature of our products and markets, and with consideration to the social, economic and environmental context in which we operate.
- **Completeness:** The Group's approach to sustainability management have been disclosed under management approach page 34 as well as key sections of the 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 2014 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 and where there are differences with industry norms, indicated.
- **Timeliness:** This sustainable development 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 2009, 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 49% interest and does not directly manage, is not directly covered.
- **Mass balance:** Mass balance accounting is used to calculate all sulphur emissions at our smelters. In this case, sulphur mass balance is a systematic manner in which the mass of inputs containing sulphur with the mass of outputs containing sulphur as products, waste, change in material stocks and emissions.
- **Particulate matter:** Particulate matter is tiny pieces of solid or liquid matter released to the atmosphere. At Implats, particulate matter refers to the mass of particulates measured at ambient monitoring stations. Particulate matter smaller than 2.5 microns (μm) in size is called PM_{2.5} and particulate matter bigger than 2.5 microns (μm) and smaller than 10 microns (μm) in size is called PM₁₀.
- **Isokinetic sampling:** Isokinetic sampling is a sampling method which is used for monitoring pollution from the stacks. The samples are taken in a duct or stack. The sampling collects particles at a rate where the velocity and the direction of the gas entering the sampling nozzle is the same as that of the gas in the duct or stack and elsewhere in the stream. The results are therefore more accurate and reliable.

Independent assurance report on selected sustainability information

To the directors of Impala Platinum Holdings Limited

We have undertaken an assurance engagement on selected sustainability information as described below and presented in the 2015 sustainability report of Impala Platinum Holdings Limited (Implats) for the year ended 30 June 2015 (the report). This engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

Subject matter and related assurance

We are required to provide:

1. Reasonable assurance on the following key performance indicators:

	KPIs prepared in accordance with the Global Reporting Initiative (GRI) G4 guidelines	Assured value	Page	Boundary
1	Contractor and employee fatalities	7 fatalities	133	Implats Group
2	Contractor and employee lost time incident frequency rate (LTIFR) (including restricted work cases)	5.27	1, 46, 134	Implats Group
3	Total injury frequency rate (TIFR)	9.78	134	Implats Group
4	New cases of noise-induced hearing loss submitted for compensation (NIHL)	49 cases	135	Implats Group
5	New cases of pulmonary tuberculosis diagnosed and treated	304 cases	135	Implats Group
6	Employees on antiretroviral treatment (ARV/ART) – net enrolment at year end	4 429 employees	135	Implats Group
7	Employee voluntary counselling and testing programme uptake (VCT)	11 875 tested cases	135	Implats Group
8	Energy consumption	15 937 GJ 000	137	Implats Group
9	Water withdrawn	25 376 MI	137	Implats Group
10	Water consumption	39 701 MI	137	Implats Group
11	Total indirect carbon dioxide (CO ₂) emissions	3 001 522 tonnes	138	Implats Group
12	Total nitrogen oxide (NO _x) emissions	13 459 tonnes	138	Implats Group

2. Limited assurance on the following key performance indicators:

(a) KPIs prepared in compliance with the Amendment to the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (BBSEEC) (2010) and related scorecard (2010)

	Assured value	Page	Boundary	
13	Number of employees who are classified as historically disadvantaged South Africans (HDSA) and who are employed at management positions, above the supervisor level – excluding non-executive directors	381 employees	66	South African operations only
14	Number of women employees in management positions, above the supervisor level – excluding non-executive directors	146 employees	66	South African operations only
15	Number of people trained through adult basic education (ABET) – net enrolment at year end	292 people	59 to 60	South African operations only
16	HDSA procurement (>25%) (in line with the Mining Charter categories of capital goods, services and consumable goods)	R5.4 billion	85	South African operations only
17	Local procurement	R498 million spent on Tier 1 procurement	86	South African operations only

Independent assurance report on selected sustainability information

(b)	KPIs prepared in accordance with the GRI G4 guidelines	Assured value	Page	Boundary
18	Total socio-economic development (SED) expenditure	R83 million	75	South African operations only
19	Total direct carbon dioxide (CO ₂) emissions	349 000 tonnes	138	Implats Group
20	Total sulphur dioxide (SO ₂) emissions	54 219 tonnes	119	Implats Group

Directors' responsibilities

The directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the following criteria:

- For the subject matters in 1 and 2 (b): The GRI G4 guidelines; and
- For the subject matters in 2 (a): The amendment to the BBSEEC (2010) and related scorecard (2010).

This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, for commitments with respect to sustainability performance and for the design, implementation and maintenance of internal control relevant to the preparation of the report that is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the code of ethics for professional accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

In accordance with International Standard on Quality Control 1, KPMG Services Proprietary Limited maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express assurance conclusions on the selected sustainability information based on the work we have performed and the evidence we have obtained. We have conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000), Assurance Engagements other than 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 assurance about whether the selected sustainability information is free from material misstatement.

An assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the quantification of the selected sustainability information and related disclosures. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments we considered internal control relevant to Implats' preparation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information, which included the following:
 - Performed control walkthroughs;
 - Inspected supporting documentation and performed analytical procedures on a sample basis to evaluate the data generation and reporting processes against the reporting criteria;
 - Undertook site visits to the Impala Rustenburg (mining, concentration and smelting), Impala Springs (refineries), Marula (mining and concentrating) and Zimplats (mining and concentration) operations; and
- Evaluated whether the selected sustainability information presented in the report is consistent with our overall knowledge and experience of sustainability management and performance at Implats.

Independent assurance report on selected sustainability information

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on the matters described in 2 above.

Reasonable Assurance Opinion and Limited Assurance Conclusions

1. On the selected key performance indicators on which we are required to express reasonable assurance

In our opinion, the selected sustainability information set out in 1 above for the year ended 30 June 2015 is prepared, in all material respects, in accordance with GRI G4 guidelines.

2. On the selected key performance indicators on which we are required to express limited assurance

- (a) Based on our work performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability information set out in 2(a) above for the year ended 30 June 2015 is not prepared, in all material respects, in compliance with the amendment to the BBSEEC (2010) and related scorecard (2010).
- (b) Based on our work performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected sustainability information set out in 2(b) above for the year ended 30 June 2015 is not prepared, in all material respects, in accordance with the GRI G4 guidelines.

Emphasis of matter

Without modifying our opinion or conclusions, we draw attention to page 1, which indicates that Implats has changed its calculation and definition of the LTIFR. In previous years the rate was calculated on the number of LTIs only which was changed to include both LTIs and restricted work injuries. For comparability purposes, prior year LTIFR data has been restated.

Other matters

The maintenance and integrity of the Implats' website is the responsibility of Implats' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on the Implats' website.

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the report.

Restriction of liability

Our work has been undertaken to enable us to express the opinion and conclusions 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 opinion and conclusions we have reached.

KPMG Services Proprietary Limited



Per PD Naidoo
Director

Johannesburg
21 October 2015

Glossary

ABET	Adult Basic Education and Training
Aids	Acquired immune deficiency syndrome
AMCU	Association of Mineworkers and Construction Union
AMWUZ	Associated Mine Workers Union of Zimbabwe
ART	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)
B-BBEE	Broad-based black economic empowerment
CO₂	Carbon dioxide
CoM	Chamber of Mines
CSOT	Community Share Ownership Trust
CTF	Cultural transformation framework
dB	Decibels. Unit of measurement for sound
DEROs	Desired Emissions Reduction Objectives
DOH	Department of Health
DMR	Department of Mineral Resources, South Africa
DPM	Diesel Particulate Matter
DSM	Demand-side management
DWS	Department of Water and Sanitation
EAO	Emolument attachment orders
ECD	Early childhood development
EFF	Economic Freedom Fighters
EIA	Environmental impact assessment
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Agency of Zimbabwe
EMP	Environmental management programme
ESOP	Employee Share Ownership Programme
ESOT	Employee Share Ownership Trust
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
EVP	Employee value proposition
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
FLC	Foundational Learning Competence
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 immunodeficiency virus
HPD	Hearing Protection Devices
HSE	Health safety and environment
HSRC	Human Science Research Council
IBC	Inside back cover
IFC	Inside front cover
IFRS	International Financial Reporting Standards
IBT	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
ILO	International Labour Organisation
IMP	Impala Medical Plan
Impala Platinum	Impala Platinum Limited, comprising Impala Rustenburg and Impala 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
IPA	International Platinum Group Metals Association
ISO	International Organisation for Standardisation
IWWMP	Integrated waste and water management plan
IIP	Indigenisation Implementation Plan
JSE	Johannesburg stock exchange

Glossary

LCA	Life cycle assessment
LCMs	Loose cubic metres
LED	Local Economic Development
Local community	Communities that are directly impacted by our mining operations and are on or near the mine lease area
Lost-time injury	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 includes restricted work cases
Marula	Marula Platinum (Pty) Ltd
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
MCDA	Marula community development agency
MCLEF	Mine Communities Leadership Engagement forum
MCSOT	Mberengwa Community Share Ownership Trust
MCT	Marula community trust
MHSC	Mine, health and safety council
MIGDETT	Mining Industry Growth Development and Employment Task Team
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
NAC	National Aids Council
NASCA	National Senior Certificate for Adults
NCPC	National Cleaner Production Centre
NCR	National credit regulator
NGO	Non-governmental organisation
NBI	National Business Institute
NDP	National Development Plan
NIHL	Noise-induced hearing loss
NMWVZ	National Mine Workers Union of Zimbabwe
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
NRF	National Research Foundation
NUM	National Union of Mineworkers, South Africa
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
ORAs	Objective-based risk assessments
PBC	PGM beneficiation committee
PDS	Proximity detective systems
PFA	President's Framework Agreement
PGI	Platinum Guild International
PGMs	Platinum group metals being the metals derived from PGE
PIC	Public Investment Corporation
PPC	Platinum producer's committee
PPE	Personal protective equipment
PPM	Parts per million
RBED	Royal Bafokeng Enterprise Development
RBH	Royal Bafokeng Holdings
RBN	Royal Bafokeng Nation/Administration

Glossary

Reportable	(a) A reportable injury is an injury which results in: 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
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
RDP	Reconstruction and Development Programme
RFA	Rehabilitation and Fitness Assessment
RLM	Rustenburg local municipality
RO	Reverse osmosis
RSIP	Rehabilitation strategy and implantation plan
SD	Sustainable development
SED	Socio-economic development
SET	Social, ethics and transformation
SHEQ	Safety, health and environment quality
SLP	Social and labour plan
SMC	Selous Metallurgical Complex
SMMEs	Small, medium and micro enterprises
SO₂	Sulphur dioxide
SRI	Socially responsible investment
TARP	Triggered action response plan
TB	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
TEBA	The Employment Bureau of Africa
TMM	Trackless mobile machinery
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
TSCZ	Traffic Safety Council of Zimbabwe
UASA	United Association of South Africa
UNGC	United Nations Global Compact
VCT	Voluntary counselling and testing, in respect of HIV and Aids
VPSHR	Voluntary principles on security and human rights
WBCSD	World Business Council on Sustainable Development
WC/WDM	Water Conservation/Water Demand Management
WiM	Woman in mining
WPIC	World Platinum Investment Council
WUL	Water use licence
ZCSOT	Zvishavane Community Share Ownership Trust
ZINARA	Zimbabwe National Roads Association
ZIP	Zero incident process
ZRP	Zimbabwe Republic Police

INDICATOR	Basic calculation
Indirect energy	2015 DEFRA Guidelines
Indirect CO ₂ (SA)	Eskom Fact Sheet 2015
Indirect CO ₂ (Zimbabwe)	International Energy Agency (IEA) Report 2012
Direct energy from diesel, petrol, and IBO	2015 DEFRA Guidelines
Direct energy from Sasol Gas	Sasol Gas supplier
Direct CO ₂ from Sasol Gas	Sasol Gas supplier
Direct energy from coal consumption	Supplier analysis
Direct CO ₂ from coal consumption	Supplier analysis

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