Safe and effective people
who respect and care







An engaged and productive workforce is essential for delivering on our objectives. We focus 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. In return for the skills, capabilities and experience our employees bring to our business, we aim to offer a compelling employee value proposition and a great place to work. Our longer-term vision is to progressively mechanise our mining processes, while continuing to improve levels of workforce proficiency, satisfaction and diversity.

Employee and contractor safety

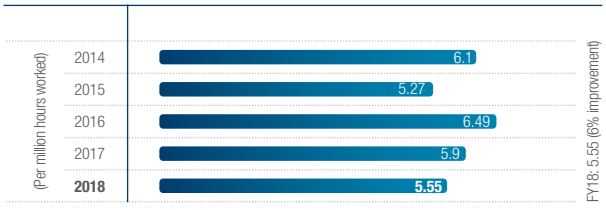
PRIORITISING SAFE PRODUCTION AND ENSURING THE SAFETY OF OUR EMPLOYEES AND CONTRACTORS UNDERPINS ALL THAT WE DO AND REMAINS KEY TO DELIVERING ON OUR COMMITMENT TO ZERO HARM. WE SEEK TO ACHIEVE THIS BY FOCUSING ON PROMOTING THE RIGHT BEHAVIOUR, ENSURING THE RIGHT PRACTICES, AND PROVIDING THE RIGHT WORKING ENVIRONMENT.

Our 2018 performance

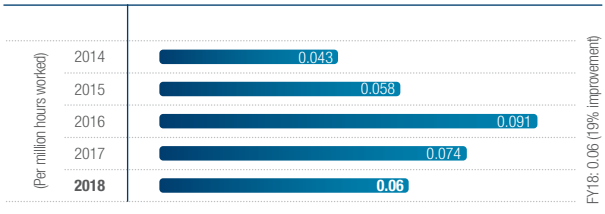
We deeply regret the loss of seven# of our people in six separate work-related incidents at our South African operations this year. Details are provided on page 29. Any loss of life is unacceptable and we remain unwavering in our commitment to achieving our vision of zero harm. All fatal incidents are subject to rigorous investigation and management action to prevent repeats. Failure to identify hazards and respect risks, not following standard operating procedures and inadequate supervision and oversight are routinely identified as contributing factors in significant and fatal incidents. This year we have taken decisive additional steps, focusing on safety leadership and operational discipline, aimed at ensuring meaningful and sustained change in the safety culture of our employees, especially at our more challenging Impala Rustenburg and Marula mines.

Ensuring safety at South African mines is an ongoing issue across the industry. Notwithstanding the tragic fatalities at Implats this year, the Group continues to perform favourably relative to the overall industry, which has experienced a significant deterioration in performance compared to projected milestones. The positive outcomes of our sustained expenditure and the effort we have put into safety initiatives, technical solutions and training across the Group, are evident in the continuing progress we have made in some of our leading and lagging performance indicators and the strong safety performance maintained at many of our operations. Eleven of the 17 operations achieved millionaire and multi-millionaire fatal-free status.

LTIFR



FIFR



Key lagging indicators

> The Group fatal injury frequency rate was 0.060 per million man-hours worked, a 19% improvement on 0.074 in 2017. We recorded seven# fatalities in the year, down from nine in 2017. In each fatal incident the root cause was non-compliance to standards and safe production rules, in some cases at supervisory level. Disciplinary action has been taken where necessary and remedial actions implemented to prevent repeat incidents

> The reportable injury frequency rate (RIFR) was 3.70 per million man-hours, up from 3.69 in 2017, against a targeted 2.95

> A total of 650 LTIs (2017: 723) resulted in 47 767 days lost (2017: 49 330), with most of these attributable to fall of ground, equipment handling, scraping and rigging, and slipping and falling. Our lost-time injury frequency rate (LTIFR) improved by 6.1% from 5.92 in 2017 to 5.55# in 2018, against a target of 4.74. During this reporting period, 33% of LTIs became reportable injuries compared to 45% the previous year

> Our medical treatment case frequency rate (MTCFR), which includes any injury that requires more than first-aid treatment, improved from 7.22 in 2017 to 6.37 in 2018

> The total injury frequency rate (TIFR) – a measure of all recordable injuries, including fatalities, lost-time injuries and medical treatment cases – decreased to 11.93#, compared to 13.14 in 2017 (9% improvement)

> In 2018, we experienced 42 dangerous occurrences (though not fatal), of which 90.5% were at Impala Rustenburg operations, compared to 43 dangerous occurrences in 2017

> The number of regulatory (Section 54) stoppage instructions (excluding Section 55s) issued declined to 39 compared to 92 in 2017. The issuances continue to be restricted to the area where the danger/non-conformance was observed. Twenty-three of the stoppages impacted production with a total of 167 days of lost production. A total of 54 non-compliance (Section 55) notices were issued across our operations, compared to 73 in 2017

> Analysis of Section 54s and our internal stoppages shows that the majority continue to be issued for non-compliance with winch rigging operating standards and for failure to comply with our support standards

Indicates independently assured numbers.

Fatal injury frequency rate per operation

Fatal injury frequency rate (FIFR) per million hours worked	2018	2017	2016	2015	2014
Impala Rustenburg	**0.075**	0.083	0.107	0.070	0.052
Impala Springs	**0.000**	0.000	0.000	0.000	0.000
Marula	**0.121**	0.103	0.000	0.111	0.000
Mimosa	**0.000**	0.114	0.246	0.000	0.000
Zimplats	**0.000**	0.000	0.000	0.000	0.068
Group	**0.060**	0.074	0.091	0.058	0.043

IN MEMORIAM

This year, seven[#] of our colleagues tragically lost their lives in the course of work at our South African operations.

In remembrance, the names of these individuals are:

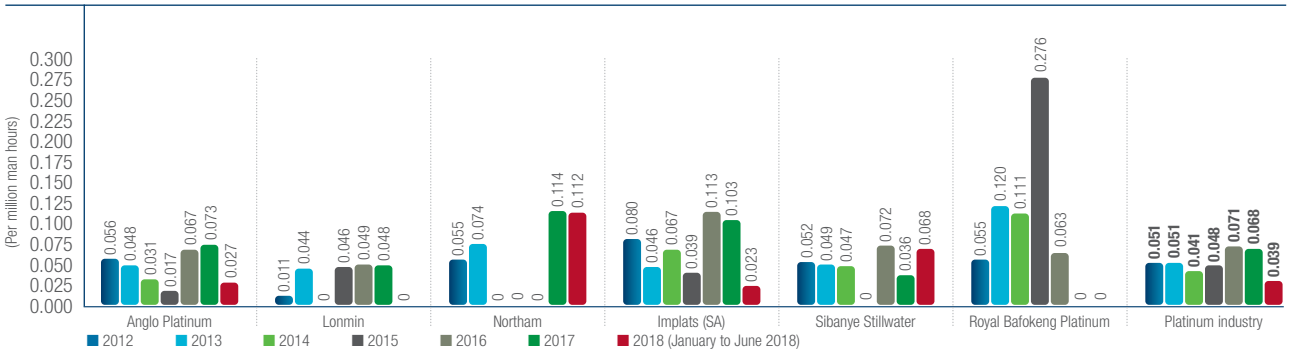
- **Mr Sinethemba Mtolo (19/09/2017) –** fall of ground incident – Impala Rustenburg No 12 Shaft
- **Mr Sandile Mathebula (19/09/2017) –** fall of ground incident – Impala Rustenburg No 12 Shaft
- **Mr Tebogo Rampagane (28/09/2017) –** fall of ground incident – Impala Rustenburg No 20 Shaft
- **Mr Nobakaxana Mayelana (04/10/2017) –** fall of ground incident – Impala Rustenburg No 10 Shaft
- **Mr Cladus Lethena (11/10/2017) –** mobile equipment incident – Impala Rustenburg No 16 Shaft
- **Ms Levina Motene (11/10/2017) –** trackless mobile equipment incident – Marula
- **Mr Kelebone Molikoe (19/01/2018) –** scraper winch operating incident – Impala Rustenburg No 10 Shaft

We extend our sincere condolences to the families, friends and colleagues of the deceased. Recognising the severe impacts of their loss, we offer family support across our operations in South African and Zimbabwe. Principal areas of assistance include: Group insurance cover provides for funeral expenses and benefits pay-out to the family according to the rules of the respective fund (an additional sum is paid out where a fatality is as a result of an accident); specialised trauma counselling for dependants and counselling for co-workers; employment offered for a family member; ongoing financial assistance for the schooling of children of the deceased (from pre-school to tertiary level). Visits to the families are undertaken at least annually to show ongoing compassion, monitor their wellbeing, and school performance.

Key leading indicators

- We exceeded all our targeted KPIs for visible-felt-leadership (VFL) engagement, performing 45 807 interactions and interventions (2017: 59 438). Planned task observations totalled 84 495 (2017: 87 107)
- We achieved 98% compliance in our road behaviour testing on the roads that cross mine property (164 741 checks and 3 693 transgressors), as compared with 96% compliance last year; our target is 100%.
- We conducted 2 568 641 breathalyser tests (2017: 2 209 318) throughout our operations in line with Company policy of zero alcohol in the workplace. As a result, 324 tested positive, representing a 43% decrease on the 568 individuals who tested positive in 2017. Disciplinary action was taken against all employees testing positive.

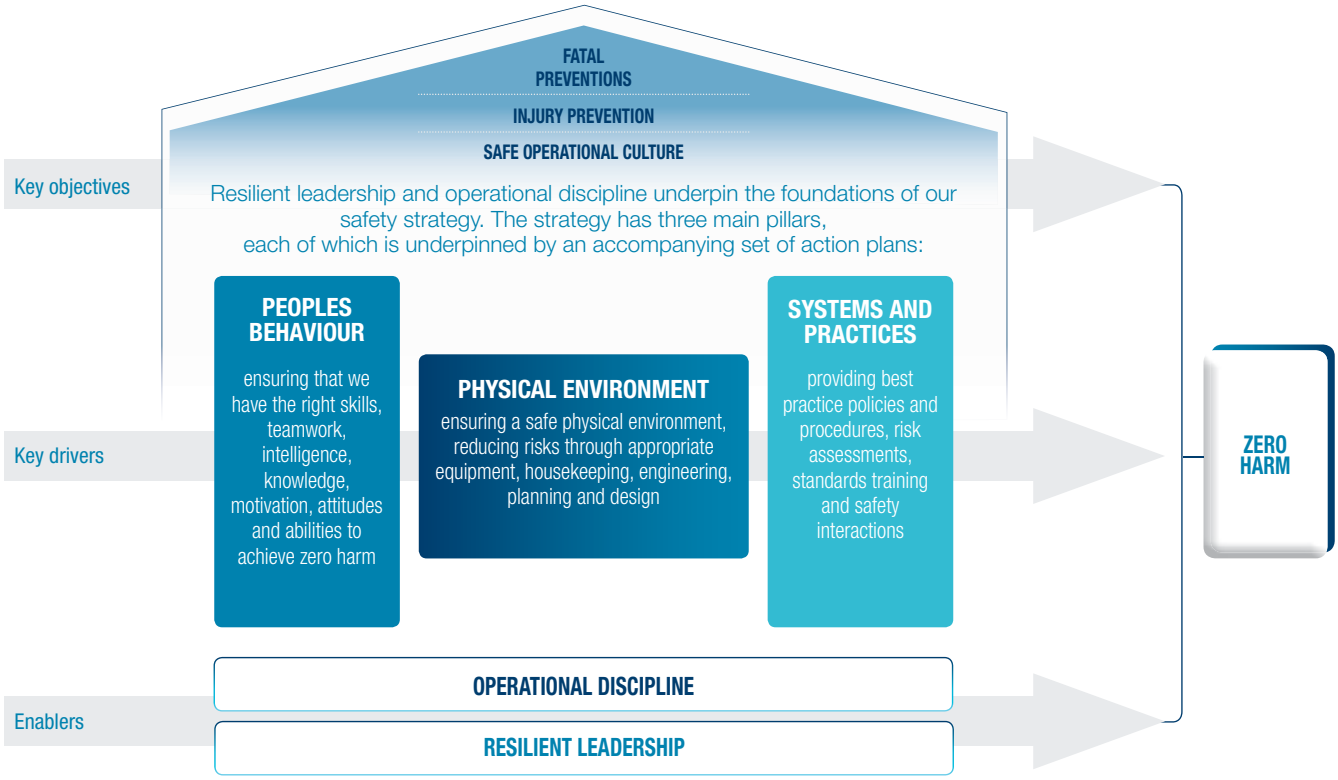
Comparison of fatality rates (calendar years) across the large South African mines in the platinum industry



[#] *Indicates independently assured numbers.*

Employee and contractor safety

Implats safety strategy model



Our safety strategy strives to foster a safe operational culture and achieve our vision of zero harm. The strategy is 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. The model was revised this year to ensure better alignment of leadership, operational discipline and key objectives across the Group. It is also more accommodating of the different levels of safety maturity present in the different operations.

The principal safety risks facing our employees and contractors relate to falls of ground, moving machinery, transportation, working at heights, electrical or release of stored energy incidents and isolation/lock-out. Fatigue and stress management is another focus area. A review of strategic interventions and developments to mitigate safety risks during 2018 is summarised below. Further details of our safety performance are provided in our performance tables on page 84.

Focus areas and developments during 2018

During 2018 we have maintained a focus on driving behavioural change with an emphasis on developing effective resilient leadership at our South African operations, as we strive to create and entrench an interdependent culture where every employee is committed to safe working practices, taking clear responsibility for their own actions and also helping others to adopt good safety practice.

Strategy implementation and monitoring: This year we held several leadership workshops and engagement sessions with stakeholders at our South African operations, to review our safety performance and management approach. The feedback on our approach was positive and a way forward was agreed aimed at ensuring improvements in our safety performance. Each operation has conducted a safety maturity assessment of their operational teams. Zimplats, Mimosa and Impala Springs are generally more advanced in the safety maturity journey than other operations. We have developed individual operational safety plans aimed at addressing weaknesses identified in their current status. Supporting performance standards have been developed and rolled out, which form the basis for proactive measuring and monitoring of individual and team safety performance.

Resilient leadership: During the FY2018, an in-depth assessment of current leadership skills was conducted across the various levels of the Impala Rustenburg mining leadership (shift supervisor, mine manager and general managers), which identified strengths but also certain gaps in their development to lead at the required level. (See case study on page 40.) The gaps identified during the assessment process will be addressed through formal and informal leadership training and development initiatives. These will include a personal improvement plan and a personal safety plan for general managers with short and medium-term commitments to improve safety. We

have enhanced our initiatives to equip managers with the tools to lead teams safely and effectively and to customise, drive and own their safety plans and programmes. This has included the development of a revised Safety Toolbox that will provide the framework for our systems and practices.

Training: We continued to invest in enhancing our frontline supervision and providing safety coaching in critical areas based on analysis of critical trends. The Impala Rustenburg operations undertook a revised disciplinary training programme for managers and mine overseers. All managers and supervisors have been trained to apply the consequent management process in a consistent way. Training is provided for newly elected health and safety representatives and periodic refresher training is offered to established health and safety representatives.

Technical solutions: We have continued to implement best practice technical initiatives aimed at protecting all those who work in our mines and to assess new technological advances to determine their appropriateness at our operations. Initiatives implemented include fitting roof bolts and netting to protect against falls of ground, rolling out fire retardant conveyor belting, enhanced central electronic blasting system, fire detection systems, electronic scraper winch signalling devices, and proximity detection systems (PDS) on mobile equipment.

Major Unwanted Events (MUE) and critical controls: We are developing fatal risk control protocols that will form the basis for a revised MUE programme. Enhancing our critical controls to mitigate risks relating to major fall of ground collapses and scraper winch operations, is a particular focus.

Critical safe behaviours: We place a significant focus on leadership visibility, interaction and coaching, which are critical to change the behaviour of people. We continue to focus on entrenching critical safe behaviours at Impala Rustenburg operations, for rock drill operators, scraper winch operators, locomotive operators, panel operators and trackless machine operators. This is driven through safety representative and supervisory monitoring interventions. We are focusing on monitoring, measuring and reporting on performance based on the critical behaviours of people in the workplace.

High-risk behaviour: We continue to use a psychological assessment tool to identify behavioural characteristics that predict at-risk/unsafe work behaviours and seek to mitigate risks through individualised developmental initiatives. We analyse data sets (including medical, human resources/financial, disciplinary, production) to identify employees at high risk of having a safety incident, monitor and seek to mitigate the level of risk, for example through formal counselling.

Incident and injury investigations: We are revising our current investigation and reporting practices and processes to ensure that failures and learnings from actual and potential incidents are more effectively recorded and shared across the Group. To improve the quality of our incident investigations and resulting recommendations, in FY2019 we will identify and train selected employees in Incident Cause Analysis Methodology (ICAM), to lead investigations on high potential incidents (HPIs) and non-fatal accidents.

Management systems: At Impala Rustenburg, Marula and Impala Springs we have identified and are addressing compliance gaps relating to the ISO 45001 standard (which replaced the widely implemented OHSAS 18001), with a view to achieving certification. At Impala Rustenburg, legal compliance gaps have been addressed as a priority, with actions implemented and tracked for closure.

Regulatory initiatives: We have continued in our efforts to implement the five-pillar cultural transformation framework developed by the Minerals Council South Africa Mine Health and Safety Council (MHSC), and to embed the Mining Charter's health and safety commitments.

Operational discipline is achieved when the specific activities necessary for the successful daily operation of Implats operations are running as they should be. These activities include setting objectives, goals, targets, standards and practices, and most importantly the behaviour of people.

Employee and contractor safety

Safety initiative dashboard

Initiative *(implementation tracker)*	Champion and committee	Planning	Implement and execute	Review

No	Initiative	Champion and committee	Gap assessment and action plan	Roles and responsibilities assigned	Training and execution	Compliance audit conducted	Total	Priority
1	MOSH TARP system	100%	100%	100%	100%	80%	96%	High
2	Test, trial and implement alternative tendon support system (resin bolts)	100%	100%	75%	20%	–	59%	High
3	Trial and implementation of extended safety nets	100%	100%	75%	20%	–	59%	High
4	MOSH leading practice for ledging	100%	100%	–	–	–	57%	High
5	MOSH PDS system on railbound machinery (compliance to plan) 7% compliance	80%	80%	100%	80%	80%	84%	High
6	Visible-felt leadership monitoring system	100%	100%	100%	100%	60%	92%	High
7	Employee critical safe behaviours	100%	100%	100%	80%	50%	86%	High
8	Fire retardant conveyor belting (roll out)	100%	100%	100%	80%	80%	92%	High
9	Conveyor belt fire prevention system upgrade	100%	80%	50%	10%	50%	58%	High
10	Underground fire prevention management	100%	100%	100%	80%	95%	95%	High
11	Critical controls of major hazards (underground fires)	100%	100%	25%	10%	20%	51%	High
12	2024 milestone equipment noise level reduction to below 107dB	100%	100%	75%	80%	50%	81%	High
13	Improved station safety devices (Techno Grid and Deebar)	100%	100%	100%	100%	90%	98%	High
14	MOSH PDS system on TMM machinery	100%	100%	100%	100%	100%	100%	Medium
15	Enhancing the disciplinary process	100%	100%	100%	80%	80%	92%	Medium
16	Trials to minimise the risk of high-pressure gas pockets	100%	66%	50%	10%	0%	45%	Medium
17	2024 milestone implementation of the CTF	100%	100%	100%	80%	95%	95%	Medium
18	Underground pneumatically operated ventilation door test	100%	66%	100%	80%	50%	79%	Medium
19	Critical underground ventilation door monitoring system	100%	100%	100%	40%	0%	68%	Medium
20	Safety representative training	100%	100%	100%	40%	100%	88%	Low
21	Certification of OHAS 18000 (ISO 45000)	60%	100%	0%	0%	0%	32%	Low

Our safety focus for 2019 and beyond

Our priority is to cultivate a culture of operational discipline to ensure full compliance and commitment to safe working practices. Our focus is at Impala Rustenburg and Marula operations, where we have the greatest number of employees and continue to experience high-risk behaviour.

In driving the necessary behavioural change, a key focus will be on assessing leadership development gaps among mining leadership and addressing any shortcomings in leadership and frontline supervisory development through training and improved performance management processes.

Important factors for success are: leadership visibility through our visible-felt leadership programme; intensifying supervision on critical activities at the work face; the rollout of a revised Safety Toolbox; ownership and accountability; an escalation process for poor performance; rewarding good performance; and behavioural change through consistent consequent management.

Our target is zero fatalities across all operations. Each operation is expected to achieve at least a 10% year-on-year improvement in their LTIFR performance.

Employee health and wellbeing

EFFECTIVE CONTROL OF OCCUPATIONAL HEALTH RISKS AND PROMOTING HEALTH AND WELLBEING IN THE WORKPLACE, PROTECTS OUR EMPLOYEES, ENHANCES PRODUCTIVITY, AND IS ESSENTIAL IN MINIMISING POTENTIAL LONG-TERM LIABILITIES. EXTENDING OUR HEALTH PROMOTION ACTIVITIES TO THE BROADER COMMUNITY COMPLEMENTS OUR INTERNAL HEALTH DRIVE AND SUPPORTS LOCAL SOCIO-ECONOMIC DEVELOPMENT OUTCOMES.

Our strategic approach

Our health strategy addresses both occupational and non-occupational health and is focused on preventing harm to our employees. It is structured around three main pillars: wellness, education and treatment.

The occupational health strategy focuses on ensuring that all occupational health risks are identified, mitigation controls are in place to eliminate occupational health hazards at source, and that any ill health is detected and treated early and efficiently. Every employee has an annual medical screening examination. Any detected 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. Implats has extended its shared responsibility to include the non-occupational health of dependants of employees, as well as broader investments in community healthcare projects. The delivery and funding arrangements depend on local facilities and conditions and differ between our operations in South Africa and Zimbabwe. For further information on our investments in community health, please refer to pages 57 and 61.

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). Other risks relate to musculoskeletal stress and fatigue. We have ongoing initiatives to educate our employees and reinforce messages around managing health hazards. Our strategy guides our approach to achieving the occupational health milestones set for the South African mining industry, across all our operations, including those in Zimbabwe. The 2024 milestones include targets for HIV, TB, silicosis and NIHL.

Our 2018 health focus areas and performance

Monitoring employee health: This year 71 527 occupational medical screening examinations were conducted, of which 54 054 were periodic, 6 703 exit examinations and 10 770 pre-employment. No previously unknown occupational illnesses were detected. The integration of occupational and clinical care information as well as sick leave records continue to assist with our management of patients on chronic medication programmes and the identification of high health risk employees.

Chronic illness: We have maintained a focus on identifying and managing patients with chronic conditions (the main conditions being hypertension, HIV/Aids and diabetes) and assessing whether they are still fit to perform their duties safely and productively. Thirty percent of the South African employee base is currently receiving treatment for chronic conditions. The majority of patients are doing well from a treatment perspective, however, this year there was a significant increase in the number of patients who, through more intensive screening and analysis of various data indicators, were found to be unfit for their work. This resulted in an increase in employees applying for and receiving medical incapacitation benefits through their pension funds. Across our South African operations, 848 employee contracts were terminated due to ill health and disability. Going forward, we will focus on early identification of cases for early initiation of appropriate adjustments to treatment and occupational fitness.

Noise-induced hearing loss (NIHL): In line with our sustained progress in mitigating levels of noise exposure, we have decreased the proportion of employees working in higher risk categories. We provide all employees exposed to noise with custom-made hearing protection devices (HPD) and associated training. Ensuring adherence to wearing the HPDs remains a challenge. We conduct annual audiometric screening examinations to detect deterioration of hearing before permanent NIHL develops. Employees with a hearing-loss shift of 2.5% to 5% undergo formal counselling. In 2018 there were 4 993 cases of hearing-loss shift of between 5% and 9.9%, a 1.5% increase compared to 2017. These cases are formally investigated. This year, 102[#] cases (employees) of NIHL shift of more than 10% were diagnosed and submitted for independent third-party assessment of disability and compensation; (there were an additional 14 cases for contractors) compensation was provided in 65 cases (2017: 88 submissions and 57 cases compensated). The new formula for calculating NIHL for industry health milestone purposes has been implemented at our South African operations using new software. We are on track to reduce noise levels emitted by all equipment to the industry 2024 milestone target of below 107dB. Our focus going forward is on the silencing or replacement of specifically Premfit rock drills at Impala Rustenburg and Marula operations.

[#] *Indicates independently assured numbers.*

Employee health and wellbeing

Pulmonary tuberculosis (TB): Across the Group, the management of TB remains under control as a result of comprehensive screening, case tracing and effective treatment. The number of new cases diagnosed decreased by 23% year-on-year, to 154#, of which four were found to be multiple drug resistant (MDR) TB and one was extremely drug resistant (XDR), all at Impala Rustenburg. About 70% of known TB cases have HIV co-infection. At our South African operations, our incidence rate of 530 per 100 000 employees remains well below the South African average of 1 000 per 100 000. All cases of pulmonary TB are submitted to the Department of Health's Medical Bureau of Occupational Diseases (MBOD). We provide six-monthly screening and INH (Isoniazid) prophylaxis for all HIV positive employees and other at risk employees and annual screening of all other employees. In the year ahead, contact tracing of all TB patients and the close and strict monitoring of treatment will be a focus. At Zimplats, no cases of pulmonary TB were diagnosed during the year under review. One case of extra pulmonary TB was diagnosed and treatment was commenced in line with the Zimbabwean Ministry of Health and Child Care guidelines.

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. All employees and contractors are counselled and offered HIV testing at annual medical examinations (Our HIV prevalence rate is estimated at 23% based on available data for Impala Rustenburg, level with the last three years). We have seen a pleasing increase in levels of participation in counselling and our Company-funded and managed HIV-wellness programmes. We recorded a total of 12 154# actual HIV blood tests (27% decrease year-on-year due to more employees knowing their current HIV status). ART treatment uptake increased by 15% to 5 942# against a target of 5%; 91% (5 381) were at Impala Rustenburg. The number of employees receiving ART through external medical aids or government health facilities is not known and these figures are therefore underestimated. Since 1 September 2016, the South African government has required all people diagnosed as HIV-positive to start ART treatment immediately. Adherence to treatment for HIV and TB remains level with last year at 95%. Failure to adhere and the associated challenge of drug resistance remains a concern, especially with new ART patients. A 13% decrease in the number of employees passing away due to HIV-related illnesses is encouraging. Further TB and HIV/Aids details are provided in the table/graphs on page 36.

Pneumoconiosis: The risk of contracting pneumoconiosis (silicosis) at our operations is extremely low due to the very low levels of alpha quartz in the rock mined. The average dust concentration trends recorded remain below 10% of the occupational exposure limit (OEL). Real-time dust monitors are installed at high-risk locations underground to detect potential excessive dust volumes. The screening, early detection and referral of occupational lung disease nonetheless remain a priority. This year, two employees and three contractors were diagnosed with silicosis; all of these cases have proven historical gold or copper mine exposure. All cases have been submitted for assessment of disability and compensation. We provide INH prophylaxis to current known silicosis patients to reduce TB infections.

Compensation for occupational diseases: Significant progress has been made in addressing the indirect risk that silicosis caused by gold mine exposure poses to the Group. It has been officially recognised that platinum has a significantly lower risk than gold, which has resulted in a decrease in insurance premiums. These changes were gazetted in April 2018 and will result in a significant reduction in dust levies for Implats SA mining and processing operations as well as a 20% improvement in benefits for any employees who have contracted occupational lung disease.

Musculoskeletal stress: At our Zimplats operations there has been an increase in the reporting of low back pain, notably among machine operators. To address this concern, we strive to mitigate the risk through pre-placement screening, education of employees, engagement with the OEMs on ergonomics, PPE provision and rehabilitation of employees who already have back pathology.

Diesel particulate matter (DPM): We continue to monitor exposure to DPM. The risk of exposure to DPM is mitigated by adequate ventilation, low sulphur diesel replacement and DPM exhaust filters in underground diesel combustion engines. We are in the process of evaluating the market for the commercial development of a prototype fuel cell Load Haul Dumper (LHD) and refuelling infrastructure (see page 77). All underground locomotives are electric and therefore do not emit DPM.

Medical aid and non-occupational medical care: Various medical scheme options exist across the Group. By year-end, 26 000 employees and dependants at Rustenburg, Marula and Springs Refineries were members of the Impala Medical Plan (IMP). The IMP contribution rates remain competitive in the industry.

Indicates independently assured numbers.

Efficiencies in medical services: Southern Africa continues to experience a shortage of healthcare skills and the availability of suitable outsourced providers is expected to remain limited and costly; we therefore continue to target further improvements in efficiencies in company owned and managed medical services for both occupational and non-occupational health care delivery.

Employee indebtedness: Employee indebtedness at our South African operations remains a serious challenge, affecting employee wellbeing and raising stress-related health and safety risks. We seek to assist over-indebted employees to regain and maintain their financial well-being. Further information on our approach and progress is provided below.

TACKLING EMPLOYEE INDEBTEDNESS

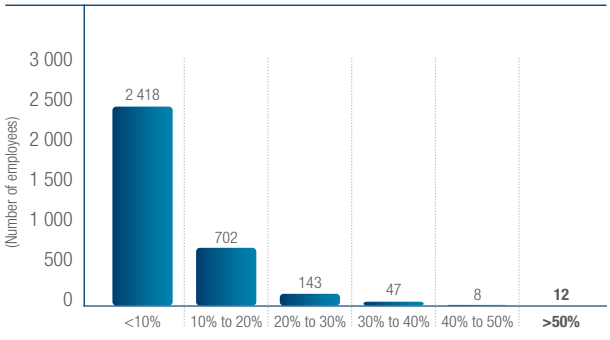
Employee over-indebtedness is a deeply troubling concern in the mining industry in South Africa and Zimbabwe and affects many of our employees across our operations. The associated stresses can have profound effects on employees and their families.

At Impala Rustenburg, we constantly monitor the level of indebtedness of our employees through our payroll office by measuring the number and value of garnishee, maintenance and administration orders instituted against our employees. The current level of indebtedness and rand value of employee debt over the last three years is shown in the graph below.

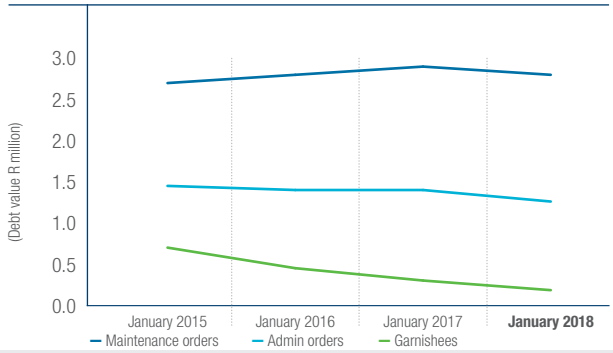
We implement various initiatives aimed at assisting employees with financial literacy, planning and mitigating indebtedness. This year, 190 employees received financial life skills training. Issues covered include: understanding pay slips; making disposable income grow; managing expenses; compiling a monthly budget; home loans; and escaping debt. Notwithstanding the improved debt position of our employees (reduction in garnishee and administrative orders at Impala Rustenburg since 2015), there remains a concern around the level of debt of those employees whose debt commitments cannot be traced through our payroll system. As part of the wage negotiation agreement, Impala Rustenburg and its principal union AMCU agreed to work together to identify further employees who are in need of debt counselling. We will continue to intensify efforts to encourage more employees to use our financial wellbeing services.

Among our Zimplats workforce, we have seen an increase in the number of employee indebtedness cases identified. There has been an influx of banks, credit stores, loan sharks and other business players in the main areas where employees reside, with lenders perceiving our employees to have high levels of disposable income. This has prompted increasing levels of employee debt. The operation monitors garnishees received and through payroll checks identifies suspected cases of over indebtedness. In response to the growing challenge, we have increased financial management literacy awareness and training, which is extended to spouses. The impact of training is monitored through garnishee trends. Employee indebtedness is also included in the induction process for new employees and re-induction of employees returning from long-term leave. Zimplats has a dedicated mental health programme (reviewed on page 36) which assists in addressing the impacts of employee indebtedness. Heavily indebted employees are referred for additional counselling.

Debt as a % of an employee's package



Monthly debt



Employee health and wellbeing

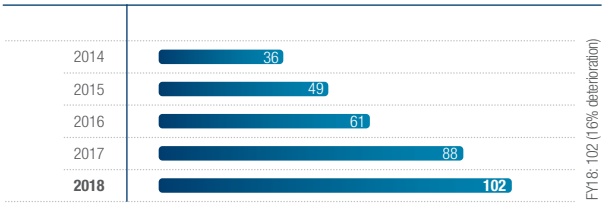
Emotional wellbeing: Zimplats has embarked on an aggressive mental health programme in recognition of the significance of emotional wellbeing on safety and productivity. The programme is implemented by an external service provider and offers comprehensive ongoing support for employees experiencing mental health challenges. Zimplats has contracted mental health experts to conduct a baseline survey and provide recommendations on key areas of intervention. The table below summarises the initiatives that have been embarked on to address key mental health issues both in the workforce and broader community.

Zimplats mental health support initiatives

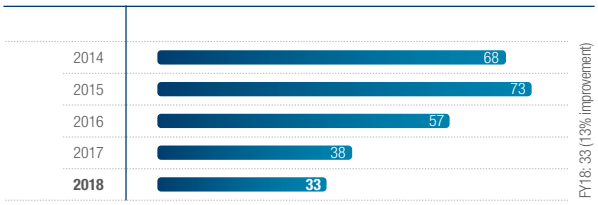
Focus areas	Interventions
Family strife including infidelity, indebtedness, work/life balance	Talk show involving more than a thousand participants from the community, culminating in the signing of a community pact to guide behaviour. Sexual and reproductive health training for employees and spouses covering diverse issues including infidelity, STIs and HIV and Aids. Training of trainers on financial management and debt management.
Drug and alcohol abuse	Formation of support groups. Access to specialist services for employees needing follow-up support.
Workplace stress and depression	One-on-one sessions with affected individuals and follow-up sessions. Training of supervisors, SHEQ reps, and wellness champions in lay counselling, training of identified employees in basic peer counselling. Access to specialist services for employees needing additional support.

Stoppages: During 2018, there were no regulatory or voluntary work stoppages and no non-compliance notices issued for medical or health-related matters.

NIHL submitted for compensation



Aids deaths in service



	2018	2017	2016	2015	2014
New pulmonary TB cases	**154#**	199	171	304	268
Number of new HIV cases	**650**	1 077	823	952	830
Number of voluntary counselling and testing (VCT) cases	**12 154#**	16 733	10 867	11 875	10 086
Number of HIV+ employees on antiretroviral therapy (ART) (net enrolment at year-end)	**5 942#**	5 174	4 843	4 429	4 276
Medical incapacity	**836**	265	377	505	331

Indicates independently assured numbers.

Our health focus for 2019 and beyond

In striving to further mitigate the health risks facing our employees, the following are specific focus areas for the year ahead:

> Close management of patients with chronic conditions, with a particular focus on early identification of cases requiring adjustments to treatment and occupational fitness
> Replacing the Premfit rock drills in use at Impala Rustenburg (200) and at Marula (1000) to ensure that noise levels emitted are below 107dB
> Contact tracing of all TB patients and the close and strict monitoring of treatment
> Developing additional initiatives at our South African operations aimed at promoting emotional wellbeing, and to support employees with early symptoms and signs of emotional stress
> To mitigate levels of absenteeism, medical and human resource personnel will communicate closely to timeously identify sick employees and seek to manage their recovery

REFURBISHMENT OF KADOMA GENERAL HOSPITAL

This year, Zimplats invested $2.5 million in refurbishing Kadoma General Hospital, a major hospital in the Mashonaland West district in need of significant repairs. The refurbishment work was completed to high quality standards by local enterprise development companies supported by Zimplats. The work included building construction and supplying equipment including laundry facilities, solar geysers, an incinerator, a service vehicle and an ambulance. The revamped hospital was officially opened by Zimbabwean President Emmerson Mnangagwa on 19 July 2018 and received a warm reception from all stakeholders, including the government.



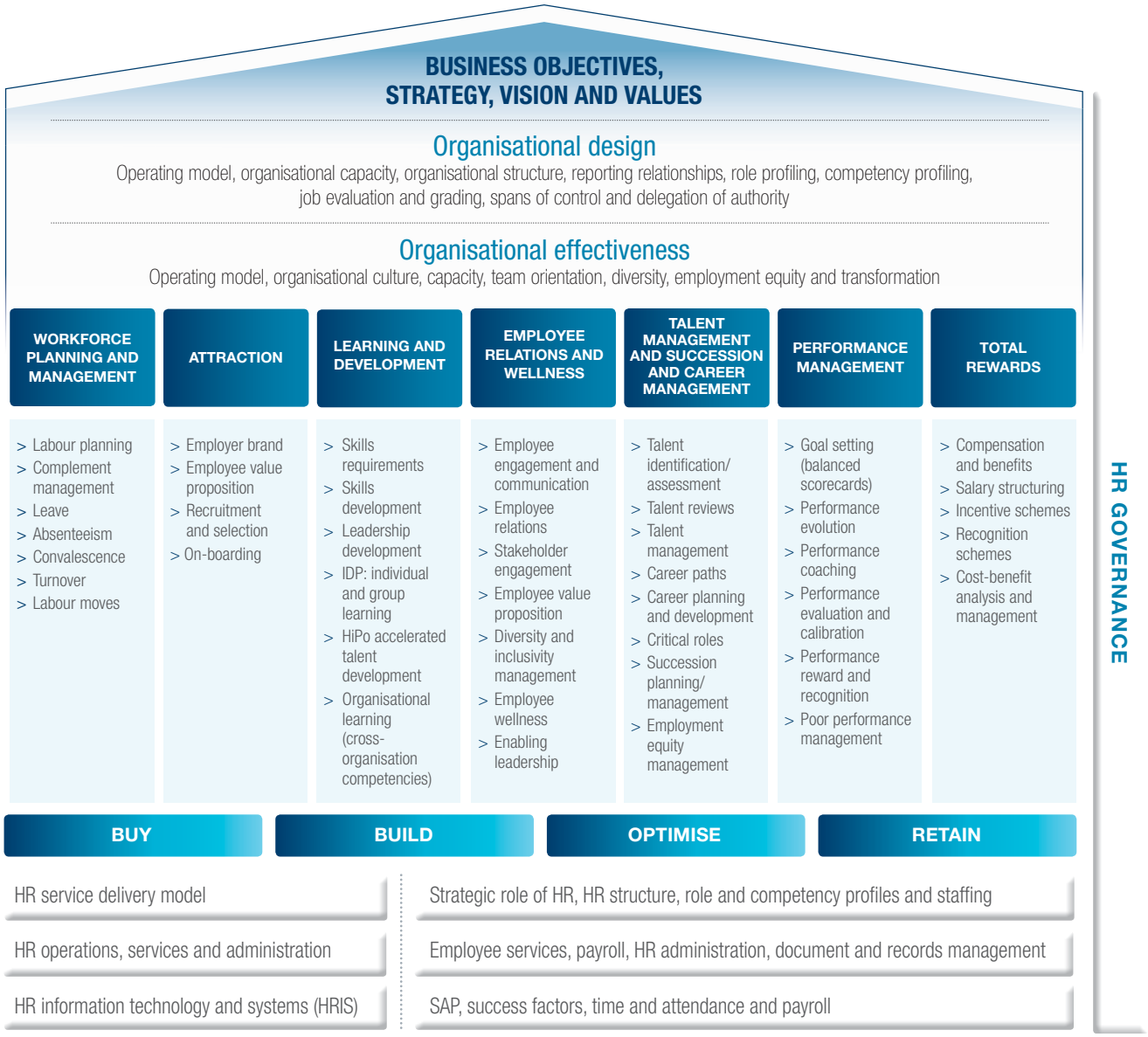
Opening of the laundry facility at Kadoma Hospital. In attendance from left to right is Zimbabwean President Emmerson Mnangagwa, Hospital Superintendent Dr Moyise, Implats Group CEO Nico Muller and Zimplats CEO Alex Mhembere

Attracting, retaining and developing talent

WE STRIVE TO CREATE A SUSTAINABLE COMPETITIVE ADVANTAGE BY RESOURCING THE GROUP WITH A CAPABLE AND ENGAGED WORKFORCE THAT IS ALIGNED WITH IMPLATS' VALUES AND CODE OF ETHICS. WE AIM TO FOSTER A CULTURE OF PERFORMANCE, DELIVERY AND ACCOUNTABILITY, THROUGH AN ORGANISATION STRUCTURE THAT IS FIT FOR PURPOSE, RESOURCING THIS STRUCTURE WITH THE BEST CAPABILITY AND EMPOWERING OUR PEOPLE TO DELIVER RESULTS.

Our strategic approach

Implats human resources framework



The HR framework depicts a set of integrated organisational human resources processes that cover the entire employee life-cycle from acquisition, performance management, development and succession planning. Following is a review of key elements:

Workplace planning and organisational effectiveness: Our approach to identifying the workforce skills needed to ensure that the organisation is maximally effective in delivering on its strategic objectives includes:

> High level identification of the people that will be required to fill the organisational structure, including the critical roles
> Skills assessments to determine what skills are currently housed in the Company, to highlight any skills gaps that may exist
> Talent review, focusing on high-potential employees and those with specialist/business critical skills, to develop a comprehensive picture of our key talent and identify any potential talent gaps
> Talent planning to fill any talent gaps

Performance management: Through our performance management programme we have committed to offering attractive remuneration and employment benefits, together with effective incentives. We undertake regular benchmarks of pay and conditions of employment to ensure that we remain competitive. To ensure our people contribute effectively to the achievement of our strategic objectives, the revised performance management process aims to align people's individual goals with the business goals, with effective systems in place to measure and manage their performance. This is achieved through:

> Goal alignment and target setting (through the balanced scorecard)
> Performance evaluation and calibration
> Performance reward and recognition (carried out through incentive and recognition schemes)
> Performance coaching
> Management of poor performance

Succession and career management: We strive to minimise future leadership and technical skills gaps by growing an internal pipeline of potential successors, and allowing high performers to develop the skills necessary for future roles. The key activities in this area include:

> Career paths for management and employees with specialist skills
> Segmenting the talent pool
> Career planning and development
> Talent mobility and deployment

Learning and development: We invest in ensuring that our employees, including contractors, continue to have the skills required by the organisation as it evolves. Particular focus is given to high potential and high performing employees. This is achieved through:

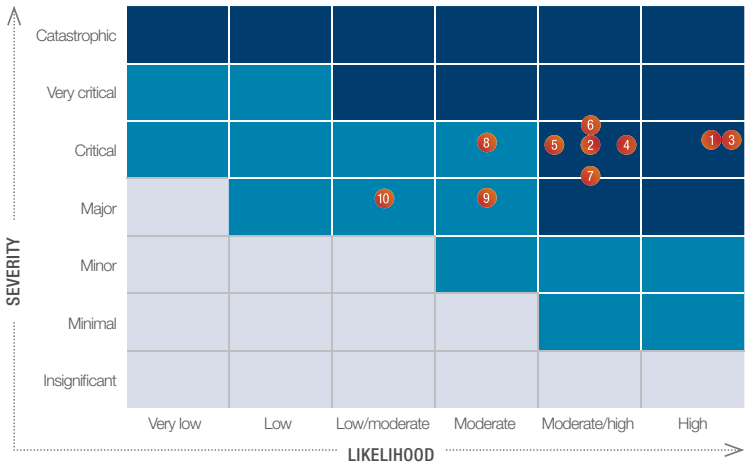
> Individual development plans
> General training programmes
> Accelerated talent development for high potential employees and those with specialist/business-critical skills
> Leadership development
> Organisational learning programmes for competencies that are required across the organisation

Strategic developments and focus areas in 2018

Developing people with ability

The recent and ongoing organisational change and uncertainty in the Company has impacted on employee morale and heightened the importance of our talent retention and skills development activities. Recognising the significance of increasing people-related risks, we undertook a series of 'deep-dive bowtie' risk analyses quarterly throughout the 2018 calendar year, to gain a deeper understanding of the risks for the human resources function. Below are the top 10 people risks which have been/will be examined in deep-dive bowtie risk analysis.

People risk dashboard



TOP RISKS

1. Lack of strategic priority for the Human Resource role
2. Lack of a performance management culture
3. Skills attraction, development and retention of critical skills
4. Ability to comply with changing legislation
5. Challenged capacity and efficiencies of middle management layers at South African operations
6. Employee relations climate at South African operations
7. Increasing trend of an unhealthy workforce
8. Lack of leadership development
9. Employee indebtedness
10. Medical incapacitation

Attracting, retaining and developing talent

Strategic HR framework

This year we have made significant developments in our approach to managing our people, seeking to optimise and build on existing structures, systems and practices, to strengthen our strategic direction and delivery. While Implats has well-established operational human resources (HR) structures in place, we have developed a more strategic HR framework that will ensure that we have the necessary building blocks and tools in place to drive our desired workforce culture and capability. Our approach centres around instilling organisational discipline, enhancing people engagement and people management capabilities, empowering our line managers to take responsibility for people management, and ensuring effective performance management to deliver on objectives.

The following are key developments in this process:

- Conducted an extensive organisational review with the executive team aimed at ensuring an effective and efficient organisation design
- Developed a performance management framework for the Group, which provides for a greater focus on people
- Revised our approach to remuneration, and aligned this with our performance management framework
- Aligned our approach to talent management and succession planning with our organisational design and performance and reward processes
- Expanded our HR interventions to account for the interdependencies across the HR value chain in an integrated manner (see infographic on page 38).

We recognise that organisational effectiveness is dependent on each element/sub-system of the HR value chain functioning efficiently both independently and interdependently. While our approach is top down in terms of our leadership team providing strategic direction, we strive to make sure we have the right leaders in place who understand our vision, path and strategic objectives, and develop the teams around them to deliver in their respective roles.

Additional HR resources

In October 2017, we appointed a new Group head of HR with extensive technical experience and expertise to provide strategic direction for the HR discipline across the Group, including developing human resource policies in support of Group strategy and effectively managing external trends and other impacts on the HR function. Additional appointments this year include recruiting a head of talent and transformation, a head of performance and organisational effectiveness, as well as a head of remuneration and employee benefits.

Strengthening management capability

Having identified weaknesses in middle management capability at our operations, we concluded a successful pilot exercise at Impala Rustenburg aimed at building leadership capacity (reviewed below) which will be rolled out to all managers across the Group in FY2019. To support our efforts, we will set up talent management forums within each discipline, creating job families, career paths and identifying the required skills set for each job. We have a psychometric department and talent management department in place to facilitate this process. The performance management balanced scorecard (reviewed below) for each line manager will have a high rating on managing people, aimed at ensuring their direct accountability for improving the organisational climate for their areas of work. Once we have established a baseline, we will include targets in the respective manager's scorecard.

FACILITATING LEADERSHIP AND FRONTLINE SUPERVISORY DEVELOPMENT

At Impala Rustenburg operations we identified weaknesses in management capacity as a prevailing risk and embarked on a deep dive bowtie risk analysis at the operations.

The first step in the capability building process was a capability assessment programme. The supervisory development assessment programme has provided management with a clear view of the skill deficiencies within the supervisory teams.

We engaged external management consultants (Deloitte) to review the competencies that mining staff – shift boss, mine overseer, mine manager and general manager – require, aside from technical competencies, to function effectively in their role. We did a benchmark for each of the positions to determine what the ideal position would look like. We then mapped each shift boss against those competencies and undertook detailed psychometric assessments and interviews.

In building resilient leaders, we need to have people in management positions who can communicate effectively, who are good problem solvers, understand what accountability means and understand consequence management. After the assessments, employees, with their direct managers, received feedback on their assessment results to formulate a development plan. Mine overseers and shift supervisors were made aware of their strengths and their developmental areas and what actions are required to start closing the gap between their current and targeted performance levels. Workshops were held with HR, the HRD, and shaft management to develop action plans in order to close gaps over time.

To close the gaps identified through this comprehensive assessment process, we have developed customised individual development plans – based on the role played in the organisation and potential to progress into other positions – which encompass focused training, coaching and mentoring. The individuals receive regular feedback as to how they are doing in terms of the interventions/areas identified.

We have already seen an improvement in production or the ability to meet production targets and a reduction in safety incidents in these areas. Through this process we have identified where there are succession gaps and what we need to do to fill those gaps. We have identified successors for next level up positions and what they need to be exposed to in order to move them up. The exercise also highlighted the critical importance of ensuring new incumbents meet the recruitment and promotion criteria.

The development programme will be implemented at Marula, Zimplats and at our corporate head office.

Enhanced performance management process

The implementation of a revised performance management system will continue to support further performance improvements. A key element is the introduction of a balanced performance scorecard, consisting of four key performance areas and elements against which we measure our performance:

> Financial – converted into safe operational delivery
> Business optimisation
> People
> Social licence to operate

The new performance management process and KPIs have been designed to incentivise behaviour that supports the attainment of business goals. The scorecard will be cascaded from top level down to junior management. We have also developed a Group scorecard with bonus parameters, which was finalised by year end. The Group scorecard, will be used to measure our performance against our strategy and the matters we consider to be most material to the sustainability of our Group. We aim to use the Group scorecard and balanced scorecard principles to align people at all levels of the organisation.

Scorecard assessments will include informal quarterly assessments, with two formal performance assessments, mid-year and at year-end. Once all performance ratings are determined, we will do a calibration at operational and Group level to ensure the performance outcomes are aligned to business outcomes. The final performance assessment reflects business performance against objectives.

In June 2018, we conducted roadshows to introduce the balanced scorecard methodology and explain why we have adopted it and what we hope to achieve by implementing it. By year-end we had provided training on the scorecard to all line managers ahead of setting the strategic objectives across the four pillars of the scorecard for the year ahead.

The performance management system has migrated from manual input to automated data integration and updates, to increase practicality and decrease subjectivity in the process.

Targets in the production bonus scheme for employees in our bargaining unit relate to safety, cost and production.

Remuneration policy review

The restructuring and cost cutting exercises at Implats over the last two years have resulted in strategic HR expertise leaving the Company. To address the loss of critical skills, the remuneration committee commissioned the HR department to review the overall remuneration structure for all managers within the organisation. Following a process that included engagement with shareholders, a new remuneration structure has been designed, to align shareholder interests to that of executives in terms of rewards and to support a culture of performance, delivery and accountability. A review of the key metrics associated with the short-term incentive (STI) as well as the long-term incentive (LTI) schemes identified the need to incorporate a number of key fundamental principles associated with creating a culture of performance in terms of performance management and goal/setting, target setting and standardising across the Group. For details of our remuneration practices, please refer to our Notice to Shareholders Report.

Succession planning

We conduct career paths for all disciplines. Succession planning is undertaken at semi-skilled and supervisory level positions, as well as at professional qualified (D level) and senior management (E level). The focus of our talent management forums is to provide career advancement opportunities and to ensure that the organisation has a healthy internal pool of qualified candidates that may be considered for advancement. In 2018, we conducted a thorough succession planning review and process to address gaps identified within the organisation. This included assessing whether we have internal people that could be developed for certain roles, and over what time periods. We also revised our approach to executive recruitment in terms of building the bench strength and succession pipelines. Succession planning and identification of high potential employees is an on-going responsibility of senior managers with support from the HR department in order to ensure sustainability and retention of skills at Implats.

Training and development

We are placing an emphasis on ensuring that the training interventions we implement are focused on the right areas and the right people to enable us to deliver on our business strategy and goals, with high impact and return on investment. Our approach to developing talent takes into account an understanding of the positions we have and require and the competencies required for those positions. There follows a process of psychometric assessments for those individuals identified as potential successors and a talent assessment in terms of potential performance and readiness to move to the next role. Once gaps are identified, we conduct one-on-one engagements with the individuals to develop individual development plans, involving coaching, mentoring, technical training and rotation across the respective function in order to gain exposure in preparation for moving into new roles.

Attracting, retaining and developing talent

Workforce culture

We aspire to win the hearts and minds of our employees in order to create a 'one team' ethos and culture, with each member being a proud brand ambassador who understands their role in contributing towards the strategic objectives of the organisation. In delivering on this ambition, we recognise the need to empower our managers to communicate more directly and effectively with their workforce and teams, to build greater levels of trust and respond to diverse HR-related issues, including health, wellness and financial wellbeing. This requires the implementation of sound and consistent practices in order to ensure that Implats is perceived as a fair, equitable and transparent employer, with a compelling employee value proposition.

This year we conducted a workforce climate survey process (reviewed below), which was concluded by year-end. The results will be used to direct targeted cultural transformation activities aimed at improving organisational effectiveness. This year's results will provide a baseline and the survey will be repeated annually to track our progress. Our progress will also be reflected in performance indicators such as productivity, labour turnover, safety performance, and levels of absenteeism.

WORKFORCE CLIMATE SURVEY

An organisational culture is essentially 'the way things are done around here'. The culture of a company relates to the values, beliefs, attitudes, and behaviours that employees share and use on a daily basis in their work. In promoting our desired culture of performance, delivery and accountability, we seek to instil a sense of shared purpose across the organisation, with everyone working together toward the attainment of common goals that drive performance and value creation for all stakeholders.

To assess the current organisational climate at Implats, this year we conducted an initial in-depth survey to deepen our understanding of our employees' perceptions and attitudes in relation to safety, communication, leadership, teamwork, recognition, empowerment, accountability, and understanding of our business objectives. The survey provided the opportunity for employees to give input into the culture they desire and to gain an insight into the extent to which their legitimate needs are met.

The survey was undertaken at Impala Rustenburg, Marula and Impala Springs. It was conducted anonymously, by means of questionnaires on a voluntary basis to ensure the outcome of the survey reflects the true feelings of the employees. Zimplats has already conducted a climate survey and the results have been used to create a baseline.

The survey results were finalised at year-end and will be used to create a baseline to inform the development of targeted cultural transformation activities aimed at improving organisational effectiveness and fostering our desired culture. The survey will be repeated annually to track our progress.

Performance measures

Workforce movement: Due to ongoing challenging market conditions, our response plan to ensure sustainability of the business has necessitated further workforce reductions. The restructuring at Impala Rustenburg this year resulted in 1 032 retrenchments and four voluntary separations. At our South African operations, a total of 3 637 employees left the Company (of which 93% were at Impala Rustenburg) and 1 035 new employees were recruited. At our Zimbabwe operations, a total of 156 employees left the Company and 339 new employees were recruited. The increase in headcount was largely to cater for the Bimha fleet build up to full production and the Mupani Mine development.

Skills turnover: In FY2018, total employee turnover (the number of permanent employee resignations as a percentage of total permanent employees, including voluntary separation packages) increased to 10.5%[#] from 8.6% in 2017. The increase was primarily as a result of the restructuring process at Impala Rustenburg.

We aim for a total employee turnover below 7.5% per annum. Turnover of miners at our South African operations was 16.3% for the year (2017: 15.9%). Turnover of rock drill operators was 8.2% (2017: 7.7%). Turnover of shift supervisors was 26% (2017: 13%). Turnover at our Zimplats operations was 4.2% (2017: 3.2%).

Employee separations in 2018 (permanent positions) – South African operations

Reason for leaving the company	Number of employees
Resignations (excluding ill health)	490
Retrenchments	1 047
Retirements	275
Departures due to end of contract	151
Dismissals	683
Deaths (work and non-work related)	179
Terminations due to ill health and disability (work and non-work related)	848
Total number of separations	3 673

[#] *Indicates independently assured numbers.*

Promoting local employment: Implats has a policy of employing people from communities close to our operations where possible. 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. **At year end, 90% of employees in South Africa were local.** The organisational restructuring process has impacted levels of employment and recruitment. We continue to invest in skills development initiatives in our local communities, and promote local employment through our local procurement practices (see page 65).

Skills development expenditure: This year, despite continued cash constraints, our South African operations invested R486 million (2017: R548 million) on skills development; this was 4.5% of annual payroll, against our target of 5%. Eighty-nine percent of employees received training. At our Zimbabwean operations, we spent US$5 million on skills development (2017: US$4.8 million). The Group average number of hours of training per employee was 93; each contractor received an average of 79.7 hours of training.

We analyse retention of female employees post-maternity leave over a calendar year. For the calendar year 2017, 372 female employees were on post-maternity leave (94% retention rate).

Human resource development expenditure at our South African operations (excluding mandatory skills development levy) in 2018

Training area	Number of participants	% HDSA representation	% women representation	Total R million
Non-artisan learnerships (Level 2 and 3 rock breaker qualification obtained)	113	99	15.8	24.8
Artisan learnerships	182	100	28	23.7
Adult education and training (AET)	244	100	4	13.3
Bursaries and scholarships	85	95	50	6.4
Internships and experiential trainees	75	100	64	6
Portable skills training (skills outside of mining industry) for Section 189 employees	659	97	7.2	7.3
Other school support and post-matric programmes	5 075	95	57	3.7
Total	**6 443**	**96**	**49**	**85.2**

Note: The remainder of the training spend (R400 million) in South Africa was for other training initiatives such as novice mining training, ex-leave, licencing and safety and skills programmes and includes man-day cost of attendees.

Attracting, retaining and developing talent

Adult education and training: The average level of basic literacy across the Group's workforce is 81.4%. The total enrolment for AET across South African operations was 244 people (2017: 355). However, due to drop outs, unsuccessful completions and exam completions, the net enrolment at year-end was 117# (2017: 161).

Wage ratio: A wage gap analysis was undertaken which showed that Implats had a Gini coefficient of 0.27 which is considerably below the national and mining industry coefficient of 0.43 and 0.42 respectively. The Implats minimum wage for permanent full-time employees is approximately 3.4 times higher than the recently announced national prescribed minimum wage.

EMPLOYEE SHARE OWNERSHIP

The Group's current employee share ownership trust (ESOT), introduced in 2016, holds 4% of the issued shares in Impala Platinum Limited in a trust on behalf of the employees of Impala. Zimplats implements an ESOT that received its first dividend during FY2018 and continues to be favourably received by employees.

Zimplats: Zimplats has focused on craft level skills training and leadership development. A total of 2 014 participants attended a customised programme for the different levels (up to E level management) of leadership aimed at building high performance teams. The Company also continued to implement various management programmes which include executive development; general management; coaching and mentorship; supervisor and management development; graduate trainees and internship programmes. Zimplats has self-directed work teams whose training needs are identified with the team and are customised to resolve situations at hand. A total of 2 048 employees across all levels (65% of the workforce) attended various training programmes run at the operation's skills development centres. Zimplats aims to have all employees attend at least one development programme annually.

Our focus on people management for 2018 and beyond

As the business evolves to where it needs to be, we strive to implement an effective people strategy that promotes a people focused, safety conscious culture and supports the business in developing, acquiring and retaining the right skills to meet current and future business needs. In doing so, key deliverables include:

> Implementing a holistic approach to managing our people
> Aligning our business plans to individual performance objectives and talent management, strengthening our succession pipeline for key positions within the Group
> Optimising the use of the revised performance management system
> Developing more decisive and effective middle management capability and employee engagement
> Instilling a learning culture, with training interventions focused on meeting business needs and delivering in terms of return on investment

 # Indicates independently assured numbers.

Investing in employee relations

THROUGH COLLABORATIVE EFFORTS, WE HAVE MAINTAINED STABLE AND CONSTRUCTIVE LABOUR RELATIONS AND PARTNERSHIPS WITH UNIONS AT ALL OUR SOUTH AFRICAN OPERATIONS, AND A STRONG WORKFORCE CULTURE AT OUR ZIMBABWE OPERATIONS.

IMPALA RUSTENBURG RESTRUCTURING PROCESS

The decision to restructure Impala Rustenburg was made after careful consideration of stakeholder concerns and our strategic options. In response to challenging market conditions, it is imperative that we take measures to improve productivity, lower costs and ensure the sustainability of the business.

Following intensive consultation with the DMR and AMCU leadership, a formal Section 189 consultative process commenced at Impala Rustenburg in September 2017 and was concluded in May 2018. The process was protracted to accommodate voluntary separations from subsequent labour reviews and the closure of 4 Shaft. At year end, the net labour reduction (own employees) since 1 July 2017, was approximately 2 300. The majority of employees affected opted for a voluntary separation arrangement and understood the unfortunate necessity of the restructuring.

We made concerted efforts to support our employees in understanding and managing the challenges associated with the change process. For example, we offer financial and psychological counselling to help employees cope with the stresses associated with job loss. Employees who are on chronic medication are afforded three months of treatment and referred to hospitals/clinics near their area of residence to continue treatment. We also offer housing assistance for three months. The voluntary separation packages included the opportunity to receive training to the value of R10 000 in a chosen ‘portable skill’ aimed at providing the individual with skills to utilise in other occupations/jobs in the future. Courses are offered in: basic electrical and home appliances; welding and cutting; poultry farming; bricklaying and plastering; plumbing and pipe laying; basic sewing; and business skills (entrepreneurial or computers). During FY2018, 614 employees completed the week-long training session and received certificates, as well as start-up equipment for their chosen field. Total expenditure on the portable skills training programme was R7.3 million.

While the initial restructuring process has assisted in reducing the cost base, a strategic review undertaken this year to optimise and reposition the operation concluded that a fundamental business restructuring was the only viable option to secure the long-term sustainability and profitability of the operation. Please refer to the CEO statement on pages 12 to 15 for details of the restructuring measures going forward and our approach to mitigating the negative social impacts. Successfully transforming Impala Rustenburg over the next two years will result in a profitable operation by FY2021 and the sustainable delivery of benefits to all its key stakeholders, including securing 27 000 jobs for the long term.



Mine workers celebrating successful completion of portable skills training at Impala Rustenburg

Investing in employee relations

Our strategic approach

Maintaining stable and constructive labour relations is critical in ensuring that our people deliver consistently on business plan targets. To this end, we aim to foster a dynamic and sustainable partnership with our employees and their representative bodies. This is necessary to make certain that our employees are treated with respect and care, fairly rewarded for their contribution, empowered to raise concerns, safely engaged in their daily duties, and able to deliver on their organisational goals. Our labour relations policy deals with freedom of association, recognition of unions, discrimination and the rights of employees and contractors. We strive to achieve full compliance with labour legislation and work closely with unions to resolve all internal disputes through dispute resolution mechanisms and within the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA).

Key issues

Material risk: The employee relations climate at our South African operations, while having markedly improved since the violent strikes in 2012 and 2014, presents a material risk in relation to delivering on the Group's strategic objectives. The potential for volatility remains and has been intensified by the difficult market conditions, which necessitated a labour restructuring process this year as part of our drive to align costs with the mine's production profile. The recently completed strategic organisational review is expected to result in further restructuring processes being required, heightening stakeholder concerns about job losses. The employee relations climate has consequently been the subject of an in-depth review by the STR committee which resulted in focused actions being taken to address key areas identified for improvement (see pages 8 to 11).

Trade union representatives: The election of new AMCU shop stewards in Rustenburg was managed smoothly, and without incident during FY2018. We have been implementing developmental programmes for the new leadership, with a focus on people skills.

Marula: Relations with the communities and employees continued to improve, supported by our ongoing engagement initiatives and improved operational and financial performance at the operation. However, relations with the DMR remain strained as a result of the restructuring process and associated job losses. The appointment of a senior stakeholder relationship manager at Marula, and a senior human resources manager, will assist in supporting ongoing relationship initiatives at the operation, including engagement with the DMR at all levels.

Ongoing risks: We remain mindful of historic issues that have negatively affected inter/intra-union relationships and the relationship between the union, employees and management. These include: tribal factionalism; conflict between union structures; corruption; low literacy levels among the union leadership; fear of job losses; ineffective engagement between management and employees; resource constraints; holdover issues from the 2014 strike (loss of leave days for non-striking employees); and lack of discipline.

Unionisation: Currently 83% of permanent employees in South Africa, and 92% of employees in Zimbabwe are covered by collective bargaining agreements (excluding management). These agreements address salary and benefit reviews, the participation of unions in decision-making at different forums and consultation and notice periods regarding any significant organisational changes. The minimum notice period for any organisational change at Implats is 30 days.

Workforce indicators (at year end)

Operation	Total employees[1]	Year-on-year headcount variation (%)	Dominant union representation
Impala Rustenburg	38 791	(5)	AMCU[2]
Impala Springs	2 003	4	NUM[3]
Marula	3 966	20	AMCU
Zimplats	6 493	9	AMWUZ[4]
Mimosa	672	(1)	AMWUZ

[1] *Permanent employees and contractors.*
[2] *Association of Mineworkers and Construction Union.*
[3] *The National Union of Mineworkers.*
[4] *Associated Mine Workers Union of Zimbabwe.*

Internal communication: Internal communication initiatives are an ongoing priority. We are committed to developing strong, direct communications strategies and sharing all relevant information timely, openly and honestly with employees and unions. We have innovative and modern communication tools in use. At Impala Rustenburg, approximately a third of the workforce are now members of the Let's Talk e-communication platform which we continue to roll out, enabling direct communication with employees through mobile technology. The Team Spirit employee newsletter is issued every quarter, providing an internal medium to communicate developments and testimonials and input from employees. Each edition includes a section called 'QUEST', which is an anonymous hotline, intended as a feedback channel for employees where they may ask questions about the Company. All questions are sent to senior management for responses. Subjects relate typically to remuneration and benefits; suggestions and complaints; recruitment and appointments; health and safety; procedures and general questions; human resources, HRD and employee relations. As part of the Marula communication initiative, an employee newsletter is distributed to the workforce every month.

Mine modernisation: We are mindful that while the progressive shift towards mechanisation and automation of mines will bring substantial economic, operational and safety benefits, it will have social consequences, notably concerns around job losses. We believe that if the concept of modernisation is implemented correctly, it will be able to achieve the real objective of a sustainable mining industry in South Africa that is mutually beneficial for all stakeholders. For example, automation presents the opportunity for mines to employ a more diverse workforce, notably women and older people, by removing the need for physical strength working underground. Automation will also bring different forms of job creation as it allows mining to go into areas that were previously regarded as unsafe and/or uneconomic. We nonetheless recognise that in planning our progress with automation it is imperative to engage with employees and the unions and to address their valid concerns.

Zimbabwe: Zimplats continues to prioritise employee engagement. A 2017 employee engagement study conducted by external consultants indicated that 64% of the workforce rated the extent of their engagement with the Company as 'favourable'. The global average for 2017 was 63%. The respondents rated the Company's commitment and display of core value as 73%, indicating a satisfactory level in terms of the desired work culture.

Our focus on employee relations for 2019 and beyond

Ongoing priorities include internal communication initiatives and targeted training and developmental interventions to capacitate management and new union leaders, as well as the ability of middle and senior managers to effectively support and empower frontline managers to build effective and quality relationships with their teams.

We aim to further inculcate the message that jobs can only be saved/guaranteed through safe and profitable performance and increased productivity. This will require high levels of employee engagement based on shared values of respect and care, collaborative relationships with unions, and effective communication with employees.

We will continue to offer various forms of assistance to support all employees impacted by the restructuring process at Impala Rustenburg, including offering portable skills training.

ASSESSING AND ADDRESSING MATERIAL PEOPLE RISKS

At our South African operations, two material risks identified last year as having increasing potential to affect the delivery of our strategic objectives relate to the employee relations climate and challenged capacity and efficiencies of the middle management layers. In response, this year we conducted a deep-dive bowtie evaluation of both risks, with participation from all key internal stakeholders.

An analysis of the common factors affecting the relationship with employees in general, middle management capacity challenges, as well as a more detailed analysis of the causal factors, identified the following key areas for focused improvement: levels of trust between employees and management; consistency in the implementation of the structures, rules, roles and responsibilities; accountability of line management roles and responsibilities; consequence management; the nature and quality of training initiatives; and investing in people and relationships.

The exercise highlighted a number of actions or initiatives that require ongoing focus. These have received management attention and the majority of treatment actions identified were effected by year end. A key theme between the risks was relationships, stakeholder management and communication.

Our approach to improving capacity and efficiencies of middle management is reviewed on page 40.

Investing in employee relations





Promoting diversity and transformation

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.

Our strategic approach

Our diversity and employment equity strategy and five-year employment equity plans (2015 to 2019) at our South African operations focus on addressing the following issues:

- Meeting and ideally going beyond the legislated employment equity targets within the Mining Charter and Employment Equity Act, with a particular focus on management and Exco positions
- 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 underrepresented
- 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.

Our operational transformation steering committees will play a key role in driving the strategic plans. We are reviewing our strategy and performance with the aim to progress transformation beyond any societal requirements. We will continue to measure and report on our performance according to the Mining Charter II targets, until the Charter is superseded.

Key issues

Developing HDSAs: Employees participating in our training and development programmes during 2018 were 98% HDSA and 22% women. The total number of employees who are classified as HDSA employed at management positions, above the supervisory level – excluding non-executive directors was 366# at year-end (2017: 365).

Succession pool: Our succession pool is comprised of 74% HDSA candidates. Significant progress has been made on increasing female representation, with eight black females being promoted this year at management level. When vacancies arise, preference is given to internal candidates. This year, 72% of all opportunities were filled through promotions of internal candidates.

Equitable representation: We made good progress this year in promoting equitable representation at all levels at our South African operations and remain well positioned relative to our competitors. We achieved and in most cases exceeded the charter's targets (see table below). Advancing the representation of women remains a challenge and focus area. Reasonable progress has been made with African female representation at skilled level (C-level Patterson grade) mainly due to promotions into this level. Going forward, the focus will be on identifying more opportunities for black women at this level in order to create a greater pool of potential successors to promote into the management level (D Level).

We made good progress this year in promoting equitable representation at all levels at our South African operations and remain well positioned relative to our competitors.

 # Indicates independently assured numbers.

Promoting diversity and transformation

We continue to implement 'women in mining' initiatives and to ensure a good representation of women in mining training programmes (see table on page 43). The number of women employees in management positions was 143# (22%) at year-end (2017: 21%, 139) and made up 11% of our workforce (2017: 11%), with 10% in the core disciplines of mining, engineering, projects and metallurgy (2017: 9%).

We employ 2 335 people with disabilities, representing 7% of the workforce.

Gender wage ratio: Gender does not play a role in determining salary levels for our employees. Qualifications and experience are the key determinants. The female to male pay ratio for our South African Operations is 1.06:1.

The reason for this is that the majority of our male employees are lower level (relative to female employees), skewing the male pay downwards. In Zimbabwe it is 0.97:1.

Zimplats: Indigenous people representation is 99.9%. At Zimplats, women accounted for 33% of all surface engagements this year, consistent with the previous three years. The number of women in mining remained stable at 7% of the total Zimplats workforce (2017: 7%). Zimplats respects and cares for the disadvantaged members of society and promotes inclusive participation in socio-economic activity. The operation places a focus on promoting greater levels of compassion for people with albinism (see page 51).

HDSA in management (South Africa)

	2018				2017			
	Mining Charter target %	**HDSA %**	**Total number of employees/ members**	**HDSA employees/ members**	Mining Charter target %	HDSA %	Total number of employees/ members	HDSA employees/ members
Board	**40**	**50**	**10**	**5**	40	58	12	7
Exco	**40**	**25**	**8**	**2**	40	44	9	4
Senior management	**40**	**51**	**85**	**43**	40	43	83	36
Middle management	**40**	**50**	**198**	**100**	40	50	189	94
Junior management	**40**	**63**	**351**	**221**	40	59	394	231
Total management		**57**	**652**	**371**		54	687	372

Note: HDSA excluding non-executives is 366#, which represents 54% of management. Senior management representation is E levels (excluding Exco), middle management is D upper and junior management is D lower.

Employment equity at our South African operations (as at end of FY2018)

Level	**Total in service**	**Total HDSA employees**	**% HDSA**
F – Top management	4	1	25
E – Senior management	89	44	49
D – Professional qualified	549	321	58
C – Skilled technical	4 746	3 852	81
B/A – Semi-skilled and discretionary decision making/unskilled	27 285	24 153	89
Total permanent	32 673	28 371	87
Non-permanent employees	94	90	96
Total	32 767	28 461	87

Indicates independently assured numbers.

INSPIRING WOMEN – NONKULULEKO MABUZA, MINE OVERSEER

Nonkululeko was awarded an Impala bursary in 2005 to study towards Mining Engineering at the University of Witwatersrand and conducted vacation work at Impala Platinum. She obtained her Honours degree in 2009. In 2010 Nonkululeko was offered employment at Implats as a Mining Engineer in Training Graduate (C5) and was promoted to Mining Engineer in Training Graduate (D1) in September 2014. She was placed in the practical training programme for Graduate Mining Officials, which also included exposure to the technical services departments. Nonkululeko obtained her National Rock Breakers certificate in 2012 and was then appointed as a miner. In 2013 she shadowed as a shift supervisor and in 2014 she was an acting shift supervisor. She has also obtained her Mine Manager's Certificate of Competency (Metalliferous Mines). Nonkululeko continues to progress impressively, having been appointed as mine overseer in September 2017.



From bursary student to mine overseer – Nonkululeko Mabuza

ZIMPLATS RAISING AWARENESS ON ALBINISM

Zimplats has implemented a campaign in partnership with the Ministry of Labour and Social Welfare, the Ministry of Health and Child Care and Friends with albinism. This campaign, themed 'Beyond the Skin', touches on pertinent issues related to people with albinism and demonstrates the Company's commitment to supporting government efforts in providing access to goods and services to the less privileged members of the community. The campaign is guided by two key objectives:

> To educate people on what albinism is and address issues of stigma and discrimination, and to drive acceptance of the integration of people with albinism in all spheres of life
> To facilitate annual distribution of sun protection materials in the form of skin creams, hats, lip balm and, where required, spectacles for people with albinism across the country.



Albinism communication campaign advertisement

To date, Zimplats has distributed more than 2 000 sun protection creams and lip balms to communities in Harare, Mashonaland West and Mashonaland East provinces. The company that provides the products specialises in manufacturing personal care products for people living with albinism, and is one of the participants in Zimplats' enterprise development programme. Zimplats has also started a hat-raiser campaign to encourage members of the community to donate hats.

The campaign has been very effective and continues to expand into more remote parts of Zimbabwe. It generated high levels of activity and response on social media and has received three national awards. Zimplats has also reserved a vacancy in its finance department which will only be filled by a suitable qualified person with albinism.

Our focus on diversity for 2019 and beyond

To continuously improve and to achieve transformation at all levels, we will continue to focus on:

> Recruiting and retaining HDSAs with critical skills
> Using our graduate development programme to advance transformation
> Promoting black talent from within the organisation, with specific initiatives focused on women; key initiatives include accelerated training within career paths, skills transfer and experiential training
> Eliminating transformational barriers and empowering operational transformational forums to advance equity.