

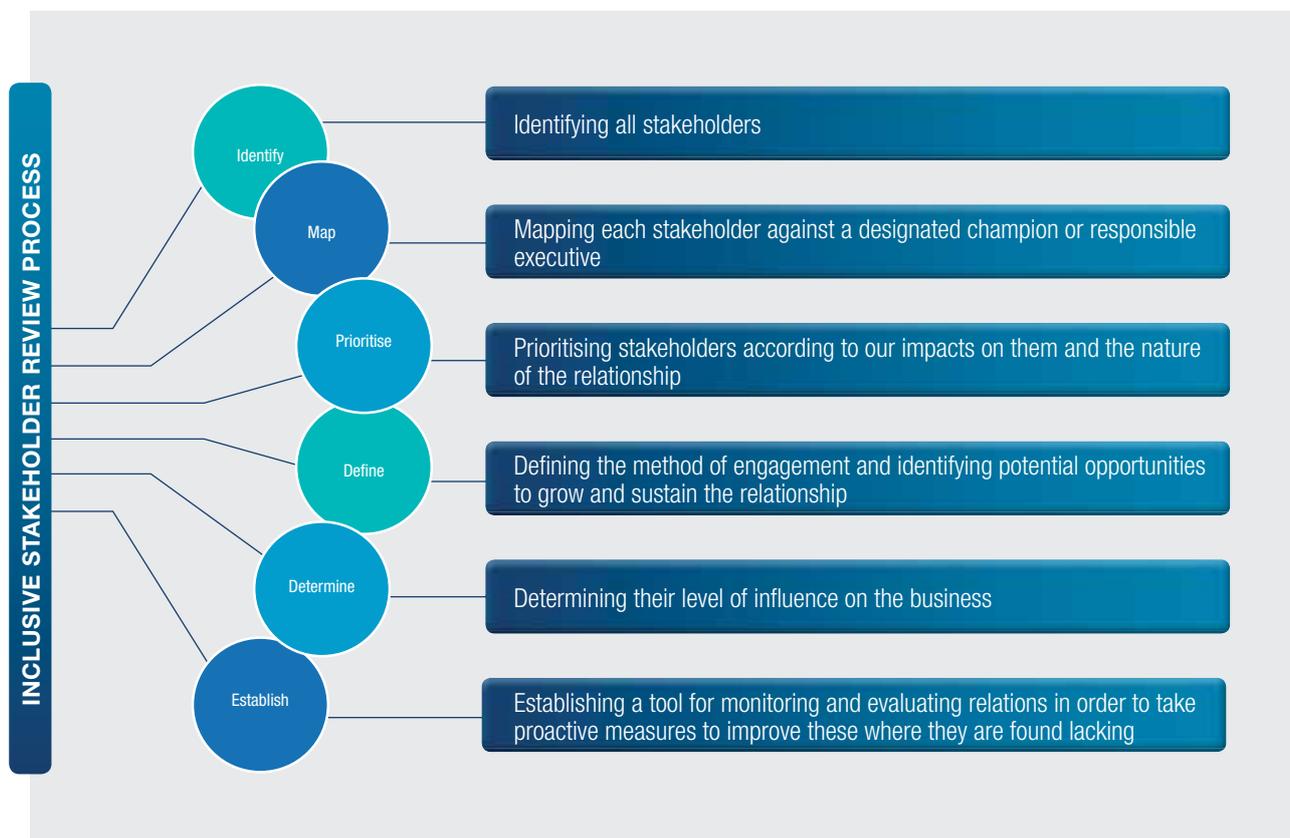
Stakeholder review and engagement

IMPLATS IS COMMITTED TO EFFECTIVE STAKEHOLDER ENGAGEMENT TO BUILD AND SUSTAIN VALUE-ENHANCING RELATIONS WITH ALL KEY STAKEHOLDERS TO SECURE OUR SOCIAL LICENCE TO OPERATE.

Stakeholders are defined as those people or groups who are interested and affected by our business, as well as those who have a material influence on our ability to create value. Operations are very different. Applicable information has been provided on a per operation basis in the relevant operational review (refer to pages 90 to 139).

Implats' board-approved stakeholder engagement strategy was developed with particular cognisance of King IV, and the overarching AA1000 Assurance Standard principles of materiality, completeness and responsiveness. Throughout the business planning process, the organisation has developed supporting systems, processes and targeted engagements to give practical effect to the strategy.

Our inclusive stakeholder review process is depicted as follows:



Implats currently has six priority stakeholder groups, requiring high-level ongoing care and responsiveness to sustain mutually beneficial relations. The priority level (zoning) of the stakeholder groups is based on the level of influence these stakeholders have on the business, the assessed effectiveness of existing engagement processes, and the level of alignment/change required in the relationship to meet Implats' value-creation goals.



Each stakeholder is allocated an executive or champion responsible for managing the relationship with the organisation as outlined below:



The identified material matters and the associated responsibility, risks, as well as consequent actions and responses, are captured in the risk management system to ensure continuous management. The accessible nature of the system enables effective oversight by the executive team.

Stakeholder material matters

EMPLOYEES AND UNIONS

(M = Matter) (R = Response)

Workforce reductions and job security 1 4 5 6 10

M We recognise the significance of increasing people-related risks. The recent and ongoing organisational change and uncertainty in the Company has impacted employee morale and heightened the importance of our talent retention and skills development activities

- R** While employee rationalisation is inevitable in a restructuring process, we will take the utmost care to ensure job losses are sensitively managed and minimised as far as possible through a range of measures which include:
- > The transfer of skills to vacant positions at our two growth shafts
 - > Reskilling of employees if necessary
 - > Voluntary separation
 - > Business improvement
 - > Seeking buyers or contract miners at the shafts we wish to exit

Discussions are ongoing with key stakeholders, including government, relevant trade unions and community representatives to manage this transition.

Safety and health 1 4 6

M Safety is our most critical area of focus. Sadly, seven work-related fatalities occurred during the current reporting period. 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

R The impact of the expenditure and effort we put into safety initiatives, technical solutions and training across the Group is reflected in the significant improvement in our safety performance achieved in the second half of the year, with no fatalities recorded and good progress in many of the leading and lagging performance indicators. Refer to operational/Group performance against main objectives on pages 84 and 85 of the SD report

Employee over indebtedness 1 4 5 6

M Employee indebtedness at our South African operations remains a serious challenge, affecting employee well-being and raising stress-related health and safety risks. We have also seen an increase in the number of employee indebtedness cases identified among our Zimplats workforce, largely due to 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

- R** To mitigate the impact of employee indebtedness we:
- > Monitor the level of employee indebtedness through the payroll office by measuring the number and value of garnishee, maintenance and administration orders instituted against workers
 - > Implement various initiatives aimed at assisting employees with financial literacy, planning and mitigating indebtedness. This year, 190 employees received financial life skills training

The current level of indebtedness and the rand value of employee debt over the past three years is shown in the graph below and depicts the effect of our various efforts to address employee indebtedness:

Debt as a percentage of an employee's package



Monthly debt



Despite the improved debt position of our employees (such as a reduction in garnishee and administrative orders at Impala Rustenburg since 2015), there remains a concern about the level of debt of those employees whose debt commitments cannot be traced through our payroll system. We therefore continue to intensify efforts to encourage more employees to use our financial well-being services

Opportunities

- > With human error being a contributor to many incidents, our priority is to cultivate a culture of operational discipline to ensure full compliance and commitment to safe working practices
- > Continue to monitor employee indebtedness and financially educate our employees

PERFORMANCE AFFECTING RELATIONSHIP QUALITY							
Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change	2018	2017	2016	Outlook
Work-related fatalities (own employees and contractors)*		The lives and well-being of our employees are of critical importance to Implats. We have a zero tolerance to harm	down	7	8	9	<ul style="list-style-type: none"> > Our priority is to cultivate a culture of operational discipline to ensure full compliance and commitment to safe working practices > The focus is at Impala Rustenburg and Marula
FIFR	Pmmhw		down	0.065	0.071	0.080	
Skills development spend		<ul style="list-style-type: none"> > Investment in development of workforce 					<p>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:</p> <ul style="list-style-type: none"> > Implementing a holistic approach to managing our people > Aligning our business plans to individual performance objectives, talent management and 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
South Africa	Rm		down	485	548	512	
Zimbabwe	US\$m		up	4.9	4.8	4.9	
Women in total workforce in South Africa	%	Promotes diversity in the workplace and enhances female representation in leadership	unchanged	11	11	11	<p>We aim to continuously improve and to achieve transformation at all levels. We will continue to focus on:</p> <ul style="list-style-type: none"> > 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
Managers who are female	%		up	22	21	20	

* Excluding Mimosa and Two Rivers.

WORKFORCE CLIMATE SURVEY

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.

Stakeholder material matters

GOVERNMENT

(M) = Matter (R) = Response

Job losses and further retrenchments due to restructuring of Impala Rustenburg

1 4 5 6

M Because of the magnitude of the restructuring process, all stakeholders, including government will be affected by the restructuring process. Impala Rustenburg remains committed to implementing the required changes in consultation with all its social partners

R Discussions are already under way with key stakeholders, including the various levels of government regarding this difficult transition to secure the future viability of the operation and preserve jobs as far as possible

Legislative uncertainty (in South Africa and Zimbabwe) and compliance with existing mining legislation

M Addressing legislative and policy uncertainty remains a significant priority in South Africa and Zimbabwe. We engage proactively with both governments, directly and through representative business organisations, to build trusted and cooperative relations, with the aim of contributing to the development of socially progressive and pragmatic legislation

R Positive developments in Zimbabwe this year included the reduction of the proposed 15% (2.5% on matte), export levy on unbeneficiated platinum to 5%, deferred until 1 January 2019

R We also engaged proactively with the government to support developments aimed at growing and diversifying the Zimbabwean PGM industry. This included the amicable resolution of the proposed compulsory acquisition of a portion of Zimplats' mining lease area as well as securing Zimplats' mining tenure

R In South Africa, the development of Mining Charter III is progressing positively and we continue to collaborate with the government. We remain steadfast in our commitment to work with national and local government to improve the lives of our citizens

Opportunities

- > Both South Africa and Zimbabwe have seen positive changes in political leadership, which has resulted in meaningful dialogue with the regulators. Signals of greater policy consistency have provided confidence in decision making, and opportunities for capital growth and expenditure plans
- > Implats' approach to maintaining its social licence to operate is firmly underpinned by the Group's belief that sustainable businesses operate in a harmonious, supportive and beneficial manner for all key stakeholders. Implats will continue to deliver effectively on its social and labour plan commitments in South Africa and targeted corporate social investments in Zimbabwe

PERFORMANCE AFFECTING RELATIONSHIP QUALITY

Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change				Outlook
				2018	2017	2016	
Environmental incidents > Level 3**	number	Indicators of efficient use of our scarce natural resources, which are shared with the other stakeholders	down	31*	35*	99*	Principal focus areas for 2019 are to: > Maintain ongoing operational improvement and monitoring to ensure emissions are minimised and permit conditions realised > Ensure the successful installation at Impala Springs of equipment to reduce ammonia and particulate matter at the two stacks at the base metal refinery > Continue the sulphur dioxide emissions reduction programme feasibility studies at Zimplats > Financial constraints have resulted in limited progress in implementing additional efficiency improvements in our water and energy usage > Water use will remain a critical priority in years to come, along with our focus on driving environmental compliance and ensuring full environmental disclosure on any material incidents
> Level 4 or 5**	number		unchanged	0	0	0	
Unit water consumption	l/tonne milled		down	2.06	2.22	2.11	
Total direct SO ₂ intensity	tonnes/6E refined Oz		up	0.0097	0.0095	0.0108	
Total CO ₂ intensity	000/t milled		down	0.1779	0.1957	0.1896	

* Includes Mimosa.

** Levels 3, 4 and 5 represent limited, significant and major impact environmental non-compliances respectively.

COMMUNITIES

(M = Matter) (R = Response)

4 5

Fulfilment of commitments under social and labour plans (SLPs) and broader employment and procurement opportunities

M There is ongoing frustration and community activism in many of our neighbouring communities, particularly among the unemployed youth. With the slow pace of service delivery, reduced employment opportunities, and a rising cost of living, we continue to face high expectations in terms of providing jobs, infrastructure, service delivery and procurement opportunities. The challenging market conditions continue to impact our budget for social investments, increasing the importance of managing stakeholder expectations and seeking innovative ways to deliver social returns with substantially less funding

R Despite the above:

- > In Luka, a village to the north of Rustenburg, we upgraded two gravel roads to paved roads with water channels during the 2017 and 2018 financial years. This project is included in our SLP
- > Recruited 106 and 369 youth from Rustenburg and Marula communities respectively this year
- > R137 million worth of community spend invested through South African initiatives (84% was on SLP projects), and R77 million by Zimbabwean operations

Disruptions to Marula operations due to threats of community unrest

M In recent years, Marula was crippled by protracted community unrest caused to a large degree by frustrations related to the Makgomo chrome project, which was set up to share financial benefits within the community. Administrators were appointed to hold money on behalf of the community company (MCC)

R Meaningful progress was made in our community relations at the Marula Mine this year, underpinned by the traction gained in resolving their concerns, through the appointment of administrators to oversee the restructuring of the community company, allowing for processing and selling of chrome to recommence. The community is also benefiting from the operational and financial turnaround at Marula this year, which is a highlight for the Group

Opportunities

- > In South Africa, we aim to further improve on our 2018 achievements in terms of the 2010 Mining Charter requirements. We will strive to exceed any societal requirements and simultaneously continue to improve our BEE procurement performance
- > In Zimbabwe, Zimplats will continue to explore opportunities for joint ventures with targeted local companies in strategic areas including the manufacture of cables and engineering spares. A focus on increasing the capacity of local companies is central to achieving a targeted procurement of at least 80% of all our requirements from local companies

PERFORMANCE AFFECTING RELATIONSHIP QUALITY

Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change				Outlook
				2018	2017	2016	
Community development spend							Looking to the years ahead, we plan to: <ul style="list-style-type: none"> > Engage effectively with communities to understand and manage expectations > Ensure implementation of approved SLP projects at our South African operations, managing implementation challenges and communicating closely with community representatives and authorities > Focus on low-cost, high-impact investments and explore partnerships with development partners that result in shared costs > Explore opportunities for partnering with communities in capacity development > Zimplats will continue to engage the CSOT and the government on processing 10% of its equity for the community
> South Africa*	Rm	Maintaining our social licence to operate and contributing to the development of our host societies	up	137	106	105	
> Zimbabwe**	US\$m		up	5.9	2.2	4.7	
Total local procurement:							
> South Africa*	Rbn		up	9.1	8.7	8.1	
> Zimbabwe**	US\$m		down	341	350	341	

* Excludes Two Rivers.

** Excludes Mimosa

Stakeholder material matters

CUSTOMERS

(M = Matter) (R = Response)

Ensuring and maintaining effective delivery against terms 2 7

- M Implats renews its contracts with customers annually. The concern among customers is the availability of material that can be allocated at contract renewal, as the Group's metals are usually oversubscribed
- M Customer custodianship is a multi-faceted issue, governed by many policies, procedures and pieces of legislation. It entails continuous oversight including internal and external assurance. We strive to ensure a competitive advantage by differentiating our product suite in the market based on product quality, reliability of supply, and a willingness to adapt to changing customer needs
- R To measure our effectiveness, we undertake a customer satisfaction survey every two years. We identify client-related issues and develop measures to solve them. The results of the 2017 survey reflect an encouraging positive overall outcome, in line with the high performance results of the 2015 survey (refer to performance affecting value for customers below). Implats is also ISO90001 certified

Opportunity

- > The Group's revised short, medium and long-term strategy (including the completion of Shafts 16 and 20) has the potential to improve operational efficiency and improve delivery of production targets to meet the volume demands of customers

PERFORMANCE AFFECTING RELATIONSHIP QUALITY

Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change	2018	2017	2016	Outlook
Implats brand image rating [^]	percentage	The quality of our relationships with our customers as a key driver of revenue	up	96	-	94	Continue to: > Track and respond to customer feedback > Keeping customers informed of any possible supply disruptions due to industrial action > To track and measure our effectiveness, we undertake a customer satisfaction survey every two years > Retain our certificate of quality (ISO 90002)
> Customer complaints [^]	number		down	16	-	18	
> ISO90001 certification			unchanged	retained	retained	retained	

[^]Based on bi-annual customer satisfaction survey.

SHAREHOLDERS AND DEBTHOLDERS

(M = Matter) (R = Response)

Financial performance and implementation of strategic review



M Material matters affecting shareholders and debtholders are:

- > A weakened balance sheet
- > The Group's ability to implement the Impala Rustenburg turnaround strategy
- > Cost containment to achieve operational efficiencies

R The responsive measures in place include:

- > Financial resources to ensure Implats remains fully funded, from internal cash resources and by selling excess inventory. Refer to CFO, CEO reports and business case for additional detail
- > Staged implementation over a two-year period mitigates implementation risks and socio-economic impacts
- > Implats will execute the transition in a socially responsible manner and engage with all key stakeholders to preserve jobs as far as possible, including considering potential commercial transactions

Employee relations climate

M Impala Rustenburg will start wage negotiations with representative trade union, AMCU, in the 2019 reporting period. This process is challenging and may be further affected by the current restructuring of the operation, as well as the overall unemployment crisis facing South Africa

R Engagements with affected stakeholders remains ongoing to lessen the adverse effects of labour reductions from labour-sending areas and to facilitate a wage negotiation process that is conducive to a peaceful and successful outcome for all parties involved

Opportunities

- > Implats' focus in the short to medium term is to continue its strategic journey to transform into a PGM producer mining mechanised, low-cost orebodies with more appropriate metal mixes. This includes the determined and necessary repositioning of Impala Rustenburg to ensure the operation can contribute to the long-term success of the Group and its local communities
- > Prudent management of Implats' cash resources during the two-year restructuring process remains a key priority. The implementation of the strategic restructuring of Impala Rustenburg will strengthen the operation's position in the prevailing price environment and, significantly, improve the strategic position of the Implats Group to sustainably deliver improved returns to all stakeholders in the medium to long term

PERFORMANCE AFFECTING RELATIONSHIP QUALITY

Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change				Outlook
				2018	2017	2016	
Shareholders and debt-holders							To create value for our providers of financial capital we aim to: <ul style="list-style-type: none"> > Successfully implement the strategic restructuring of the Group to return Implats to profitability > Continue to implement and monitor cost containment and other operational efficiency measures
> Dividends per share	cents	Returns to shareholders	unchanged	0	0	0	
> Market capitalisation	R billion	Indicator of performance	down	14	27	35	
Headline (loss)/earnings per share	cents		down	(171)	(137)	12	