

A wide-angle photograph of an industrial facility, possibly a refinery or chemical plant, during the golden hour of sunset. The scene features large storage tanks, complex piping, and structural steel frameworks. In the foreground, a worker wearing a yellow hard hat and a dark blue uniform with reflective stripes is walking across a paved area marked with white and yellow safety lines. A large, semi-transparent number '2' is overlaid on the left side of the image.

Our operating environment





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Chairman's review

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PLATINUM MINERS FACE HEIGHTENED STAKEHOLDER EXPECTATIONS ON A RANGE OF FRONTS: GOVERNMENTS PUSH FOR RAPID TRANSFORMATION AND EMPLOYMENT CREATION; ORGANISED LABOUR ADVOCATES FOR HIGHER WAGES AND IMPROVING THE INTERESTS OF ITS CONSTITUENTS; WHILE THE INVESTMENT COMMUNITY EXPECTS EVER-IMPROVING COST EFFICIENCIES, CAPITAL MANAGEMENT AND RETURNS ON INVESTMENT.

Mandla Gantsho
Chairman



The global economy, particularly the markets for primary commodities, continues to be characterised by uncertainty and volatility. Indeed, the only certainty for market actors and producers is the necessity to adapt to a “new normal”.

Implats continued to experience sustained pressures from many external dynamics during the 2018 financial year, including the socio-political environment in South Africa and Zimbabwe, and the depressed PGM market following a structural change over the past decade in the relationship between price, supply and demand of PGM metals.

In our industry, demand and prices have remained muted for a long time, and the outlook remains negative. Anticipated weaker demand fundamentals have been impacted by developments in the automotive industry, slowing jewellery sales, particularly in China, and the availability of substantial above-ground stocks.

Domestically, platinum miners face heightened stakeholder expectations on a range of other fronts: governments push for rapid transformation and employment creation; organised labour advocates for higher wages and improving the interests of its constituents; while the investment community expects ever-increasing cost efficiencies, capital management and returns on investment in the form of dividends and enhanced market value.

Faced with all these pressures, and many others, Implats resolved to accelerate the implementation of ongoing and new changes to our strategic initiatives to position the Group to face current and future challenges and to deliver positive outcomes and benefits to all its stakeholders.

Proactively adapting to uncertainty and volatility

In anticipation of ongoing volatility in our operating environment, Implats began positioning itself for a “lower-for-longer” platinum price environment in 2015. During FY2018, notwithstanding inflationary pressures, cash cost increased by 2.1% year-on-year reflecting approximately R1 billion of cost savings.

The Group conducted an equity raise and convertible bond issue, totalling more than R10 billion, to part-fund the development of 16 and 20 Shafts – both key strategic capital projects – with additional funding from cash flows from other Group operations.

Further significant changes are being implemented to the structure and operations of the Group to ensure sustainability and to respond dynamically to an ever-changing operating environment. Fundamentally, the Group has changed from being a “volume” to a “value” producer, and has, to this end, acquired an equity stake in the palladium-rich Waterberg project, with the key strategic objective of developing a long-term portfolio of lower-cost, shallow, mechanisable assets.

“Further significant changes are being implemented to the structure and operations of the Group to ensure sustainability and to respond dynamically to an ever-changing operating environment.”

Chairman's review

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However, a material consequence of the declining profitability of the Impala Rustenburg operation has been the negative impact on the Group's balance sheet, which has weakened over the last year, compounded by an inventory lockup. The Group's cash position at the end of financial year 2018 was eroded by ongoing losses at the Rustenburg complex and once-off events, reducing its liquidity position and its ability to fund operations in a low-price environment. As such, returning Impala Rustenburg to profitability is critical for the Group to remain economically viable, to honour its obligations to providers of external capital, and sustainably deliver benefits to all stakeholders.

During the year, the board approved a strategic review of the Impala Rustenburg lease area with the aim of cutting losses, saving jobs and ensuring sustained profitability in a continued future low-price environment. The strategic review of Impala Rustenburg is a radical measure that will unavoidably result in some job losses – but has the longer-term objective of halting value destruction, saving more jobs, retaining value to communities and ultimately delivering value to shareholders. As such, the successful implementation of the Rustenburg review will, among others, yield ongoing benefits to a variety of stakeholders through sustained employment; local procurement; enterprise development and community development opportunities; as well as enhancing shareholder value.

Responsible stewardship

Ensuring safety at South African mines is an ongoing industry priority. We deeply regret the loss of life and injury in a number of incidents at our South African operations during the year under review. Any loss of life is unacceptable, and we remain unwavering in our commitment to achieving our vision of zero harm.

Management took decisive additional steps during the year to improve our safety record, focusing on safety leadership and operational discipline, and changing the safety culture of Implats employees, especially at Impala Rustenburg and Marula. The sustained investment and effort into safety at these two operations resulted in a marked improvement in some of our leading and lagging safety indicators during the last six months of the year, while maintaining a strong safety performance at all other operations.

Enhanced stakeholder engagement is key to the successful implementation of our strategy. This assumes prominence in the current circumstances, where major changes are proposed. As such, we have deepened our implementation of an effective stakeholder engagement strategy, with particular cognisance to King IV, and the overarching AA1000 Assurance Standard principles of materiality, completeness and responsiveness. We remain committed to mitigating and minimising the inevitable negative, but unavoidable impacts on stakeholder groups of the difficult business decisions we make, and to ensuring transparent and sound communication with all stakeholders.

Implats has made steady progress on its social and labour plan commitments in South Africa and a range of corporate social investments in Zimbabwe. Making a meaningful and visible difference to social transformation is central to our ability to create long-term value.

Outlook

Both South Africa and Zimbabwe have seen positive changes in political leadership, which have 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. Over time, we expect this to result in improved growth prospects.

In South Africa, the most recent revision of the Mining Charter has been released. In our view, the principles outlined in the Charter are, in the main, conducive to the growth and development of the minerals industry and we will continue to engage constructively to contribute towards a satisfactory outcome of the process.

In Zimbabwe, the long-running land dispute was resolved to the satisfaction of all parties concerned, ensuring Implats security of tenure. Implats continues to have constructive engagements with the Government of Zimbabwe regarding beneficiation and other business-critical issues and supports Zimbabwe's aspirations to grow and diversify its PGM industry.

A further positive development is that palladium and rhodium fundamentals have strengthened significantly. Implats has a significant strategic advantage and an opportunity to increase its exposure to palladium through further investments in Zimbabwe, growing the IRS business, and exposure to the Waterberg project. These opportunities are being actively explored.

Conclusion and appreciation

Implats has acted vigorously and with intent to ensure it achieves its aspirations to be a sustainable, profitable and safe PGM-focused company. The enhanced Impala Rustenburg operation, coupled with mechanised and lower-cost operations at Zimplats, Mimosa, Marula and Two Rivers will ensure Implats is in a better position to sustainably and reliably supply high-quality platinum, palladium, rhodium and other commodities to its customers, while creating long-term value for all stakeholders.

During the period under review, the Implats board bid farewell to independent non-executive director Mr Hugh Cameron, who passed away after a short illness. We pay tribute to Hugh's outstanding long service to the Group as a non-executive director and chairman of the audit committee. We also express our appreciation to Dr Nkosana Moyo and Ms Albertinah Kekana, both non-executive directors, and to Ms Brenda Berlin, executive director and chief financial officer, who all resigned from the board. The board extends its sincere appreciation for their dedicated contribution.

The board saw several new appointments during the year and immediately after year-end: Mr Udo Lucht was appointed non-executive director, Ms Lee-Ann Samuel joined Implats as an executive responsible for human resources, Ms Dawn Earp was appointed as an independent non-executive director and chairman of the audit committee, Mr Preston Speckmann was appointed as an independent non-executive director and member of the audit committee, and Ms Meroonisha Kerber joined Implats as chief financial officer and executive director.

On behalf of the Implats board, we extend a warm welcome to the new members and wish them well on their appointments. We look forward to their guidance and contribution to the good governance, growth and development of Implats.

I thank my fellow board members for their valuable support and appreciated input over the past year. In my own name and on behalf of the board, I wish to express my sincere gratitude to Mr Nico Muller, the Group CEO, and his management team and staff for their continued hard work and loyalty. Finally, to our many stakeholders, I express my sincere appreciation for entrusting us with the leadership of Implats. My board and I remain committed to ensuring that Implats meets all its stakeholder, governance, financial, social and economic expectations.

Dr Mandla SV Gantsho
Chairman

Our operating context

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South Africa



Zimbabwe



PLATINUM

Platinum demand is expected to decline by 5% during 2018, largely constrained by lower automotive and investment demand. In contrast, industrial demand for the metal is forecast to grow in line with the global gross domestic product, supported by the chemical and glass sectors. However, growing secondary supplies together with a small reduction of 100 000 ounces from South African supply will move this market to a fundamental surplus this year.



PALLADIUM

Increased requirements from the automotive industry are expected to outpace industrial demand during the remainder of 2018. The primary and secondary supplies of **palladium** are insufficient to meet demand and a fundamental deficit is forecast in 2018.



RHODIUM

Rhodium is anticipated to show a small surplus this year and sustained demand from the automotive and industrial sectors should maintain a tight market.

Platinum supply/demand outlook

'000toz	2017	2018** (Forecast)
Demand		
Automotive	3 250	3 120
Industrial	2 340	2 365
Investment	1 975	1 990
Jewellery	270	(50)
Total demand	7 835	7 425
Supply		
South Africa	4 295	4 180
Zimbabwe	475	450
North America	320	340
Russian sales	625	630
Others	160	160
Recycle – auto	1 325	1 430
Recycle – jewellery	590	590
Recycle – other	35	35
Total supply	7 825	7 815
Movement in stocks	(10)	390

Palladium supply/demand outlook

'000toz	2017	2018** (Forecast)
Demand		
Automotive	7 905	8 330
Industrial	1 970	1 915
Investment	(375)	(330)
Jewellery	200	200
Total demand	9 700	10 115
Supply		
South Africa	2 470	2 415
Zimbabwe	385	365
North America	865	930
Russian sales	2 650	2 550
Others	130	130
Recycle – auto	2 295	2 490
Recycle – jewellery	45	55
Recycle – other	480	485
Total supply	9 320	9 420
Movement in stocks	(380)	(695)

Rhodium supply/demand outlook

'000toz	2017	2018** (Forecast)
Demand		
Automotive	855	885
Industrial	190	180
Investment	15	*
Total demand	1 060	1 065
Supply		
South Africa	645	630
Zimbabwe	35	35
North America	20	25
Russian sales	65	60
Others	5	5
Recycle – auto	325	340
Total supply	1 095	1 095
Movement in stocks	35	30

* Information not yet available.

** Above dates refer to calendar year.

CREATING AND REALISING VALUE DEPENDS ON SUCCESSFULLY NEGOTIATING A CHANGING OPERATING ENVIRONMENT WHERE SEVERAL ISSUES HAVE IMPORTANT IMPLICATIONS FOR OUR BUSINESS MODEL.

MACRO-ECONOMIC FACTORS



In October 2018 the International Monetary Fund (IMF) estimated that the global economy will grow 3.7% in 2018, the same as in 2017 but down from the 3.9% it was forecasting for 2018 in July. It slashed its outlook for the 19 countries that use the euro currency and for Central and Eastern Europe, Latin America, the Middle East and sub-Saharan Africa. The IMF highlights that expansion is becoming less even, and risks to the outlook are mounting on the back of trade tensions, which it warned could “significantly harm global growth”.

Among emerging markets and developing economies, growth prospects are also becoming more uneven, amid rising oil prices, higher yields in the US, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals.

The IMF highlights that the announced and anticipated tariff increases by the US and retaliatory measures by trading partners have increased the likelihood of escalating and sustained trade actions. These, they suggest, could derail the recovery and depress medium-term growth prospects, both through their direct impact on resource allocation and productivity and by raising uncertainty and taking a toll on investment.

IMPACT ON VALUE

- > The IMF has warned that a further escalation of trade tensions, as well as rising geopolitical risks and policy uncertainty in major economies, could lead to a sudden deterioration in risk sentiment
- > According to the organisation, that could trigger a broad-based correction in global capital markets and a sharp tightening of global financial conditions
- > The potential of a US-China tariff war could negatively impact platinum, palladium and rhodium for the remainder of the year

OUR RESPONSE

- > We remain sceptical of a near-term PGM price recovery in the face of lingering economic uncertainty
- > We actively and continuously assess conditions in the countries where we sell our metals across all the key demand sectors
- > Our market development activities are tailored to support key market segments and grow new areas of demand
- > We are aligned with and support key institutional partners (such as WPIC, PGI, IPA)
- > Relationships with key customers, globally, are grown and sustained

CHANGING REGULATORY ENVIRONMENT IN SOUTH AFRICA AND ZIMBABWE



The socio-political context in the countries in which we operate – South Africa and Zimbabwe – remains dynamic. There is considerably more optimism and regulatory certainty in both jurisdictions. The newly gazetted Mining Charter has provided some level of certainty in the South African policy and regulatory framework. There remains some ongoing policy uncertainty in both countries.

IMPACT ON VALUE

- > A more collaborative and trusting environment is being established between government and business in South Africa following the gazetting of the new Mining Charter, which enhances the likelihood of constructive outcomes that will attract investors back to the mining sector
- > In Zimbabwe, Implats successfully settled a long-standing dispute with the government and concluded the release of ground north of portal 10, which does not form part of its 30-year mine plans. In addition, the special mining lease (SML) was successfully converted into two new mining leases, which, combined with partial relief on export levies, will enable the Zimbabwean assets to sustain and grow future financial returns

OUR RESPONSE

- > The Group remains committed to collaboration with all stakeholders to ensure an attractive and sustainable industry
- > We fully support the South African and Zimbabwean governments aspiration to grow and transform their mining industries
- > We continue to engage at all levels in both countries to encourage the growth and predictability necessary to ensure that Implats continues its significant contribution to economic growth in South Africa and Zimbabwe

Our operating context

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PRICING, SUPPLY AND DEMAND



Metal prices have remained muted for a protracted time. Negative sentiment related to anticipated weaker supply/demand fundamentals has been largely informed by slower diesel vehicle growth expectations, the projected rate with which the vehicle fleet could be electrified, slowing platinum jewellery sales in China and inflated perceptions of above-ground metal stocks.

For the most part of the past decade, the platinum market has been oversupplied. While sentiment towards platinum has weakened over the past five years, palladium fundamentals have strengthened significantly. Palladium is principally used to clean exhaust emissions in gasoline vehicles, which experienced strong sales growth over the period. Platinum, on the other hand, has lost market share to palladium in this key application, based on a lower palladium price and more diversified global supply.

Consensus forecasts are for softer platinum demand for at least the next three years. The immediate fundamentals for both palladium and rhodium remain strong, largely due to expected growth in the global internal combustion engine automotive market and tighter emissions regulations. In what is currently a close-to-balanced market, forecasts now see palladium and rhodium moving into relatively deep deficits sooner than previously expected.

IMPACT ON VALUE

- > Supply/demand fundamentals have a direct impact on metal prices and market sentiment, resulting in platinum prices remaining subdued over the past five years, with palladium prices growing strongly over the same period, particularly more recently
- > Low metal prices have a direct impact on profitability, the generation of shareholder returns and our ability to fund and grow the business into the future
- > The potential for prolonged, relatively flat platinum prices remains strong
- > Palladium, already in deficit, should continue to receive strong price support, incentivising a switch back to platinum use in the auto sector
- > Secondary supply is struggling to maintain projected growth, necessitating a drawdown from available above-ground inventories, which is anticipated to become even more pronounced in future
- > Platinum and palladium will continue to receive demand support from increasing emission regulations and growth in the global vehicle fleet in the short to medium term

OUR RESPONSE

- > Implats uses conservative price forecasts, given muted platinum sentiment and global risk factors
- > Group-wide cost-saving and turnaround initiatives have been implemented over the past three years
- > To sustainably improve its competitive position, profitability and financial returns, Implats has committed to a value-focused strategy. The Group intends to reduce its exposure to higher-cost and less flexible, labour intensive conventional operations to improve flexibility, capacity and sustainably generate attractive returns
- > The strategic transformation of Impala Rustenburg is designed to unleash the value of the operation, for the benefit of all stakeholders, and for the long-term sustainability of the Group
- > Market intelligence and market development initiatives are being improved
- > A maintained focus on cash conservation and strengthening the balance sheet
- > Continuing to prudently invest through the cycle, given positive longer-term fundamentals

AUTOMOTIVE AND JEWELLERY MARKETS



Platinum demand declined by 3.8% during 2017 due to the declining platinum jewellery market in China and the waning diesel share of the automotive market in Western Europe.

The continued decline in the Chinese platinum jewellery market is an ongoing concern. The market continues to be in decline because of changed underlying market fundamentals. Consumer preferences have changed, while most retailers' products and business models have not. The change in consumer preferences is hurting generic jewellery business models, yet the PGI expects long-term growth opportunities as the retailers adapt to the changing demand environment, with revised designs and collections.

Simultaneously, there is an increasing call from civil society to reduce emissions and limit public exposure to harmful gases. Cheating scandals in the automotive sector have done little to encourage public confidence in internal combustion engines and, together with the increasing cost of compliance with emission standards, pure battery electric vehicles (EVs) will soon be economically attractive, despite issues with cost, range anxiety, battery disposal and fast-charging infrastructure.

IMPACT ON VALUE

- > The decline in Chinese jewellery demand is one factor driving negative sentiment around platinum, affecting price and investment decisions
- > A wholesale change to different vehicle technologies will impact the demand for our metals with consequent metal price impacts
- > Pure battery EV development will have a larger impact on value
- > The impact on value from hybrid electric/internal combustion engines will be less significant

OUR RESPONSE

- > We continue to focus on maintaining our visibility and marketing spend in China through the PGI, focusing on platinum bridal jewellery at bridal fairs in Tier 1 cities
- > We maintain the electric vehicle market is overestimating the negative impact of powertrain electrification on platinum demand in the long term. The move towards EVs can only be answered by having a large part of the vehicle fleet as hybrid, plug-in hybrid and fuel-cell vehicles, all of which contain PGMs
- > Diesel technology remains essential to reducing global vehicle fleet greenhouse gas emissions
- > We continue to support the International Platinum Association (IPA) in their engagement with and lobbying of automotive-related policymakers and local and national governments
- > Beyond five years, we expect a growing hydrogen economy and the increasing adoption and advancement of fuel cell vehicles

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COMPETITOR LANDSCAPE



Lower metal prices and rising costs over several years have had a devastating impact on the PGM industry's profitability, triggering significant reductions in capital expenditure, as well as shaft and mine closures. Western Limb producers have been most severely impacted, driven by the costs associated with operating deep, labour-intensive, conventional mines with older infrastructure. Despite the best efforts of the PGM industry to weather the storm, the industry lost around 800 000 ounces of platinum production since 2009 due to the closure of unprofitable mines. This was particularly hard felt in the Western Limb – which accounts for 520 000 of the 800 000 lost platinum ounces per annum. Conventional producers are fundamentally restructuring loss-making operations to address cash burn and create lower-cost profitable businesses.

Anglo American Platinum (AngloPlats) was the first PGM producer to react to this changing reality, exiting high-cost conventional mining operations. This strategy, together with the continued prioritisation of its low-cost Mogalakwena operation, has proven successful enabling the recent reinstatement of dividend payments despite persistently low metal prices. As a result, AngloPlats significantly outperformed industry peers and has been leading the industry on a relative share price performance basis over one, three and five-year periods. The only other producer that has performed relatively well over this period has been Northam, largely being spared the 2012 – 2015 Rustenburg-based labour disruptions and benefiting from an aggressive low-cost, mechanised growth strategy.

Implats, together with Lonmin, have been slower to react to this changing reality and therefore Implats has been one of the poorer performers over this period.

IMPACT ON VALUE

- > The market has progressively raised concerns about a weakening platinum price and accelerated cash burn at Impala Rustenburg, impacting an increasingly pressurised Group balance sheet
- > Lower metal price impact on a leveraged balance sheet
- > The low earnings and share price decrease optionality in terms of equity financing, when required
- > Following the announcement of a strategic review of the Rustenburg operations, the market is watching for implementation risks
- > The long restructuring implementation period (two years) and weakening balance sheet continue to raise the attention of short sellers on the JSE
- > The short interest in the Company as a percentage of free float shares remains one of the highest on the exchange, indicating the market's negative outlook on the share's value

OUR RESPONSE

- > To sustainably improve its competitive position, profitability and financial returns, Implats has committed to a value-focused strategy with the intention of reducing its exposure to high-cost, labour-intensive, conventional mining operations in a challenging market and operating environment
- > The Group embarked on a radical restructuring of the Impala Rustenburg complex to creating a smaller, more focused operation, which will have six operating shafts in 2021 producing approximately 520koz platinum per year, down from the current 10 shafts ramping up to 750koz platinum per year
- > The transition will realise improved operating costs, achieving an 8.4% reduction in real terms by FY2021; reduced capital expenditure of approximately 50% as the ramp-up shafts (16 and 20) near completion and stay-in-business capital declines in line with the reduced number of shafts; and the employee complement will reduce to approximately 27 000 employees, in line with the reduced output
- > Returning Impala Rustenburg to profitability will not only improve the Group's current financial performance but will, importantly, also contribute to a strengthened portfolio that will enhance the Group's competitive position to create future and sustainable stakeholder value
- > It is our concerted view that a break away from the negative price outlook will only materialise once meaningful progress is demonstrated in delivering the Impala Rustenburg review outcomes

MEETING STAKEHOLDER EXPECTATIONS



Platinum miners face heightened stakeholder expectations on a range of fronts: communities protest for economic opportunities and improved local service delivery; governments push for rapid transformation and employment creation; labour unions exert pressure for higher wages and jostle for power; while a cautious investment community maintains its call for enhanced cost efficiencies, capital management and dividends. In addition, the size of the restructuring at Impala Rustenburg means labour rationalisation is inevitable, and in this instance, may impact approximately 13 100 employment opportunities. The bulk of the anticipated labour reduction programme is aligned to the shaft closure or divestment and is phased in over the two-year implementation period.

IMPACT ON VALUE

- > Stakeholder expectations and our response to these have a significant impact on our legal and social licence to operate, which in turn could impact on investment decisions and the Company's bottom line
- > The prospects of a Section 189 process increases tensions with union shop stewards and head office officials, leading to increased labour action risks
- > Retrenchments damage the trust relationship with the Department of Mineral Resources, heightening the risk of heavy-handed responses

OUR RESPONSE

- > We have implemented an effective stakeholder engagement strategy, to build and maintain value-enhancing relations with all key stakeholders, to create sustainable shared value and to secure a social licence to operate
- > Implats has developed supporting systems, processes, policies, and targeted engagement and communication plans to this end
- > In all cases where job loss avoidance measures are not successful, Impala Rustenburg remains committed to implementing the required changes in consultation with all its social partners to mitigate the socio-economic impacts as far as reasonably possible
- > Discussions are under way with various key stakeholders, including government and the relevant trade union representatives, in respect of this difficult but necessary transition to secure the future viability of the operation and preserve jobs

ENVIRONMENTAL STEWARDSHIP



Our activities associated with the exploration, extraction and processing of Mineral Resources result in the unavoidable disturbance of land, the consumption of resources and the generation of waste and atmospheric and water pollutants. We also operate in a region afflicted by power and water shortages and an ever-increasing cost for their supply.

IMPACT ON VALUE

- > Scarcity of water in the region and insecurity of power supply impacts our ability to operate effectively and the increasing cost of resources has a negative impact on profitability
- > There is also an indirect impact on our social licence to operate as we share these resources with local communities
- > Growing regulatory and social pressure, increasing demands for limited natural resources and the changing costs of energy and water all highlight the business imperative of responsible environmental management

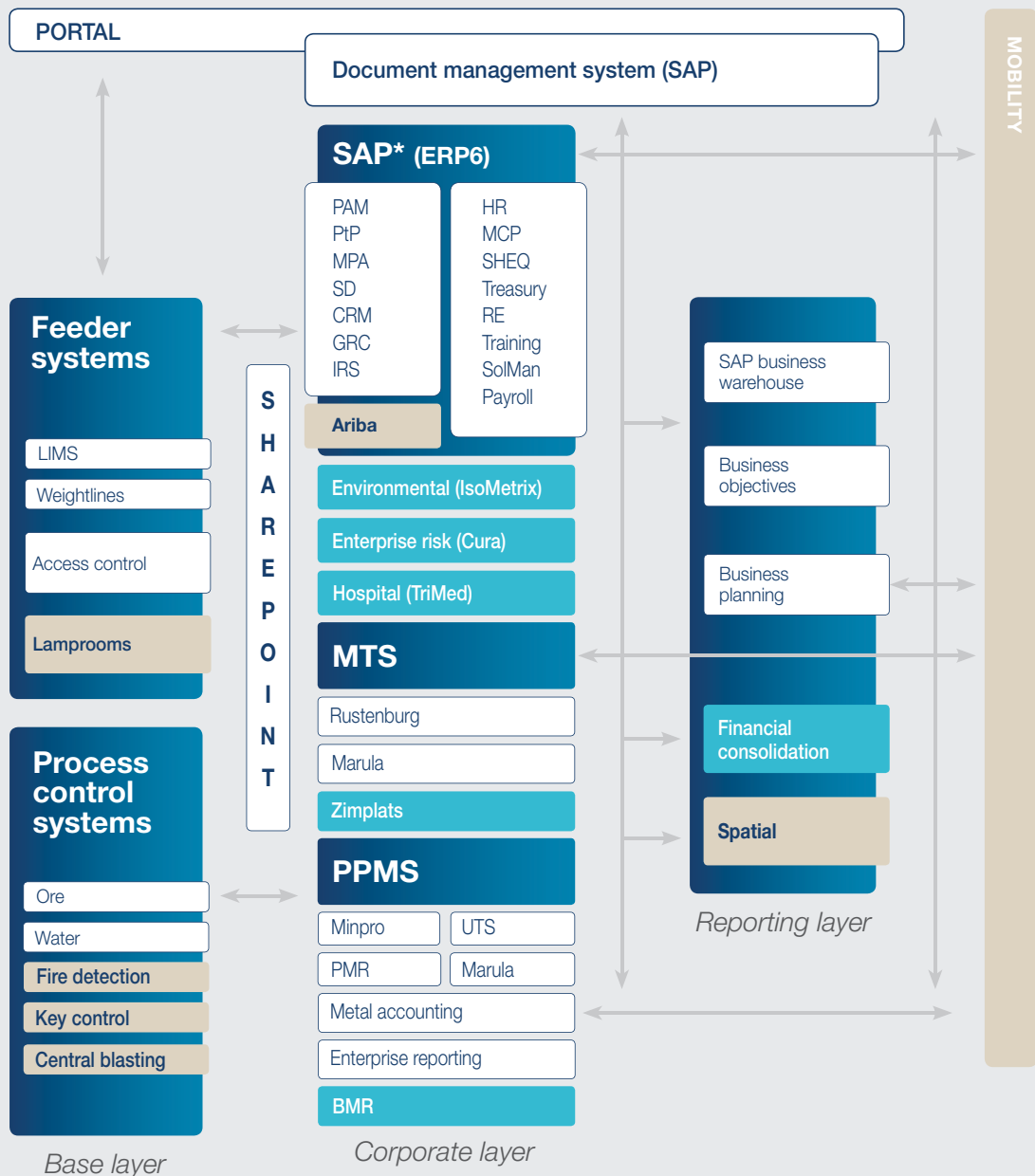
OUR RESPONSE

- > Implats has an environmental policy that commits the Company to conducting its exploration, mining, processing and refining operations in an environmentally responsible manner and to ensure the well-being of its stakeholders
- > The policy also commits to integrating environmental management into all aspects of the business with the aim of achieving world-class environmental performance in a sustainable manner
- > We work actively with all stakeholders to conserve natural resources
- > Measures have been taken to address security of resource supply – for example through efficiency, recycling and fuel-switching – and to actively minimise our impacts on natural resources and on the communities around our operations
- > These measures have direct benefits in terms of reduced costs and liabilities, enhanced resource security and the improved security of our licence to operate

Our operating context

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IS&T STRATEGY – NOVEMBER 2017



Note: Acronyms included in glossary.
* All SAP acronyms under SAP.

Technology and information

Our external environment is pervasively affected by changes in the technology and information environment. The internet is a fundamental component of the IT platform. Connectivity from email communication, third-party document exchange, browsing and online access to supplier catalogues result in risk, and cyber risk has, subsequent to year-end, become part of the top 10 risks on the Implats risks register. This will be reported on more comprehensively going forward.

The board and Exco view the challenges of keeping the risks associated with the essential technology within acceptable limits very seriously. The business improvement and information systems department (BIIS) under the control of our chief information officer (CIO) and in conjunction with the risk department has been running a cyber security project for the last 15 months to move to full compliance with ISO 27001, the international standard for information security, by 2020.

It is important to give an overview on how technology, information and the associated risks are specifically dealt with in our organisation with the focus on our strategy, management structure and continuous monitoring of this area of the business.

The CIO reports to the chief financial officer (CFO) and works jointly with board and Exco as laid down in Principle 12 of King IV. Each year in October, the performance of BIIS is assessed in terms of cost and service levels over the last year and the quality of projects delivered.

Taking the company-wide business strategy as an input, a revised IT strategy is produced for the next five to seven years covering all aspects of IT (applications,

infrastructure, reporting, cyber security etc). This strategy is presented to Exco and the board audit committee for approval and it then directly informs the capital and operating plans for the next financial year. As part of the strategy development, the current state of cyber security is monitored against the top 20 controls as defined by the International Center for Internet Security and the rating is included in the board report. In 2017 risks were identified in the wide area and local networks and a network remediation project has been under way since the end of the first quarter of 2018.

From a value-add perspective BIIS plays an important role in Implats. Integrated systems feed an integrated reporting and dashboarding layer. The underlying infrastructure runs on a Microsoft-based Standard Operating Environment (SOE). The corporate servers were moved into the cloud (private and public) in 2015.

The three major components of the corporate architecture are:

- > SAP which supports the business functions of the company
- > PPMS (AspenTech) an industry-standard product to manage reporting from the process control and other operational systems
- > MTS which includes the mine planning and operations products from MineRP

It has been acknowledged by members of Exco that the penetration of IT will inevitably increase as discussed below. To avoid duplication and rework, it has been agreed that the head of BIIS will sign all future capital projects to ensure that both cyber security and standardisation of technology are considered.

STRATEGIES



Maintain
our licence
to operate



Cash
conservation



Improve
efficiencies
through
operational
excellence



Consistently
deliver
production
targets



Relentlessly
drive the safety
of our people

Supporting our Group strategies will require technology, especially in relation to improving safety and operational excellence. Increasingly there will be a demand to know that the right people are operating safely in the right place at the right time and this will drive the implementation of sensors, facial and voice recognition, predictive analysis and artificial intelligence.

This will only be possible if there is accurate real-time data held on a reliable network. Mobile computing with secure devices is a key project within BIIS. This will provide major opportunities for business efficiencies. Technology will become more agile allowing improved responsiveness to the needs of the business and the DMR.

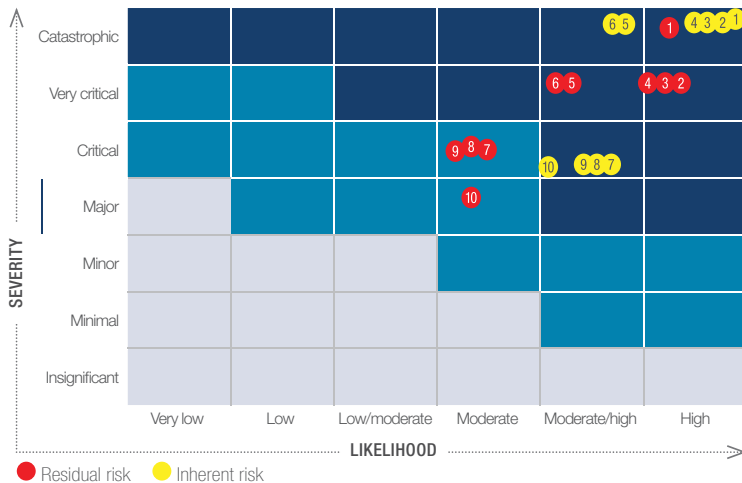
Increasingly vendors will be supplying equipment which is internet-enabled. By 2021 Implats will have a significant 'Internet of Things' platform which will track people and assets. It will be important to ensure as much harmonisation as possible between a number of different supplier-driven initiatives.

Risks and opportunities

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IMPLATS' RISK MANAGEMENT PROCESS SETS OUT TO ACHIEVE AN APPROPRIATE BALANCE BETWEEN MINIMISING THE RISKS ASSOCIATED WITH ANY BUSINESS ACTIVITY AND MAXIMISING THE POTENTIAL REWARD.

Risk matrix



Implats identifies its strategic business objectives and material sustainability focus areas through its structured internal risk management process, and with consideration to the views and interests of its stakeholders. The Implats risk management process is wholly aligned with ISO 31000 (2018)/ISO Guide 73:2002, the international risk management standard, which defines risk as “the effect of uncertainty on objectives”.



TOP RESIDUAL RISKS		GROUP	IMPALA	ZIMPLATS	MARULA	MIMOSA	TWO RIVERS
1	Ability and capacity to implement the outcomes of the Impala Rustenburg strategic review and return Impala to a cash neutral/positive position by FY2021	1	1				
2	Weak balance sheet	2	2	2	2		
3	Sustained depressed PGM basket prices	3	3	3	3	3	3
4	Non-delivery of production and productivity targets at Impala Rustenburg	4	4				
5	Employee relations climate	5	5		5		5
6	A significant deterioration in safety performance	6	6				
7	Reduced production flexibility in smelting operations	7	7	7			
8	Inability to sustain SIB and risk mitigation projects due to capital constraints	8		8		8	
9	Long-term economic viability of Marula operations	9			9		
10	Challenged capacity and efficiencies of management layers at South African operations	10	10		10		

● Non-controllable ● Controllable ● Partially controllable

STRATEGIC OBJECTIVES



STRATEGIES



Risk appetite and tolerance

The challenge for Implats management is to determine how much risk and uncertainty to accept in the achievement of our business objectives. Risk appetite and risk tolerance are essential elements of enterprise risk management, as they integrate risk management with business planning and operational management. Risk appetite and tolerance limits set the thresholds of risk that Implats is willing to accept in the pursuit of its objectives and targets.

Risk appetite is the aggregate amount of risk the Company is willing to assume in pursuit of its business objectives. Risk tolerance is the maximum allowable variation to achieve specific performance measures linked to the business plan's objectives.

The Implats risk appetite metrics make use of key performance indicators which enable continuous monitoring of risks to identify movements in their potential impact and likelihood. These movements can be caused either by changes in the inherent nature of the risk or by changes in the performance of controls for the risk. Monitoring risks through key performance indicators ensures that any material change to risk profiles are evaluated in the context of risk appetite and risk tolerance limits, and that necessary actions are taken in a timely manner. Thus, key performance indicators should be selected and linked to the capitals (as per the integrated reporting framework) and all key risks so that trends can be monitored to provide early signals of increasing or decreasing risk exposure in various areas of the Company.



1 ABILITY AND CAPACITY TO IMPLEMENT OUTCOMES OF THE RUSTENBURG STRATEGIC REVIEW

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Ability and capacity to implement outcomes of the Impala Rustenburg strategic review and return Impala to cash neutral/positive position by FY2021	The Impala Rustenburg strategic review outcomes define the key steps management has committed to return this operation to a cash neutral/positive position. Failure to implement the strategy according to plan will result in longer than anticipated cash burn and put further pressure on the Group balance sheet	> Direct executive, senior and middle management focus on implementing the review outcomes > Delivery of production targets > Implementation of the labour reduction and cost containment programmes > Identification of appropriate commercial options for shafts identified for exit/cessation > Strategic review implementation execution risks have been identified and are being integrated within the day-to-day management systems and processes	The implementation of the strategic review outcomes will create a more focused Impala Rustenburg business centred around its best assets with higher quality long-life orebodies and lower operating costs and capital intensity. This will return the operation to profitability in a lower platinum price environment. Support from affected internal and external stakeholders are expected to remain challenging		

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

Risks and opportunities

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2

BALANCE SHEET

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Weak balance sheet	A weaker balance sheet as a result of the persistent low pricing environment and ongoing losses experienced at Impala Rustenburg will impact the Company's ability to raise additional financing within the current capital structure	> Alternative funding strategies are constantly reviewed to support the funding for the implementation of the Impala Rustenburg strategic review and the Group balance sheet > Ongoing forecasting processes consider operational funding requirements > Implementation of cost savings initiatives > Management of liquidity requirements, including facilities to fund business requirements	The successful implementation of the Impala Rustenburg strategic review remains key to improving the balance sheet, together with the implementation of an appropriate funding strategy	 	 

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

3

SUSTAINED DEPRESSED PGM BASKET PRICES

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
The impact on profitability of the significant and sustained decline in the US dollar PGM basket price is particularly acute in older, deeper labour-intensive conventional mines and is unsustainable in the medium to long term. The rand:US dollar exchange rate materially impacts the PGM and base metal revenue basket, while the volatility of the exchange rate is an additional risk	A sustained weaker rand and/or lower PGM prices adversely impact the revenue and cash position of the business. The impact on capital allocation may affect future performance	> In-depth research to enhance understanding of future supply/demand fundamentals for PGMs > Awareness of technological advances that may materially affect future demand, as this may present an added risk or an opportunity > Targeting marketing and investment initiatives to grow PGM demand > Implementation of the outcomes of the Impala Rustenburg strategic review > Cash conservation	The outlook for dollar PGM basket prices is expected to remain depressed, further impacted by fluctuations in the exchange rate	 	 

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

4

NON-DELIVERY OF PRODUCTION AND PRODUCTIVITY TARGETS AT IMPALA RUSTENBURG

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
The achievement of production targets is critical to returning the operation to profitability and to the sustainable creation of value. This has a direct impact on investor confidence Short-term challenges include the successful ramp up to full production at the new generation shafts and the achievement of targeted efficiencies in the mining cycle to increase productivity	Falling short of production targets has an adverse effect on revenue and unit costs due to the relatively small variable cost component. The impact on Group performance is severe due to the relative size of this operation	> Implementation of an operational optimisation and productivity enhancement programme focusing on root cause analysis and the removal of constraints to improve mining efficiencies > The use of new technology to reduce the time taken to open up the ore reserve > Implementation of a supervisor and management capability assessment and coaching programme > Weekly reviews of operational performance	The processes and programmes to enable the operation to achieve production targets have been implemented and targets are expected to be met		

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

5

EMPLOYEE RELATIONS CLIMATE

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Employee relations climate	The challenging socio-political and economic climate could affect the Company's ability to successfully implement the Impala Rustenburg strategic review. The business would remain unprofitable in the current low price environment	> Committed to a socially responsible ethos and sensitive to the potential impact of the restructuring process at Impala Rustenburg on employment, local economic development and host communities > Clear and transparent communication channels with employees, unions and other stakeholders have been established, supported by a robust stakeholder engagement strategy > Job losses will be minimised through transferring skills to vacant positions, as well as reskilling, voluntary separation, business improvement and the exploration of commercial options to dispose of shafts > Implementation of the Section 189 and Section 52 to support the strategic review outcomes have been initiated > Future forums have been established and focus on organisational performance	The Company will continue to focus on developing and sustaining positive, consultative relationships with employees and unions		

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

Risks and opportunities

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6

A SIGNIFICANT DETERIORATION IN SAFETY PERFORMANCE

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Safety is a key priority for the Group operating in an industry associated with material inherent safety risks	The tragic consequences associated with the loss of life, an injury at work or any safety-related incident are severe and remain unacceptable to Implats and could threaten the Company's licence to operate The associated business interruption and the loss of morale, operational momentum and production impact sustainable value creation	> Strong commitment to improve the safety culture, driven through initiatives relating to people behaviour > Innovative use of technology to improve safety in the workplace > Identification and focus on critical controls > Ongoing implementation of a visible felt leadership programme at Impala operations	Various strategies continue to be pursued as part of an overall safety management strategy and have realised significant improvements in safety performance, particularly Impala Rustenburg	 	 

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

7

REDUCED PRODUCTION FLEXIBILITY IN SMELTING OPERATIONS

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Reduced production flexibility in smelting operations	The ability to run all smelters at Impala Rustenburg at full capacity was affected by a fire experienced at the number 5 furnace in February 2018. This impacted production volumes and cash flows Production flexibility will remain constrained as further critical maintenance to some of the furnaces will need to be carried out in FY2019	> Risk-based options analysis will ensure that the impact on Group production capacity and revenues of necessary maintenance activities are mitigated as far as possible > Introduction of additional engineering and physical controls on affected furnaces	The risk is expected to be mitigated in the next 12 to 18 month period	 	 

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

8

INABILITY TO SUSTAIN STAY IN BUSINESS (SIB) AND RISK MITIGATION PROJECTS DUE TO CAPITAL CONSTRAINTS

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Implats has limited capital resources currently. This highlights the criticality of effective capital deployment and project prioritisation	Deferring or electing not to spend capital impacts the life-of-mine plans and value of areas where projects are delayed or cancelled	> Comprehensive and rigorous review of all projects with a fully inclusive project prioritisation process. This is fully integrated into the business planning process > Risk mitigation projects requiring capital continue to be prioritised, especially where health and safety improvements can be achieved	Capital allocation decisions continue to be evaluated on an ongoing basis	 	 

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

9

LONG-TERM ECONOMIC VIABILITY OF MARULA OPERATIONS

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Long-term economic viability of Marula operations	While Marula has significantly improved its operational performance over the last year and continues to effectively manage a number of risks that could affect production, including community upheavals and other factors, the business remains under financial pressure due to persistently low PGM prices and a challenging employee relations climate	> Regular and rigorous review of business plans and capital plans > Ongoing stakeholder engagement focused on building constructive relationships with various stakeholders > Review of capital projects, particularly the capital intensive construction of a new tailings storage facility	Positive	   	  

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

10

CHALLENGED CAPACITY AND EFFICIENCIES OF MANAGEMENT LAYERS AT SA OPERATIONS

DESCRIPTION OF RISK	VALUE IMPACT	MITIGATING ACTIONS	OUTLOOK	STRATEGIC OBJECTIVE	STRATEGIES
Challenged capacity and efficiencies of management layers at South African operations	People's ability and capacity to contribute constructively to achieving targets across the various entities and functions ultimately affects efficiencies and overall performance	> Implementation of a performance management process to develop a high-performance culture > Appointment of additional managerial resources > Implementation of focused training initiatives	A robust performance management process, combined with initiatives to ensure the right people are at the right place at the right time, will contribute to a gradually improving performance culture	  	  

KPI

For KPI targets refer to individual operations' performance from page 90 to 139

Business model and value chain

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Inputs

OUR CAPITALS

HUMAN

- > Our leadership
 - > Our workforce
 - > Skills and training
 - > Social, ethics, transformation and remuneration practices
-  Refer to Group page 52
Refer to operations pages 90 to 139

FINANCIAL

- > Operating cash flow
 - > Equity funding
 - > Debt funding
-  Refer to Group page 52
Refer to operations pages 90 to 139

MANUFACTURED

- > Mining rights
 - > Mineral Reserves
 - > Plant, property and equipment
 - > Utilities
-  Refer to Group page 52
Refer to operations pages 90 to 139

SOCIAL AND RELATIONSHIP

- > Ethics and human rights
 - > Employee relations
 - > Organised labour
 - > Community relations
 - > Social licence to operate
-  Refer to Group page 53
Refer to operations pages 90 to 139

INTELLECTUAL

- > Knowledge and procedures
 - > Risk and accounting systems
 - > R&D and IP
 - > Geological models
 - > People, governance and safety systems
-  Refer to Group page 53
Refer to operations pages 90 to 139

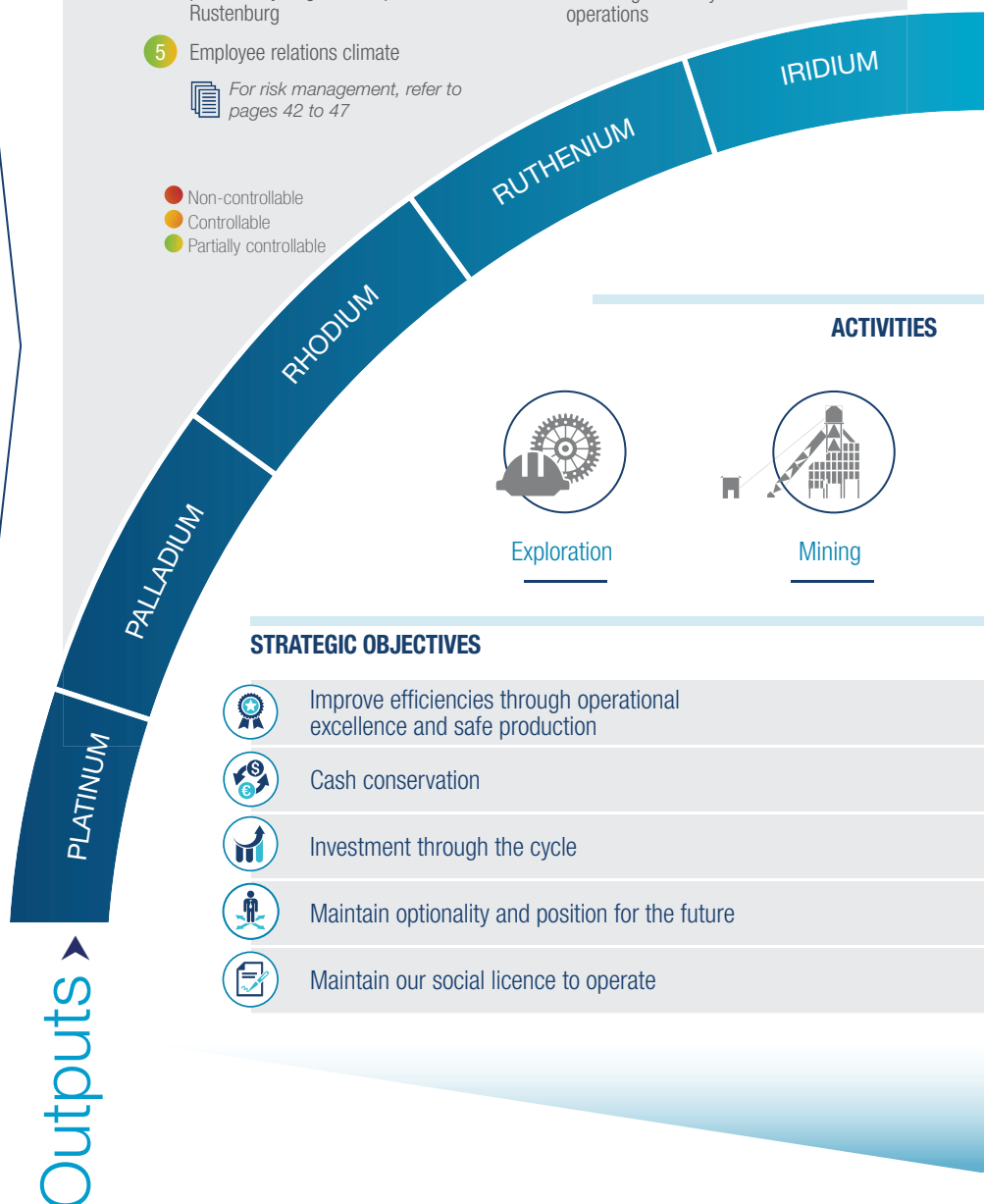
NATURAL

- > Natural resources (land, air, water and biodiversity)
 - > Mineral Resources and Mineral Reserves
-  Refer to Group page 53
Refer to operations pages 90 to 139

STRATEGIC RISKS

- 1 Ability/capacity to implement the outcomes of the Impala Rustenburg strategic review and return Impala to a cash neutral/positive position by FY2021
 - 2 Weak balance sheet
 - 3 Sustained depressed PGM basket prices
 - 4 Non-delivery of production and productivity targets at Impala Rustenburg
 - 5 Employee relations climate
 - 6 A significant deterioration in safety performance
 - 7 Reduced production flexibility in smelting operations
 - 8 Inability to sustain SIB and risk mitigation projects due to capital constraints
 - 9 Long-term economic viability of Marula operations
 - 10 Challenged capacity and efficiencies of management layers at South African operations
-  For risk management, refer to pages 42 to 47

- Non-controllable
- Controllable
- Partially controllable



Outcomes

POSITIVE AND NEGATIVE

HUMAN

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

FINANCIAL

- Shareholder and investor returns
- Reinvestment of profits
- Contribution to tax revenue authorities and economic growth for country

MANUFACTURED

- Products that generate revenue and improve the environment
- Reinvestment in shafts

SOCIAL AND RELATIONSHIP

- In-migration and constraints on infrastructure and social amenities
- Informal settlements
- Labour and social unrest
- Social investments
- Education, health and housing

INTELLECTUAL

- Continuous improvement – safe and efficient operations
- Development of IP
- Business improvement
- R&D innovation

NATURAL

- Generation of waste
- Water recycling has improved
- Land availability and disturbances
- Conservation of natural resources through recycling and rehabilitation

■ Positive ■ Negative

MATERIAL OPPORTUNITIES

- Impala Rustenburg** The successful restructuring of Impala Rustenburg will create a more focused profitable business with lower operating cost and capital intensity
- Waterberg** Additional geographic diversity into a shallow, mechanisable lower-cost palladium-rich orebody
- Zimplats** Long-term potential to grow shallow, mechanised, low cost operations
- IRS** Opportunity to leverage spare capacity in world-class refining assets

For operation specific opportunities, refer to operational reviews on pages 90 to 139.

PROCESSES



Various operational reviews

Refer to pages 90 to 139

Ongoing cost reduction opportunities and capital cost controls

Refer to pages 66, 88 and 98

Impala 16 and 20 Shaft complexes

Refer to page 99

CEO's review

Refer to page 76

Stakeholder material matters

Refer to pages 56 to 61

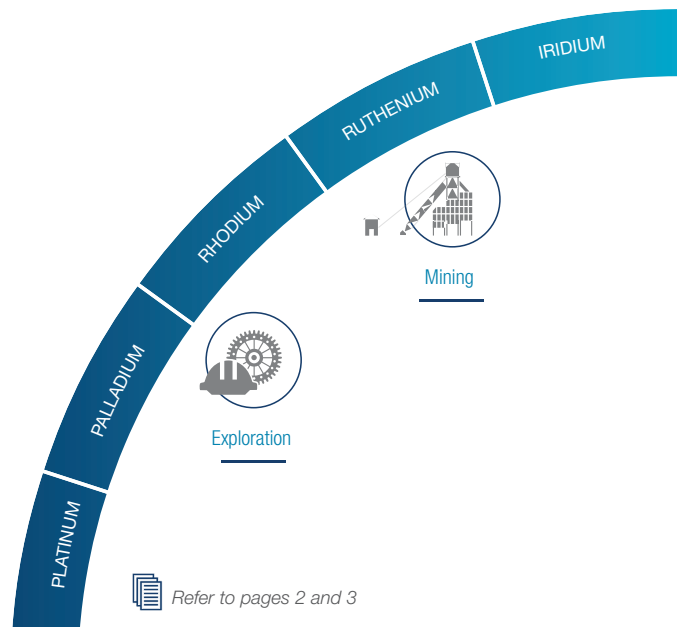
WASTE > EMISSIONS > WATER USAGE

Business model and value chain

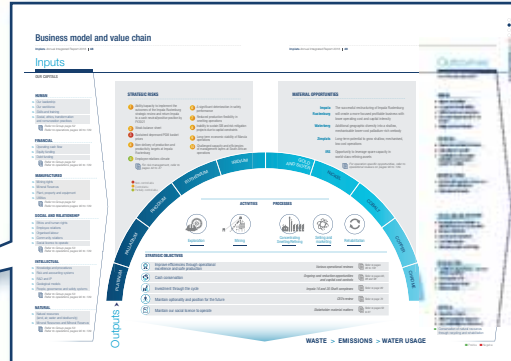
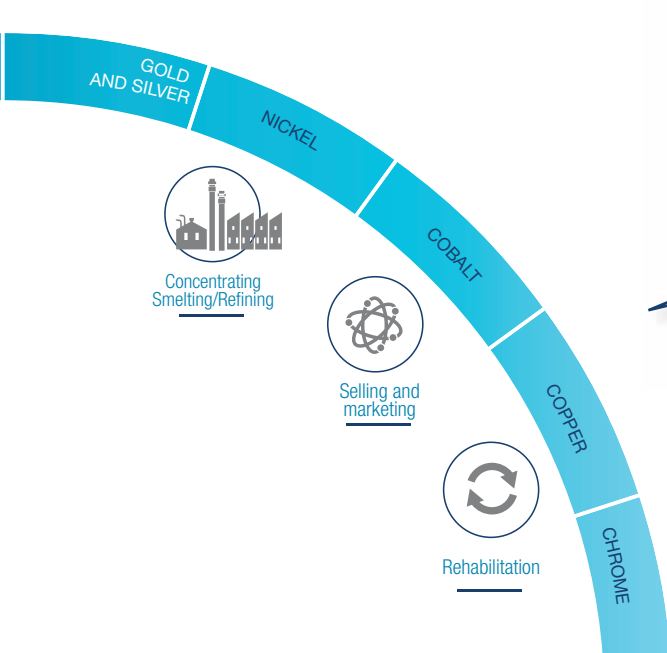
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OUR STRATEGY SEEKS TO SUSTAIN OPTIMAL LEVELS OF SAFE PRODUCTION AT THE BEST POSSIBLE COST.

Our activities



	EXPLORATION 	MINING 	PROCESSING AND REFINING 
Activity	Mainly brownfields exploration focusing on existing mines with a view to optimise orebodies. Continue to monitor worldwide activities to maintain intelligence in greenfields exploration.	Implats mining divisions consist of deep-level conventional mining at Rustenburg and shallow-level conventional and hybrid mining at Marula. Zimplats, Mimosa and Two Rivers are mechanised shallow-mining operations.	Activities consist of concentrating and smelting our own ex-mine material and smelting third-party concentrates in Zimbabwe and Rustenburg and refining all matte in Springs.
Outcome	Supports mine planning and optimal mine layout. Implats incurred R143 million (2017: R123 million) during the year. Greenfields have been terminated, but there is a positive outlook to grow Mineral Reserve inventory at Zimplats, Mimosa and Two Rivers.	Production of 19.4 million milled tonnes ex mine/operating cost of R16.4 billion/capital of R3.9 billion/Mineral Resources reduced by some 57.8Moz Pt during the year.	Refined Pt production: > 1 468koz Pt > 849koz Pd > 199koz Rh > 16 226 tonnes Ni > Operating cost R6.9 billion > Capital spent R737 million
Focus	Focus area is brownfields, but maintain a watching brief on PGM exploration worldwide.	In the short term, focus will be on Impala to ensure it becomes cash neutral at current prices. Rebalance labour force and review operating model for this mine. Marula must remain cash generative or operations will be put on care and maintenance. Productivity and performance focus throughout all the mining operations. Maintain social licence to operate – within communities.	Focus on: > R&D > Recoveries > Mitigating environmental impacts (reducing waste, water, limiting emissions) > New refining opportunities



SELLING/MARKETING



Selling and marketing of PGMs is done on a contract and spot-market basis. Implats does not enter into hedges and is exposed to commodity prices. We have, however, entered into a forward sale of excess metal built up in the pipeline. Implats supports the World Platinum Investment Council (WPIC) in its work to incentivise future sustained investment demand and the International Platinum Association in lobbying for worldwide emission controls. We have increased our visibility and marketing spend in China, particularly relating to the bridal jewellery market through Platinum Guild International.

The overall demand for PGMs remain stable. Tighter emissions legislation has resulted in higher loadings for platinum and palladium in vehicle catalytic converters globally. Overall demand was flat during the year as a slight increase in automotive and industrial demand was offset by a drop in jewellery demand.

The focus will remain on stimulating platinum demand and dispelling the unfounded negative perceptions of diesel globally.

REHABILITATION



We limit negative impacts on natural resources by ensuring full compliance with regulatory requirements and minimising water use and pollution thereof. We respond to climate change risk and opportunities by promoting responsible energy use and managing waste and emission streams. We apply responsible land management and biodiversity practices.

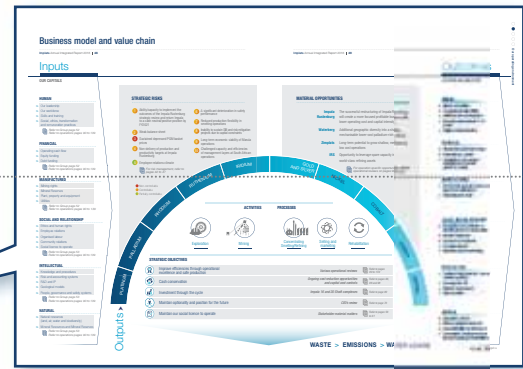
- > A total of 16.3ha of disturbed land was rehabilitated
- > Estimated rehabilitation liability for our operations totalled R2.378 billion
- > Group rehabilitation provisions totalled R1.225 billion

Implats is committed to maintaining its social licence to operate and to manage the impacts on our environment responsibly.

Business model and value chain

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Our capitals



CAPITALS

Human	Financial	Manufactured
> Our leadership > Our workforce > Skills and training > Social, ethics, transformation and remuneration practices	> Operating cash flow > Equity funding > Debt funding	> Mining rights > Mineral Resources and Mineral Reserves > Plant, property and equipment > Utilities

INPUTS AND TRADE-OFFS

> Value is generated through the well-being, expertise and motivation of our employees, contractors and service providers > 50 512 employees including contractors > Regrettably, we have reduced headcount at Impala to ensure sustainability > R504 million (2017: R572 million) skills development expenditure > Good progress in promoting equitable transformation at all levels	> R1.0 million operating cash out flow > PGM prices have a significant impact on revenue generation and profitability > High fixed-cost associated with deep level mining (Rustenburg) due to infrastructure and labour intensity > Strict capital allocation and investment aimed at diversification ensures optionality and positions the business for the future > Secured approved terms to enter into forward sale transaction to release up to R2.0 billion of the approximately R4.2 billion excess pipeline stock during FY2019. The forward sale relates to excess inventory that will only be refined in FY2020, effectively monetising the Group's entire excess stock pipeline in FY2019. > The remaining quantum of undrawn debt facilities is R2.5 billion available until 2021 > R829 million Zimplats dividend declared after year-end to support liquidity/restructuring efforts	> Reduced Attributable Mineral Resource of 133.8Moz of platinum (2017: 191.6Moz) > Operating model (ongoing development/harvest) impacts Mineral Reserves and, ultimately, life-of-mine > Capital expenditure – R4.6 billion (2017: R3.4 billion). In the current year, R1.4 billion was spent on the two development shafts, 16 and 20, at Impala Rustenburg and R1.7 billion, US\$135 million was spent at Zimplats, mainly on the Mupani and Bimha development > Energy consumed – 16 million GJ (2017: 17 million GJ)
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OUTPUTS:	PLATINUM	PALLADIUM	RHODIUM	RUTHENIUM
OUTCOMES > Injuries and fatalities – LTIFR: 6.01 (2017: 6.35) > Employee wellness – 149 (2017: 196) new TB cases, 5 771 (2017: 5 002) employees on ART > Skilled leaders and employees – 2 200 (2017: 980) employees and contractors impacted by restructuring > Economic empowerment of our people – R11.8 billion (2017: R11.7 billion) in salaries > Equity and transformation: Achieved	> Shareholder and investor returns – no dividend declared since 2013 > Headline loss – R1 228 million (2017: R983 million) > Contribution to tax revenues and economic growth – R3.6 billion (2017: R3.4 billion)	> Products that generate revenue R35.9 billion (2017: R36.8 billion) > Products that improve the environment – PGMs used to control emissions from combustion engines, mostly in the automotive industry > Mineral Reserves – negatively impacted by strategic review of Impala and economic valuation of individual shafts and tailcutting, while positively affected by the addition of some Upper Ores at Zimplats and the Kalkfontein RE portion		

RESPONSE

- SD report, refer to pages 28 to 49 - Individual operations, refer to pages 90 to 139	Various measures to raise and preserve cash including: > Curtailment of capital expenditure > Cost optimisation > Forward sale of excess inventory to create liquidity Value added statement, refer to page 75 Individual operations, refer to pages 90 to 139	- CEO's review, refer to page 76 - Individual operations, refer to pages 90 to 139
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OUR STRATEGY SEEKS TO SUSTAIN OPTIMAL LEVELS OF SAFE PRODUCTION AT THE BEST POSSIBLE COST.

Social and relationship		Intellectual	Natural		
> Ethics and human rights > Employee relations > Organised labour > Community relations > Social licence to operate		> Knowledge and procedures > Risk and accounting systems > R&D and IP > Geological models > People, governance and safety systems	> Natural resources (land, air, water and biodiversity) > Mineral Resources and Mineral Reserves		
> Respect human rights and maintain zero tolerance to unethical behaviour > Invest significantly in maintaining stable and constructive relationships > 83% of SA workforce and 92% of Zimbabwean workforce are covered by collective bargaining agreements > R214 million (2017: R136 million) invested in socio-economic development benefiting 21 000 people in South Africa and 73 000 people in Zimbabwe > Commitment to comply with and meet the objectives of the MPRDA, the 2010 Mining Charter, the President's Framework Agreement for a Sustainable Mining Industry, the Leaders' declaration on the mining industry commitment to save jobs and ameliorate the impact of job losses and the NDP		> Effective and efficient performance depends on effective management systems and a conducive people culture > Best in sector purity (refining capability) for platinum and palladium	> Mining activities unavoidably erode the natural environment – we strive to mitigate these effects through responsible stewardship of our natural resources > Attributable Mineral Resource of 133.8Moz of platinum		
IRIDIUM	GOLD AND SILVER	NICKEL	COBALT	COPPER	CHROME
> People influx and constraints on infrastructure and social amenities > Informal settlements > Labour and social unrest – proactive engagement with community representatives and government officials > Education, health and housing – continue with community development initiatives such as Platinum Village		> Continuous improvement – safe and efficient operations > Development of IP > Business improvement > New executive and board appointments in current period	> Pollution (air, water, land) and climate change > Water withdrawn: 23 530MI (2017: 23 530MI) > Energy consumption: 16 million GJ (2017: 17 million GJ) > Reduced land availability and increased land disturbance > Conservation of natural resources through recycling, rehabilitation		
 SD report, refer to pages 37 to 51  Individual operations, refer to pages 90 to 139		 Mineral Resource and Mineral Reserve statement pages 6 to 7  Information and technology page 40  Individual operations, refer to pages 90 to 139  SD report, refer to pages 52 to 62  Mineral Resource and Mineral Reserve statement page 26 onwards  Individual operations, refer to pages 90 to 139			