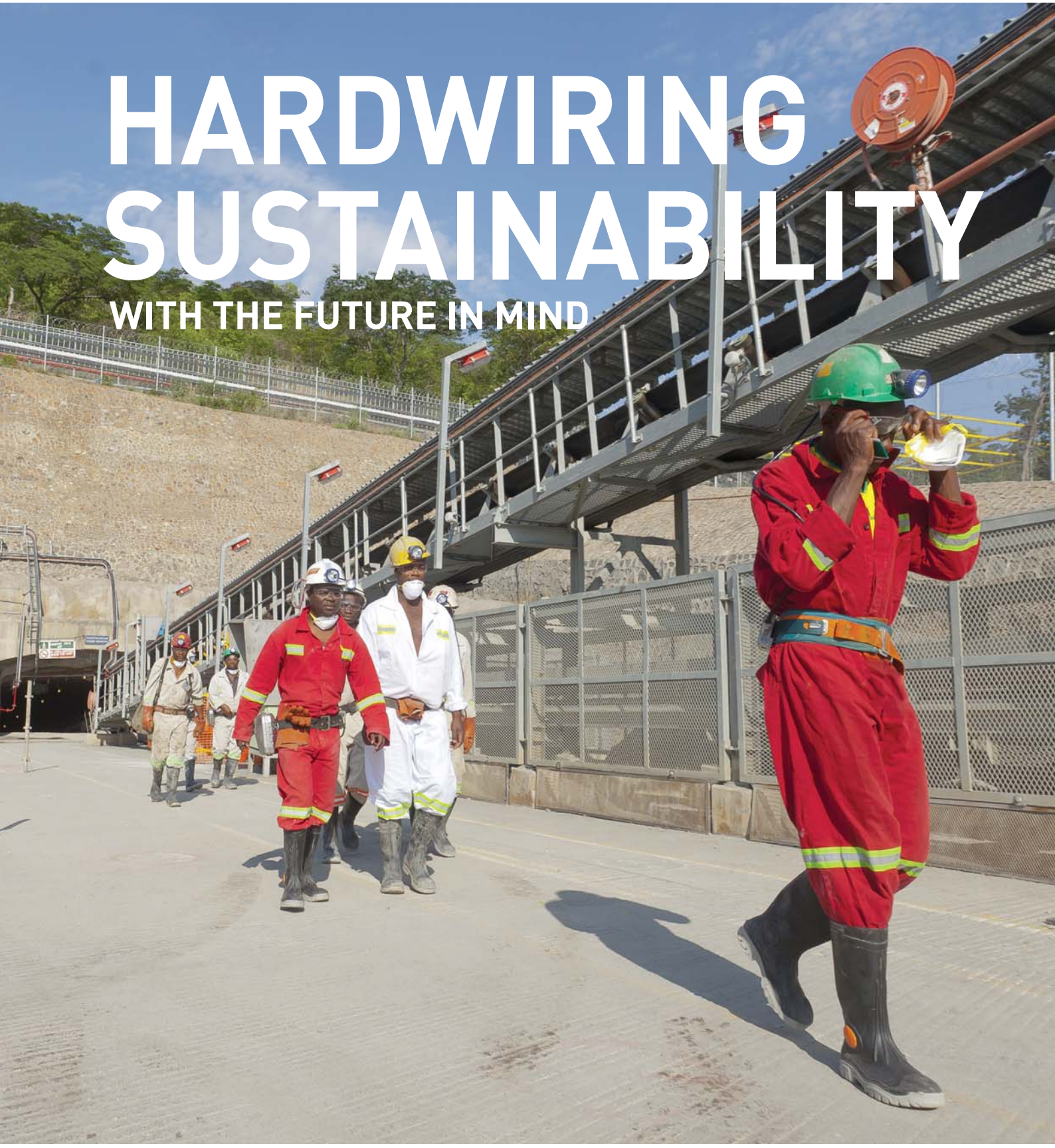
AngloAmerican

PLATINUM

HARDWIRING SUSTAINABILITY

WITH THE FUTURE IN MIND

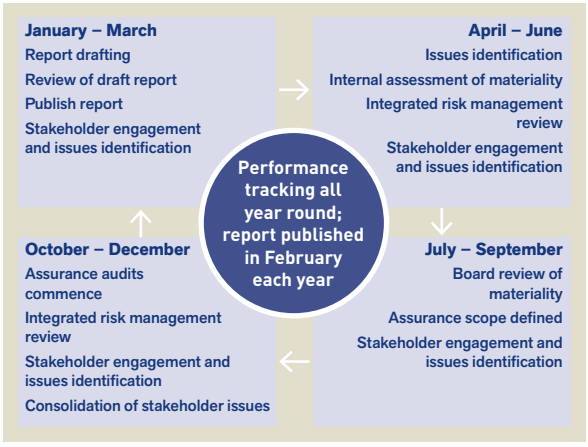


ANGLO AMERICAN PLATINUM LIMITED

SUSTAINABLE DEVELOPMENT REPORT 2012

WITH THE FUTURE IN MIND

As a consequence of the business review process which took place during the year, Anglo American Platinum Limited (Amplats) has proposed a number of interventions designed to reconfigure the business for profitability, sustainability and competitiveness.These proposed changes are motivated and explained in the report.



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THIS REPORT

This Sustainable Development (SD) Report presents a comprehensive perspective on the environmental, social and economic performance of Amplats and provides an outlook on the future of the Company. It is an especially pertinent report given the significant developments which took place in the South African mining sector during 2012.

A high level summary of the Company's performance is shown in the pull-out. This is followed by the CEO's review, a discussion of the 2012 labour unrest and of the Company's restructuring.

02

03

Cover

Employees emerge after an underground shift at Unki Mine.

REPORT BOUNDARIES

The Company's financial year runs from January to December (the previous report was released in February 2012).

This report covers all the Company's managed operations and discusses the key issues at joint ventures and associate operations. Last year, for the first time, we reported on our Unki operation in Zimbabwe, which began production in January 2011. Data measurement techniques are in line with recommended practice and are explained in relevant sections of the report. All other operations are situated in South Africa. Group exploration in other territories does not have material impacts on Amplats and is not included.

Data for joint ventures that are not under the Company's direct control is not presented. A process has been introduced to improve assurance on sustainable development issues at joint-venture operations. All such ventures are required to provide the Amplats board with the necessary assurances.

Images

01 Cooling of furnace slag at Polokwane Smelter

02 Student farmers busy at the Groenfontein farm project near Mogalakwena Mine

03 Polokwane Smelter

How we report

The preparation of this report was shaped by the following: the principles of integrated reporting as outlined by the International Integrated Reporting Committee; and the guidance offered by the Integrated Reporting Committee of South Africa. The report forms part of our overall communication effort and provides Amplats with a platform from which to address the important non-financial aspects of its business.

This publication is intended for a broad audience. Those of our stakeholders who cannot access the report are informed of its contents through other means including engagement and consultation processes that take place at the operational level.

The Company, via Anglo American plc, is bound by a number of international codes, among which are the ten principles of the ICMM, the Voluntary Principles on Security and Human Rights, and the Global Compact.

Assurance

It is our policy and it has been our practice for a number of years to seek external assurance on data related to performance indicators contained in the report. Refer to page 142 for PwC's independent assurance report.

This icon refers to the strategic element under consideration.

RECONFIGURING FOR SUSTAINABILITY

WITH THE FUTURE IN MIND

THE MOST IMPORTANT ISSUES

The viability of our business model is affected by the socio-economic context within which we operate, including the impact we have on this environment and how this influences our business in return; and the prevailing legal and policy environment.

Aside from the issues stated above, we employ a systematic and structured approach to define which issues are material to our business and hence inform what we report on. We are guided by the Global Reporting Initiative (GRI) principles related to defining report content, based on an assessment of materiality, namely completeness, stakeholder inclusiveness and sustainability context. The approach considers the following:

- The 2011 and 2012 executive risk reports
- Previous annual and SD reports
- Issues raised by investors and analysts
- Issues raised by employees, the Government, non-governmental organisations, local communities, the media and our customers
- Discussions with stakeholders on specific issues (refer to page 28)
- Input from the respective functional heads within Amplats
- GRI requirements to attain an A+ reporting application level

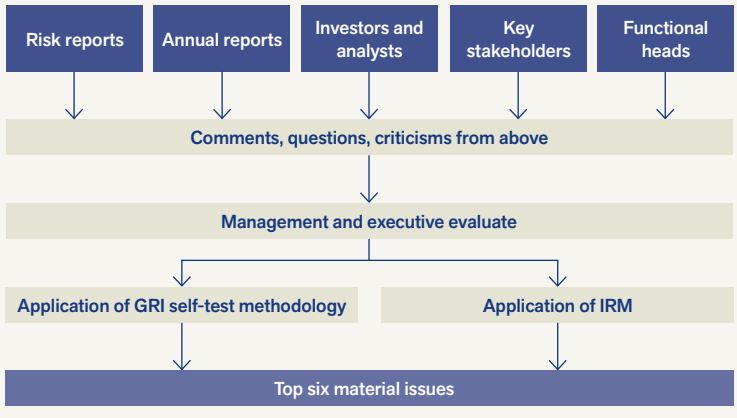
Management then applies the materiality self-test methodology of the GRI to compile the list of issues to report on. For full details on the GRI content index refer to www.angloreports.co.za/globalreportinginitiative. Lastly, the executive risk report is used as the basis for defining the top six most material issues, which are then mapped onto GRI indicators for use in the report.

Six most material issues

- Financial sustainability
- Labour management and relations
- Safety and health performance
- Regulatory and minerals legislation compliance
  - Mining Charter
  - Social and labour plans
  - Water-use licences
- Access to resources
  - Energy
  - Land
- Community impacts and expectations

Further detail on the material issues is provided in the performance sections of this report: People (page 30), Society (page 64) and Environment (page 98).

Process for identifying material issues



RECONFIGURING
WITH THE FUTURE IN MIND

Chris Griffith

LOST-TIME INJURY-FREQUENCY RATE

1.15

FATALITY-FREE MONTHS FOR THE COMPANY

6

OPERATIONS MAINTAINED ISO 14001 CERTIFICATION

100%

SPEND ON SOCIO-ECONOMIC DEVELOPMENT

R276m

Having started my career with Anglo American Platinum Limited (Amplats), I have rejoined it at a difficult time in the life of the Company. As Amplats' new chief executive, I am in the process of overseeing the restructuring of the business to ensure sustainability, with the future in mind.

Although much of my current focus is on the forward-looking aspects of the business, there are many success stories from 2012 and I will be sharing just a few of them with you in this review.

SAFETY

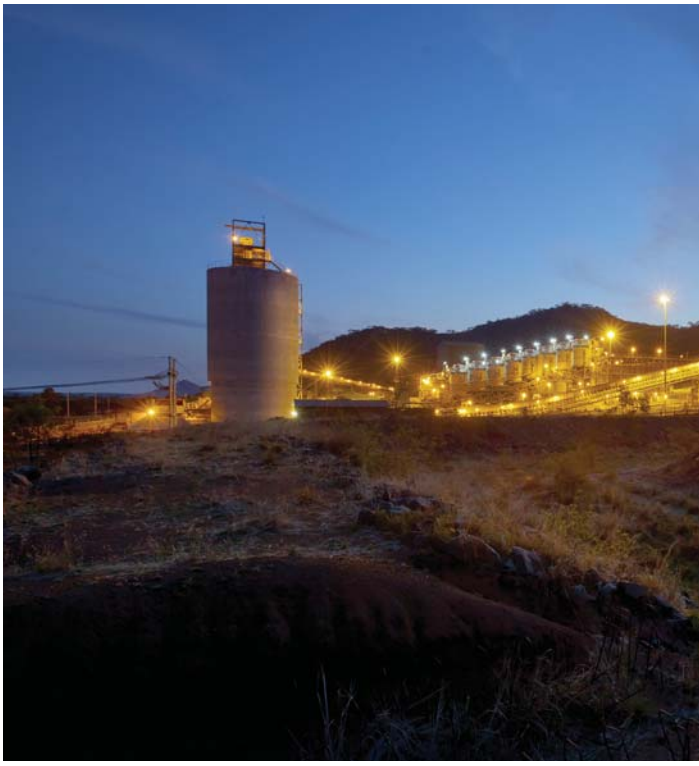
This was our safest year ever. It is, however, with sadness that I have to report that seven of our colleagues died while on Company business in 2012. On behalf of management, I would like to extend my sincere condolences to the Gumede, Leboea, Mahagaja, Malesa, Mzondi, Nyirenda and Sidubulekana families who lost their loved ones in incidents at our operations. I will continue to do everything I can to ensure that we remain steadfast in our commitment to achieving zero harm throughout our operations.

Good progress has been made during the past five years in improving our overall safety performance in the Company, specifically in reducing the number of lost-time injuries. The lost-time injury-frequency rate at Amplats has been declining steadily, from 2.03 in 2007 to 1.15 in 2012. I am proud to be able to report on various milestones in the number of lost-time injury-free and fatality-free shifts recorded at a number of our operations in 2012. Some of the accomplishments at year-end were:

Lost-time injury-free milestones

I am particularly pleased with the following Company safety statistics:

- Amandelbult concentrators: 4 months
- School of Mines: 4 months
- Mogalakwena concentrators: 5 months
- Rustenburg concentrators: 10 months



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- Western Limb tailings retreatment: 10 months
- Mototolo Concentrator: 13 months

Fatality-free shifts

- Thembelani Mine: 1.6 million shifts
- Siphumelele Mine: 1.9 million shifts
- Tumela Mine: 2.2 million shifts
- Twickenham Mine: 2.2 million shifts
- Dishaba Mine: 2.6 million shifts
- Precious Metals Refinery: 4.4 million shifts
- Amandelbult concentrators: 4.5 million shifts
- Union concentrators: 6.5 million shifts

It also saddens me to reflect on the death of Ms Binky Moseane, who was assaulted and killed underground at Khomanani Mine through a criminal act. Our sympathy and condolences are extended to Binky's family, friends and colleagues. The South African Police Service investigation into this murder continues and the Company continues to support the investigation. Following this shocking incident, we have taken steps specifically to improve the safety

We are taking firm steps to create a sustainable, competitive and profitable platinum business.

01 Unki Concentrator plant

02 Marvin Mahlangu, a bulldozer operator at Mogalakwena North pit

03 Dishaba Mine overview

02

03

of the women working underground at our operations, so as not to deter women from seeking employment there.

It is with sadness that I have to report that three Amplats employees died as a result of the violent illegal labour unrest and public violence around our operations in 2012. They were Mr Mtshunquleni Qakamba, Mr Elias Moomi Mokgwapha and Mr Rafael Quive.

I am pleased to report that there has been a significant reduction in the impact of the section 54 stoppages on our operations in 2012. This has been brought about through improved safety focus, better communication and relations with the DMR. Readers will also note the case study later on in this report that describes how a quick and professional response by the Company's emergency services averted what surely would have been a disaster when a fire started at Khuseleka Mine. Thanks to their efforts, no serious injuries or fatalities resulted. The commitment of Company personnel and the integrity of the systems deployed make me proud. They also confirm my sense and knowledge that Amplats remains a great company despite the challenges it is currently facing.

CONTRIBUTION TO SOCIETY

We make a significant and important contribution to socio-economic development, and the lives of many people, in the areas in which we operate, and in the labour-sending areas of the Eastern Cape, Lesotho and Mozambique. I am confident that we have played a significant role in transforming many people's lives as a result of our support for initiatives that 1) improve the quality of education, health and other basic services and 2) provide important primary infrastructure such as roads, water, housing and electricity.This year we spent R276 million on socio-economic development, R90 million more than in 2011.

At a sector level, I believe that the benefits that stem from mining could be enhanced if there was greater collaboration between mining companies operating in similar geographies. I will be pushing for greater co-operation and group effort among companies and with Government, such that mining companies end up devising and implementing socio-economic development interventions on the basis of common research and shared strategies. This will help the mining sector to identify which needs should be addressed, how and in what order; and to avoid the duplication of resources owing to the sheer size and complexity of the socio-economic challenges we face as an industry and country.

At a sector level, I believe that the benefits that stem from mining could be enhanced if there was greater collaboration between mining companies operating in similar geographies.

Alchemy is designed to provide direct participation by local communities in the Company. It is a R3.5 billion transaction that promotes sustainable socio-economic development in the areas where we mine and in the labour-sending areas. We have made considerable progress in 2012 with the implementation of this crucial project. An umbrella trust has been created to hold Company shares for the beneficiary communities. Four independent development trusts, and a not-for-profit company spend dividends on development projects in the labour-sending areas, and are in the process of being established to serve the intended beneficiaries.

Effective operation of the not-for-profit company will be ensured through a careful process of capacity building. The Amandelbult trust is close to being formed, while the trusts at Mogalakwena and Twickenham are likely to be established in the course of 2013.

I am pleased with Amplats' steady and significant increases in spend with BEE suppliers. Total procurement from historically disadvantaged South Africans (HDSAs) in 2012 was R10.9 billion, up from the R10.3 billion spent in 2011. This means that HDSA spend represented 53.4% of all available spend on suppliers in 2012. The portion spent on local HDSA suppliers – i.e. suppliers from the communities close to our operations – was R2.7 billion in 2012, compared with the R2.5 billion spent in 2011. This

equates to 13.5% of all available spend.

Company operations retained their environmental management system certificates against the ISO 14001 standard in 2012, and all but one operation's new water-use licences have now been granted by the Department of Water Affairs. Amandelbult Mine continues to operate under the conditions contained in its water permit, granted under previous legislation. Engagement with Government officials continues, and the new licence is likely to be issued in the course of 2013.

Once again, the Company performed well in the rating of companies' disclosure on climate change issues undertaken by the Carbon Disclosure Project (CDP). Amplats achieved second position in the materials category of the CDP's 2012 Global 500 Climate Change assessment of disclosure. Overall, Amplats was rated among the top-scoring companies of the Global 500 Report and was the highest-rated South African company, an achievement of which we are extremely proud.

LABOUR UNREST

Production at our Rustenburg, Union and Amandelbult mines was negatively impacted by unprotected industrial action that spanned two full months, from 18 September to 15 November 2012. At the Rustenburg mines, production decreased by 43,300 ounces or 8%, while at the Union and Amandelbult mines production decreased by 13% and 23% respectively. The net effect of the strike action was a loss of platinum production of 306,000 ounces, including 82,000 ounces lost during the start-up period following the strike. A detailed analysis of this labour unrest is included from page 6 of this Sustainable Development Report.

PROGRESS WITH INTERNAL TRANSFORMATION

We have been progressing pleasingly in our efforts to ensure that the Company's workforce properly reflects South Africa's demographic profile.

I am pleased with Amplats' steady and significant increases in spend with BEE suppliers.

I am proud to note that the percentages of HDSAs at all levels of the Company continue to increase: at present HDSAs constitute 38% of top management, close to 40% of senior management, 57% of middle management and 65% of junior management. The numbers of women in technical mining jobs and in management at Amplats have been rising slowly but steadily, suggesting that a corner has been turned in this area of transformation.

PROPOSED RECONFIGURING OF AMPLATS

We are taking firm steps to create a sustainable, competitive and profitable platinum business. The review we conducted during the course of 2012 and early 2013 was initiated in response to revised expectations concerning growth in platinum demand; and also to a number of factors that have eroded profitability in recent years, including capital intensity, mine depths, ore grades, higher-than-inflation unit-cost increases, elasticity in the demand for jewellery and increasing secondary supply of platinum through the growth of recycling stocks.

Several of our mines have been under considerable economic pressure for some time already. The continued operation of these mines within the current configuration, and in light of the Company's revised demand and cost expectations, is not sustainable. We therefore propose to reconfigure our Rustenburg operations into a sustainable 320,000 to 350,000 ounces platinum producer across three operating mines. Four unsustainable, high-cost shafts could be put on long-term care and maintenance, including Khuseleka 1 and 2, and Khomanani 1 and 2. It is proposed that Rustenburg's processing operations will also be reconfigured to align with the revised mining footprint, which may include closing the Waterval UG2 Concentrator and the No 2 smelting furnace.

01

01 Construction of roads and drainage infrastructure at Impali housing project near Unki

02 Roadworks at Impali housing project

We also believe that the Union mines are likely to be of greater value under different ownership, particularly in comparison to the other attractive growth options in the Company's portfolio, and Amplats therefore proposes to divest Union at the right time to maximise value. The restructuring of joint-venture operations has also been reviewed in order to optimise long-term profitability and competitiveness. This may include the rationalisation of farm boundaries to optimise extensions in life-of-mine and other commercial considerations.

Current and forecast market conditions require cash preservation and the optimal allocation of capital. The proposed restructuring of the operations would ensure more effective capital allocation towards the Company's mines that are best placed to sustain and create employment over the long term, avoiding significant capital expenditure that would be required simply to maintain output from certain marginal operations. The Company is likely to spend R100 billion over the next ten years on low-cost, high-margin projects. Regretably as a result of the proposed changes to the business, a total of 14,000 employees may need to be retrenched. Approximately 64% of these will be redeployed; the remainder will be addressed by the extensive and comprehensive interventions that comprise the social plan.

As is clear from the rest of this report, we take our social responsibilities seriously, particularly with regard to employees and their communities, and propose to protect and create more jobs than may be affected by labour restructuring. Where labour restructuring may be necessary, the Company will seek to redeploy as many affected workers as possible to other Anglo American operations in South Africa where vacancies exist. With the clear objective of minimising the impact of the restructuring of the business, the Company will also assist affected employees and communities through an extensive social plan that involves reskilling, entrepreneurial development, a house-building scheme, job creation, financial support and health cover, among a number of initiatives aimed at labour-sending communities and communities neighbouring our operations. The proposed support to be provided will include:

We take our social responsibilities seriously, particularly with regard to employees and their communities.

- A comprehensive assistance package for employees including the following: financial support; counselling; support to search for new jobs in cases where employment may be terminated; portable skills training; and entrepreneurial support that will be able to build on Anglo American's award-winning and internationally recognised Zimele enterprise-development programmes.
- Assistance for the dependants of employees, including dependants in the labour-sending areas, again focusing on portable skills development and enterprise development.
- A multi-year programme of community-development support for Amplats' labour-sending areas, in South Africa and neighbouring countries, in partnership with local governments and development agencies. This will focus on the development of viable agricultural supply chains and other measures to support the rural economy in labour-sending areas.

The Company has agreed with the Department of Mineral Resources and labour unions to follow an intensive consultation process which is not likely to take more than 60 days beginning 30 January 2013.

Many thanks are due to staff for their hard work during the course of a difficult year. I am especially grateful for the welcome I have received on my return to the Company. I will be relying on commitment and dedication to assist in implementing a new vision for the business. I am confident that Amplats will emerge a safer, more sustainable and more resilient Company.

Chris Griffith

Chief executive

1 February 2013

THE 2012 STRIKE

South Africa is a country that has overcome significant historical challenges to become a democratic and inclusive society – one with the courage and grace to address the inequalities of the past.

LOST REVENUE OWING TO THE STRIKE

R**6**bn

NUMBER OF EMPLOYEES WHO LOST THEIR LIVES IN PUBLIC VIOLENCE

3

The human tragedy of Marikana, where 34 mine workers were shot, characterised a year that saw unprecedented levels of violent strike action, the disruption of well-established trade union structures, and significant turbulence in the platinum sector. It was a year that threw into sharp relief the critical importance – and the evident fragility – of maintaining trusted relationships between mining companies, Government, trade unions and local communities.

Strikes at Amplats operations

Anglo American Platinum was also affected by the labour unrest that plagued the industry in 2012. In March, production at Modikwa Mine, a joint venture between Amplats and African Rainbow Minerals, was affected when about 3,000 members of the National Union of Mineworkers (NUM) downed tools over a wage dispute.

From mid-September 2012 to 15 November 2012, the Company endured eight weeks of unprotected industrial action over increased wage demands at five of its own mines in the Western Limb (Rustenburg and North of the Pilanesburg areas). On 12 September the Company took the swift decision to suspend operations in the Rustenburg area to protect the safety and security of employees following widespread reports of intimidation and threats of violence. Calm had returned by 18 September and employees were requested to return to work. Only about 20% of the workforce returned and an unprotected strike was declared.

During the unprotected strike, the Company continuously attempted to engage with recognised trade unions and worker representatives to encourage employees to return to work. Of the approximately 30,000 workers who went out on strike, roughly 12,000 were dismissed during the unprotected strike, although all of these workers were subsequently reinstated. The strike action cost the Company approximately R6 billion in lost revenue. Details of the wage settlement are below and the average employee salary details are provided in the box on page 7.

"Many refer to the strikes and the response to them in terms of being a series of individual problems faced by individual companies, but ultimately it is a national crisis." Khanyisile Kweyama, executive director, Anglo American South Africa.

OUTCOME OF THE 2012 STRIKE AT AMPLATS

After eight weeks of strike action, employees at Amplats' Rustenburg, Union and Amandelbult mines returned to work. In order to facilitate their reintegration, a programme was implemented that incorporated Safe-Start training and medical examinations. As the three operations had been idle for two months, it was important to carry out safety checks to ensure that working areas were safe. In the interests of the employees' safety and health, these checks were carried out before employees could resume working.

The final offer the Company made to workers contained the following:

- The reinstatement of all the dismissed Rustenburg employees.
- A once-off allowance of R4,500 (pre-tax) payable in two tranches. The first payment, of R2,000, amounted to a hardship allowance, to be paid two days after employees had returned to work; while the second payment of R2,500 was a safe start-up allowance, to be paid two weeks after employees had returned to work and had begun actual work.
- A monthly allowance of R400 (pre-tax), which would be added to base salaries.
- An undertaking by management to reopen wage negotiations early, which recognised that any agreements reached would be implemented in July 2013 in order to maintain the wage negotiation cycle.

[1] *The review process, announced in February 2012, was already under way.*

01 Khomanani 1 Shaft

01

The strategic significance of sustainable development

The events of 2012 have highlighted the complexity of societal challenges, and have clearly demonstrated the business imperative of sustainable development. As a business, we cannot grow successfully in isolation of our broader community. Issues, such as the provision of housing and community health, economic empowerment, industrial relations and stakeholder management cannot be seen as discrete elements of a business's 'social responsibility' programme, but as fundamental to a mining company's licence to operate.

The complexities of the challenge in South Africa

The strikes of 2012 had profound costs – for the Company, the mining sector, our stakeholders and the country as a whole. Already in a vulnerable state, the platinum sector suffered severe financial losses, significant disruption in production and a damaged reputation. Many of our employees and host communities were exposed to extreme violence and intimidation. The strikes cost South Africa more than R9 billion in lost mine revenue, and half a percentage point off the country's economic growth. The events contributed to a significant loss in investor confidence.

It is widely accepted that the situation is complex; the underlying systemic challenges that face South Africa as a whole need a multi-stakeholder response. It is clear that we need to intensify our efforts to build trust and deliver effective communication – between management and mine employees at mine level, between union members and their leaders, and between union leaders and business leaders. We must also work with stakeholders to ensure that the collective bargaining process meets the needs of all those involved.

Addressing these challenges sustainably will require business, Government and labour to work together as partners for social development, building on successes such as the Tripartite Health and Safety Initiative and the Mining Industry

AMPLATS SALARY FACTS

- Average minimum wage: surface R7,958 per month. All employees earn more than this amount.
- Average minimum wage: underground R8,580 per month. Only one employee earns this amount and all other employees earn above this amount.
- Average rock drill operator's wage: R10,856 per month excluding bonuses.
- Average wage for an underground employee: R14,154 per month.

Growth, Development and Employment Task Team (MIGDETT). In working together, we will need to acknowledge the vital contribution that each party provides in meeting the country's developmental priorities – including mining's significant positive contribution as a mainstay of the South African economy (contributing 9.2% of South Africa's GDP, directly employing more than 500,000 people and indirectly responsible for a further 840,000 jobs).

We will also need to examine how all the contributions from the resources sector, including procurement, training and organisational capacity development, can be harnessed to support the objectives of the country's National Development Plan. At the same time, each of us – business, Government and labour – needs the honesty and humility to recognise our individual and collective past failure in addressing some of the underlying systemic causes of the labour unrest in 2012. Within Amplats, for example, we recognise that more can be done to ensure that all our employees have access to decent housing.

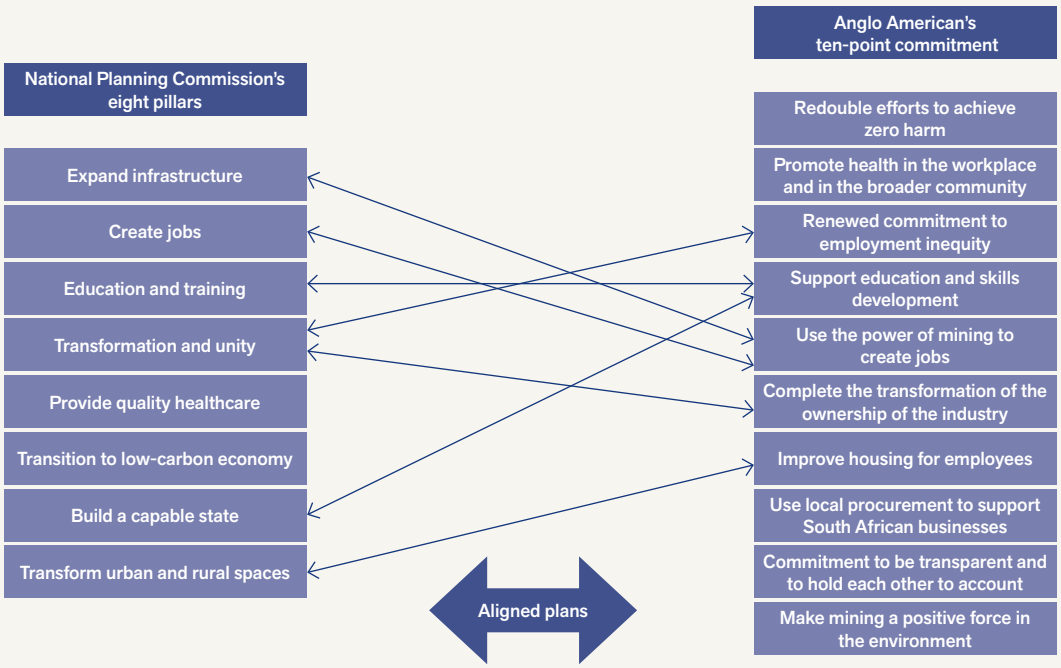
Doing so will require leadership and a willingness to take bold decisions aimed at challenging normal business thinking, and transforming the nature of some of our existing relationships.

Committed to demonstrating leadership

Amplats employees have always tried to make a real difference– with our work on safety, on health, on housing, on education, on the environment and on job creation. Our commitment to positive change is reflected in our significant investment in social development initiatives. The Zimele programme which is supported by Amplats has already created about 25,400 jobs in South Africa, and we are looking to considerably increase that number over the next five years. In 2012, our total spending on enterprise development and local black economic empowerment (BEE) suppliers totalled some R11 billion. We are committed to building 20,000 houses for employees and to convert our remaining hostel accommodation to single-person occupancy by 2014. In 2012, we invested R276 million in community development initiatives to support job creation, health, education, infrastructure (such as roads and schools), and community health and welfare.

Our approach and solutions need to go beyond the normal business thinking. We need to take responsibility for this breakdown in trust and appreciate that, as leaders, we need to ask ourselves: while we have done a lot, have we done enough and with enough depth? In answering this question, we are committed to working together – with our business partners, our employee representatives and with Government – to finding solutions that make a real difference for all our stakeholders.

Aligning Anglo American's commitments with the National Planning Commission's priorities



PROPOSED RECONFIGURING OF ANGLO AMERICAN PLATINUM

A comprehensive review of the Company's portfolio of operations was conducted in 2012. This review culminated in the announcement, on 15 January 2013, of the proposed operational changes. The Company has subsequently agreed with the Department of Mineral Resources and labour unions to follow an extensive consultation process which will not take more than 60 days, beginning 30 January 2013.

As a result of the review, the Company proposes to:

- reconfigure its Rustenburg operations into three mines with aligned processing operations
- divest the Union mines at the right time – in order to maximise value under different ownership
- deliver R3.8 billion of annual benefits by 2015, through efficiency and cost-reduction initiatives, including annual savings of R390 million from optimising its overhead structure
- provide a comprehensive package of support to its employees and communities in Rustenburg and the labour-sending areas
- create at least 14,000 new jobs to balance the number of jobs that may be affected by the restructuring

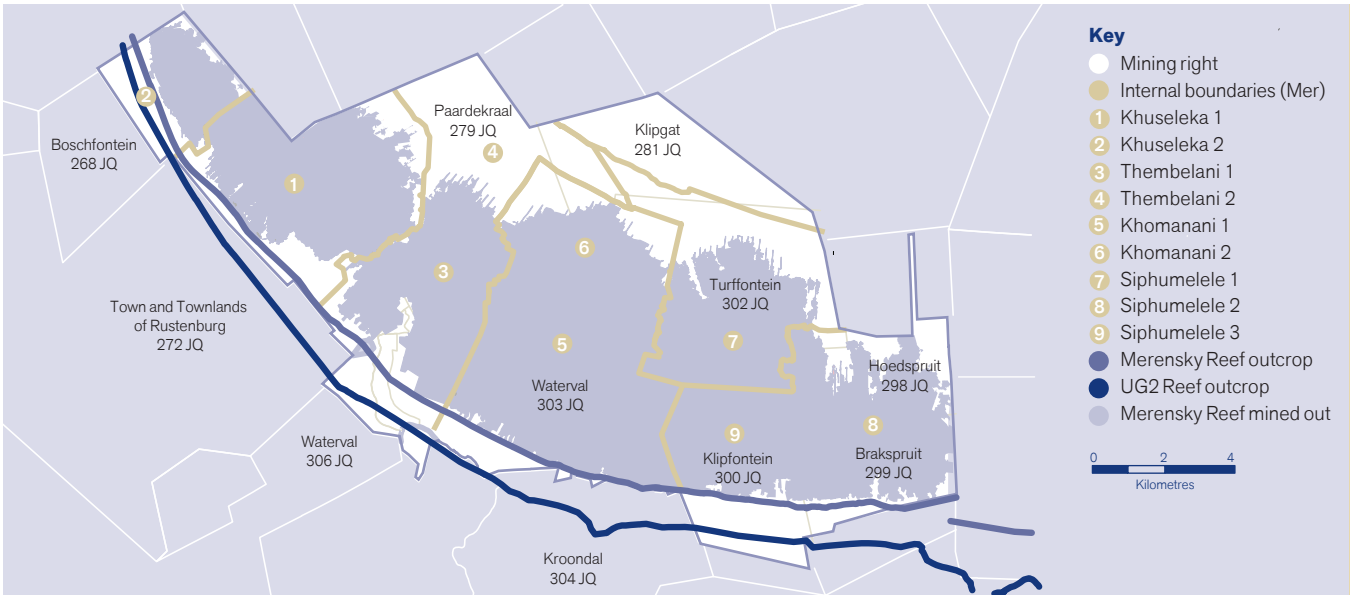
The Company's review of its business is in response to its revised expectations for platinum demand growth and a number of structural changes that have eroded profitability in recent years, including capital intensity, mine depths, ore grades, higher-than-inflation unit cost increases, jewellery demand elasticity and the increasing secondary supply of platinum. Amplats has previously stated that a number of its mines have been under considerable economic pressure for some time. The continued operation of unprofitable shafts within the current configuration, and in light of the Company's revised expectations in terms of demand and cost, is not sustainable.

Amplats therefore proposes to reconfigure its Rustenburg operations into a sustainable 320,000 oz to 350,000 oz platinum producer across three operating mines. It is proposed that four unsustainable, high-cost shafts, namely Khuseleka 1 and 2 and Khomanani 1 and 2, should be put on long-term care and maintenance. As a result the Company's production profile could be reduced by approximately 400,000 oz per annum, with a baseline production target of 2.1 to 2.3 million ounces per annum.

It is proposed that the Rustenburg processing operations will also be reconfigured to align with the revised mining footprint, which may include closing the Waterval UG2 Concentrator and No 2 Smelting Furnace.

Amplats proposes to reconfigure its Rustenburg operations into a sustainable 320,000 oz to 350,000 oz platinum producer across three operating mines.

Rustenburg current operations



Amplats believes that the Union mines (Union) are likely to be of greater value under different ownership, particularly in comparison to the other attractive growth options in the Company's portfolio, and Amplats thus proposes to divest Union at the appropriate time. In the interim, it is proposed that Union be reconfigured to protect near-term value, by stopping mining activities at the Union North declines, combining the Union North and South shafts into one operation and putting the Mortimer Merensky Concentrator on long-term care and maintenance.

As a result of the proposed changes to the business, it is regretable that up to 14,000 jobs may be affected, 13,000 of them in the Rustenburg area.

Amplats takes its social responsibilities seriously, particularly with regard to its employees and surrounding communities. Employees affected by the proposed restructuring will be supported by a comprehensive set of interventions that comprise the social plan. The job-creation initiatives will focus on housing, infrastructure and small business development in Rustenburg and the labour-sending areas.

The Company will target the creation of at least 14,000 jobs – an equivalent number of jobs to those that may be affected by the restructuring.

OBLIGATIONS

The Company will be required to fulfil a number of legal requirements and will be guided by local and international best practice.

Legal requirements

The South African Department of Labour gazetted social plan guidelines in 1999, which guide large-scale retrenchment.

The guidelines stipulate that when more than 500 employees (or +10% of a workforce) are to be retrenched, then a social plan must identify alternative forms of employment, self-employment or social development that can be used to mitigate the impact of the retrenchment.

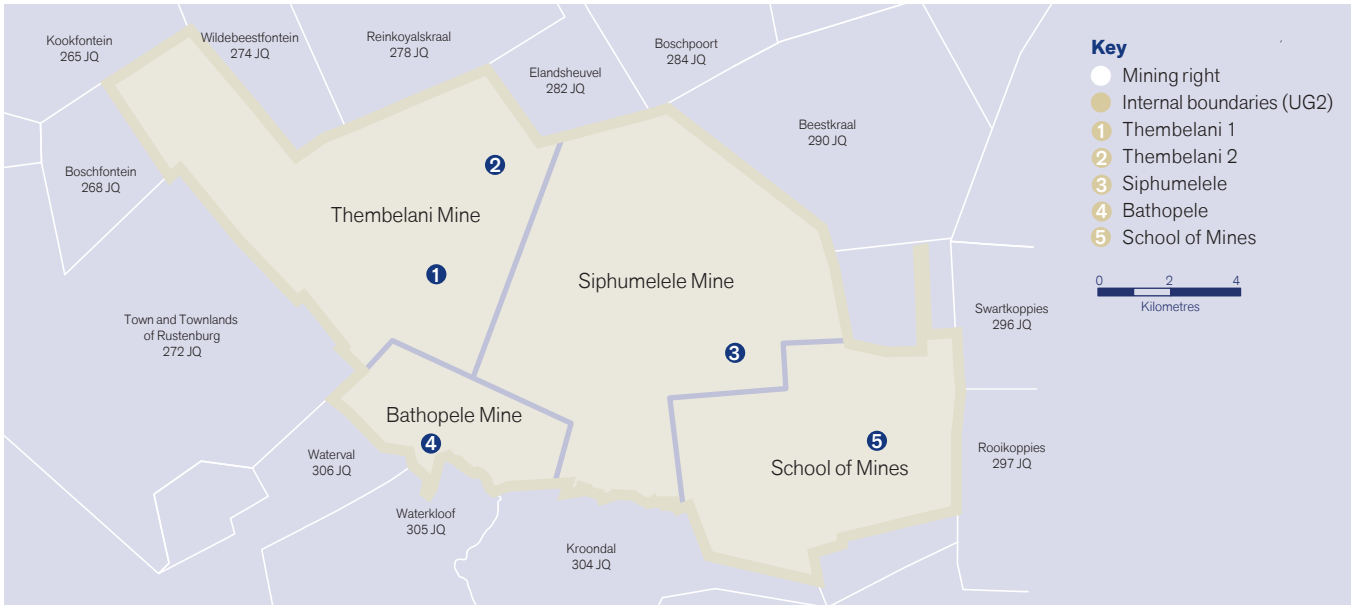
The guidelines in section 4 of the Social and Labour Plan (SLP) of the Department of Mineral Resources (DMR) detail downscaling obligations for a company in this position, as follows:

- The company must establish a future forum where retrenchment and planning for life after retrenchment are discussed.
- The company is obliged to devise mechanisms to save jobs, and to avoid job losses and a further decline in employment.
- Where job losses cannot be avoided, the company is obliged to develop mechanisms to provide alternative solutions and procedures for creating job security.

In response to these requirements, Amplats has committed to a set of obligations that include:

- consultation with affected employees, Government and unions
- counselling and job-seeker support
- alternative employment- and enterprise-development support
- opportunities associated with redundant infrastructure
- food security interventions

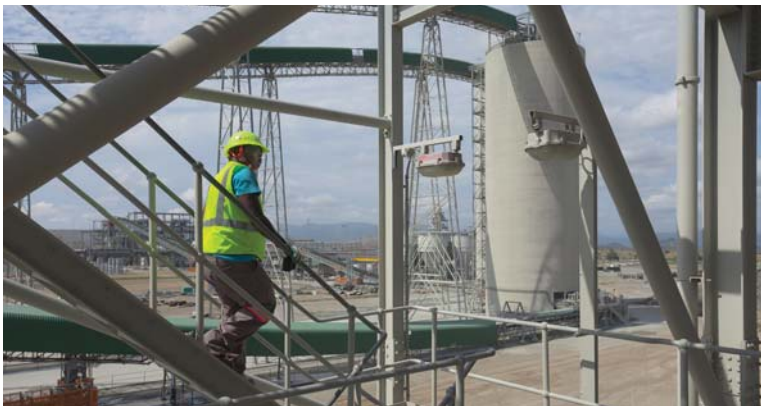
Rustenburg proposed operations



01 Checking a FOG light at Bathopele Central Shaft

02 Secondary crusher circuit at Mogalakwena North Concentrator

01



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Other requirements

Anglo American's Socio-Economic Assessment and Mine Closure Planning guidelines provide additional guidance. The Company has also consulted the Mine Closure Toolkit of the International Council for Mining and Metals.

The Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development requires that the effects of downsizing be minimised and mitigated "to the maximum extent practicable", while the United Nations Global Compact (UNGC) has produced a Good Practice Note for institutions considering large-scale downsizing, which is based on the "Managing Retrenchment" Good Practice Note of the International Finance Corporation (IFC).

The UNGC and IFC guidance requires one or a combination of the following measures:

- The retraining of affected employees
- Career and financial counselling
- The promotion of local economic development opportunities
- The outsourcing of functions and services to affected employees
- Assistance with finding new employment

Profile of potentially affected employees

More than two-thirds of employees that may be retrenched fit the following profile:

- African (95%)
- Male (92%)
- Less than 45 years old (68%)
- Have worked for less than five years (70%)
- Band B worker (79%)
- Living in rented accommodation (67%) or SAV (15%)
- Originates from the North West (32%), Eastern Cape (32%), Mozambique (13%) or Lesotho (6%)
- Member of major mine community (more than 10% of the workforce)

Possible impacts of the proposed downscaling

Category	Possible impact
Impact on employees and households	Loss of income and ability to support dependants.
	Loss of access to health, education/training and social welfare benefits.
	Loss of housing benefits, including home ownership programme and housing build programme.
	Associated psycho-social impacts on households.
Impact on Government	The net impact of increased profit based taxes and decreased royalties which are based on sales revenue.
	Reduced Company contribution to efforts in job creation and poverty and inequality alleviation. (Government has targeted the creation of 5 million new jobs between 2010 and 2020.)
	Increasing levels of social unrest fuelled by poverty, unemployment and inequality.
	Smaller Company role in the transformation of the South African economy (a smaller number of historically disadvantaged South Africans will be brought into the mainstream economy).
Impact on communities	Platinum group metals (PGMs) are a key sector in South Africa's economic growth and expansion.
	Distressed communities.
	Shrinking of local economy.
	Socio-political instability, unrest and crime.
Impact on suppliers and dependants	Distressed local enterprises.
	Reduced viability of businesses.
	Associated job losses and loss of livelihood.

01 Thembelani 1 Shaft
02 Khomanani 1 Shaft

- Major rural labour-sending areas (more than 5% of the workforce):
  - North West – including Moses Kotane Local Municipality
  - Eastern Cape – including the King Sabata Dalindyebo and Nyandeni local municipalities in the OR Tambo District Municipality, and the Mbashe Local Municipality in the Amatole District Municipality
  - Mozambique
  - Gauteng – including Ekurhuleni Local Municipality
  - Limpopo – including Modimolle Local Municipality
  - Lesotho – no municipal data available

Possible impacts of the proposed changes

To understand the impacts that the restructuring may have, it is important to understand the context, including:

- the characteristics of affected employees/suppliers (e.g. debt levels, educational levels, housing status) and their associated dependants (e.g. households, employees)
- the demographic profile of directly and indirectly affected areas, including service levels and capacity constraints
- the economic contribution of the Amplats mines to the areas directly affected, as well as to other affected economies

The loss of income for employees and suppliers has a secondary impact on:

- affected employees' dependants
- local suppliers' employees and the supply chains
- mine communities and communities in the labour-sending areas
- Government, at the national, provincial and local levels

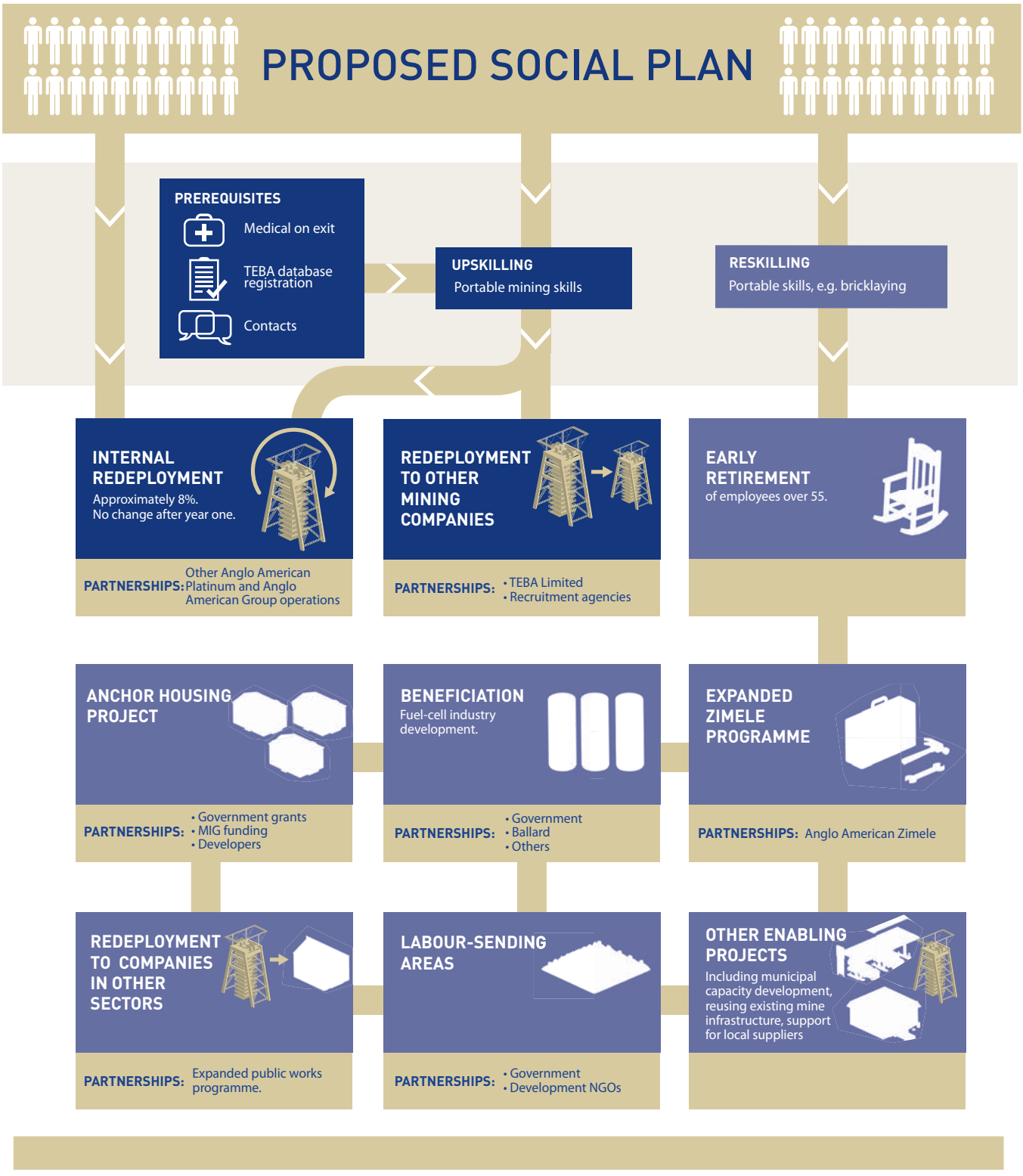
Based on the identified impacts, a set of proposed mitigation plans has been developed which takes into account the following:

- Required interventions or plans that are typically included in social plans

01

02

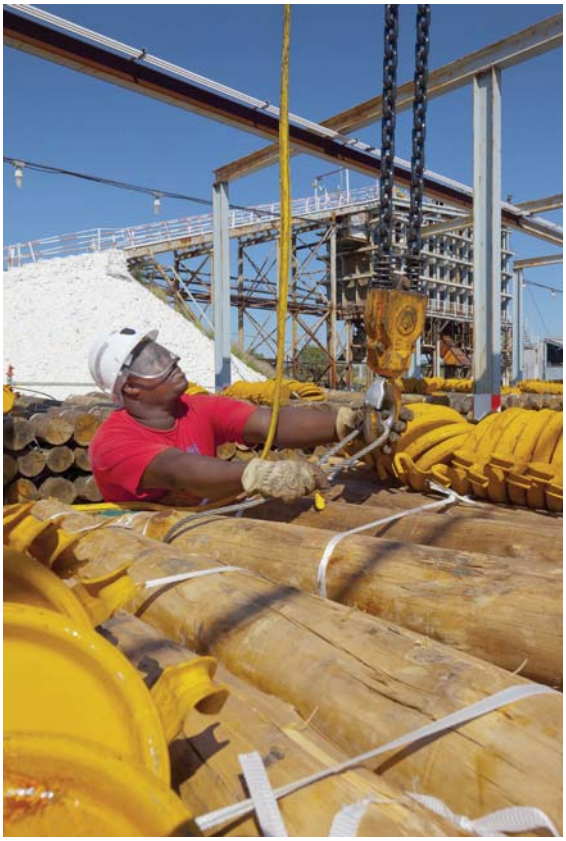
Proposed social plan model



01 Conveyor from Mogalakwena North stockpile

02 Materials handling at 20 footwall, Tumela Mine

01



02

- Past experience of successes to draw from
- Costing
- The availability of potential delivery partners
- Anticipated effectiveness/likelihood of success
- Necessary conditions for success

The table on page 11 summarises the key impacts likely to result because of the restructuring. The social plan is designed to eliminate or substantially mitigate these impacts.

Proposed approach to implementation

A programmatic approach will be adopted to cluster and schedule implementation once the proposed plans have been discussed with unions and Government.

Four key programmes are reflected in the plan:

Subsidies for social services

This refers to housing subsidies; bursaries for one dependant; and healthcare (only for employees and their dependants in the rural LSAs).

Alternative livelihoods development in the Rustenburg Local Municipality

This covers counselling, retraining and job-seeker support. Amplats will work together with employees to prepare the latter for decisions on (i) how best to use their retrenchment packages and (ii) which of the training on offer would give them the greatest benefits. These services thus also support some of the longer-term mitigation subplans, such as expanded enterprise development, the anchor housing project and the enhanced local procurement focus.

Integrated rural development in the rural LSAs

This refers to counselling, retraining and job-seeker support for those that are finally affected by the proposed restructuring. Amplats will work together with employees to prepare the latter for decisions on (i) how best to use their retrenchment packages and (ii) which of the training on offer would give them the greatest benefits. These services thus also support some of the longer-term mitigation subplans, such as expanded enterprise development and the integrated rural development programme.

The interventions which make up the social plan are designed to mitigate the negative impacts of the proposed restructuring.

Cost

The final items to be included in the social plan for implementation will be negotiated as part of the section 189 process. The bulk of expenditure on the plan, which goes beyond previous best practice in South Africa, will occur during 2013 and 2014.

The plan requires an investment of approximately R890 million, spread over five years. Half of the estimated investment is discretionary. The details of the social plan will be negotiated with employees and their representatives during the process known as the "section 189 process".

Currently the main objectives of the plan are to:

- provide a comprehensive set of mitigations
- provide support to directly and indirectly affected stakeholders in order to minimise the negative impacts of restructuring and help as many affected stakeholders as possible to remain economically active

Implementation plan

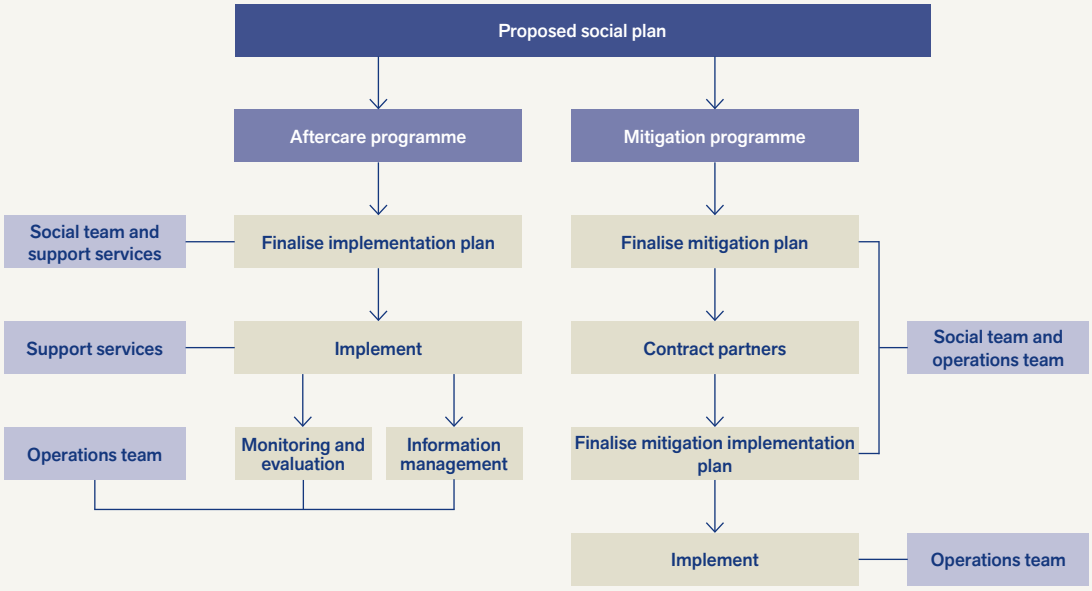
The proposed sequence for implementing the social plan is shown in the diagram below.

Conclusion

The proposed social plan has been "pressure tested" by some of our expert advisers. The details of the plan will form part of the extensive consultations with stakeholders to further test the robustness of our assumptions and obtain their additional input before it is finalised.

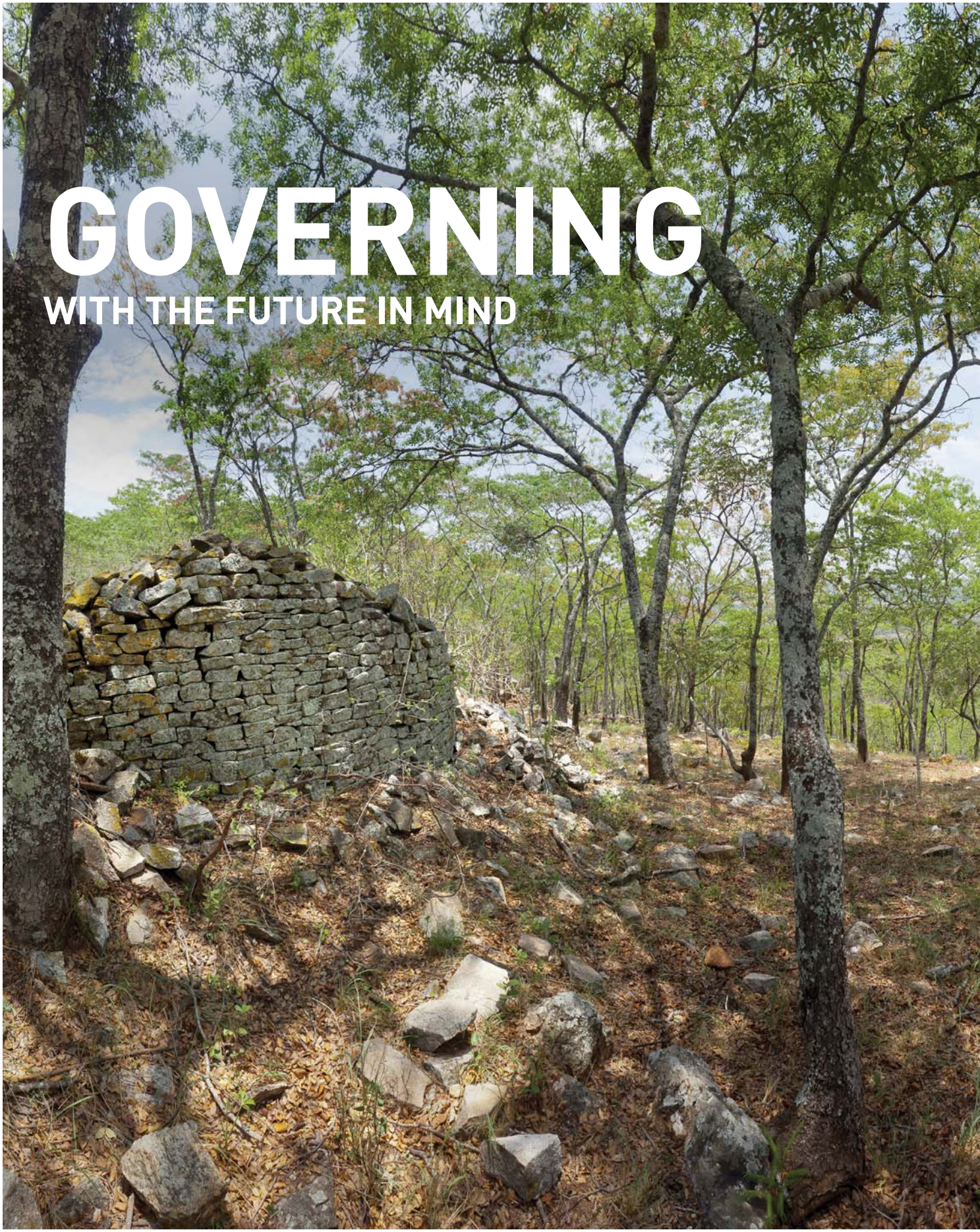
Dedicated resources and teams will be assigned to implement the plan once it has been agreed with relevant stakeholders, including Government, unions and affected employees.

Social plan implementation



STRATEGIC ELEMENT: Conduct the business safely, cost-effectively and competitively.

GOVERNING
WITH THE FUTURE IN MIND



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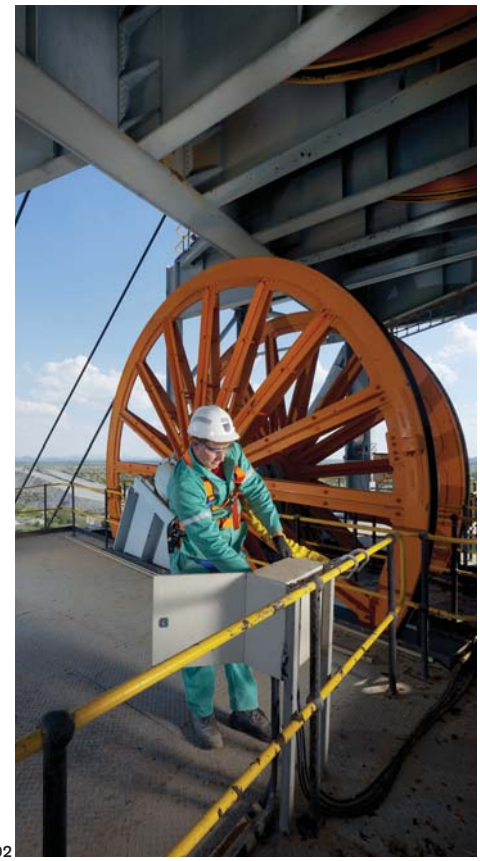
The board is committed to sound corporate governance. It ensures that the Company's business employs risk-management and risk-control practices that accord with local and internationally accepted corporate practice.



02

THE BOARD, THROUGH THE RELEVANT COMMITTEES, PROVIDES GUIDANCE ON MATTERS PERTAINING TO SUSTAINABLE DEVELOPMENT

03

04

OUR SIX VALUES AND THE ANGLO AMERICAN GOOD CITIZENSHIP AND BUSINESS PRINCIPLES WHICH GUIDE US IN ALL THAT WE DO

MANAGEMENT SYSTEMS ARE DESIGNED TO MINIMISE COSTS, REDUCE RISKS, MAINTAIN LEGAL COMPLIANCE, UPHOLD OUR VALUES AND EXECUTE OUR OVERALL STRATEGY

"As chairman of the S&SD Committee I am especially pleased that the big improvements we have made, especially in safety, are the result of the hard work we have invested in engaging, and collaborating with, many stakeholders, but particularly labour and the Government under the auspices of theAnglo American's Tripartite Health and Safety Initiative. This forum and its accomplishments bode well for the resolution of other complex issues which the mining sector has to address."

Dorian Emmett
Chairman, S&SD Committee

05

01 Historic ruins near Unki Mine

02 Dawid Naudé, maintaining headgear controls at Dishaba 1 Shaft

03 Siphumelela 1 Shaft

04 Keneilwe Mntambo changing a dust bucket set close to the Waterval Smelter Complex

05 New loco coupling device at Tumela 1 Shaft

LEADERSHIP PERSPECTIVES

Dorian Emmett

GOOD CITIZENSHIP AND BUSINESS PRINCIPLES

1. Our stakeholders

Our principal accountability is to our investors. We will seek to maximise shareholder value over time. We believe that this is best achieved through an intelligent regard for the interests of other stakeholders and through a reputation for acting with integrity. We improve our understanding of society, and of our place within it, through active engagement with those around us. We recognise the value of partnerships in building capacities, improving governance and promoting sustainable development.

2. Business integrity

We support free enterprise as the system best able to contribute to the economic welfare of society and to promote individual empowerment and liberty. Without profits and a strong financial foundation it would not be possible to fulfil our responsibilities to shareholders, employees, governments and communities, and to those with whom we do business. Our investment criteria reflect economic, social, environmental and political factors.

SAFETY & SUSTAINABLE DEVELOPMENT COMMITTEE: CHAIRMAN'S PERSPECTIVE

Good progress was made in many aspects of the sustainability during 2012. This is commendable given the challenges of the unfavorable economic climate and social and labour unrest during the period.

In the space of under a decade, we have witnessed safety and sustainable development move from the fringe to centre stage as an overarching objective. Safety has always been a concern, but today it is a priority that the Company is doing everything in its power to integrate thoroughly into the day-to-day routine of the business.

This has much to do with the fact that issues formerly regarded as "neutral", such as climate change and water, are now acknowledged to affect a company's business as much as any other traditional business driver does.

These previously neutral issues lend themselves to solutions born of a collective approach. Firstly, they do not necessarily confer any competitive advantage on companies; secondly, they are of such magnitude that only solutions hatched from collaboration will have any chance of succeeding. Our efforts at improving performance in the realm of safety and sustainable development have yielded results precisely because we recognise that becoming better entails effective consultation, partnerships and shared honours.

As chairman of the S&SD Committee I am especially pleased that the big improvements we have made, especially in safety, are the result of the hard work we have invested in engaging, and collaborating with, many stakeholders, but particularly labour and the Government under the auspices of Anglo American's Tripartite Health and Safety Initiative. This forum and its accomplishments bode well for the resolution of other complex issues which the mining sector has to address.

Although we did not have a harm-free year in 2012, one can see a significant improvement in the Company's safety performance. Fatalities are down, as is the overall lost-time injury-frequency rate, and this indicates to me that zero harm is indeed possible. Moreover, there are whole parts of our business that have experienced extended lost-time injury and fatality free shift-runs.

Zero harm will not be realised without leadership; the Company's management will set the tone in ensuring that improvements in safety performance are the order of the day.

A similar collaborative approach is used to deal with HIV/AIDS and TB. Over the years, we have been at the forefront of dealing with these diseases and our success at disease management stems in part from our willingness to engage and partner with all possible stakeholders.

I am comforted by the risk-management processes we use to identify and mitigate safety and sustainable-development risks. We have aligned our processes with those of Anglo American plc, whose business-assurance service units are responsible for auditing our integrated risk-management processes.

In conclusion, and notwithstanding the socio-economic considerations the mining sector will be dealing with in future, the Amplats S&SD Committee will continue to focus unrelentingly on visibly improving on the Company's safety record; enhancing the many ways in which the Company minimises its ecological footprint; and achieving better health and wellness for all its employees.

Dorian Emmett

Chairman, Safety & Sustainable Development Committee

One can see a significant improvement in the Company's safety performance. Fatalities are down, as is the overall lost-time injury-frequency rate, and this indicates to me that zero harm is in fact a possibility.

Wendy Lucas-Bull

3. Safety and sustainable development

We believe that robust processes for the management of safety, health, environmental and social issues are fundamental elements of good management practice and a source of competitive advantage.

4. Employment and labour rights

We are committed to fair labour practices and our conditions of service will comply with applicable laws and industry standards.

5. Community development and human rights

We respect human dignity and the rights of individuals and of the communities associated with our operations.
When considering the development of a project, we will proceed on the basis of a full assessment of potential impacts and through free, prior and informed consultation. These may lead us to conclude that we should not develop a project even if it is legally permitted and potentially profitable. We seek to contribute to the economic and social well-being of communities, including through enterprise development, local procurement and providing opportunities for people from disadvantaged backgrounds.

SOCIAL, ETHICS & TRANSFORMATION COMMITTEE: CHAIRMAN'S PERSPECTIVE

Our committee's agenda for 2013 has to a large extent been predetermined by the events of 2012. Only in its second year of operation, the committee will need to investigate and analyse the labour-related and other socio-economic issues that surfaced during 2012; and will tailor its workings to address those issues that fall within its remit.

Two issues in particular will require our attention: firstly, the benefit flow from the Company to local stakeholders, incorporating the role Amplats plays in job creation and local economic development; and, secondly, the degree to which the Company is able to attract a diverse workforce.

As a new governance structure, we spent this past year building a framework on which to base our workings. We elected members and began to address the key requirements of our mandate, which is essentially this: to provide oversight and evaluation of management's performance against board-approved targets and/or policies on matters relating to sustainability, stakeholder management, good corporate citizenship and ethical behaviour.

During 2012, the committee focused its efforts on:

- honing its terms of reference and developing a work plan
- attending to the governance aspects of Project Alchemy, a R3.5-billion black economic empowerment community equity-ownership transaction launched in 2011. Time was spent in particular on the implementation of the transaction, and on the establishment of the four development trusts and the non-profit company associated with it
- reviewing the Company's employment equity report and compliance with the amended Mining Charter to ensure that adequate plans are in place to maintain (and exceed) compliance. The committee also interrogated the results of the Company-wide values and cultures survey held in 2011 and provided guidance on appropriate organisational transformation programmes designed to address the needs identified in the survey
- closely following the labour unrest during the latter part of 2012 and trying to pinpoint its causes. The committee will apply its collective mind to understanding all the issues entailed and will advise the Company accordingly
- reviewing the framework of the social plan put forward upon the announcement of the wide-ranging organisational changes proposed at the beginning of 2013. This comprehensive social framework was prepared by management in order to limit the social impacts of any retrenchments necessitated by the restructuring of the Company. The committee has reviewed the plan and provided guidance around key aspects of its effectiveness. During 2013, the committee will provide guidance on the implementation of the plan

As chairman of the committee, I am satisfied that the overall principles laid down by the King Report on Governance in South Africa and its Code of Corporate Practices and Conduct, and the Companies Act, 2008, have been adhered to in the policies and practices of Anglo American Platinum Limited.

I look forward to progressing the role of the committee – 2013 will surely call for all our skills and wisdom.

Wendy Lucas-Bull

Chairman, Social, Ethics & Transformation Committee

The committee will need to investigate and analyse the labour-related and other socio-economic issues that surfaced during 2012; and will tailor its workings to address those issues that fall within its remit.

GOVERNANCE OF SUSTAINABLE DEVELOPMENT

The board of Amplats is committed to sound corporate governance. It ensures that the Company's business employs risk-management and risk-control practices that accord with local and internationally accepted corporate practice, including King III and the governance requirements of the Companies Act of 2008 (effective from 1 May 2011).

A comprehensive overview of the Company's governance structures and processes are provided in the integrated annual report (see pages 162 to 171 or www.angloplatinum.com/).

This section focuses on the governance of aspects relating to sustainable development. Where this overlaps with the financial sustainability of the Company, the reader is referred to the appropriate section in the integrated report.

RELEVANT GOVERNANCE STRUCTURES

Safety & Sustainable Development (S&SD) Committee

Mandate: The committee develops frameworks, policies and guidelines for S&SD management, and ensures their implementation. It also monitors compliance with legislation and evaluates material impacts in light of the precautionary principle, and advises the board accordingly. It provides input into the Audit and Social, Ethics & Transformation committees.

Dorian Emmett*, Brian Beamish, Richard Dunne, Bongani Khumalo Lorato Mogaki◈[1], Pieter Louw, Wendy Lucas-Bull, Ben Magara Valli Moosa, Mary-Jane Morifi, July Ndlovu, Neville Nicolau[2] Chris Griffith[6], Vishnu PillayWendy Lucas-Bull, Ben Magara, Valli Moosa, Mary-Jane Morifi, July Ndlovu, Neville Nicolau (resigned 19 July 2012), Vishnu Pillay.

Social, Ethics & Transformation Committee

Mandate: The committee provides guidance and oversight in terms of the Company's adoption of the principles of racial, cultural, ethnic and religious diversity. It also facilitates transformation and empowerment within the organisation, acts in an advisory role and considers, encourages and supports management in terms of all transformation issues defined by the Mining Charter, the Employment Equity Act and the Broad-based Black Economic Empowerment Act. The committee also develops and monitors the Company's goals with respect to the ten principles of the United Nations Global Compact and the recommendations on corruption of the Organisation for Economic Co-operation and Development.

Wendy Lucas-Bull*, Richard Dunne, Dorian Emmett, Khanyisile Kweyama, Bongani Khumalo, Lorato Mogaki◈[1] Valli Moosa, Sonja Sebotsa[4]

OUR RELATIONSHIP WITH ANGLO AMERICAN PLC

Anglo American plc owns 79.86% of Anglo American Platinum Limited (Amplats) shares. As the majority shareholder, Anglo American plc defines business policy and performance standards to which Amplats adheres.

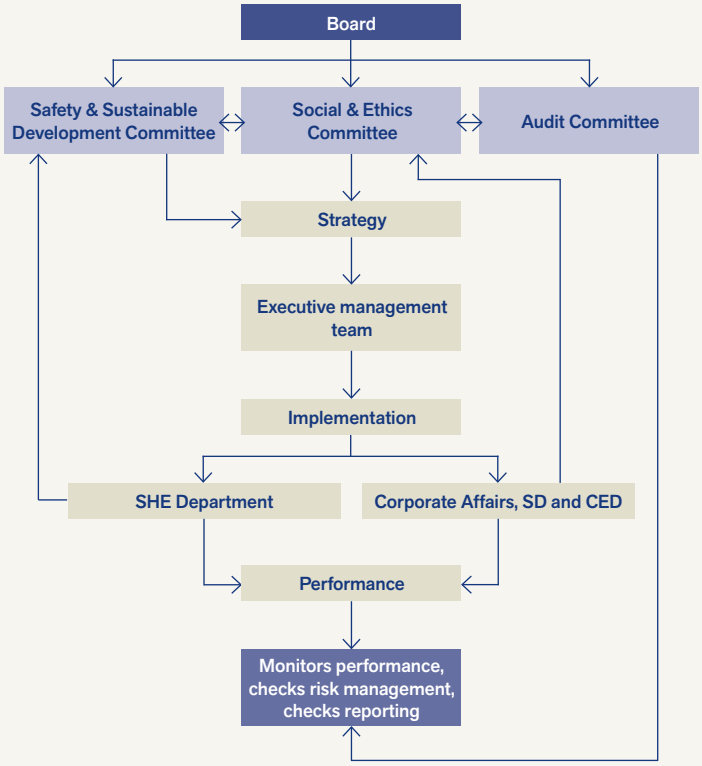
Anglo American's investment decisions, approach to project planning implementation, and manner of managing its operations, are governed by a comprehensive set of mandatory performance requirements set out in the following documents: The Safety Way, The Social Way, The People Development Way, The Occupational Health Way, The Environment Way and The Projects Way. These documents outline the vision, principles, policies, frameworks and management system requirements for each area of focus.

Implementation of these requirements is checked via peer-reviews and internal and external audits.

** Chairman*
◈ Acting

[1] *Appointed 29 October 2012.*
[2] *Left 19 July 2012.*
[3] *Appointed 30 October 2012.*
[4] *Resigned 1 February 2013.*
[5] *Appointed 30 November 2012.*
[6] *Resigned 25 September 2012.*
[7] *Retired 30 March 2012.*

Governing, strategising and managing sustainable development



Each Amplats operation is responsible and accountable to the board for ensuring that resources are allocated effectively for the implementation of the sustainable development principles.

Audit Committee

Mandate: In respect of issues contained in this report the committee is responsible for:

- overseeing the process of reporting and considering the findings and recommendations of the S&SD Committee
- meeting with PricewaterhouseCoopers (PwC), senior management and internal auditors to consider PwC's findings and to make appropriate enquiries from management

Richard Dunne*, Sonja Sebotsa[4], Valli Moosa, John Vice[5], Albertinah Kekana[6] Tom Wixley[7]

ACCOUNTABILITY

Each Amplats operation is responsible and accountable to the board for ensuring that resources are allocated effectively and that attention is given to the implementation of the Company's sustainable development principles. The board's S&SD Committee, and the recently constituted Social & Ethics Committee, provide policy direction and guidance and monitor safety, health, environmental and social performance. The Audit Committee sets the direction for sustainable development issues based on the organisation's risk profile.

The executive management team relies on the S&SD Department, and the Safety, Health and Environment Department to implement Company policy and ensure that all material issues are addressed.

BRIBERY AND CORRUPTION

The Company does not tolerate any form of corruption. The risk posed by corruption is considered – along with many other forms of risk – as part of the risk assessments process. Internal audit procedures also consider the risk of corruption within any process that is reviewed, and assess the controls in place to mitigate the risk. If these controls are not deemed sufficient, this is reported along with injunctions to action by management.
The procedures for both the risk-management and the internal audits are aimed at identifying broad risks facing the business. Management remains responsible for the operation of controls intended to minimise the risk of corruption.

Our Business Principles set out the standards which guide the conduct of our business. They make it clear that we are implacably opposed to corruption. We will neither give nor accept bribes nor permit others to do so in our name, either in our dealings with public officials or with suppliers and customers. We are committed to operate to the same high standard of integrity wherever we work.

As a long-term investor, we are committed to contributing to the sustainable development and good governance of the countries where we work. Corruption undermines that objective; it erodes trust, drives away investment, undermines the rule of law upon which our investment security depends, and increases the costs and unpredictability of doing business. It significantly reduces the ability of our business to produce positive development outcomes.

Bribes and other corrupt payments are illegal. In addition to compliance with this policy, our employees and contractors have a duty to uphold and comply with the laws of the countries and jurisdictions in which they operate.

STRATEGY AND MANAGEMENT

As the premier company in finding, mining, processing and marketing platinum group metals (PGMs), our strategy is to maximise value by understanding and developing the market for PGMs; expand our production into that opportunity when conditions allow; and conduct our business safely, cost-effectively and competitively.

STRATEGY

As the premier company in finding, mining, processing and marketing platinum group metals (PGMs), our strategy is to maximise value by understanding and developing the market for PGMs; expand our production into that opportunity; and conduct our business safely, cost-effectively and competitively. As a consequence of a reduction in the demand for platinum over the next decade (of about 2.5% per year), and of eroded profitability, the Company has had to refine its strategy so as to align its business with its expectations of long-term demand for its products.

Our overall strategy in driving a sustainable and competitive business requires us to:

- understand and develop existing and potential markets
- sustain and grow the business when conditions allow
- conduct the business safely, cost-effectively and competitively
- mine responsibly

Despite the recent changes in the mining environment in general and the platinum sector in particular, we will not deviate from these requirements.

How strategy translates into sustainable development

We shall, however, be modifying them in accordance with the need to reshape the Company so as to allow it to remain sustainable, competitive and profitable. (Please refer to the chief executive's review on page 2, and to the section entitled "Main issues in 2012", on page 6 for more information.)

In terms of strategy, this report also covers the following: The safe and responsible (page 32) performance of our business; and aspects of our enterprise that enable it to grow (see the section on "People" on page 30). Further details on our strategy can be found on page 10 of the Annual Integrated Report.

For the Company to achieve its vision and strategy, it has to retain its societal licence to operate. The nature and extent of the social and environmental impacts from our mining activities carry with them obligations of respect for human rights, sound environmental management and ethical behaviour.

MANAGEMENT

Management systems at Amplats are designed to minimise costs, reduce risks, maintain legal compliance, uphold our values and execute our overall strategy.

The guidance offered by the relevant Company governance structures, the input from stakeholders and the outputs of risk management and materiality assessments are put into operation at the business unit (i.e. mine) level. They are embodied in a comprehensive suite of Anglo American documents that includes *The Social Way* and *The Environment Way*.

Each operation is accountable to the board for ensuring that attention is given to the implementation of our SD principles. The S&SD and the Social, Transformation & Ethics committees provide policy direction and monitor our performance in terms of its safety, health, environmental and social dimensions.

Hierarchy of values, principles and policies

The Company integrates SD considerations into its management approach.

The Audit Committee is responsible for setting the direction for SD issues based on the organisation's risk profile.

The executive management team relies on two dedicated corporate departments – Sustainable Development, and Safety, Health and the Environment (SHE) – to ensure that SD issues affecting the Company are properly addressed.

The Company integrates SD considerations into its management approach, which ensures that the following remain line-function duties: human rights; economic, environmental and labour practices; and societal and product responsibility.

The Company's Corporate Affairs function is tasked with ensuring that social and community issues, lobbying and relations with Government are attended to in the day-to-day running of the business. Monthly committee meetings at the operations are used to facilitate and track the progress of impact assessments and the formulation of necessary management plans. Performance indicators relating to bribery, corruption, anti-competitive behaviour, undue influence in public policymaking and monopoly practices are addressed through our good citizenship business principles policy (see page 18).

We have policies in place concerning engagement and human rights, inclusive of security and resettlement. Security and human rights issues are dealt with through our Security Department, and our performance in this respect is recorded on page 51.

Emergency preparedness and recovery are formulated at Group level, and are integrated into both the ISO 14001 and the OHSAS 18000 management systems at each operation.

Targets have been set for all the individual areas that have been deemed of substantial importance for the organisation. These targets and our performance against them are shown on the inside front cover of this report.

We provide an assessment of our management interventions in the following three sections: people, society and the environment.

PROJECTS AND SUSTAINABLE DEVELOPMENT

All mining operations begin their life as ideas based on a degree of evidence and encouraged by prevailing economic conditions. Before they can become working mines, therefore, they have to progress from the concept stage through the pre-feasibility and feasibility stages, and finally to the approval stage.

Progressing from stage to stage – from concept to feasibility and beyond – requires that each stage of the project should satisfy a number of criteria across a range of disciplines. Germane in this context are the criteria that fall within the auspices of the Safety and Sustainable Development Department; and those that fall under the Community Engagement and Development umbrella (also known as Government and Social Affairs). At each stage of the cycle, the project will be required to meet a number of environmental, safety and social hurdles before the project is able to move to the next stage. If the project is not able to satisfy these requirements, and the issues under consideration are serious (i.e. risks with high ranking), then the project may be shelved.

Project reviews are conducted by both Amplats and Anglo American plc.

RISK MANAGEMENT AND COMPLIANCE

The Company's robust and dynamic risk-management process employs appropriate strategies to exploit upside risk and manage downside risk to an acceptable level.

RISK MANAGEMENT

An intrinsic part of the Group' strategic and business processes, risk management is also a key element in assisting us to achieve our vision and strategic objectives.

Our integrated risk management methodology requires that each key risk in every part of the business is included in a structured framework and is subjected to systematic process management. The methodology incorporates leading practice in accordance with the principles of the King III Code of Corporate Governance and other guidelines.

Risk management forms an integral part of the Group's governance framework. The board recognises that effective risk management and systems of internal control are fundamental in ensuring effective governance and business sustainability.

The embedding of risks within the business implies a clear link between risk, strategy and business performance.

COMPLIANCE

Mining licences and black economic empowerment

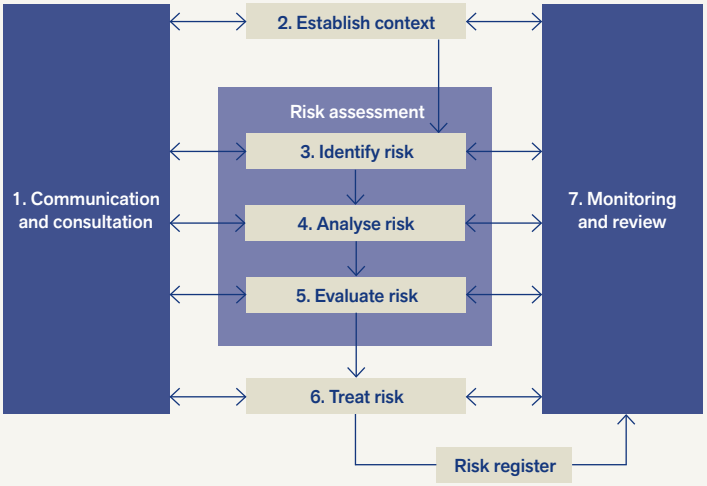
Anglo American Platinum (Amplats), having achieved execution on 14 out of 15 mining licences, remains committed to meeting the requirements of South Africa's Mineral and Petroleum Resources Development Act and the Mining Charter. The Group is proud of the contribution it has made to empowerment in South Africa through the numerous transactions it has facilitated since 2000. These have resulted in the significant and meaningful empowerment of historically disadvantaged South Africans (HDSAs) in various operations and projects. The table on page 92 contains a brief summary of these transactions completed over the years.

Mineral rights under contention

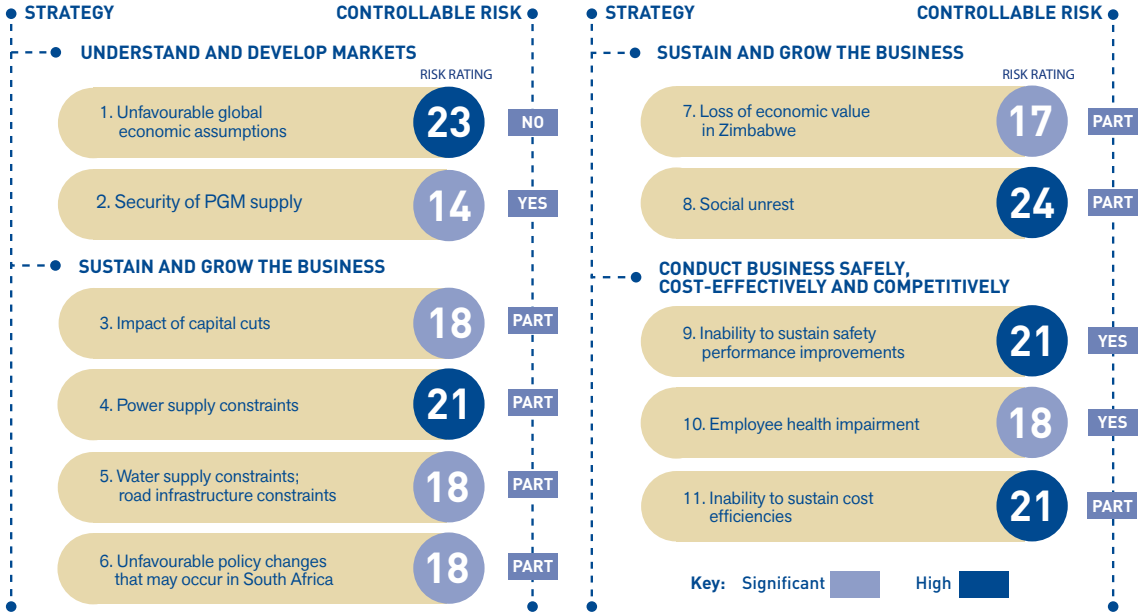
Amplats is geared for growth, with a total declared inclusive Mineral Resource estimate of 878,8 Moz 4E for the Company in South Africa and

Our integrated risk management methodology requires that each key risk in every part of the business is included in a structured framework and is subjected to systematic process management.

Risk management process



Anglo American Platinum significant (rating 13 to 20) and high risks (rating 21 to 25)



Zimbabwe. This number excludes any disputed rights such as Middellaagte 382 KQ, a portion of Tigerpoort 426 KS, Rooderand 46 JQ and the Modikwa deeps. Amplats is at the advanced stage of engagement with the regulator, the DMR, to amicably resolve the disputes.

Mining Charter

Amplats remains committed to the transformation of the South African mining industry and welcomed the release of the revised Mining Charter in September 2010. The charter retained the requirement, set in 2002, of a historically disadvantaged South African (HDSA) ownership of 26% by 2014. The revised charter provided clarity in a number of areas, for instance in its definition of the term "beneficiation". This is the second year in which we are reporting against the new Mining Charter scorecard.

In advancement of black economic empowerment, the Company has entered into a number of disposal transactions and joint ventures and it has established an employee share ownership scheme as well as various community trusts as part of the community economic empowerment transaction. The result of these transactions was a transfer of more than 26% of the Company's forecast attributable production, as it would have been in 2014 had it not entered into these transactions, to historically disadvantaged South Africans.

The Company continues to meet all its Mining Charter obligations. The table on page 132 provides a summary of its performance against the charter. It also shows where to obtain more information regarding particular sections of the new scorecard.

Mineral policy – South Africa

It is imperative for business in South Africa to be able to operate in the context of a stable regulatory framework and a clear and fair fiscal regime. The South African Government's plans to attract and promote the significant private-sector investment required to ensure a thriving mining sector that contributes meaningfully to society at large rests on three critical components: ensuring policy predictability and certainty; enforcing the rule of law; and investing in the enabling infrastructure required.

SUSTAINABLE DEVELOPMENT RISKS

Risks falling within the SD ambit represent a substantial part of our risk profile. Of the 13 key risks identified by the Company in 2011, six (46%) fell under SD.

Amplats obviously subscribes to the view that the top risks to the Company should receive commensurate attention and those of lower ranking less. However, mitigation measures for all risks are deployed to the point where the resultant risk ranking is acceptable to the Company. Amplats is well aware that the potential impact of risks of lower ranking, when not attended to, can increase significantly in a relatively short time.

The Company's risk-management process is assured by its internal audit function and Anglo Business Assurance Services (ABAS). It is an ongoing process that includes risk-based internal audits, the compilation of risk registers and their associated action plans, and an annual review conducted by ABAS on the risk-management processes used by the Company.

01 New road built by Twickenham Mine for the Makgopa Village

The resolution taken by the African National Congress (ANC), South Africa's ruling political party, at its recent policy conference, that wholesale mine nationalisation is not a reasonable or sustainable option for South Africa is welcomed. Nationalisation has now been firmly ruled out by the current ruling party as an option for the mining industry. Nationalisation would not have solved the economic or transformational challenges South Africa faces, but would instead have had a negative impact on the country's economy and ability to create jobs. The ANC's decision will create greater certainty among investors and will once again encourage investment in the country's mining sector.

The ANC did, however, endorse proposals for a review of mineral taxation. Anglo American will continue to engage the Government on any related proposals.

Zimbabwe Indigenisation Act

On 1 November 2012, a Heads of Agreement relating to the proposed Unki Mine indigenisation implementation plan was signed with the Government of Zimbabwe. The Heads of Agreement is subject to the fulfilment of certain conditions precedent and sets out the key terms for transfer of 51% equity ownership of Unki Mines (Private) Limited to selected indigenous Zimbabwean entities as required by the Indigenisation and Economic Empowerment Act. The proposed transaction will be facilitated through a notional vendor financing structure provided to the following indigenous entities:

- 10% equity ownership transaction to a trust established for the benefit of the community surrounding Unki Mine's operations.
- 10% equity ownership transaction to a trust to be established for the benefit of all full-time employees of Unki Mine.
- 10% equity ownership transaction to a consortium of strategic equity partners.
- 21% equity ownership transaction to the National Indigenisation and Economic Empowerment Fund.

The notional vendor financing will be repaid by the indigenous entities from a share of their future dividends. Subject to fulfilment of all the conditions precedent, Anglo American Platinum intends to implement the indigenisation plan by 30 June 2013.

Water use licence

Our operations with approved water use licences (WUL) are Twickenham Platinum Mine, Polokwane Metallurgical Complex, Mogalakwena mining area, Rustenburg mines, Union mines and the Mototolo Concentrator and Der Brochen Project (whose integrated WUL was approved in April 2011). Engagement around the issuing of Amandelbult's water use licence with Government continues. Amandelbult has a valid water permit under the old Act.

MINERAL RIGHTS UNDER CONTENTION

Amplats is geared for growth, with a total declared inclusive Mineral Resource estimate of 878,8 Moz 4E for the Company in South Africa and Zimbabwe. This number excludes any disputed rights such as Middellaagte 382 KQ, a portion of Tigerpoort 426 KS, Rooderand 46 JQ and the Modikwa deeps. Amplats is at the advanced stage of engagement with the regulator, the DMR, to amicably resolve the disputes.

Chronology of Anglo American Platinum empowerment transactions	
August 2000	Sale of a 17.5% (and facilitation of an additional 5%) in Northam to Mvelaphanda Resources.
August 2001	Formation of 50:50 Modikwa JV with ARM Mining Consortium, an empowerment company that includes the Mampudima and the Matimatjatji communities of approximately 60,000 rural residents as broad-based participants.
August 2002	The establishment in July 2002 of a 50:50 unincorporated joint venture with Royal Bafokeng Nation over the Bafokeng-Rasimone Platinum Mine (BRPM) and the Styldrift project area. Following the restructuring of the BRPM Joint Venture in December 2009, Royal Bafokeng Platinum Limited (RB Plat) acquired a 67% interest as well as operational control of the BRPM Joint Venture on 4 January 2010. RB Plat listed on the JSE Limited on 8 November 2010 and the Group currently holds a 12.6% equity interest in RB Plat, in addition to the 33% direct interest in BRPM.
February 2003	The formation, in August 2002, with Lonmin plc, of the Pandora Joint Venture, which includes the participation of the Bapo-Ba-Mogale mining company and Mvelaphanda Resources (on behalf of Northam) as empowerment partners, each having a 7.5% interest in the joint venture.
December 2005	The disposal in October 2005 of the rights on the property Elandsfontein 440 JQ to Eland Platinum Mines (EPM), with the Ngazana Consortium holding a 26% interest in EPM.
July 2006	The development of a chromite recovery plant at the Group's Union Mine with Siyanda Chrome Investments, an HDSA company.
November 2006	The transaction, in December 2006, with the Bakgatla-Ba-Kgafela (Bakgatla), who are the traditional community at Union Mine, giving the Bakgatla a 15% stake in Union Mine as well as a 26% stake in the Magazynskraal project and a 55% stake in the Rooderand project.
September 2007	The announcement of the Group's sale to Anooraq Resources Corporation (Anooraq) of an effective 51% of Bokoni Platinum Mine (Bokoni) and an additional 1% of the Ga-Phasha, Boikgantsho and Kwanda Joint Venture projects. Anooraq now owns and controls an effective 51% of Bokoni, Ga-Phasha, Boikgantsho and Kwanda. This transaction gave Anooraq control over the third-largest PGM resource base in South Africa.
September 2007	The disposal of the Group's 50% interest in the Booysendal project and of its 22.4% interest in Northam to Mvelaphanda Resources, for a total consideration of R3.7 billion. Mvelaphanda Resources injected the Booysendal project into Northam in return for Northam shares, resulting in Mvelaphanda Resources acquiring majority control of Northam. This transaction gave Mvelaphanda Resources control over the fifth-largest PGM resource base in South Africa.
September 2007	Announcement of the establishment of an employee share ownership plan (ESOP) that effectively owns 1.5% of Amplats to benefit all permanent employees not participating in any other company share scheme. More than 90% of the scheme's beneficiaries are HDSAs.
December 2008	The Group swapped its 37% interest in the Western Bushveld Joint Venture for a 26.6% equity interest in Wesizwe Platinum Limited (Wesizwe), an HDSA company.
February 2011	Announcement of the Group's R3.5 billion (circa 2.33% of market capitalisation) community economic empowerment transaction, Project Alchemy. See details on page 81.

ENGAGEMENT AND CONSULTATION

Key to our approach to sustainable development is engagement and consultation as a means to elicit opinions, perspectives and criticisms as we go about business.

Even though the outcomes of an engagement process are not always to the Company's advantage, we still believe that the best way to build trust, reach consensus and examine issues thoroughly is via discussion and deliberation. These are often iterative processes. Given the complexity of South Africa's socio-economic environment, achieving positive outcomes for all stakeholders will only be achieved through consultation and engagement. This is especially relevant in view of the pending changes to the Company (see pages 8 to 15 for more detail).

Our principal accountability does remain to our investors, for whom we strive to maximise shareholder value. However, this is best achieved through due regard for the interests of other stakeholders and by acting with integrity. The scale and frequency of stakeholder engagement processes is guided by those relationships that are material to the organisation's success. Stakeholder groups upon whom our activities have significant impacts are also regarded as important and are consulted and engaged accordingly.

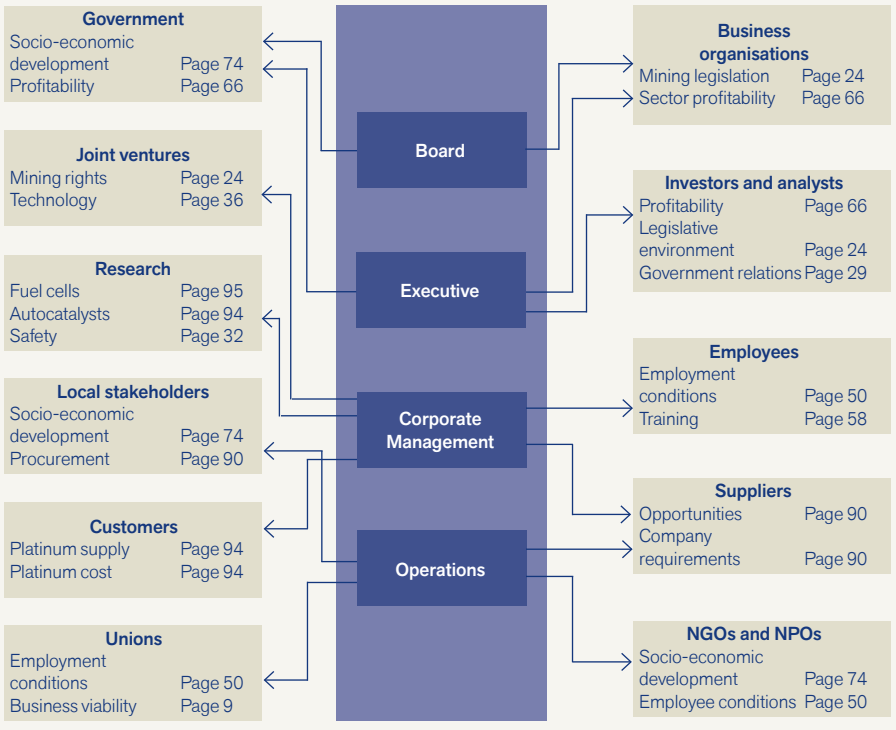
Company stakeholders include investors and potential investors, employees and unions, governments, local communities, NGOs and associations. The following should be noted with regard to Amplats' stakeholders.

Investors

We comply with laws and rules and observe high standards of corporate governance, and are committed to transparency and fair dealing.

Achieving positive outcomes for all stakeholders will only be achieved through consultation and engagement.

Stakeholders engaged and issues considered



Employees

We are committed to the safety of our employees and to treating them with care and respect. We will invest in their development and ensure that their careers are not constrained by discrimination or other arbitrary barriers to advancement.
We recognise the importance of family life and of allowing our employees to achieve a satisfactory balance between their work and other aspects of their lives. We will deal honestly with our workforce, and maintain regular two-way communication with its members. Employees' views are accessed by the board through the Social, Ethics & Transformation Committee as well as via the Human Resources Executive. The results of employee perception surveys, cultural surveys and other barometric assessments are routinely considered by the board and used appropriately to guide the organisation.

Government departments and agencies

We comply with the laws that pertain in the areas where we operate, and observe the high standards set by leading intergovernmental organisations.

Local stakeholders

We aim to create and maintain strong and respectful relationships with stakeholders living or operating near our mining operations. We regularly engage with these stakeholders and the social and economic conditions that affect them, and endeavour to contribute to their well-being and prosperity. We also regularly assess the impact of our operations on the environments where we operate and report on the findings of these assessments. Furthermore, we provide mechanisms for the consideration and fair resolution of complaints and grievances brought by local stakeholders.

A Company grievance mechanism procedure has been approved. The procedure is generic and over time each operation will tailor it to suit the operating context. Presently, each operation has its own process for recording and resolving community grievances. The CED manager at each site is responsible for ensuring that grievances are captured and satisfactorily addressed.
Grievances are recorded centrally on the Company database and progress towards resolution tracked. For details on issues raised please refer to page 84.

We are committed to the safety of our employees and to treating them with care and respect.

Partners

Our relationships with our customers, contractors, suppliers and other business partners are mutually beneficial, based on fair and ethical practices, including prompt payment within the negotiated terms.

Non-governmental, non-profit and community-based organisations

We routinely engage with a range of organisations falling within these categories. Recently, we have been consulting with the Bench Marks Foundation, for example, and a number of other organisations.
We regard these organisations as important conduits of information between our operations and the individuals on whose lives we have an impact.

Approach

Amplats' approach to engagement and consultation includes formal meetings, dialogues, one-on-one meetings, internal and external surveys, and regular engagement with local authorities and neighbouring communities at each operation.

Engagement with stakeholders focuses on those issues that have the greatest potential to affect operational performance, the Company's overall viability and sustainability, and/or financial performance. Engagement is planned and conducted in accordance with the AA 1000 Stakeholder Engagement Standard.

Issues considered important by the Company's stakeholders are identified in the relevant sections of this report.

GOVERNANCE AND JOINT-VENTURE PARTNERS

A strategic review of the Company's joint-venture portfolio was undertaken in 2011. Following this, the decision was made that Amplats must move away from being a passive investor to becoming an active one. The main aim of this shift in governance was more direct involvement with joint ventures to ensure that Amplats policies and standards were complied with.

Non-managed joint ventures and associates are governed by monthly steering and management committee meetings and quarterly joint-venture Executive Committee meetings at which Amplats
has representation. The agreements make provision for the management committees to constitute subcommittees to monitor areas such as employment equity, resource management, planning, production, safety, health, the environment, audits, social development, community engagement and remuneration.

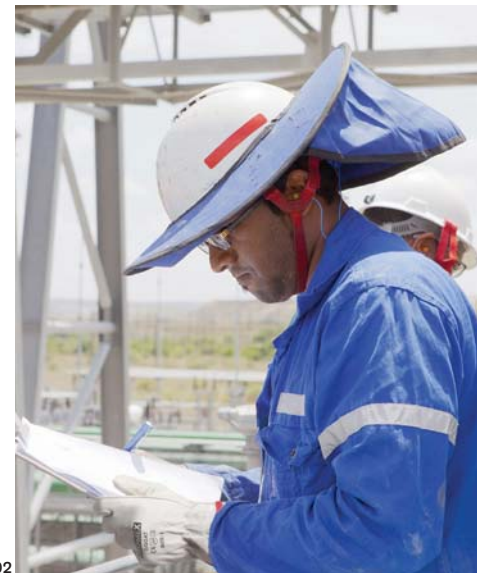
STRATEGIC ELEMENT: Conduct the business safely, cost-effectively and competitively.

PEOPLE

WITH THE FUTURE IN MIND

01

Our first and most important priority is to create a safe and healthy work environment for our employees. Improvements in our safety performance signify that Zero Harm is achievable.



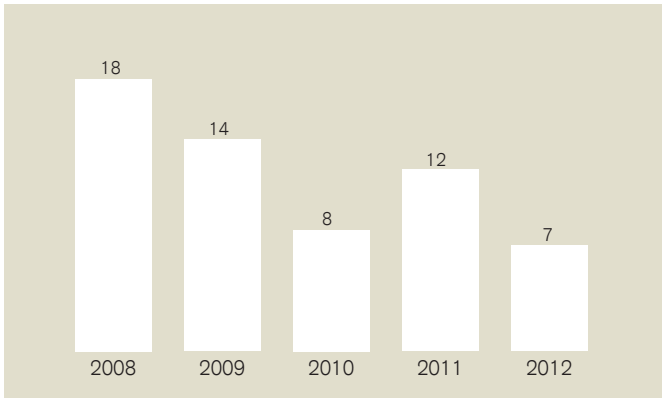
02

1.15 LTIFR

2011: 1.27
A REDUCTION OF 9%

04

03



46

NEW CASES OF NOISE-INDUCED HEARING LOSS

7 FATALITIES

2011: 12
A REDUCTION OF 42%

58.3%

HISTORICALLY DISADVANTAGED SOUTH AFRICANS IN MANAGEMENT

05

01 Julius Makube, Norman Maepa and Daniel Kgwatisi making use of the new safe walkways at Dishaba 1 Shaft

02 Luke Venkatesan checking samples at Mogalakwena North Concentrator

03 Michael Meje and Faan van der Linde at the new mist elimination hoods at RBMR's copper tankhouse

04 Marvin Mahlangu and Charles Moja doing a pre-work inspection at Mogalakwena North pit.

05 Lockbox on the new Hex River Vaalkop waterline

SAFETY

TOWARDS ZERO HARM

We remain committed to our objective of "Zero Harm" embodied by our first value – "We put safety first". By remaining focused and "living" it on a daily basis we will achieve our goal.

FATALITY-FREE MONTHS FOR THE COMPANY

6

FATALITIES

7

LOST-TIME INJURY-FREQUENCY RATE

1.15

OUR STRATEGY

The safety, health and environmental (SHE) strategy developed and adopted in 2008 remains the framework for managing our key risks along with the Company's overall safety improvement plan. The strategy follows a holistic approach to managing SHE risks, based on four thrusts: management systems; people and behaviour; engineering and technology solutions; and wellness in the workplace. The strategy was developed based on historical data and on the lessons learnt from this information.

One of the insights gained from the review of the strategy undertaken in 2011 was that although we had made significant progress in three of the four thrusts, the people and behaviour thrust required far more attention. The "Zero Harm in Action" project was launched to correct the imbalance identified.

OUR MANAGEMENT SYSTEMS

We continue to follow a systematic approach to manage our highest risks. We use systems such as fall-of-ground management (FOGM) and supplies, people and ore transport management (SPOTM) to good effect. Our approach to risk management is a holistic one, aimed at implementing controls that move up the hierarchy of controls. Relevant incidents are reported, for instance uncontrolled falls of ground, derailments underground, and ore-pass blockages. Trends are analysed and investigated, and lessons learnt from these investigations are implemented as Group actions. As a result, our management systems are consistently becoming more mature and robust.

This is reflected in the significant improvement in both the number of FOG incidents, and, more significantly, in the severity of injuries owing to FOG. In the past FOG was the agency that caused the most fatalities and injuries, but with our entrenchment of FOGM we reduced the FOG-related fatalities to one in 2012. Transport is currently our biggest concern; we are confident that the effective implementation of SPOTM will result in significant improvements in this area too.

The quality and architecture of the data we use have undergone extensive review, to the point where we have meaningfully improved our ability to analyse reported incidents and can move towards our ultimate goal of predictive analysis. The reviewing process has resulted in the safety data being made available in a central staging area, where it can be accessed by any reporting system. The outcome of having all safety-related reporting systems use the same data source has been more consistent reporting among and across the various systems.

Our SHE strategy has been holistic and consistent for the past four years. We have adopted a systematic approach to managing our highest risks effectively.

Employee safety: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
It is unacceptable for anybody to be injured on our operations and we subscribe to the principle of zero harm. Our performance remains unacceptable. We have a comprehensive plan to improve safety performance.	Zero fatalities	Seven fatalities	✗	Zero fatalities
	Continued reduction of injuries	Total number of injuries decreased year-on-year from 2,746 in 2011 to 1,329 in 2012	✓	Continued reduction of total injuries (20%)
	LTIFR to be less than one	LTIFR of 1.15	✗	LTIFR to be less than one
	Risk and Change Management (RCM) assessment score of 67%	RCM assessment score of 69%	✓	RCM assessment score of 83%

Fatal incidents 2012

Date	Name of deceased	Operation	Surface/underground	Agency	Type of employment
17 February	Mr Thanduxolo Mzondi	Khuseleka Mine	Underground	Fall of ground	Employee
22 February	Mr Tebogo Leboea	Union South Mine	Underground	Other	Employee
8 May	Mr Dias Mahagaja	Khuseleka Mine	Underground	Transportation	Employee
30 May	Mr Elly Malesa	Klipfontein Concentrator	Surface	Falling objects	Employee
11 June	Mr Julius Nyirenda	Mogalakwena Mine	Surface	Moving machinery	Contractor
18 June	Mr Nkosivumile Sidubulekana	Union North Mine	Underground	Moving machinery	Employee
19 December	Mr Sipho Gumede	Khomanani Mine	Underground	Moving machinery	Employee

Reviews of the baseline risk assessments have been completed, together with the associated skills-development programme that empowers our operational safety practitioners to manage effectively the risks at their operations. We are using an electronic risk-management tool to ensure that managers focus their attention on areas that most require their attention.

All Amplats operations participated in risk- and change-management self-assessments. Various internal operational and corporate reviews were then conducted to verify the results of the assessments. Early results from the process indicate a solid improvement in the design component of the systems.

In future, we shall be focusing on the implementation of the designed systems relating to baseline- and issue-based risk assessments, in order to design new or appropriate controls for those priority unwanted events that have been identified for each operation. Amplats will also strengthen its capacity-building programme to ensure that people at its operations are suitably equipped to facilitate risk assessments effectively, and are also able to continue with the implementation of operational risk-management processes.

Zero Harm in Action aims to incorporate zero harm in the way we do business. Zero harm only becomes a reality when our workforce is imbued with the desire to work for and achieve a harm-free work environment.

We continue to take an active role in the identification of safety conditions that do not meet our standards. Identified deviations that pose a high (red) risk are monitored daily and reported at a Group level. Once repeat deviations are identified, a team that includes professionals from the Corporate Safety Department spends time with line managers to assist them in developing a plan that will improve safety conditions and performance.

The proactive management of safety risks resulted in a significant reduction in the impact on Amplats of section 54 instructions issued by inspectors of the Department of Mineral Resources (DMR) under the provisions of the Mine Health and Safety Act (No 29 of 1996) between 2011 and 2012. Eighty-one section 54s were issued in 2011, vs 52 in 2012. Since stoppages were contained to the areas where deviations were observed their extent was considerably smaller than in 2011, and their impact on production and revenue was therefore significantly reduced.

We believe that this improvement is largely the result of the approach we have adopted to DMR stoppages in the course of 2012, and that it is sustainable. Our senior leadership has engaged extensively with all levels of Government in order to build relationships and develop an appreciation of the true impact and challenges of section 54 stoppages.

Safety performance is measured using both the number of injuries and the severity of injuries, and these figures are then analysed in order to identify trends. Although the indicators derived from this analysis are reliable, they are "lagging indicators" since they focus on events that have already had a negative consequence; and since any action plan based on them is reactive rather than proactive. In our drive to become more proactive in our management of our safety performance, we have started focusing on indicators that can be used to predict incidents, i.e. on "leading indicators". The reporting of these leading indicators is an initiative that was established during 2011, with the reporting of the data becoming more reliable in 2012.

The seven key leading indicators reported on a monthly basis are: safety-leadership acts; risk-management training; safety competence; planned maintenance delivered; the quality of risk-management improvement; the close-out of safety actions; and the number of high-potential incidents.

Safety-leadership acts

Across the Group, the percentage of safety-leadership acts achieved against the targeted number was 87.4% in 2012, a very satisfying compliance given the focus on visible felt leadership. This measurement reflects the number of formal safety engagements by line management with employees in the workplace. Such engagements follow a formalised

Number and impact of instructions issued by the DMR

	2010	2011	2012
Total section 54	36	81	52
Total section 55	11	45	35
Production days affected	76	298	101
Equivalent refined oz of platinum	51,179	138,215	17,051

process that entails both guidelines on positive engagement and the capture, in the safety-management system, of the outcomes of each engagement, to ensure that issues that have been raised are indeed addressed. The process is known as visible felt leadership (VFL). The safety-leadership acts reported are formalised acts as defined in the VFL standards. The figure of 87.4% does not reflect various weekly safety meetings during which senior site managers engage with the workforce; or follow-up visits to workplaces that have been identified as high risk through the risk-management system during inspections and other assessments.

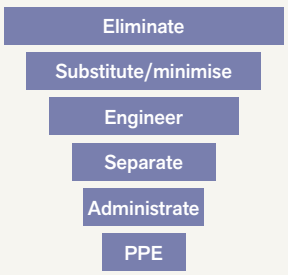
Risk-management training

Of the individuals targeted to undergo risk-management training (24,682), 61.7% completed the training. This is the leading indicator with the poorest performance, and we will focus on improving this percentage in 2013. All training is currently being re-evaluated to ensure that it is capable of delivering optimal value. The aim is to assess the benefit gained from this training against the days spent away from work while training.

Safety competence

Safety competence measures training delivered specifically to improve the safety competence of employees. Amplats achieved compliance of 93.4% in this parameter in 2012. The targeted number of competency training sessions for the year was 136,203.

Hierarchy of controls



Increased focus on leading indicators will assist us in becoming more proactive in managing our safety risks.

Planned maintenance delivered

This parameter measures the number of critical maintenances scheduled versus the number of critical maintenances delivered. In 2012, maintenance delivered represented 86.2% of planned maintenance. Maintenance of equipment is integral to reaching zero harm, since failure of equipment invariably introduces hazards to an environment. The target for this indicator is calculated by adding the maintenance planned for equipment that is classified as A and A-critical. A = central to Business as Usual. A-critical = integral to maintaining a safe working environment. The target for 2012 was 436,169.

Quality of risk-management improvement

The aim of our safety-management system is to identify risks and the underlying causes of incidents, and to implement controls to prevent the incidents from recurring. A proactive management system identifies and implements controls that reduce risks in the workplace.

When introducing or reviewing controls, we have adopted the principle of "moving up the hierarchy of control".

The principle behind the hierarchy of control is that there are different levels at which risks can be managed. (See the diagram illustrating this hierarchy.) The most effective method of controlling a risk is to eliminate the energy that is causing it. If this is not achievable, the next most effective means of minimising the risk is to replace the energy causing it by a less hazardous energy. The next level entails engineering a control that will manage the risk, for example by modifying a piece of equipment. The separation of people and machinery is the next level: if the risk cannot be eliminated, minimised or engineered out, then people should be separated from it. This measure is often implemented in mechanised mines, where people and equipment use separate paths to travel underground. The last two – and the least effective – levels in the hierarchy of control are administrative rules, procedures and standards; and personal protective equipment (PPE).

Our controls are under constant review, with the aim of moving up the hierarchy of controls. Recommended controls resulting from investigations are rated, and every control is interrogated to ensure that it moves up the hierarchy of controls. In 2012, 85.3% of our new and changed controls moved up the hierarchy of control from the previous control.

Close-out of safety actions

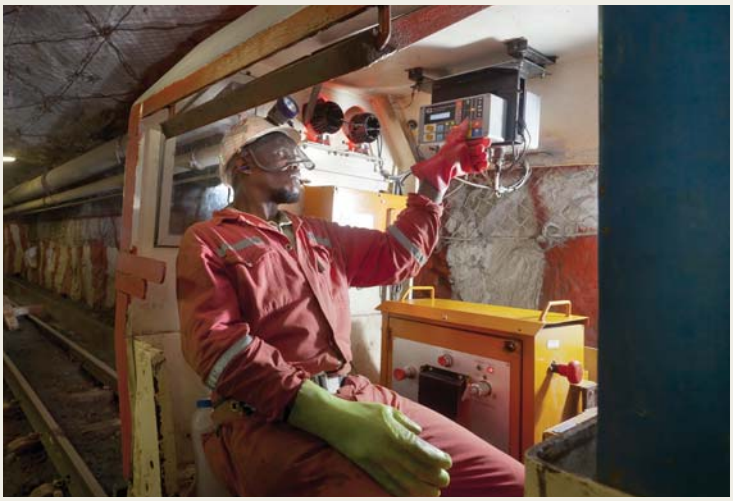
The close-out of safety actions is monitored daily, and the focus is on ensuring that actions are closed out within the defined period. For this we use a system of ranking workplaces based on the risks observed in each workplace. The system uses standardised definitions and checklists to rank risks consistently throughout the Company. Red is the highest risk ranking, and it requires that all work stops immediately and resumes only when the issue has been corrected. To formalise and track this type of risk we issue stop notes when a red risk is identified, and work is not allowed to continue until the safety actions have all been closed out. Amplats achieved an average of 84.9% on this indicator in 2012 meaning that the required actions were taken for 84.9% of the identified risks. This measure incentivises the prompt actioning of safety actions to ensure learning is applied across the site in suitable timescales to avoid repetition. Experience has shown that sites that proactively manage safety treat such timescales as a priority and have a high success rate.

Number of high-potential incidents (HPIs)

Fall of ground, moving machinery and transportation remain the three main causes of safety incidents at Amplats. We continue to follow a systematic approach to our major risks, and have FOGM and SPOTM systems in place. The fact that HPIs are reported and investigated indicates that this

IMPLEMENTING A LEADING LOCO MANAGEMENT SYSTEM

01



02

Our transport-management system, Supplies, People and Ore Transport Management (SPOTM), focuses on various components of transport, including our underground track-bound transport system. For many years, transport represented a significant risk for Amplats and its personnel. Several locomotive accidents occurred during which workers were seriously injured or killed. Moreover, despite the introduction of various production- and safety-related designs during the past decade, technological progress in the mine haulage transport system remained slow.

As a result of this unacceptable situation, a major drive was initiated by the Company to introduce a different system based on new methods and techniques. The aims of the system were, firstly, to monitor the movement and other behaviour of underground locomotives; and, secondly, to help Amplats enforce controlled interventions in cases where drivers did not respond to warnings and violation alarms.

With the future in mind, our new Loco Management System (LMS) was designed to provide the mines with an integrated system capable of addressing all their underground locomotive transport requirements. Following the implementation of the LMS, it has become possible to increase the safe operation of the locomotives through engineered solutions rather than through administrative controls. The LMS thus provides a modern method of circumventing the limitations of the operation of underground locomotives.

The key features of the LMS include proximity warning and speed zoning. Drivers are able to proceed only when they actively accept an instruction signal from the guard. They receive a warning alert if they exceed the speed limit, and the train automatically stops if a driver fails to react to the alert. Another important feature is the proximity warning, which alerts drivers to the presence of other locomotives close to them.

The LMS stores all events in logs relating to every aspect of a locomotive's operations. This data can be viewed as an events log or an operational report. The reports make it easier to analyse incidents and boost safety performance, to discover the causes of incidents, and to improve driver behaviour.

The implementation of the LMS was headed up by Coenie Mynhardt, who received a special mention for his work on the system at the Anglo American 2012 Applaud Excellence Awards in Boca Raton, Florida, USA. Coenie takes care of this project in addition to his day-to-day role as technical manager of Winders and Control & Instrumentation within the Amplats Group. Deon Botha, senior principal engineer, Winders, said at the awards that Coenie's extensive background in electronic engineering had made him the right man for the job. He added, however, that there were other and equally important aspects to Coenie's approach that explained the results he had achieved:

"Coenie's outstanding commitment to safety, his professional discipline and his dedication in solving technical and safety issues are an example to everyone."

Above

01 Loco management system in action at Tumela 1 Shaft

02 As above

systematic approach is becoming entrenched, with employees reporting not only incidents resulting in an injury, but also incidents that could have resulted in a more severe consequence. Our compliance with this parameter was 89.2%.

HPIs are investigated in exactly the same manner as incidents that cause injuries. The mining operation in which the HPI occurred investigates the incident, and the lessons that have been learnt are captured in our "Learning from incidents" alert. These alerts are distributed to all operations to ensure that we all learn from the incident and implement Amplats' safety controls consistently throughout the Company. The alerts are e-mailed to all operations, and discussed with employees at safety meetings. Furthermore, the alerts are available on Platinum Way, which is the dashboard used throughout Amplats to access all safety-related documents and notifications.

Monitoring our progress against these leading indicators will assist us in becoming more proactive in the management of our risks.

ENGINEERING AND TECHNOLOGICAL SOLUTIONS

The safety controls that are recommended following investigations should continually move up the hierarchy of control. For this reason, significant investment continues to be placed in engineering controls to manage risks.

Our new locomotive intelligence system was fully implemented at our conventional underground mines in 2012. This system is multi-layered, and its functionalities include the continuous monitoring of rail conditions; the capture of data related to the locomotives' operation; collision-avoidance technology; the automatic slowing-down of vehicles when they come into close proximity with other locomotives or when they pass certain beacons in high-risk areas; and the overall condition and maintenance of the vehicles.

Materials handling and slipping and falling accounted for more than 40% of all LTIs in 2012. These low-energy injuries will be a focus area in 2013.

At present we are investigating alternative methodologies in our use of explosives. Our aims here are to reduce the quantities of explosives used; employ explosives more safely and effectively; and develop safer ways of conducting entry examination and safe declaration in areas where explosions have been carried out.

We are also considering alternatives to using scrapers and winches in the conventional underground mines.

In 2012, we completed a review aimed at identifying challenges facing the mechanised mines in Amplats. One of the key areas singled out for improvement was the need to standardise equipment in order to improve both planned and break-down maintenance. This will not only reduce the time a machine spends in the workshop, but will also provide a cost benefit, since mine-stores will no longer be required to maintain stock of a wide variety of spare parts.

Elimination of low-energy incidents

More than 40% of injuries sustained by staff at Amplats are the consequence of low-energy agencies. These include incidents related to the handling of various materials and to slipping and falling, most of which result in hand and foot injuries. We continue to focus on the elimination of these low-energy injuries through innovation and improved controls.

PEOPLE AND SAFETY BEHAVIOUR

This is the thrust in which we have made the least progress. In reviewing the lessons learnt from our investigations, we identified non-compliance with systems and standards as the underlying cause of a significant number of incidents. Our Zero Harm in Action initiative was launched specifically to address this shortcoming.

Zero Harm in Action

Despite Amplats' consistent attention and commitment to safety, and also the encouraging downward trend in the number of injuries on our operations in the past few years, we continue to experience fatalities.

To address the challenge, the Zero Harm in Action project was launched in November 2011. It sets out to incorporate Zero Harm in the way we do business and, as a consequence, to improve our safety performance.

The project is thus designed to complement the robust and varied safety efforts already under way at all our operations. It is targeted at all levels of the organisation, and is being woven into the very fabric of day-to-day activities.

Zero Harm in Action is founded on the Company values and rests on three pillars:

- People
- Systems
- Technology

People

"People" is the biggest component by far. Achieving the Zero Harm objective will only become a reality when the Company's workforce is imbued with the desire to work for and achieve a harm-free work environment. Therefore this component entails building a sense of respect for one another and aims to further deepen the Company's values.

The enrolment of employees, under the "people" component, is being trialled at Tumela Mine, with the focus initially on the leadership roles. This enrolment process is essentially a tool called the Safe Profitable Platinum Index (SPPI) model which focuses on (i) applications of living the Company values; (ii) management's ability to communicate to the workforce in the workplace; and (iii) risk management.

The model delivers a gap analysis and an individual profile for each employee including an individualised self-driven leadership mastery intervention plan that caters for specific development needs. Altogether 145 employees have now gone through these profile assessments and are currently

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01 Zero Harm pledge wall at Polokwane Smelter

02 Wilson Zurumba operating a Fletcher roofbolter at Unki Mine

03 Edwin Masiela with new pinch bar hand protection guard (Tumela 1 Shaft)

receiving feedback. Once the first group is complete the model will be rolled out to the rest of Tumela Mine and the following site will be targeted starting with the management level.

Risk management, which involves the closure of actions associated with the remedying of identified deviations, has been a major focus throughout the Group. Together with the placement of boards at our operations, which indicate areas where risks have been identified and an increase in risk awareness, this drive has assisted us in improving the time taken to close these actions, and will therefore be continued in the forthcoming year.

Approximately 1,100 employees received training in Visible Felt Leadership (VFL) in 2012. (See the VFL section in this report.) This will ensure that we standardise our approach in line with Anglo American's and connect with all our employees on a regular basis through the VFL process.

Best-practice visits conducted by senior managers are useful in improving the spread of best practices across the Group. These managers not only infuse the best practices they observe at various sites into their own areas of influence, but are also tasked with sharing the lessons they have learned with managers from other areas of the Company.

Systems

This component refers to the systems used to monitor the close-out of findings as well as sharing of safety audit findings across the various sites and disciplines in the Group. This process has commenced and will be further entrenched in 2013.

Technology

This final pillar concerns innovation targeted at improving our hierarchy of controls. Liaison with departments such as Asset Optimisation and Supply Chain has commenced in order to leverage off similar systems already used in the Group.

Expected outcome

The Company as a whole has already experienced further improvements in lost time injuries of approximately 9% year-on-year as well as fatalities (7 compared to 12 in 2011). At Tumela Mine, where employees have started the enrolment process, there was a steady improvement in the number of safety incidents throughout 2012. We are confident that, with the further implementation of the project across our operations in the next few years, Amplats will accomplish a significant improvement in safety performance through the entrenchment of the Company values.

Visible felt leadership

Our operations have all implemented structured visible felt leadership (VFL) programmes, which aim to increase the effective time spent by operational leaders in each operation's critical areas. The most common VFL programme is the 4/7/7/11 programme, which requires each senior manager at an operation to spend four days a week either underground, in the pit or in the plant, interfacing with operators (4/7). Furthermore, no meetings are allowed between 07:00 and 11:00 on any day of the week (7/11), ensuring that managers concentrate uninterruptedly on critical areas. Feedback from the VFL visits is captured on IRM.net. If follow-up action is required on any of the captured feedback, it is logged. Progress on such action is followed up until the issue has been resolved and feedback has been provided to employees.

Global CEO Safety Day

Our CEO Safety Day was on 26 November 2012. The focus was on safe shut-down and start-up, VFL, confined spaces and transport. Operational senior management, Company executives and corporate teams discussed relevant topics with employees at their workplaces in the specific operations. The format of the day was aligned with the rest of the business units in Anglo American, and the global theme was "Real safety begins with me".

WELLNESS IN THE WORKPLACE

The wellness in this definition applies not only to the medical term (discussed elsewhere in this report), but also to the right and responsibility of every employee to work in a safe environment, and to withdraw from the workplace should it not be safe. We monitor both external stoppages – in the form of section 54 instructions from the DMR – and self-imposed stoppages. All these stoppages are logged and analysed. Line managers who continually have stop-notes issued against their work areas have

to identify the underlying reasons for stoppages and develop plans to improve safety conditions in their area of responsibility. The stop-notes are monitored daily.

Emergency preparedness was reviewed and our ability to respond timeously was analysed. Our aim is to have emergency response times that align with world best practice of a response time of under 20 minutes to 90% of calls. We completed the extensive mapping of every area an ambulance and paramedics might be required to reach, and standardised the naming and numbering of such areas to ensure that emergency vehicles and staff reach the correct place in the shortest possible time, every time. The GPS co-ordinates for each area were programmed into the navigation systems of the emergency response vehicles, and response times were analysed. In the course of this exercise we also identified areas where we could use emergency hubs to best effect in order to achieve response times based on the highest standards.

PERFORMANCE

During 2012, we lost seven of our colleagues in work-related incidents. Our sincere condolences go to their family members, friends and colleagues.

It is Amplats' policy, in the case of a work-related death, to hold a memorial service at the operation where the incident occurred. Members of senior management also attend the funeral service, together with any other colleagues who wish to be present. We recognise that our employees are often the only breadwinner for an extended family and therefore always employ a member of the family of the deceased following the fatality. Furthermore, we make a concerted effort to ensure that the family is paid all the death benefits due to them in the shortest possible time, on average within six to 12 months after the incident, and assist with practical arrangements for the funeral. We provide financial advice for the widow or widower, and conduct follow-up meetings to ensure that the beneficiaries of the deceased are sufficiently cared for.

In 2012, of the seven fatalities mentioned, three were the result of moving machinery; one was caused by fall of ground; one occurred owing to a falling object; one was a transport-related incident; and the last one owing to heat exhaustion.

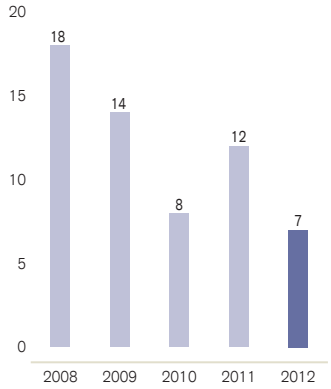
All fatal incidents, and also selected high-potential incidents, are independently investigated to identify their underlying causes. Comprehensive action plans are developed to prevent a recurrence of every serious incident.

Despite the sad losses we experienced this year, improved safety trends over the past five years have been very encouraging and show that we are on the right path. We believe that our consistently improved safety performance is the result of our clearly defined strategy that we adhere to even when we have setbacks; and a measure of the sincere, unwavering commitment to safety by the Company's leadership.

No fatal incidents were recorded during the third quarter, and we also had no fatalities in January, March or April 2012. It was the first time in more than ten years that Amplats had been free of fatalities in the third quarter of the year. We have seen a consistent improvement in safety performance since 2008 when the strategy was formalised and adopted. The strategy follows a holistic approach and has remained consistent even when we have had set-backs. We believe this contributed significantly to the safety performance we saw in 2012. It is important to keep in mind that safety cannot be fixed overnight; any improvement is the result of years of commitment and focus on all aspects of the business.

In 2013, we lost seven of our colleagues in work-related incidents.

Fatality trends
Number of fatalities



Several operations achieved their best-ever safety performance in 2012. Among them were:

- Siphumelele Mine – free of fatalities for more than two years.
- Tumela Mine – free of fatalities for one year (365 days) on 18 October 2012. The mine also achieved 2 million fatality-free shifts on 7 November 2012.

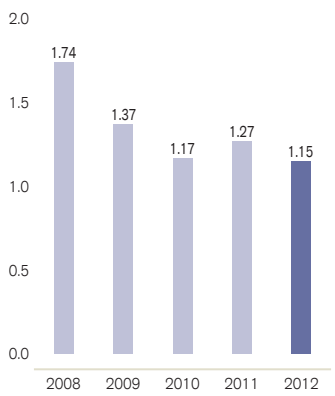
On 18 December 2012, the whole of Amplats had been free of fatalities for six months.

Lost-time injury-frequency rate

The lost-time injury-frequency rate (LTIFR) for 2012 improved, to 1.15. The clinical severity of trauma cases is reported on using a severity-scoring methodology that predicts the clinical outcomes of injuries. In 2012, the severity of the majority of cases was minor injuries, followed by moderate injuries and then serious injuries. August 2012 saw the lowest number of injuries, excluding the periods affected by the industrial action.

The number of days lost due to LTIs in 2012 was 34,381 (2011: 34,241). We had fewer LTIs in 2012; the higher number of days lost is owing to the industrial action that resulted in injured

Lost-time injury-frequency rate
Total aggregate



employees not returning to work within the prescribed 14 days.

Safety focus in 2013

Our safety strategy will remain consistent to ensure maintained focus and a holistic approach. In working towards our goal of Zero Harm we will review the performance of 2012; and incorporate into the strategy any new lessons learnt. A key focus area remains the entrenchment of a culture of safety, in which employees take ownership of safety. "Real safety begins with ME" – the theme of our global safety day in November – will remain our theme throughout 2013.

The Zero Harm in Action project will continue in 2013.

On 18 December 2012, Amplats was fatality free for six months. This was a seminal and unprecedented period of safe operation.

CATASTROPHE AVERTED THROUGH SUCCESSFUL MASS EVACUATION

Over the years our emergency medical-care team has made an immeasurable difference to our workforce and Company, by saving many seriously injured persons from death or disability.

Our medical-management system for major incidents tries to guarantee the appropriate and efficient handling of any major medical incident at our operations. The system is regularly reviewed, to ensure that we constantly improve our response to emergency situations.

The effectiveness of this system was borne out when a fire started at Amplats' Khuseleka Mine near Rustenburg. The initial call regarding the potentially disastrous situation was received at 07:30 on 10 October, and during the next 48 hours teams of medical professionals and support staff worked around the clock to ensure that the people working underground did not suffer undue harm.

Smoke inhalation is the primary cause of death by fire in enclosed spaces, resulting in an estimated 50% to 80% of such deaths. It kills its victims through a combination of heat damage, pulmonary irritation and poisoning. While there had been some fatalities as a result of smoke inhalation at Amplats in the past, this threat was on a vastly different scale as there were now 3,000 mine personnel working underground who might be in danger.

Major incidents by their very nature stretch resources to their limits. As an incident of this sort unfolds, the normal trauma demand-and-supply balance is quickly lost, and a much greater effort is demanded of each participant (whether medical, allied or support) in the trauma-response system. Strategies that most effectively utilise whatever resources are available have to be established and re-established on an ongoing basis.

The 24 hours that followed witnessed the exceptional team effort of medical, safety and mine managers. Together they ensured that more than 650 mineworkers who had been exposed to noxious gases were safely evacuated, assessed and transported to 27 hospitals throughout the three provinces of Gauteng, Limpopo and North West for mandatory medical observation. The timely management of the casualties ensured that the complications that normally accompany noxious gas inhalation were substantially reduced.
The hospitals used ranged from our own hospitals through those of other mining houses to public hospitals.

Within 48 hours of the fire alert, 649 miners had been declared out of danger and repatriated to Rustenburg. Another 24 hours later, and the last 10 miners – who had required further observation – were safely back in the town. Within 96 hours of the detection of the fire, our key strategic partners had been debriefed to discuss lessons leant. They included ER24, Netcare 911 and other ambulance services used to transport the miners.

What had in fact occurred was the largest successful evacuation in South African mining history, one that had taken place without a single fatality. This noteworthy achievement has been externally recognised. It was accredited, through an extended audit, as exceeding the standards of quality set by the World Health Organisation. The current head of the trauma unit at the Charlotte Maxeke Johannesburg Academic Hospital, Professor Jacques Goosen, who had been a trauma surgeon in the mining industry for several years, carried out the audit and accreditation and emphasised the remarkably short time in which large numbers of people had been evacuated and helped.

While we are proud of what we achieved and of the way our staff worked as a team embodying the Company's values, we have since subjected our emergency response plan to our aim of Zero Harm.
Our plan for the handling of major incidents has been reviewed, and it has been further improved.

SAFETY INDICATORS

for the year ended 31 December 2012

Safety statistics

	Lost-time injury-frequency rate (LTIFR)				TRCFR[2]		
Operations	**2012**	**2011**	**2010**	**2009**	**2012**	**2011**	**2010**
Bathopele Mine	**0.79**	0.84	1.09	0.49	**3.12**	2.90	2.26
Khomanani Mine	**1.32**	1.49	1.35	2.03	**2.13**	5.04	1.73
Thembelani Mine	**2.41**	2.04	1.53	1.60	**3.13**	3.89	2.17
Khuseleka Mine	**2.02**	1.65	1.43	1.84	**3.52**	15.163	2.08
Siphumelele Mine	**2.49**	2.61	2.02	2.21	**3.05**	5.91	3.10
Central Services[1]	**0.40**	0.44	0.39	0.30	**0.82**	1.05	0.87
Tumela Mine	**1.56**	1.60	1.77	1.89	**1.85**	2.09	2.64
Dishaba Mine	**0.90**	1.94	2.03	2.58	**1.73**	2.24	2.83
Union Mine	**1.12**	1.31	1.16	1.21	**2.09**	5.82	1.91
Mogalakwena Mine	**0.67**	0.49	0.40	0.06	**2.33**	2.25	3.08
Unki Platinum Mine	**0.12**	0.18	–	–	**1.04**	2.28	–
Rustenburg Concentrators	**0.16**	0.00	0.26	0	**1.30**	1.03	0.78
Amandelbult Concentrators	**1.57**	0.10	0.26	0.40	**2.69**	1.30	1.49
Union Concentrators	**0.55**	0.34	0.12	0.57	**0.69**	0.90	0.47
Mogalakwena Concentrators	**0.13**	0.17	0.43	0.33	**1.01**	1.71	2.39
Unki Concentrator	**0.38**	0.00	0	0	**1.88**	1.79	–
Mototolo Concentrator	**0**	0.66	0.61	–	**0.37**	2.30	1.22
Polokwane Smelter	**0.37**	0.64	1.08	0.97	**1.30**	1.37	2.34
Waterval Smelter	**0.57**	0.57	0.57	0.52	**1.14**	1.72	1.76
Mortimer Smelter	**0.80**	0.00	–	0.87	**1.19**	0.58	0.59
Rustenburg Base Metal Refiners	**0.71**	0.74	0.50	0.68	**1.20**	2.31	2.04
Precious Metals Refiners	**0.48**	0.70	0.22	0.10	**1.58**	3.02	1.66
Western Limb Tailings Retreatment	**0.27**	0.86	0.67	0.31	**1.07**	1.14	1.66
Greenfield projects	**0.48**	0.56	0.44	0.51	**3.20**	1.53	1.61
Total/aggregate[2]	**1.15**	1.27	1.17	1.37	**2.13**	4.09	2.08

[1] *Central Services for 2010 includes all services departments. Previous years' data is only Rustenburg Services; all other data is included with the mine.*

[2] *TRCFR includes all suspected gassings admitted for the mandatory 24-hour observation. Khuseleka Mine had more than 650 people exposed to smoke during the fire in October 2011, hence the spike in TRCFR.*

Safety statistics

	Number of fatalities				Fatal-injury-frequency rate (FIFR)			
Operations	2012	2011	2010	2009	2012	2011	2010	2009
Bathopele Mine	**0**	2	0	1	**0**	0.084	0	0.044
Khomanani Mine	**1**	2	0	0	**0.028**	0.050	0	0
Thembelani Mine	**0**	2	0	1	**0**	0.044	0	0
Khuseleka Mine	**2**	0	0	2	**0.040**	0	0	0.024
Siphumelele Mine	**0**	0	2	3	**0**	0	0.05	0.047
Central Services[1]	**0**	0	0	0	**0**	0	0	0
Tumela Mine	**0**	1	2	0	**0**	0.010	0.02	0
Dishaba Mine	**0**	1	2	0	**0**	0.017	0.03	0
Union Mine	**2**	2	1	2	**0.030**	0.029	0.01	0.020
Mogalakwena Mine	**1**	0	0	0	**0.061**	0	0	0
Unki Platinum Mine	**0**	1	–	–	**0**	0.091	–	–
Rustenburg Concentrators	**1**	0	1	0	**0.163**	0	0.13	0
Amandelbult Concentrators	**0**	0	0	0	**0**	0	0	0
Union Concentrators	**0**	0	0	0	**0**	0	0	0
Mogalakwena Concentrators	**0**	0	0	0	**0**	0	0	0
Unki Concentrator	**0**	0	0	0	**0**	0	0	0
Mototolo Concentrator	**0**	0	0	–	**0**	0	0	–
Polokwane Smelter	**0**	0	0	0	**0**	0	0	0
Waterval Smelter	**0**	0	0	1	**0**	0	0	0.052
Mortimer Smelter	**0**	0	0	0	**0**	0	0	0
Rustenburg Base Metal Refiners	**0**	1	0	0	**0**	0.050	0	0
Precious Metals Refiners	**0**	0	0	0	**0**	0	0	0
Western Limb Tailings Retreatment	**0**	0	0	0	**0**	0	0	0
Greenfield projects	**0**	0	0	2	**0**	0	0	0.031
Total/aggregate[2]	**7**	12	8	14	**0.011**	0.018	0.012	0.016

[1] *Central Services for 2010 includes all services departments. Previous years' data is only Rustenburg Services; all other data is included with the mine.*

[2] *2009 includes one fatality at BRPM Concentrator and one at Bokoni Platinum Mine.*

Note; An additional four fatalities occurred in a transport related accident on a public road between Union Mine and Rustenburg. Binky Moseane was murdered underground at Khomanani Mine in a criminal act.

HEALTH

Amplats' workplace health programmes focus on managing the occupational and non-occupational health risks prevalent among our workforce.

NEW CASES OF NOISE-INDUCED HEARING LOSS

46

PERCENTAGE OF EMPLOYEES TESTED FOR HIV

82%

NEW CASES OF TUBERCULOSIS

60

NEW CASES OF DERMATITIS

2

In the context of managing the occupational and non-occupational health risks, the following remain our five key areas of intervention:

1. Occupational health
2. Health promotion
3. Disease management
4. Emergency medical care
5. Public health

In addition, the interplay between the health risks related to a person's workplace, lifestyle and community requires a comprehensive approach to health management. Such an approach recognises the interconnectedness between aspects such as illness, fatigue, lack of fitness to work, injury, outbreaks of community disease and workplace exposure, and heeds their combined impacts on an employee's health status, morale and productivity.

The main health challenges currently contributing to the burden of disease and poor health among Amplats employees are the following:

- HIV/AIDS
- Tuberculosis (TB)
- Chronic diseases
- Non-occupational and occupational injuries
- Noise-induced hearing loss (NIHL)
- Obesity

Consequently, the Company's health strategy is a very broad one and covers the full spectrum of health-related interventions.

In the course of 2012 Anglo American Platinum Limited (Amplats) developed health-improvement plans and closely monitored their implementation, with a special focus on mitigating occupational exposure to high levels of noise. In respect of HIV/AIDS and TB, the Company offered comprehensive programmes that included renewed attention on isonicotinylhydrazine (INH) prophylaxis for susceptible individuals, with the aim of reducing the incidence of TB and TB mortality among these employees.

Amplats continues to invest in systems and resources earmarked for health promotion, occupational health, emergency medical care, disease management, infection control and medical services.

Health: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
It is unacceptable for anybody's health to be affected by our operations and we subscribe to the principle of Zero Harm. We have comprehensive health programmes to address occupational health issues and HIV/AIDS.	No new cases of NIHL as defined by Anglo American for reporting purposes	46 new cases of NIHL according to the Anglo American definition	✗	No new cases of NIHL as defined by Anglo American for reporting purposes
	Reduction of all noise below 110 dB(A) at source by 2013	Number of equipment reduced from 29 in 2011 to 26 in 2012	/	Reduction of all noise below 110 dB(A) at source by 2013
	Maintain 97% VCT levels	42,267 (82% of SA workforce) employees received VCT	✗	Maintain 90% VCT levels
	Maintain all HIV-positive employees requiring ART on programme	4,443 (45% of employees on ART)	✗	Maintain all HIV-positive employees requiring ART on programme

OCCUPATIONAL HEALTH

There are three significant occupational health risks at our operations. In order of frequency of exposure, they are:

1. High levels of noise. This stressor can result in noise-induced hearing loss among exposed employees.
2. Ergonomic stressors. These include vibration from machinery, manual handling and sedentary tasks.
3. Airborne pollutants and chemical stressors in the working environment that target specific organs and impede the normal functions of the human body.

During the reporting period, one case of sino-nasal carcinoma and four cases of platinum-salt sensitivity were reported. (See the sections on "Exposure to nickel, aerosols and acid mist" and "Platinosis" below.)

Noise-induced hearing loss

Looked at together with the risk-assessment data for occupational hygiene exposures, our medical surveillance research clearly indicates that noise remains the number one occupational health risk at Amplats. Our risk mitigation strategy is to control the noise at source, i.e. by reducing the sound-pressure levels of noise-emitting equipment. Over the years we have concentrated on silencing pieces of equipment emitting noise levels above 110 dB(A). Over 98% of the equipment identified for silencing at the start of 2007 has been silenced over the past five years. Of the 2,063 pieces that required silencing in 2007, only 26 pieces remain. The pieces remaining are either fans that are located in remote areas where no one is exposed to the noise, or specialised drills that are in the process of being silenced.

The mining industry's milestone for achieving the objective of silencing all equipment to below 110 dB(A) is December 2013. Amplats is thus well within the targeted date. The Company

Our risk-mitigation strategy is to control the noise at source, i.e. by reducing the sound-pressure levels of noise-emitting equipment.

DEAFENING THE IMPACT OF NOISE

01

A number of interventions aimed at mitigating the impact of noise exposure have either been implemented or are currently under investigation at Amplats.

The Company has revised its Group procedure on the selection of hearing-protection devices (HPDs). Key features that have been added include the use of the octave-band method to estimate the effectiveness of HPDs; the adoption of an HPD matrix in line with the recommendations of the Best-Practice Adoption System developed by the Mining Industry Occupational Safety and Health (MOSH); and the procurement of HPDs that meet the accepted standards, i.e. ANSI, ISO, BS and SANS.

Other leading noise-attenuation initiatives are taking place in the following areas:

Engineering: Our first-generation rock-drill silencers are in the process of being replaced by second-generation silencers. This silencing programme follows an implementation schedule that is fully on track. The related noise registers are updated on a quarterly basis. Currently, further tests are being conducted on three types of rock drills in order to identify the best machine for the purpose.

Administrative: Comprehensive hearing-conservation regimes are in place, including the use of noise-source registers. Also employed is a noise-attenuation tracking register.

Group standards pertaining to hearing-conservation programmes and respiratory protection equipment are currently being revised to ensure that we conform to best practice.

Personal protection equipment (PPE): A detailed PPE matrix is in place, which sets out the required standards for personal hearing protectors and also lists those vendors that are approved by Amplats.

Noise monitoring: A dosimeter has been developed for our "Type 2" cap-lamp, in collaboration with two suppliers. This effective, practical piece of equipment requires neither time nor manpower to record noise-exposure measurements. All instances of noise exposure above the legislated occupational exposure limit of 85 dB(A) are linked to the IRM. Net action manager, and result in the appropriate action taking place. All identified shifts in hearing of 5% or more above the baseline are formally investigated.

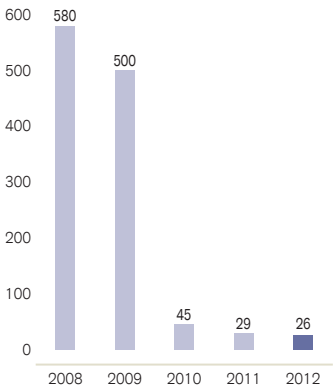
Our hearing team has been exploring the use of an in-ear dosimeter that measures the noise inside the ear when HPDs are in place or inserted. This technology is used to determine the actual protection afforded by HPDs; and to assess the use of HPDs among employees exposed to noise.

Above

01 Employees, Xolisile Mahlangu and Mbanza Sichone, wearing hearing protection at a process operation

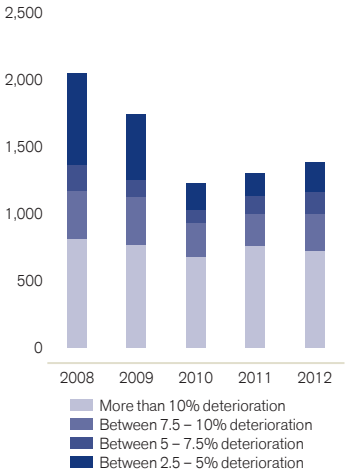
Pieces of equipment emitting >110 dB(A)

Number of pieces of equipment



Deterioration of hearing from baseline

Number of employees



has now set itself a new goal – that of further reducing the risk of NIHL to its employees by silencing equipment emitting in excess of 100 dB(A). The inventory Amplats has completed has identified approximately 11,326 pieces of equipment fitting the description. Most of this equipment consists of rock drills, and to achieve this objective will require an innovative approach by all the stakeholders involved. Presently no percussion-type rock drill available achieves this noise level: the best available emits approximately 103.5 dB(A). The electric-type drills that are in use in our Eastern Limb operations also emit above this limit. The industry will thus need to develop new technology to achieve its aims.

Amplats reported 46 cases of NIHL in 2012, compared with 53 new cases in 2011, 19 cases in 2010, 42 cases in 2009 and 28 cases in 2008. These fluctuations can be explained by 1) variability in susceptibility to hearing deterioration and 2) the length of service of employees in different cohorts.

The South African system of compensation for hearing loss uses the criterion of percentage loss of hearing to assess an employee's level of hearing impairment. The details are captured in Circular Instruction No 17: Noise, which falls under the Compensation for Occupational Injuries and Diseases Act (No 130 of 1993). In line with this instruction, 101 employee dossiers were submitted to the Rand Mutual Assurance for compensation for NIHL in 2012, compared with 32 in 2010, 79 in 2009 and 68 in 2008.

Despite this mixed picture, which is generally common in the industry, the Company is confident that its interventions will ultimately be reflected in future data on hearing deterioration. Given the long latency period of this occupational disease, it is too early to evaluate the impact of the recent risk-management strategies on hearing deterioration.

Vibration and ergonomics

We have started to record quantification measurements in the assessment of ergonomic risk in sedentary work and in manual handling tasks. High-risk occupations are being identified, and appropriate engineering and/or administrative controls are being sought to minimise or mitigate the various risks. This will be an area of growth and specialisation over time.

Platinosis

The production of chloroplatinates during the refining of precious metals continues to pose a health risk to employees working at Precious Metals Refiners (PMR). Medical surveillance – on at least a quarterly basis – is used to monitor the possible accumulation of platinum salts in the body. Over the years, PMR has recorded a significant decline in the number of cases of platinum-salt sensitivity.

Four cases were reported in 2012. A task team is investigating these cases to try to prevent future occurrences of platinosis. Once an employee is removed from the source, all symptoms of platinosis cease.

Exposure to nickel, aerosols and acid mist

Exposure to nickel in the metallurgical processes at Rustenburg Base Metal Refiners (RBMR) has been greatly reduced, to below the legal limit of 0.1 mg/m^3. This was achieved through the introduction of a tank house equipped with leading-edge enclosure and extraction technology. The tank houses are engineered with forced-extraction cell hoods that improve aerosol capture, thereby further limiting exposure to the metal and the acid mist. It has also been compulsory to wear the approved respiratory protective equipment in this facility since the early 1990s.

Although these exposures have been reduced to acceptable levels, one case of sino-nasal carcinoma was reported in 2012. This carcinoma is a malignant tumour of the epithelial lineage, observed as a soft-tissue mass that invades and destroys the sinus wall. The affected employee had worked as a processor in the copper tankhouse at RBMR for a period of 35 years, and had been exposed to soluble nickel mist in much higher concentrations in earlier years. The employee is currently receiving all medical, palliative and supportive care possible. A surveillance plan has been

01

02

01 Checking calibration of levels at 219 Reactor, PMR

02 Personal protective equipment (PPE) to protect employees at the smelters during slag pouring

developed and implemented, together with an ear, nose and throat specialist, to monitor and support employees potentially at risk of sino-nasal carcinoma following longer periods of employment at the facility.

Exposure to airborne dust

Ongoing occupational-hygiene measurements reflect that occupational exposures to airborne platinum dust and silica in our mining operations are at levels below set occupational-exposure limits of 2.0 mg/m^3 and 0.1 mg/m^3 respectively. Furthermore, detailed analysis has indicated that alpha quartz forms only a trace constituent of Merensky and UG2 rock, meaning that silica is not an issue.

Occupational exposure to airborne dust is thus deemed not to be a significant health hazard at our mining operations. A number of factors and control measures contribute to the low dust levels, including:

- the high humidity of underground environments
- sound ventilation principles, designs, standards and practices
- comprehensive watering-down procedures
- wet-drilling methods
- dust suppression on operations and equipment (e.g. water sprays, dust filters, cyclones)
- low-velocity ventilation over conveyor belts (<3.0 m/s)
- re-entering periods (calculated on the basis that no exposure to any significant airborne pollutant associated with blasting will occur)
- the nature of the ore deposits

Exposure to diesel particulate matter

Occupational exposure to diesel particulate matter (DPM) in mechanised underground sections is a potential risk, and as a result a comprehensive baseline occupational hygiene assessment was completed in 2009. Results indicated moderate exposure above international occupational exposure limits, with concentrations at their highest in work areas situated at the back-end of return airways. During 2011 and 2012, DPM formed part of our mines' occupational hygiene sampling programme. A baseline review of DPM revealed measurements of between 0.1 mg/m^3 and 0.19 mg/m^3. The international benchmark is set at 0.16 mg/m^3.

All our operations run medical surveillance and monitoring programmes for occupational exposure to known risks.

We continually explore means of reducing employees' exposure to DPM. These include awareness-creation and training programmes, better ventilation, the use of low-sulfur diesel fuel, and the purchase of "Tier 3" machines as a minimum. Tier 3 diesel machines contain engine technology that ensures compliance with environmental regulations related to Tier 3 exhaust gas emissions in Europe and the USA. In June 2012, the International Agency for Cancer Research classified diesel engine exhaust (including DPM) as a known human carcinogen (Group 1) and Amplats is in the process of developing a more comprehensive strategy to mitigate the risks associated with exposure to it.

Other occupational diseases

Two cases of occupational dermatitis were reported in 2012.

In addition, some 80 people were diagnosed with other occupational diseases. Of these cases, 70 were not attributable to conditions at Amplats and were instead linked to employees' previous places of work.

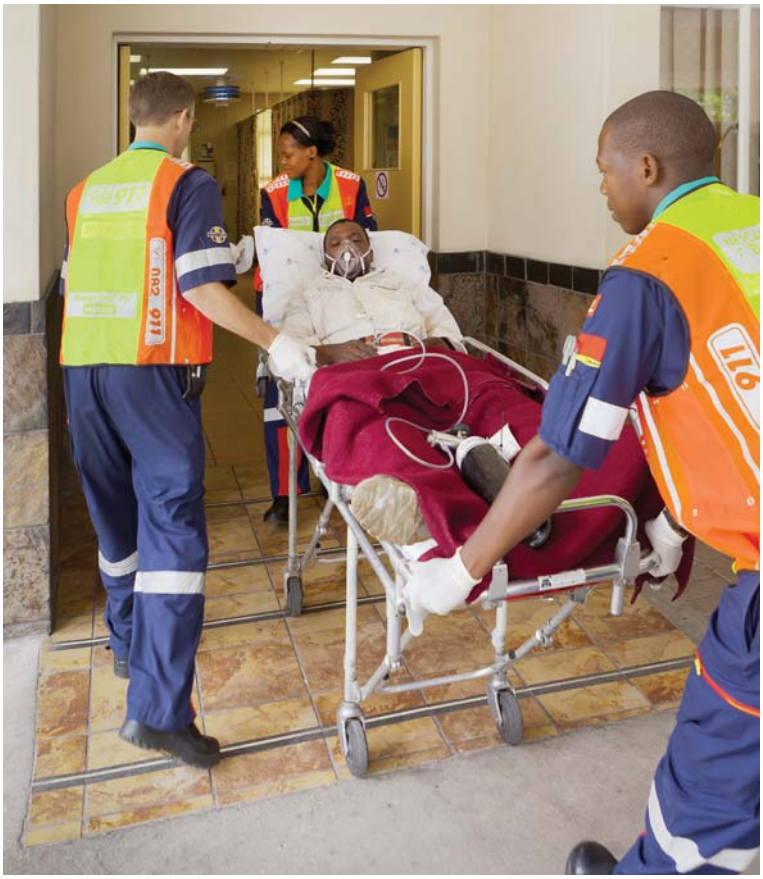
Medical surveillance and monitoring programmes

All our operations run medical surveillance and monitoring programmes for occupational exposure to known risks, and offer comprehensive medical-care facilities to both employees and contractors. In 2012, Amplats' health team continued to focus on the enhancement of risk-based medical surveillance.

PUBLIC HEALTH

Collective efforts take place between the Department of Health and the mines to ensure that, through the aid of mobile clinics, essential primary healthcare services are made available to villages and informal settlements neighbouring mining operations.

01 Paramedics who were involved in the Khuseleka evacuation on arrival at Bleskop Hospital



The necessary community stakeholder relationships – partnerships between the mines' community-engagement departments, Public Health and the local municipal health structures – have existed for some time. Our mobile clinics treated close to 12,000 patients in 2012.

Together with good public health services, sound nutrition is an essential foundation for a healthy workforce. Amplats regards proper nutrition as a key intervention capable of having a positive impact on safety performance. The Company provides nutritional requirements to all employees living in its single accommodation villages. The 2012 monitoring programme on nutritional standards compliance reflected acceptable average food and nutritional intake, with most nutritional requirements met when assessed against the internationally recognised Dietary Reference Intakes.

Some 270 suspected cases of diarrhoea were reported and investigated in 2012, and were found to have been linked to poor food-safety practices by service providers. A service-level agreement has since been established between Amplats' supply chain and public health departments, which requires that food suppliers be audited for compliance with food-safety regulations before being approved as vendors.

To ensure uniformity in the supply, maintenance and sanitary condition of all surface and underground ablution facilities, scheduled audits are conducted to check adherence to our health standards. In 2012, 48% of underground ablution facilities inspected adhered to standards. A task team has been established to assist those operations still using the old bucket system to convert to the newer flushable toilet units by 2013. This will result in increased adherence throughout our operations.

Rehabilitation and functional assessment (RFA) tests

Physical work capacity (PWC) and functional work capacity (FWC) tests remain important adjunct assessment tools designed to rate work potential within the overall context of "fitness for work". The PWC ratings are more predictive of physical limitations, whereas the FWC ratings are designed to assess "self-pacing" capabilities. Together, the PWC data and the FWC data provide invaluable information on individuals' fitness profiles.

In 2012, the Company's rehabilitation and functional assessment (RFA) centres conducted 13,932 assessments. The majority of referrals for RFA assessments are from occupational health clinics and approximately 7% of all referrals are related to vocational rehabilitation programmes offered as part of workplace health programmes.

Medical incapacity

The focus on acute and vocational rehabilitation through the implementation of RFA, physiotherapy, wellness and other health programmes are designed to optimise the return to work of all affected employees. Those employees who are unable to recover fully from their injuries or illness are referred to the medical boarding process.

During the consideration of medical incapacity, the alternative placement of employees who have been declared unfit for a specific job is prioritised. Where necessary, physical and functional work capacity assessments are conducted to determine which tasks an employee will be able to perform.

In 2012, 556 employees were referred for a review of medical incapacity. 412 (74.1%) were successfully placed in alternative positions. A classification of the applications by disease type shows that the majority of applications were associated with chronic and degenerative diseases (391 or 70.3%), followed by infectious diseases (62 or 11.2%).

An important subset of the overall data related to incapacity is that associated

with occupational injuries and diseases. Altogether 73 applications were ascribed to this subset – which is equivalent to 13.1% of total applications. Of these, 51 were the result of injuries on duty and 22 were related to occupational disease. A total of 63 (86.3%) of the candidates under this subset were successfully placed in alternative positions. This high rate of successful placement can be attributed to the availability of a rehabilitation programme and to a reliable set of tools for physical and functional assessment.
The remaining ten employees were medically boarded.

Regulation of occupational health and safety

The key regulatory provisions governing health and safety in the mining industry are covered under the Mine Health and Safety Act (No 29 of 1996). The policy formulation process embraces tripartism and, consequently, the make-up of statutory bodies under the Act is constituency based. With respect to occupational health, the health team at Amplats has participated in discussion on a number of important topics that may impact future regulatory requirements. These topics included emergency medical care, hearing conservation, sampling strategies in occupational hygiene, minimum fitness standards and the management of TB.

HIV AND AIDS

It is estimated that approximately 20% of Company employees are infected with HIV. Amplats offers comprehensive health services for AIDS care and HIV prevention to all employees.

Preventive care – testing for HIV

Testing for the presence of HIV is key to avoiding or preventing infection. Moreover, a positive result ensures early access to HIV treatment, care and support.

HIV tests are available at all Company medical facilities. The process may take one of several forms:

It is estimated that approximately 20% of Company employees are infected with HIV.

- Mandatory counselling and voluntary testing (CVT).
  All employees undergo an annual medical examination based on a statutory requirement. As part of this process, they are counselled regarding HIV and then offered voluntary HIV testing.
- Voluntary counselling and testing (VCT). HIV testing is available on demand at all our primary healthcare facilities, at the request of employees.
- Outreach programmes. Throughout the year, outreach events are held, with a mobile unit going to all workplace areas and offering employees VCT.
- VCT initiated by the health provider. All employees presenting with symptoms and signs suggestive of immunosuppression are encouraged to undergo VCT. Included here are sexually transmitted infections, TB and other opportunistic infections. All pregnant women are offered HIV testing as part of the antenatal-care package offered.

Through these various initiatives, 42,267 employees (82% of the total workforce) were tested for HIV at Amplats in 2012. In addition, 26,015 contractors were tested for HIV. This is considered to be an excellent response to our campaign to encourage testing.

When a contractor is diagnosed as HIV-positive, immunological staging through a CD4 count is performed at our medical facilities. In order to minimise the patient burden at state-run facilities, only contractors eligible for highly active antiretroviral therapy (HAART) are referred to the local public health facilities.

Prevention of mother-to-child transmission

All HIV-positive expectant mothers receive HAART to reduce their risk of transmitting HIV to their unborn babies. In 2012, 56 HIV-positive pregnant women were enrolled on the programme. Babies born to these mothers were followed up at six weeks of age and were all found to be HIV-negative.

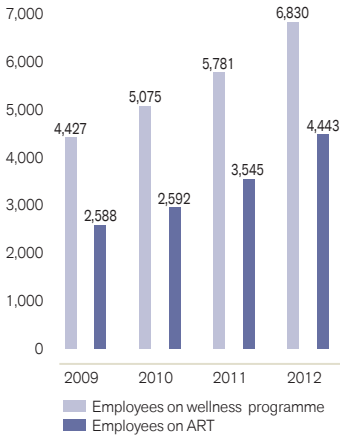
Post-exposure prophylaxis (PEP)

PEP is available to rape survivors, and also to healthcare workers in the case of needle injuries and other accidental exposure.

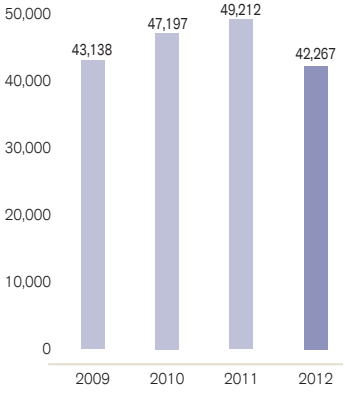
Promotive care: Training and education

Peer education is integral to spreading the message about the effectiveness of antiretroviral therapy (ART) and

Wellness and ART
Number of employees



VCT statistics
Number of employees undergoing VCT



educating employees about the benefits of living a healthy lifestyle. Over 1,900 peer educators have been trained in the past few years. Specially designed teaching material is made available to the peer educators.

Counselling in respect of HIV and AIDS is conducted by the medical staff of Platinum Health medical aid.

Curative care: Antiretroviral therapy (ART)

At the end of December 2012 there were 6,830 (69.16%) employees enrolled on the HIV disease-management programme, of whom 4,443 (44.98%) were on ART. Non-adherence to treatment remains a challenge for the programme, but in 2012 there was an increase in ART retention rates. Those on treatment experience a noticeable improvement in health.

Rehabilitative and palliative care

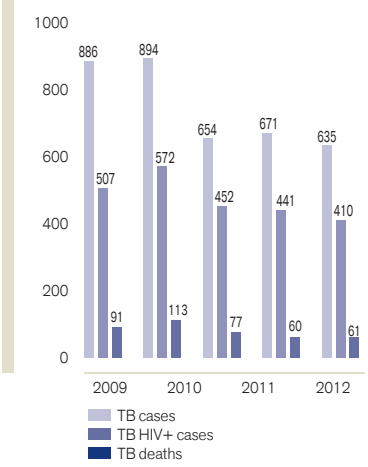
The number of job terminations related to HIV infection is continuing to decline, owing to access to ART.

INFECTIOUS TUBERCULOSIS

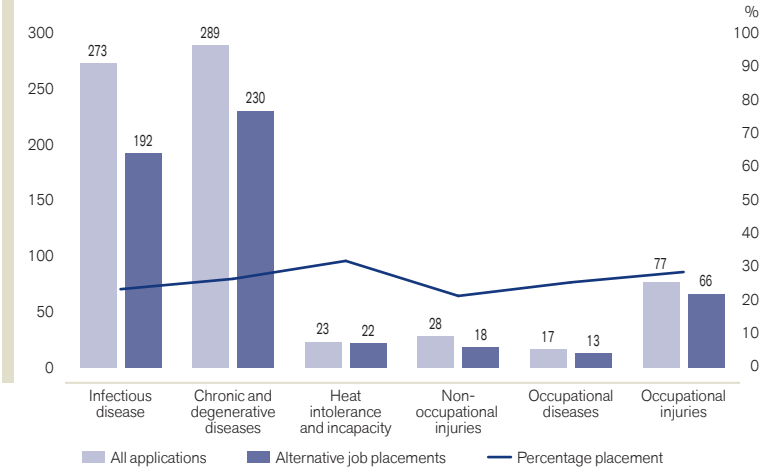
TB screening

Tuberculosis is the most common opportunistic infection among people living with HIV/AIDS, and is the leading cause of morbidity and mortality in HIV-positive employees. Active TB screening forms part of annual medical examination. We have advanced environmental control measures in place in all areas where there is a high density of people, especially TB wards. This greatly reduces the risk to healthcare and other workers.

TB statistics
Number of employees



Application placements
Number



Amplats screens employees for tuberculosis and provides comprehensive treatment to those who are infected. During 2012, we treated 635 employees with new TB infections, compared with 671 newly infected employees in 2011. (There were 654 new infections in 2010; 894 in 2009; and 886 in 2008.)

The incidence of TB in 2012 was 1,255 cases per 100,000 employees, compared with TB incidence rates of 1,308 cases per 100,000 employees in 2011 and 1,340 cases per 100,000 employees in 2010.

There were 61 deaths from TB in 2012, 58 of them HIV-related. This compares with 60 deaths in 2011, of which 56 were HIV-related; 77 deaths in 2010, of which 74 were HIV-related; 113 deaths in 2009, of which 100 were HIV-related; and 91 deaths in 2008, of which 81 were HIV-related.

The TB incidence rate and the TB mortality rate for 2012 are comparable to the rates in 2011. Although there was no increase in the TB incidence rate and the number of TB deaths recorded in 2012, the figures are cause for concern. In 2012, the Chamber of Mines (CoM) initiated an industry-wide review of TB prevention and treatment programmes in the mining industry. The CoM process began in November 2011 and Amplats has been participating in it. We hope to find ways of improving the outcomes of our TB programme and enhancing the quality of TB management at all our operations.

In 2012, one case of extensively drug-resistant (XDR) TB was diagnosed at our operations, compared with one case in 2011, three cases in 2010 and one case in 2009. In addition, 28 cases of multidrug-resistant (MDR) TB were diagnosed in 2012. Initial figures for the Company's antiretroviral therapy (ART) programme show a decrease in the risk of TB among employees on ART, reflecting the efficacy of the therapy.

GRAVIMETRIC SAMPLING FOR AIRBORNE POLLUTANTS AT AMPLATS

01

The legislation

In 2004, the Airborne Pollutants guideline replaced the guideline for Gravimetric Sampling of Airborne Particulates for Risk Assessment in terms of the Occupational Diseases in Mines and Works Act (No 78 of 1973.)

The current gravimetric dust-sampling procedure for mines is designed to determine the concentration of particulates workers are exposed to during a normal eight-hour workday (as determined by the Department of Mineral Resources (DMR), 1999). Where significant hazards have been identified, mine managers have to implement a code of practice for occupational hygiene programmes.

The criteria for a significant hazard are as follows:

- For airborne pollutants: ≥ 10% of the occupational exposure level.
- For gases and vapours: ≥ 50% of the occupational exposure limit.

Occupational hygiene milestones for the elimination of silicosis were agreed to at the 2003 Mine Health and Safety Summit. The agreements stated that:

- by December 2008, 95% of all exposure measurements results would be below the occupational exposure limit (OEL) for respirable crystalline silica quartz of 0.1 mg/m^3 (these results are individual readings and not average results)
- after December 2013 and using current diagnostic techniques, no new cases of silicosis would occur among previously unexposed individuals. (This refers to individuals unexposed prior to 2008, i.e. equivalent to new persons entering the industry in 2008)

The sampling programme

Our current gravimetric dust-sampling programme, which covers the representative shifts defined by the DMR, includes personal exposure samples taken underground at each mine.

Between 90 and 120 dust samples are gathered every month. Filter and sampling trains are prepared, dispatched and post-weighed daily, based on the internal quality-assurance criteria of Amplats gravimetric weighing facility in Rustenburg.

Analyses for silica are done on 10% of all the personal samples taken for the month. Once calculated, exposures to silica dust are compared with the occupational exposure limit of 0.1 g/m^3.

Apart from the daily monitoring described above, during 2012 an external perspective was obtained on our mines' dust-sampling results, specifically those pertaining to alpha quartz. A snapshot study of personal sampling was conducted over a two-month period by the North-West University (NWU) at one of the conventional shafts, during which gravimetric dust-sampling equipment was issued to various groups of workers involved in mining activities.

Conclusions

Amplats has been meeting the occupational hygiene milestones for the elimination of silicosis agreed to at the 2003 Mine Health and Safety Summit.

We were able to establish that the respirable crystalline silica quartz exposures of workers sampled had been well below the OEL of 0.1 mg/m^3 at all times. It was also evident from ongoing sampling that there were no significant differences in exposure levels between the two underground reefs we mine, being the Merensky and the UG2. Moreover, the results we have been obtaining found conclusive support in the findings of the 2012 NWU external survey on silica exposures.

Above

01 Jacques Blignaut fits Marc Schoeman with a personal gravimetric monitor at Khomanani

HUMAN RESOURCES

Anglo American Platinum Limited (Amplats) currently employs 51,945 full-time employees and 4,434 contract workers.

PERCENTAGE OF WOMEN IN MINING

12.7%

PERCENTAGE HDSAs IN MANAGEMENT

58.3%

HRD EXPENDITURE AS PERCENTAGE OF TOTAL PAYROLL

5.4%

Productivity decreased in 2012, from 7.06 m^2 to 6.32 m^2 per total operating employee per month, primarily as the result of safety-related work stoppages and the two unprotected strikes in the second half of the year. The average attrition rate for critical and scarce roles in the Company in 2012 was 12%, excluding voluntarily separation. The turnover rate for the year in all other roles was 5.16% (5.58% including people taking voluntary severance packages), compared with 5.73% in 2011 (7.03% including voluntary severance).

Given current market conditions and the likely impacts of Amplats' recently announced portfolio review, there will be a likely reorganisation of human resources in the Company in 2013.

RECRUITMENT

Over and above traditional recruitment practices, we now also make use of social media as one of our sourcing strategies, especially when looking for scarce and critical skills. LinkedIn and Facebook have made it easier to find candidates, stay connected with them and keep them engaged even when no specific position is available. The Central Recruitment Department has been building "talent-sourcing pools" by creating a database of qualified people who could be considered should a position become available. This approach reduces the lead time required to fill scarce and critical vacancies.

Recruitment success can also be attributed to our internal talent-development initiatives, such as the graduate development programme and the training and development interventions. These initiatives focus on creating a talent pipeline and bench strength. During the year, 25 graduates from the Advanced Graduate Development Programme in the Process Discipline were appointed as metallurgists. All section manager appointments, 70% of mine overseer appointments and 52% of safety officer appointments were internal promotions. In addition, 82% of the shaft rock engineers appointed were Company strata controllers who had successfully obtained their Chamber of Mines certificates. Internal promotions represented 62% of all appointments in 2012.

Of all people hired externally to fill Band 6 and above scarce and critical positions, 48% were historically disadvantaged South Africans and 5% were female.

Recruitment success can also be attributed to our internal talent-development initiatives, such as the graduate development programme and the training and development interventions.

Human resources: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
Imbalances in South African society owing to its past need to be addressed through a comprehensive transformation programme in line with the Mining Charter. Steady progress is being made.	Top management 40%; senior management 45%; middle management 57%; junior management 69%	58.3% HDSA achieved in management	✓	Top management 40%; senior management 45%; middle management 57%; junior management 69%
	Targets for women to reflect the EAP demographics	12.7% women in mining achieved	✓	Targets for women to reflect the EAP demographics

01 Tom van den Berg and his team discussing progress on the Zero Harm initiative at Tumela Mine

EMPLOYEE RIGHTS

South Africa is a signatory to the Universal Declaration of Human Rights, which is in turn reflected in South Africa's Constitution. The Company has incorporated human rights principles into its code of ethics and business principles. These apply to all our operations, including our operations in Zimbabwe.

We recognise the right of our employees to freedom of association and to collective bargaining. All Company employees have the right to freedom of association under the South African Constitution and the Labour Relations Act, 1995. This right is also entrenched in the Company's code of ethics, business principles and employee-relations policy.

The Company recognises trade unions with significant representation among its employees, and these in turn participate in collective bargaining forums with management. Some 80% of the Group's employees are represented by trade unions and associations.

Our remuneration practices are determined according to local market conditions and we strive to ensure that we pay wages that are, as a minimum, adequate to satisfy the basic needs of our employees and their families.

We promote diversity and do not tolerate unfair discrimination or the inhumane treatment of employees including through any form of forced labour, physical punishment or other abuse. Our workforce has the right to work in an environment free from harassment or intimidation. Our extensive training initiatives support the entrenchment of these employee rights.

Non-discrimination

The Company's code of ethics and business principles declares that "we promote workplace equality and seek to eliminate all forms of unfair discrimination". This principle is consistent with the Employment Equity Act, No 55 of 1998.

We recognise the right of our employees to freedom of association and to collective bargaining.

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All forms of unfair discrimination and harassment are dealt with in terms of the Company's behavioural and/or grievance procedures. Furthermore, the Company has subscribed to all Government and industry agreements and also subscribes to Government agreements to ensure non-discrimination against foreign labour. The Company has amended its policies and procedures to ensure non-discrimination against foreign migrant labour.

Sexual harassment

The Company has established an anonymous tip-off line for sexual-harassment-related allegations and reporting by affected employees. The line is managed off-site. Assessment reports are submitted to the senior human resources manager at our corporate office, who is responsible for dealing with such issues. Several cases have already been dealt with, which resulted in some employees being dismissed in 2012.

Child labour, forced and compulsory labour

The Company does not make use of child labour. South African legislation (the Basic Conditions of Employment Act of 1997) prohibits child or forced labour.

Company security practices

The Company has implemented a set of voluntary principles on security and human rights. The principles are relevant to many aspects of the Group's security management, including risk assessment and interactions with public and private security providers. The principles represent international best practice in the management of security and community risks. Security personnel have to attend training in the 83 requirements related to the voluntary principles on security and human rights management.

As regards this training, the Company has met its commitments regarding permanent employees. However, owing to contract labour that changes all the time, there will always be a 10% gap in training coverage; therefore, training is ongoing.

There were no clashes between mine security and community members in 2012.

01 Housing under construction near Waterval Smelter in Rustenburg

02 Seraleng housing project in Rustenburg

HOUSING

Our employee home-ownership programmes

In 2012, Anglo American Platinum Limited (Amplats) extended its employee home-ownership programme to most of the regions where it operates.

The Company employee home-ownership programme takes two forms: an employer-assisted housing scheme and a home-ownership allowance scheme.

The Company has converted a significant number of employees to home owners through its home-ownership allowance scheme.

Employer-assisted housing scheme

There are presently three active and four planned housing projects under Amplats' employer-assisted housing scheme. The scheme facilitates housing developments on behalf of employees by procuring suitable land and helping employees to acquire serviced stands. (The Company supplies these services, with the help of developers.) Currently, the number of homes falling under this scheme totals 2,711. Thus far under the five projects, more than 2,000 stands have been serviced and some 600 houses have been built.

The biggest obstacle to the success of our employee home-ownership programme remains employees' inability – as the result of a negative credit profile – to raise housing bonds with financial institutions. To overcome this serious limitation, Amplats has been encouraging and aiding employees to make use of debt counselling and rehabilitation.

Approximately 1,000 employees have received the basic associated training provided by an independent provider, Setsmol Housing Education and Training, with a good proportion of them deciding to enlist for Setsmol's "My Budget Fitness Programme". This programme aims to help employees become financially literate by guiding them through their monthly expenditure and making it possible for them to manage their credit on a long-term basis. It has proved to be successful as the creditworthiness of a number of employees has been successfully restored and these individuals have since been able to reapply for housing bonds.

Although the "My Budget Fitness Programme" was interrupted by strike action during 2012, our aim remains to provide this type of training on a large scale in the near- to mid-term.

Home-ownership allowance scheme

The Company has converted a significant number of employees to home owners through its home-ownership allowance scheme. This scheme allows employees to purchase houses within developed communities close to Amplats' operations. To date more than 8,000 of our employees (or 16% of our total workforce) have become proud homeowners under the scheme. Amplats will continue to promote home ownership among all its employees.

Amplats and community housing

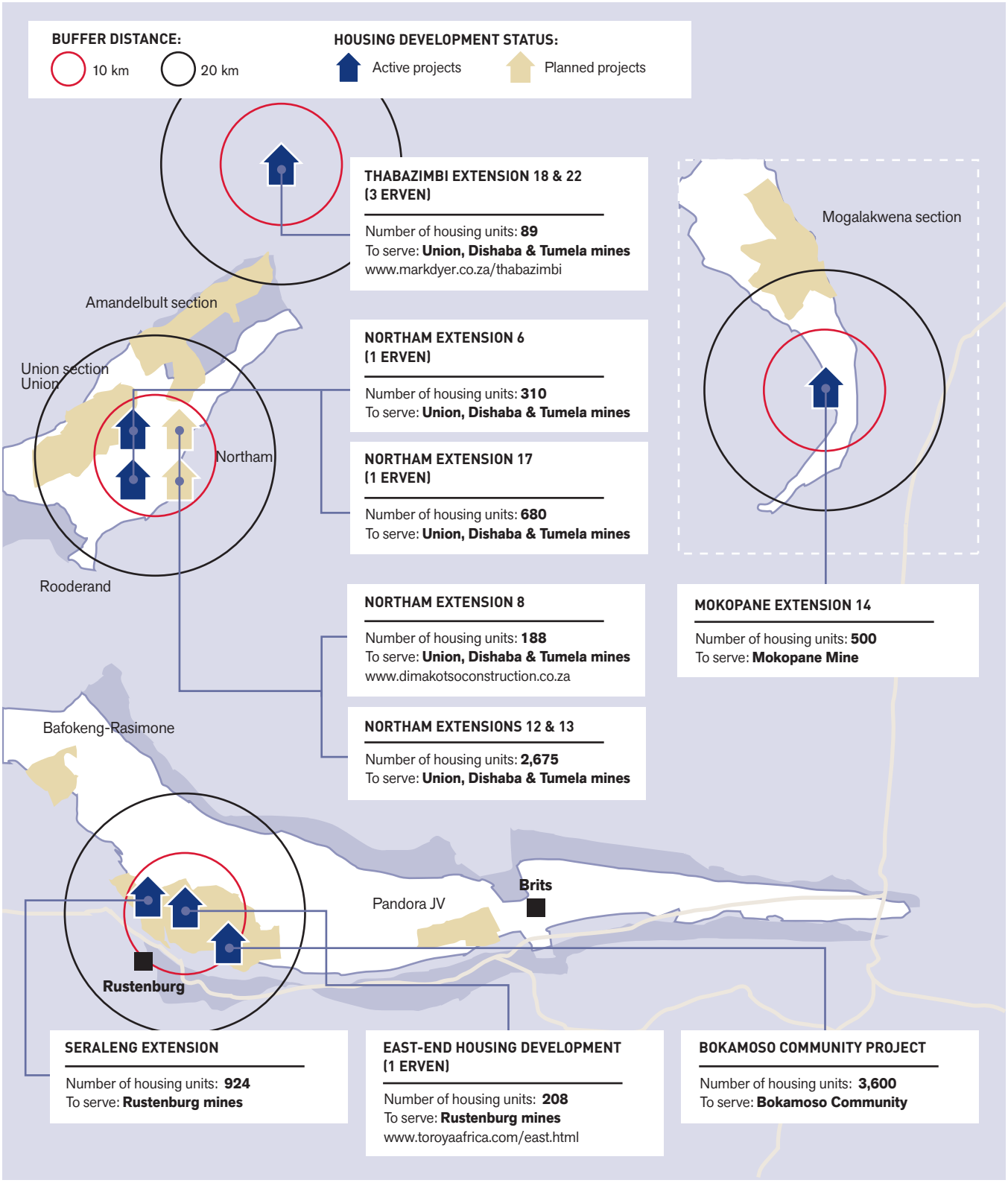
In 2011, Amplats partnered with the Ministry of Human Settlements under the "Each-One-Settle-One" campaign. This campaign seeks to encourage private companies to assist Government in meeting the country's substantial housing challenge.

Amplats announced that it would build 20,000 houses for its employees in Limpopo and North West, starting with the Northam Ext 6 (Northam 310) housing project in Thabazimbi Municipality in Limpopo.

The Company has decided to take the campaign further by becoming involved in the community housing space. This has resulted in the Thusanang housing project in the Rustenburg Local Municipality, where 3,600 homes will be built for the informal settlement community of Nkaneng. This project aims to train and employ the community members as they build their own homes. Some of these houses will be built using alternative building methods.

In 2012, Amplats was acknowledged for its work on the Northam 310 project, when it received the national Govan Mbeki Human Settlements Award for best company in support of Each-One-Settle-One.

Anglo American Platinum employee housing projects



THABAZIMBI EXTENSION 18 & 22 (3 ERVEN)

Number of housing units: **89**
To serve: **Union, Dishaba & Tumela mines**
www.markdyer.co.za/thabazimbi

NORTHAM EXTENSION 6 (1 ERVEN)

Number of housing units: **310**
To serve: **Union, Dishaba & Tumela mines**

NORTHAM EXTENSION 17 (1 ERVEN)

Number of housing units: **680**
To serve: **Union, Dishaba & Tumela mines**

NORTHAM EXTENSION 8

Number of housing units: **188**
To serve: **Union, Dishaba & Tumela mines**
www.dimakotsoconstruction.co.za

NORTHAM EXTENSIONS 12 & 13

Number of housing units: **2,675**
To serve: **Union, Dishaba & Tumela mines**

MOKOPANE EXTENSION 14

Number of housing units: **500**
To serve: **Mokopane Mine**

SERALENG EXTENSION

Number of housing units: **924**
To serve: **Rustenburg mines**

EAST-END HOUSING DEVELOPMENT (1 ERVEN)

Number of housing units: **208**
To serve: **Rustenburg mines**
www.toroyaafrica.com/east.html

BOKAMOSO COMMUNITY PROJECT

Number of housing units: **3,600**
To serve: **Bokamoso Community**

EMPLOYEE RELATIONS

The relationship between the recognised unions and Amplats has been regulated by a collective agreement, the Employee Relations Recognition Agreement (ERRA). In 2011, Amplats concluded its employee relations values charter with the recognised unions. The charter embraces the current Company values and is used as a guide when the Company and the unions engage each other on any employee-related issue. The application of the charter's behavioural and grievance procedures in relation to affected employees has a fundamental influence on the determination of case outcomes.

The four trade unions currently recognised through the ERRA have been the National Union of Metalworkers of South Africa (NUMSA), the National Union of Mineworkers (NUM), the United Association of South Africa (UASA) and the Togetherness Amalgamated Workers' Union of South Africa (TAWUSA). Together, these unions have represented some 80% of Amplats' workforce.

The parties to the ERRA committed themselves to working together to gain employees' understanding of and support for the Company's vision, values and strategies. The ERRA offers five partnership structures for dialogue and consultation, to ensure that issues or disputes are dealt with speedily and sound relations maintained between Amplats and the recognised unions' representatives. There is also a current wage agreement in place between the recognised unions and the Company, which regulates the wages of employees and other terms and conditions of employment until 30 June 2013.

Amplats renegotiated a two-year wage agreement with the unions in 2011. In terms of this agreement, employees in the A and B bands of employment received a 10% increase in 2011 and qualified for a 9% increase in 2012. Employees in the C to D1 bands received an 8.5% increase in 2011 and qualified for an 8% increase in 2012. (If the 12-month average year-on-year consumer price index reached 8% in 2012, then the wage increase would be 8% plus 2% for the C and D1 bands, and 9% plus 2% for the A and B bands.)

The minimum wage increased to R4,500 and R5,000 for surface and underground employees respectively. The living-out allowance and the minimum homeowner's allowance for permanent enrolled employees increased by 5% to R1,654 per month and R2,500 per month respectively.

The Company has converted a significant number of employees to home owners through its home-ownership allowance scheme.

Despite the existence of the ERRA and the wage agreement, in 2012 Amplats faced unprecedented demands for wage increases and changes to other terms and conditions of employment outside the recognised structures. These demands were formulated by "strike" or "workers" committees that operated outside the recognised union structures. They were accompanied by an unprotected strike action lasting eight weeks between September and November 2012, and also by sporadic work stoppages at different operations. The committees demanded that salaries be increased to between R12,500 and R16,000 per month.

The unprotected strike affected the mining and processing operations in the areas around Rustenburg, Union and Amandelbult. It was resolved approximately nine weeks after the start of the unrest. Altogether 12,000 employees were dismissed as a result of the unprotected strike and they were later reinstated.

The total number of employees directly involved in the unprotected strike was approximately 30,000. The strike lasted 60 days, which amounted to a total of about 4.5 million lost man-hours of production, and a loss of R185 million in wages.

The details of the three employees who died from non-natural causes are as follows:

- Mr Mtshunqueni Qakamba aged 48 who joined the Company in 2007 and worked as a Lightweight Machine Operator at Siphumelele 1 Shaft.
- Mr Elias Moomi Mokgwapha aged 50 who joined the Company in 1983 and worked as an Engineering Assistant at Rustenburg Section Tailings.
- Mr Rafael Quive aged 56 who joined the Company in 1993 and worked as a mono-winch operator at Tumela Mine.

COMMUNICATION POLICY AND STRUCTURES

In 2012, the Company implemented an employee communication policy, with the following objectives:

- To promote the empowerment of line management, the emphasis being on line managers' responsibility as the Company's primary communicators with employees.
- To provide a common approach to communication within the Company.
- To ensure an understanding of the communication roles and responsibilities of all parties in the Company.
- To provide a framework of support resources for line managers, making it easier for them to achieve sustainable success in their communication with employees.
- To monitor and audit the effectiveness of employee communication, thereby ensuring an understanding of how to improve on its weaknesses.

The policy also details the structures of communication at various levels of the organisation (one example is supervisors having face-to-face meetings with their teams to discuss production and safety issues).

In all security incidents the Company at the very least undertakes the following:

- Communicates policy to all relevant partners, clients, contractors and host governments where appropriate and consults with them concerning the human rights issues involved.
- Conducts risk assessments to identify the potential for human rights abuses.
- Due diligence processes are carried out before hiring employees or contractors to work as security guards.

The Company complies with the Voluntary Principles on Security and Human Rights. At the height of the strike the Company brought an additional 1,538 contract security personnel to protect its assets and employees at its operations.

Corruption risk

The Company does not tolerate any form of corruption. The risk posed by corruption is considered – along with many other forms of risk – as part of the risk assessments conducted. Internal audit procedures also consider the risk of corruption within any process that is reviewed, and assess the controls that are in place to mitigate the risk. If these controls are not deemed sufficient, this is reported along with injunctions to management for action. The procedures for both the risk-management and the internal audits are aimed at identifying broad risks facing the business. Management remains responsible for the operation of controls intended to minimise the risk of corruption.

Approximately 60% of total employees at Band 5 and above attended anti-corruption training.

Disciplinary procedures

The Company's disciplinary procedures are intended to induce behaviour modification in instances where an employee has committed misconduct. All disciplinary cases are judged based on their substantive and procedural merits. The disciplinary sanctions (outcomes) range from counselling to termination of the employment contract (for serious transgressions that are detrimental to sound running of the Company and thus render continued employment intolerable).

An employee has a right to appeal against the sanction that was imposed by the chairperson of the disciplinary hearing. As in the disciplinary hearing, the appellant has a right to be represented by a fellow employee or a trade union representative during the appeal hearing.

Any appeal process is confined to the merits on which the request for relief is based, as being one of:

- wrongful verdict of guilt
- unfair penalty/sanction in light of the circumstances of the offences
- substantive impropriety in that the appellant has been disciplined without reason

Should the employee wish to take the matter further, he or she is entitled to process it in terms of the Labour Relations Act or any other applicable legal avenue.

Code of ethics violations in 2012

Business principle (January to December 2012)	Number of employees dismissed	Vendors flagged as high-risk suppliers (and not reinstated)
Fraud	13	9
Corruption	2	1
Theft	17	0
Acting against best interest of Company (bringing Company name into disrepute, conflict of interest, vendor irregularities)	9	55
Violence (assault, robbery, hijacking and murder)	23	0
Discrimination (racial and sexual)	3	0
Dishonesty (sick notes, overtime, MVA accounts, etc)	40	0
Total	107	65

The contracts of 183 contractors were terminated in 2011. The breakdown of contractor dismissals has been tracked from 2012 onwards.

Grounds for dismissal

The table above shows the numbers of, and reasons for, dismissal from the Company in 2012. This was the first year during which contractor dismissals were tracked based on the nature of the infringement.

Grievance procedure

The Company's grievance procedure is intended to create an environment that is conducive to good employee relations by making it possible for the Company to take prompt and fair action when employees raise legitimate complaints. The two recognised types of grievance are:

- The individual grievance, in which one person has a grievance.
- The group grievance, in which more than one person has a grievance. In this instance, the aggrieved group may select up to five representatives to raise the grievance with the immediate supervisor. Union members must select shop stewards as representatives. Employees who are not members of a union must select a representative from the group that has the grievance.

Individual and group grievances are treated in the same way, and the same procedure must be followed. Should a grievance remain unresolved, the final management authority within the hierarchy at the operating unit involved is allowed an opportunity to resolve and take a decision on the matter. Further to that, aggrieved parties may employ external dispute-resolution mechanisms regulated by legislation.

01 Nhkonhla Mboweni, Virginia Legong and Leka Seloana repairing flotation cell pumps at Mogalakwena

02 Sean Heukelman, Greg Georgali and Mbanza Sichone at the Waterval Smelter Complex

TRANSFORMATION

The Company is governed by legislative requirements set out in the revised (2010) Mining Charter and the Employment Equity Act (No 55 of 1998), both of which ask that employers show progress in ensuring that their workforce profiles become mirrors of the economically active population of the country. The Mining Charter specifies that the representation of historically disadvantaged South Africans (HDSAs) in large companies ought to have reached a minimum of 40% by 2014.

Amplats continues successfully to implement the transformation aspects of employment equity. At the end of 2012, its proportion of HDSAs in management positions reached 58.3%, while its proportion of women in mining stood at 12.7%. As required by the Employment Equity Act and its amendment regulations, Amplats submitted a consolidated employment equity report to the Department of Labour for the 2012 reporting period ending 31 May. A summary of this information is shown in the employment equity table provided on page 62.

Overall, the Company's employment equity status shows good progress towards achieving equitable representation of designated groups across all occupational levels and categories of the workforce. When compared with the previous report (31 May 2011), the 2012 report showed improvements in designated employee categories as follows: from 37% to 39% in the senior management category; 53% to 56% in the professionally qualified, experienced specialist and mid-management categories; and 69% to 70% in the skilled technical and academically qualified worker, junior management, supervisor, foreman and superintendent categories.

Women in mining

In the Mining Charter, the representation of women in the country's mining companies by 2014 is stipulated based on a minimum demographic representation of 40% of HDSAs at the top, senior, middle and junior management levels; and on figures for economically active women in the country.

13% of top management, 11% of senior management and 22% of middle management are women.

01

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In the third quarter of 2012 the economically active population profile for women was as follows: African women: 33.9%; coloured women: 5.0%; Indian women: 1.1%; and white women: 5.3%. When based on the 40% for HDSAs, the targets for women in all four levels of management become 14.2% for African women, 2.2% for coloured women, 0.6% for Indian women and 2.3% for white women.

The percentage of women in management positions within the Company at the end of 2012 was as follows: 13% in top management; 11% in senior management; 22% in middle management; and 20% in junior management.

The number of women employed by the Company increased from 5.1% to 12.7% of all employees between 2005 and 2012; while the number of those in core skills grew from a very small 405 to 4,674 (10% of the total number of employees in those skills).

Progress has been made possible by the introduction of fast-tracking programmes, targeted recruitment and improvements in the working environment. Changes to the working environment include the supply of sufficient and suitable change houses, the provision of appropriate personal protective equipment, and the formation of women's forums at all operations. A women-in-mining portfolio was created in 2006, and charged with attracting, developing and retaining female employees.

These interventions have contributed to our winning the award for the top gender-empowered company in the resources category for the past three years (2010, 2011 and 2012).

The employment of African women remains a key challenge and efforts have been in place to increase their participation. Between 2011 and 2012 there were no changes in the number of women in senior management or junior management, but the numbers employed in middle management increased from 9.5% to 10.5% when assessed against the Mining Charter's 2014 minimum target of 14.2% cited above.

For more information on women in mining at Amplats, see also the section on "Fast-tracking programmes" on page 59.

Our values and culture journey

During 2011, a follow-up culture and values survey was conducted. The project's objective was threefold: to measure the extent to which the values were being "lived"; to determine the impact of leadership academy and other programmes implemented in support of the values; and to strengthen employees' engagement with the crucial values and culture initiative.

In February 2012, the results of the 2011 Values and Culture Survey were presented to the Central Partnership Forum, which includes senior company and union management, together with a list of suggested activities and tasks that had been developed to drive the values and culture initiative. This was followed by the adoption of a five-phase programme, as shown in the table on page 58.

Personal change programme

The personal change programme – which began in 2009 as part of the organisation's broader culture-change programme – was discontinued in the second quarter of 2012 owing to financial constraints. By then, it had covered 40% of all employees (30% in 2011).

For the second year running, we were recognised as the "best gender empowered company" in the resources sector. We came fifth in the "best employer" category within the large employer grouping for 2012/2013.

JEANE MATSOBANE, WINNER OF THE 2012 WOMEN IN MINING AWARD

01

Jeane Matsobane, a section rock mechanic at Anglo American Platinum Limited, won the 2012 Women in Mining trophy for "positively contributing to women in mining in the southern African mining industry". She was presented with her award at the South Africa Institute of Mining and Metallurgy MineSAFE conference in Johannesburg in August 2012. Dedicated to helping South African mines achieve Zero Harm, the conference was the appropriate event for the presentation.

In an interview for Anglo American's publication, *Our World*, Jeane shared her experiences and wisdom with other Anglo American employees:

"I was given a merit award for my performance in the Chamber of Mines (CoM) written exams for the rock engineering ticket. The course is part of a Mining Qualifications Authority (MQA) and CoM initiative to combat the current shortage of qualified people in the rock engineering field. In a way, it was a celebration of the success of the course and the studying materials that were put together.

"For me, safety is the most important value, so the MineSAFE conference was a good place to receive the award.

"Rock engineering is all about maintaining the stability of mine excavations to ensure the best possible production with maximum safety. There's no point in producing if the safety performance is poor. But ultimately safety is everybody's responsibility: we all need to ensure hazards are not overlooked in working areas.

"I've seen improvements in safety even in the two years since I joined Platinum from university. At Bathopele Mine, where I now work, we've had no falls of ground this year – so things are working well.

"Hopefully, courses like the one that I have just completed will help too. There's a real shortage of rock engineers in the industry but now we should see more qualified people coming through. The more qualified rock engineers we have, the more people there'll be to contribute to our safety culture."

Above

01 Virginia Legong who works at the Mogalakwena North Concentrator

Leadership academy – the frontline supervisor programme

The vision of the Leadership Academy is to provide customised leadership development to various tiers of management in the Company. Since its inception in 2008, the Leadership Academy has rolled out and continues to maintain two culture-change programmes, namely the frontline supervisor programme (C1 to D1) and the personal change programme (all employees). In addition, safety commitment workshops were implemented in 2009.

The objectives of the frontline supervisor programme are as follows:

- To instil the Amplats values
- To provide knowledge for applying the values in everyday work tasks
- To bring about sustained cultural change

Training began in December 2008, and by the end of 2011 a total of 5,648 employees within the C1 to D1 bands had received training on the programme. Owing to various constraints only 487 employees within the C1 to D1 band registered for training during 2012.

Feedback from the electronic measurement tool introduced during 2012 to measure the impact of the programme has demonstrated the positive impact of the frontline supervisor programme.

PEOPLE DEVELOPMENT

Exceptional performance, delivered safely, cost-effectively and competitively, requires optimally developed people.

An integrated human-resources-development model

Amplats uses an integrated and holistic human resources development strategy that enables it to identify individual potential and to develop each employee. All employees are provided with the opportunity to obtain skills and competencies in order to advance along a predetermined career path, based on opportunity and suitability. The following enabling measures are in place to ensure sustainability:

- Unambiguous, up-to-date career paths for all disciplines and job categories.
- Current learning continuums linked to the career path for each discipline and job cluster.
- Assessment methodologies appropriate for developmental purposes.
- Suitable associated documents and templates used to record information regarding assessment, performance and development.

Progress has been achieved by implementing systems and processes that:

- apply the appropriate assessment methodology to determine employee potential
- translate assessment results into an Individual Development Charter (IDC) for each employee
- prioritise the developmental and training needs of employees according to career-path requirements
- ensure that there is a training plan for employees in line with their respective development needs
- action the training plan for employees in the lower-level categories

During 2012, a total of 3,856 employees were assessed for potential and 2,326 new IDCs were developed. To date, 13,010 A to D1 employees have an IDC in place based on identified developmental needs. A further 1,976 employees were promoted as part of our skills development plan in 2012.

Amplats runs several ongoing training initiatives for employees. The two main aims of the training are, firstly, to support and build employees' competence in their current roles; and, secondly, to prepare them for potential future roles within the Company. Included among the training on offer are the following:

- Leadership and management development programmes
- Fast-tracking programmes in engineering and mining
- Operational skills development
- Conventional training in mining
- Conventional training in engineering
- Training in mechanised mining
- Adult basic education and training programmes
- Training in dealing with corruption

Exceptional performance, delivered safely, cost-effectively and competitively, requires optimally developed people.

Phases of the integrated human-resources-development model

Phase 1	Each operation was allocated a consultant who would present the survey's findings to the operation's Operational Unit Participative Forum (OUPF).
Phase 2	Operations were given the responsibility of presenting the feedback from the values and culture survey to their own employees.
Phase 3	The various OUPFs set dates on which to develop their own organisational development action planning, with the aim of counteracting the shortcomings in adherence to Company values that had been picked up in the survey. All stakeholders in the employment relations stream were asked to collaborate in finalising the action plans.
Phase 4	The OUPFs were tasked with implementing their own action plans. They were also requested to ensure that their plans were effective and to address aspects that had been overlooked but needed to be addressed.
Phase 5	Central Office took responsibility for the last phase – that of monitoring. This entailed ensuring that the implementation of the action plans was going well and that the operations were delivering on their initiatives.

Details of the findings of the Values and Culture Survey are provided in the Sustainable Development Report for 2011, available at www.angloplatinum.com.

01 Chairlift to surface at Tumela Mine

The Company's Human Resources People Development Way was launched on 19 June 2012, which sets guidance for development as follows: 70% of learning should take place on the job, 20% should be derived from peers and 10% should result from formal learning such as a course.

Leadership and management development programmes

To enhance their performance at the managerial and supervisory levels, employees attended various internal and external development programmes in 2012. In total, 47 first-line managers attended the junior management programme and 60 senior managers graduated from the programme for management excellence. Some 500 managers attended mentoring workshops. In addition to this, a number of senior managers completed the Leaders in Anglo American programme, which began during 2012.

Various development programmes have been initiated to enhance performance at the supervisory level. They focus on areas such as personal and professional mastery; introduction to supervision and generic supervision skills; change management; performance management; and employee relations and communication. In 2012, 2,243 supervisors attended the programmes.

Young professional development

The objectives of the Company's young professional scheme are to support the pipeline of future leadership into the Company, and to meet employment-equity objectives and targets by providing bursaries and graduate in-training programmes in identified fields. The scheme continues to provide an appropriate number of bursaries to ensure the long-term supply of professional employees to the Company. It thus ensures that we are able to attract and develop young professionals who will be able to create value for Amplats.

The following table indicates the number of young professionals on the scheme who received bursaries between 2006 and 2012. The number of bursars supported reflects Company human resource requirements. HDSAs made up 83% of all bursars on the scheme in 2012:

Number of bursars supported by the Company

Year	Number of bursars
2012	315
2011	384
2010	418
2009	614
2008	657
2007	486
2006	414

Fast-tracking programmes

Fast-tracking programmes address the shortage of business-critical skills and in the process help the Company comply with legislative requirements. The Company has two fast training programmes which address shortage of skills among HDSAs in Engineering and Mining. Recruitment into fast-tracking programmes is done through a rigorous recruitment and selection process.

Engineering fast-tracking programmes

Five engineering development programmes are in place. They are the foreman development programme; measurement control and instrumentation; the planned maintenance officer programme; training towards the Government Certificate of Competence (GCC); and project manager training.

A total of 59 employees were taken through these programmes, 31% of whom were women. Of these, eight (four of them women) were placed in substantive positions within the Company in 2012.

The overall scarcity of female engineers prompted a drive for a higher percentage of female intakes.

Sourcing strategies implemented to increase the female pool include the recruitment of female students from the National Skills Accord Programme, which is a partnership between the Government and Amplats aimed at addressing the shortage of critical and scarce skills. These students spend 6 to 12 months of their practical training with the Company. Students who display potential for further development are absorbed into the business, for inclusion into our fast-tracking programmes once they have completed their electrical or mechanical engineering studies.

Besides this, existing female employees who show potential for upward mobility and leadership roles are sourced from lower levels and developed in line with their career paths and aspirations, to make them ready to meet the criteria for inclusion in the fast-tracking programmes.

Fast-tracking programmes address the shortage of business-critical skills and in the process help the Company comply with legislative requirements.

Mining fast-tracking programmes

During the year, 192 employees participated in the shift supervisor programme, 39 in the mine overseer programme and 13 in the section manager course. Six of the participants obtained the mine overseer certificate of competency, while four obtained the certificate of competency for mine managers. Of the three women who participated in the section manager certificate course, one was promoted to the position of safety manager.

There were two participants in the mineral resources manager programme, one of whom has now been appointed.

Operational skills development

Safety training

The training of 38 safety trainees, 11 of whom were female, continued in 2012.

The Safety On-boarding Programme was designed to inform all new Band 5 and Band 6 employees about the Company's safety performance, key safety focus areas, and safety, health and environment policies and strategies. This programme was converted to computer-based training during 2012, thereby enabling employees to access the programme from their offices and complete the training on-site. The programme was launched in October. To date, 13 new employees have completed it successfully. This programme will become part of the greater on-boarding initiative, which is due to be implemented during the second quarter of 2013.

Training under the Safety Risk Management Process (SRMP) continued during the year. The department co-ordinated all the SRMP courses (A4, A3, A2 and A1) across the Company. SRMP A1 was implemented at all the process operations.

The Commitment to Zero Harm initiative continued during 2012, and has trained 5,175 employees since its inception.

The safety team facilitated numerous training sessions on the concept of visible felt leadership during the year, and 650 employees completed the courses.

The operational skills development team conducted a technical gap analysis on safety officers at each of the process operations during 2012. This culminated in individualised reports that detailed technical shortfalls. Generic training gaps were identified and training to address these started in October 2012.

Various other projects, such as the defence course for women in mining, the roll-out of Anglo American's safety, health and environment (SHE) induction course for contractors and the implementation of the Anglo American Environmental Matters programme, were also successfully completed during the year.

Critical skills development in engineering

By the end of 2012, Amplats had a total of 427 learners in training. Internal employees made up 37% of the total, while newly appointed employees made up 63% of the total.

By the end of 2012, a total of 84 learners had qualified, 68 of whom were HDSAs.

In order to ensure that Amplats has a constant supply of qualified artisans, 50 engineering employees were selected for a fast-tracking programme. Of these, 18 qualified and have been appointed within different operations.

Engineering training was also involved in the training of community learners in engineering. A total of 81 learners were recruited from the communities near which Amplats operates and have been registered on engineering learnerships in different engineering disciplines. All these learners will qualify as artisans in 2013.

The medium-voltage scheme training drive for artisans continued in 2012, with a total of 594 employees trained.

All foremen within Amplats must have a foreman's certificate. The engineering foreman, senior foreman and specialist foreman schemes were implemented during 2012. To date, 159 certificates have been issued to foremen in mining and 77 to foremen in process.

Training for winding engine drivers and onsetters was aligned to the requirements of the new national Mining Qualifications Authority (MQA). Four winding engine drivers and ten onsetters successfully completed the qualification and were issued with the their MQA certificates.

Critical skills development in mining

Conventional mining

The HRD delivered additional training to 109 replacement miners during the strike. The development of learning material for 14 critical skills was completed using a new approach and methodology. The initiative also saw the introduction of "Safe profitable platinum" into all new material.

01 Pre-work meeting at an underground waiting place

02 James Winch and Martin Mphulo checking historical samples at Mogalakwena core yard

01

02

The team provided valuable input into the design of all conceptual drawings for the School of Mines.

Bathopele mechanised training centre

The Bathopele Mine Training Centre maintained its accredited provider status from the MQA in 2012. A total of 2,687 learners obtained certification and/or qualifications at the centre during 2012. In addition, 13 learner miners attended the rock-breaker learnership developed specifically for mechanised mining.

Adult basic education and training

The Company continued to invest significant resources in adult education and training (ABET) in 2012. Access to recognition of prior learning has been provided and every learner writes placement assessments prior to enrolment. Learners are able to continue through five levels of education, beginning with mother-tongue courses and culminating in the introduction to mining and minerals qualification registered at Level 1 on the National Qualifications Framework.

More than 489 people (consisting of 360 employees, 127 community members and 2 contractors) registered for full-time ABET in 2012, with 182 people completing a level (Pre-ABET: 12; ABET Level 1: 62; ABET Level 2: 52; ABET Level 3: 35; and NQF 1: 21). Several successful ABET learners have been offered further development opportunities in line with their career development plans and are progressing well.

More than 489 people registered for full-time ABET in 2012.

Voluntary own-time programmes are offered across the Company. Classes are offered on a three-shift basis, enabling shift workers to attend. A total of 1,987 learners were registered for this stream during the year under review and 418 of them have already completed their respective levels (i.e. Pre-ABET: 82; ABET Level 1: 155; ABET Level 2: 112; ABET Level 3: 63; and NQF 1: 6).

HUMAN RESOURCES INDICATORS

for the year ended 31 December 2012

Employment statistics

	2012	2011	2010	2009	2008
Breakdown of South African workforce, numbers[1,2,3]					
Gauteng	**532**	559	488	557	736
Limpopo	**24,645**	24,654	23,416	23,235	28,002
North West	**25,555**	143	24,463	26,744	29,233
Mpumalanga	**141**	25,913	142	145	132
Total own employees	**50,873**	51,269	48,509	50,681	58,103
Contracting staff[2]					
Labour hire	**610**	516	400	941	3,779
Contractors	**3,635**	5,721	5,113	13,073	23,444
Total contracting staff	**4,245**	6,237	5,513	14,014	27,223
Employment creation in provinces, numbers					
Gauteng	**(27)**	71	(69)	(161)	107
Limpopo	**(9)**	1,238	181	(4,767)	2,655
North West	**(358)**	1,450	(2,281)	(2,489)	3,928
Mpumalanga	**(2)**	1	(3)	13	12
Total own employees	**(396)**	2,760	(2,172)	(7,404)	6,699
Labour turnover in South Africa, percentage (including voluntary separation packages)					
Gauteng	**0.12**	6.12	11.99	14.88	8.5
Limpopo	**2.39**	6.70	9.17	8.84	9.4
North West	**0.02**	7.13	8.96	12.06	2.4
Mpumalanga	**3.05**	1.86	9.68	3.35	6.7
Company turnover	**5.6**	7.0	9.1	9.8	6.7

[1] *Workforce numbers based as at 31 December 2012.*

[2] *Workforce breakdown numbers reviewed against published Group statistics.*

[3] *A further 1,072 employees are employed at our Unki operations in Zimbabwe.*

Breakdown of employment equity per occupational level at Anglo American Platinum

(as submitted to the Department of Labour in May 2012)

	Male				Female				Foreign nationals		
Occupational levels	**African**	**Coloured**	**Indian**	**White**	**African**	**Coloured**	**Indian**	**White**	**Male**	**Female**	**TOTAL**
Top management	1	0	1	2	2	0	0	0	3	0	9
Senior management	78	5	20	187	14	0	6	17	23	1	351
Professionally qualified and experienced specialists and mid-management	710	25	21	902	21	12	28	194	52	6	2,171
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3,664	46	10	1,734	804	11	17	387	338	6	7,017
Semi-skilled and discretionary decision-making	27,711	44	3	256	2,696	10	3	89	5,520	3	36,335
Unskilled and defined decision-making	2,931	6	0	37	1,294	0	0	1	150	3	4,377
Total permanent employees	**35,095**	**126**	**55**	**3,118**	**4,986**	**33**	**54**	**688**	**6,086**	**19**	**50,260**

Note: All numbers are for the period June 2011 to May 2012.

Membership of recognised unions and associations as at 31 December 2012

	2012	2011	2010	2009	2008
National Union of Mineworkers (NUM)	**30,043**	29,937	28,538	28,173	30,233
United Association of South Africa (UASA)	**7,230**	6,905	5,098	4,806	5,036
National Union of Metalworkers of South Africa (NUMSA)	**777**	247	859	1,172	1,258
Total	**38,050**	39,100	34,495	34,151	36,527
Total percentage of workforce represented, excluding management	**81**	79	76	74	73

Note: From 1 January 2009 Anglo American Platinum Limited recognised three major unions.

A formal verification process to determine current union representation is under way. Results of this process will be made available during 2013.

Training

Type of training	Black males	Black females	Coloured males	Coloured females	Asian males	Asian females	White males	White females	Total HDSA trained	Total trained
Graduates	122	58	4	1	5	5	50	14	209	259
Bursars	167	74	4	2	4	6	53	22	279	332
Leaderships (Engineering)	212	90	14	0	3	0	65	7	326	391
Leaderships (Mining)	203	41	2	0	0	0	9	0	246	255

Turnover

	Age group					
	19 – 30	31 – 40	41 – 50	51 – 60	61 – 72	Grand total
Turnover excluding VSPs						
Female %	0,15	0,12	0,09	0,09	0	0,45
Male %	1,83	1,29	0,77	0,71	0,11	4,71
Grand total %	1,98	1,41	0,86	0,8	0,11	5,16
Turnover including VSPs						
Female %	0,16	0,13	0,09	0,10	0	0,48
Male %	1,93	1,41	0,83	0,81	0,12	5,10
Grand total %	2,09	1,54	0,92	0,91	0,12	5,58

Turnover

	Turnover per region excluding VSPs		Turnover per region including VSPs	
Region	Total	%	Total	%
Gauteng	46	0,09	61	0,12
Limpopo	1,131	2,22	1,220	2,39
Mpumalanga	9	0,02	9	0,02
North West	1,457	2,83	1,572	3,05
Grand total %	2,643	5,16	2,862	5,58

Average training hours

Row labels	Average training hours per employes
Professionally qualified and experienced specialists and mid-management	48
Semi-skilled and discretionary decision-makers	86
Senior management	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	93
Top management	4
Unskilled and defined decision-makers	77
Total per employee	**84**

Absenteeism

Region	Absenteeism owing to work-related injuries	Total
Gauteng	0%	7,67%
Limpopo	0,24%	23,21%
Mpumalanga	0,49%	19,53%
North West	0,20%	25,06%

STRATEGIC ELEMENT: Conduct the business safely, cost-effectively and competitively.

ENGAGING AND PARTNERING

WITH THE FUTURE IN MIND

Enhancing the benefits that flow from mining will be best achieved by tapping into collective wisdom, creating solutions that address real needs, and partnering to effect their implementation.

02

R276m

SPEND ON SOCIO-ECONOMIC DEVELOPMENT

03

04

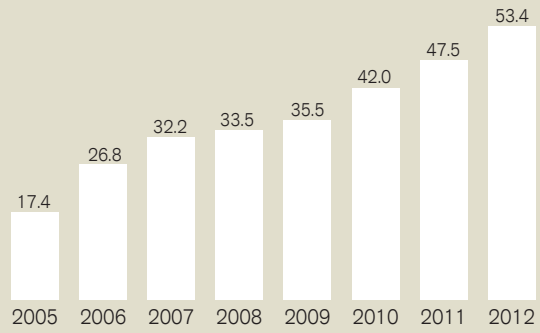
R10,97bn

HISTORICALLY DISADVANTAGED SOUTH AFRICAN PROCUREMENT SPEND

"I will be pushing for greater co-operation and Group effort among companies and with the Government, such that mining companies end up devising and implementing socio-economic development interventions on the basis of common research and shared strategies."

Chris Griffith
Chief executive

BEE procurement – percentage of total discretionary spend



R3,574m

SOUTH AFRICAN TOTAL TAX FOOTPRINT: BORNE AND COLLECTED

01 Children walking on a new road built by Twickenham Mine at Makgopa Village

02 New bridge built by Twickenham Mine

03 Mmantserre Village near Union Mine

04 Settlement near Rustenburg mines

05 Housing development near Waterval Smelter Complex

ECONOMIC CONTRIBUTION

"In 2011, mining directly contributed 9.2% of South Africa's GDP and helped to generate a total of 18.7% of GDP. In terms of jobs the mining sector directly employed over 500,000 people, and was indirectly responsible for a further 840,000 jobs. Based on a typical dependency ratio, this means that around 13.5 million people are dependent on mining-generated jobs." Cynthia Carroll, chief executive, Anglo American plc.

NET SALES REVENUE
(2011: R51.1 bn)
R**42.8**bn

HEADLINE LOSS
R**1.5**bn

OUR ECONOMIC CONTRIBUTION

The disclosure of our strategic approach on economic performance indicators is detailed on the front cover of the Integrated Annual Report.

Payments to Government

Tax revenues generated from our activities form an important element of our economic contribution to the communities and countries in which we operate and this understanding is reflected in our approach to our tax affairs. That approach is framed by the Anglo American Group Tax Strategy, our support for the principles of transparency and the nature of our approach to engagement with stakeholders. More information about the Anglo American Group Tax Strategy can be found in the Anglo American Sustainable Development Report www.angloamerican.com.

The mining industry operates in an increasingly financially constrained world. Mining is a high-risk, long-term business, and the capital investment and commitment we make to host countries reflects that. Governments also recognise that their countries exist in this globally competitive environment, competing for new and continuing long-term investment. There is a need to balance the risks and rewards of responsible investment and the development of non-renewable resources. For industry this means balancing high-risk, long-term capital investment with likely future returns. For government it means balancing the need to raise tax revenues with a competitive, attractive tax regime and other objectives such as employment and poverty alleviation.

That balance relies on the capacity of governments to administer the tax regime, and governance once those revenues have been collected. There are a number of different initiatives aimed at building capacity, governance and transparency such as the Extractive Industry Transparency Initiative (EITI) of which we are founder members, and we believe that these are fundamental to ensuring that communities benefit from the significant value generated by companies like Amplats.

Taxes borne and collected in 2012

Taxes borne	Corporate income taxes	R1,031 million
	Royalties	R288 million
	Import and export duties and other taxes which are cost to the Group	R329 million
		R1,648 million
Taxes collected	Payroll taxes	R1,701 million
	VAT and other taxes which are collected and remitted to Government	R225 million
		R1,926 million
Total		R3,574 million

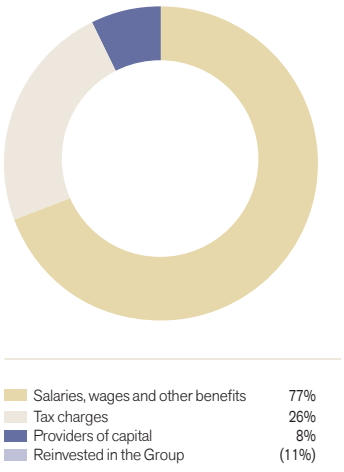
VALUE ADDED STATEMENT

for the year ended 31 December 2012

	2012	%	2011	%	2010	%
Value added						
Net sales revenue	**42,838**		51,117		46,025	
Less: Purchase of goods and services needed to operate the mines and produce refined metal including market development and promotional expenditure	**(20,111)**		(25,007)		(23,652)	
Other net (expenditure)/income	**(7,360)**		(781)		4,439	
Value added by operations	**15,367**	**103**	25,329	101	26,812	101
Losses from investments net of interest received	**(439)**	**(3)**	(263)	(1)	(164)	(1)
	14,928	**100**	25,066	100	26,648	100
Value distributed						
Salaries, wages and other benefits	**11,511**	**77**	10,651	43	9,649	36
Tax charges	**3,831**	**26**	3,742	15	1,985	7
Taxes borne and collected	**3,574**		3,615		1,554	
Payment to Anglo American Group companies for utilisation of tax losses	**257**		127		431	
Providers of capital	**1,250**	**8**	3,821	15	966	4
Interest paid	**660**		530		966	
Dividends	**590**		3,291		–	
Total value distributed	**16,592**		18,214		12,600	
Reinvested in the Group	**(1,664)**	**(11)**	6,852	27	14,048	53
Amortisation and depreciation	**4,921**		4,761		4,444	
Accumulated (losses)/profits	**(6,585)**		2,091		9,604	
	14,928	**100**	25,066	100	26,648	100

Total value distributed 2012

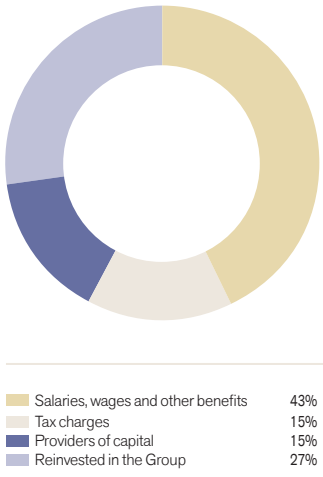
%



Salaries, wages and other benefits	77%
Tax charges	26%
Providers of capital	8%
Reinvested in the Group	(11%)

Total value distributed 2011

%



Salaries, wages and other benefits	43%
Tax charges	15%
Providers of capital	15%
Reinvested in the Group	27%

DIRECT VALUE ADDED TO SOUTH AFRICA

Total turnover in 2012 was R43,148 million, distributed as follows:

Employees

	2012	2011	2010
Total payroll and benefits paid in South Africa, R millions			
Gauteng	**1,373**	1,283	1,039
Limpopo	**4,847**	4,463	4,799
North West	**6,441**	5,968	5,107
Mpumalanga	**224**	190	156
Total	**12,885**	11,904	11,101
Wages[1]	**10,972**	10,241	9,404
Pension	**924**	839	789
Other benefits	**391**	272	172
Share-based payments	**572**	498	455
Redundancy payments	**26**	54	280
Total	**12,885**	11,904	11,100
Donations in South Africa, R millions			
Health	**2.9**	2.5	6.7
Education and youth projects	**27.1**	37.5	50.4
Environment	**1.0**	–	1.6
General community development (including infrastructural projects)	**138.1**	99.1	11.0
Arts, culture and heritage	**–**	1.0	–
Housing	**–**	–	–
Other	**30.4**	22.6	34.0
Chairman's Fund contribution	**15.0**	23.8	15.0
Total	**214.5**	186.5	118.7
Non-core infrastructure development[2], R millions			

[1] *Anglo American Platinum Limited is an equal-opportunity employer and to this end remunerates its employees competitively irrespective of race and gender.*

[2] *This is infrastructure built outside main business activities, such as schools, hospitals and roads.*

Private sector

Suppliers			
Cost of goods, materials and services purchased, R millions			
Total	**27,636**	28,135	25,788
Of which sourced from South Africa	**25,954**	26,767	24,716

Note: 100% of contracts was paid in accordance with agreed terms.

Customers

Anglo American Platinum Limited is primarily a platinum producer operating in South Africa. All other metals produced are by-products of the platinum process. The following analyses of the Company's revenue are based on the end-use of metals sold, rather than on the location of primary customers:

	2012	2011	2010
Gross sales revenue analysis, R millions			
Platinum	**27,056**	32,171	29,481
Palladium	**7,133**	7,520	5,063
Rhodium	**3,046**	4,882	5,715
Nickel	**2,672**	3,180	2,919
Other	**3,241**	3,731	3,174
Total	**43,148**	51,484	46,352
North America	**2,023**	4,189	3,438
Asia	**12,716**	18,322	15,068
Europe	**20,164**	18,884	19,564
Africa	**6,381**	8,215	7,783
Other	**1,864**	1,874	499
Total	**43,148**	51,484	46,352
The following data represents the Company's output as a proportion of supply. This is defined as 'sales of new metal':			
Market share of global mined production, %			
Platinum	**41**	40	42
Palladium	**21**	19	20
Rhodium	**44**	44	44
Providers of capital			
Distributions to providers of capital, R millions			
Interest on short-term debt	**660**	530	965
Dividends	**590**	3,291	–
Total	**1,250**	3,821	965
(Decrease)/increase in accumulated profit	**(6,585)**	2,091	9,604

ECONOMIC INDICATORS

for the year ended 31 December 2012

Anglo American Platinum Limited

		2012	2011	2010	2009	2008
Total workforce[1]						
Full-time employees		**50,873**	52,152	48,807	50,681	58,103
Contractors[2]		**4,245**	6,389	6,908	14,014	27,223
Total capitalisation, as at 31 December, R millions						
Debt		**12,665**	5,958	6,645	22,794	16,330
Equity		**50,100**	56,743	55,018	32,633	29,496
Total assets, as at 31 December, R millions		**85,947**	87,280	83,801	75,821	
Property, plant and equipment		**43,946**	44,499	37,438	35,283	28,435
Capital work-in-progress		**9,149**	12,940	17,065	18,074	18,136
Investment in associates		**6,653**	6,870	7,339	3,301	530
Investments held by environmental trusts		**642**	662	569	78	66
Other financial assets		**4,204**	3,931	2,904	941	158
Other non-current assets		**58**	69	93	101	75
Inventories		**15,937**	12,525	12,558	11,292	10,064
Trade and other receivables		**2,708**	3,066	2,988	2,891	3,941
Other assets		**472**	419	305	328	225
Other current financial assets		**4**	3	8	–	1,615
Cash and cash equivalents		**2,174**	2,296	2,534	3,532	2,870
Refined production						
Platinum	000 oz	**2,379**	2,530	2,570	2,452	2,387
Palladium	000 oz	**1,396**	1,431	1,449	1,361	1,319
Rhodium	000 oz	**311**	338	329	350	299
Gold	000 oz	**105**	105	81	91	79
Nickel	tonnes	**18**	20	19	20	16
Copper	tonnes	**11**	13	11	11	9
Gross revenue, R millions		**43,148**	51,484	46,352	36,947	51,118
North America		**2,023**	4,189	3,438	2,692	3,588
Asia		**12,716**	18,322	15,068	10,470	23,207
Europe		**20,164**	18,884	19,564	18,025	14,211
Africa		**6,381**	8,215	7,783	5,645	10,031
Other		**1,864**	1,874	499	115	1,103
Total cash operating costs, R millions		**37,842**	34,976	32,447	29,573	31,561
Limpopo		**12,858**	12,180	10,234	8,609	10,131
Mpumalanga		**1,599**	1,425	1,302	1,096	1,103
North West		**21,382**	20,550	20,245	19,254	19,285
Non-South Africa		**1,643**	821	666	614	1,042
Value added, R millions		**14,928**	25,066	26,648	20,977	33,731
To salaries, wages and other benefits, net of tax		**11,511**	10,651	9,649	8,712	8,841
To Government		**3,831**	3,742	1,985	2,687	5,648
To providers of capital		**1,250**	3,821	966	1,998	15,207
Reinvested in the Company		**(1,664)**	6,852	14,048	7,580	4,035

[1] *Workforce numbers based on annual average.*

[2] *By definition part-time employees are contractors.*

UNKI INDIGENISATION IMPLEMENTATION PLAN APPROVED

01

On 2 November 2012, Anglo American Platinum Limited (Amplats) announced the approval of the proposed 51% indigenisation implementation plan at Unki Mines (Pvt) Limited by the Zimbabwean Minister of Youth Development, Indigenisation and Empowerment. This transaction is the culmination of the originally envisaged process to develop Unki Mine in partnership with the people of Zimbabwe.

The proposed transaction will be facilitated through a notional vendor financing structure and includes the following shareholding structure:

- A 10% equity ownership transaction with a trust established for the benefit of the community neighbouring Unki's operations.
- A 10% equity ownership transaction with a trust to be established for the benefit of all full-time employees at Unki.
- A 10% equity ownership transaction with a consortium of strategic equity partners.
- A 21% equity ownership transaction with the National Indigenisation and Economic Empowerment Fund.

The disposal of equity under the indigenisation implementation plan will be undertaken at a market-related valuation of Unki adjusted for debt, and is subject to the requisite Amplats board and statutory approvals, as may be required. The acquisition price will be repaid from future dividends and Amplats intends to implement the indigenisation plan by 30 June 2013. The expected economic cost to Amplats of the empowerment plan is US$59.3 million, which equates to 12.9% of the enterprise value of Unki Mine at the date of the transaction.

Speaking in response to the November 2012 development, the chairman of Unki Mines (Pvt) Limited, July Ndlovu, commented that "Anglo American Platinum continues to contribute significantly to the upliftment of its host communities and its employees in South Africa, and will leverage this experience to ensure the successful and seamless implementation of this transaction in Zimbabwe."

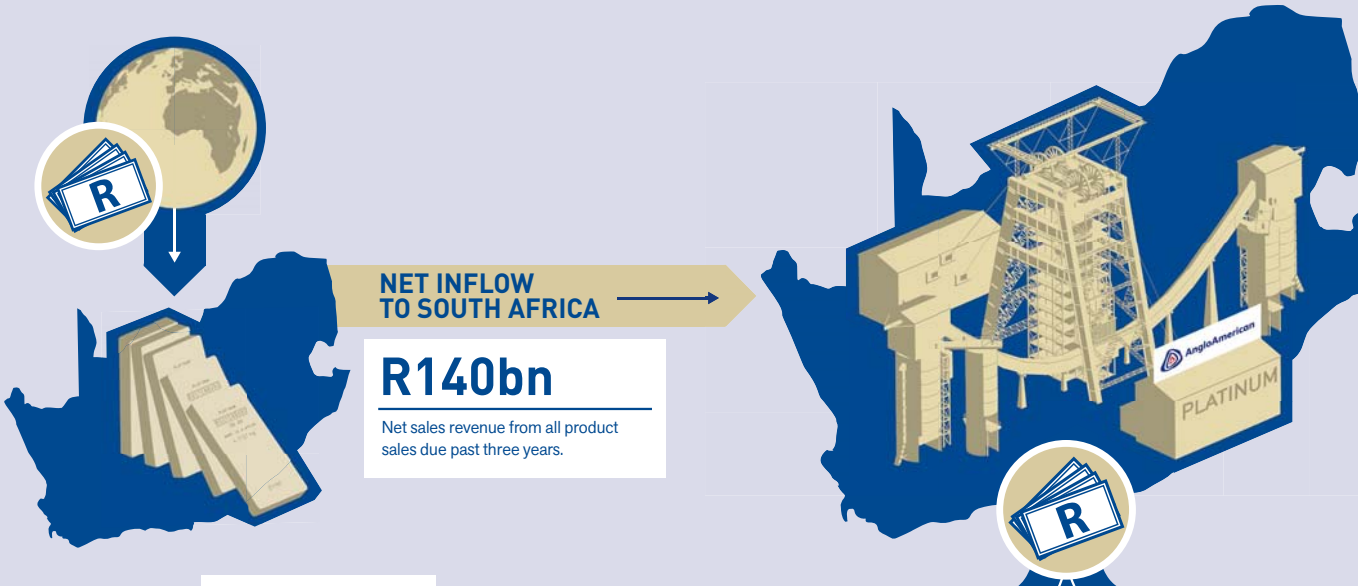
The Government of Zimbabwe has also agreed to ensure that the Company will receive payment of the amount of US$142 million due to it for the cession, in March 2008, of the Kironde and Bougai mineral right claims. This payment will be in lieu of empowerment credits due to it as per the 2008 cession-of-claims agreement, and is in addition to the amounts that will be receivable in respect of the disposal of the 51% equity in Unki.

According to July Ndlovu, the final success of the Zimbabwean indigenisation transaction would be "dependent on further engagement and consultation with affected stakeholders". Consequently, the transaction formed part of "an ongoing engagement programme with the Government of Zimbabwe, Unki's host communities, employees and other key stakeholders".

Above

01 Overview of the Unki Concentrator Plant

97% OF REVENUE GENERAT
CIRCULATES WITHIN THE SOUTH



R140bn

Net sales revenue from all product sales due past three years.

R3.6bn DIVIDENDS TO SHAREHOLDERS

7%

R0.2bn

Net dividend outflow of South Africa to foreign investors.

93%

R3.4bn

Dividend value that remained in South Africa.

PURCHASE OF GOODS AND SERVICES IN SOUTH AFRICA

R71.6bn

The Company requires a variety of goods, utilities, materials and services to operate. The bulk of these are purchased from South Africa.

PURCHASE OF GOODS AND SERVICES OUTSIDE SOUTH AFRICA

R4.1bn

The Company purchases goods and services from foreign companies.

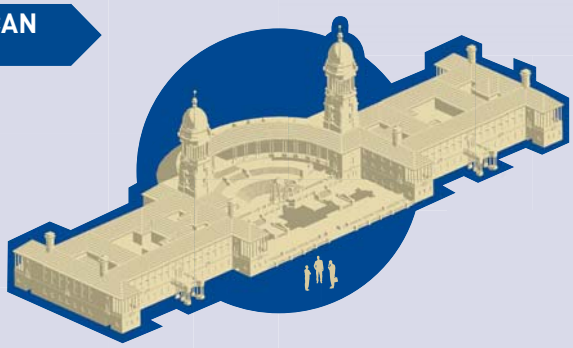
*Note: A three-year view (2010 – 2012)

TED BY AMPLATS
I AFRICAN ECONOMY*

TAX TO SOUTH AFRICAN GOVERNMENT

R8.7bn

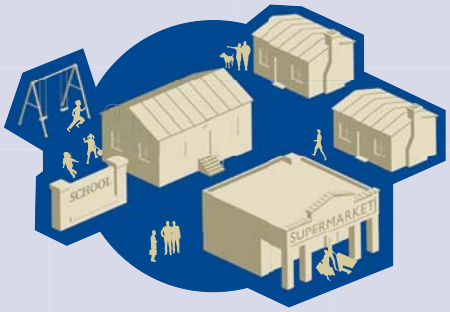
- Direct and indirect tax, including royalties, paid to SA Government.
- Indirect tax to Government deducted from salaries and wages and paid directly to Government by the Company.



SALARIES AND WAGES

R31.8bn

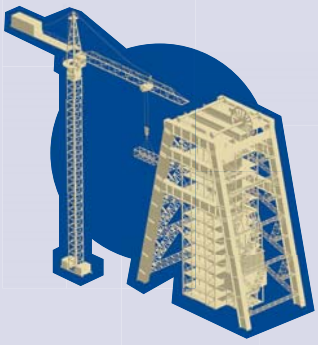
Salaries, wages and other benefits including pension as paid to employees and contractors. This provides them with disposable income to spend in their communities and create wealth in South African communities.



VALUE REINVESTED IN THE COMPANY

R19.2bn

The amount reinvested in the Company in order for the business to be sustainable, grow and achieve future profit.



COMMUNITY DEVELOPMENT PROJECTS

R1bn

The Company invests in the community. Social upliftment takes place through investments in healthcare, education, skills training and infrastructure development.

THE VALUE THAT WE CREATE

Anglo American Platinum is a vital cog in the engine of South Africa's economy. Over and above the direct benefits that accrue as a result of our existence, the indirect positive impacts that we have are equally significant.

The diagram illustrates the positive reach that we have as a company. Of vital importance is the fact that the majority of dividends paid to our shareholders actually remain in South Africa.

We are confident that we can enhance our value-creating abilities through the restructuring of the Company.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

If there was ever doubt about the importance of socio-economic issues and the role they play in impacting the mining sector, then the year under review should dispel these reservations for good. What the series of unprotected strikes in 2012 demonstrated was the clear linkage between labour issues on the mines and socio-economic conditions in society.

What is irrefutable is the need for solutions that address both aspects:

- Firstly, solutions to labour issues on the mines. These issues themselves need to be viewed in the broadest sense and not only with reference to take-home pay and other benefits.
- Secondly, solutions capable of tackling the external socio-economic environment in the labour-sending areas and host communities. The concept of a social compact forged by industry stakeholders is of key importance here, and has been described elsewhere in this report. (See page 8 for this content.)

Amplats' Community Engagement Department (CED), with support from other departments, including the Sustainable Development Department and the Supply Chain and Procurement Department, is tasked with supporting programmes that are designed to create better living and economic conditions for those people living near to the Company's operations and also in the labour-sending areas of Lesotho, Mozambique and the Eastern Cape province in South Africa.

CED also plays an integral role in identifying communities' needs, primarily through in-depth dialogue and engagement with what are often numerous parties: the intended beneficiaries; local, district and provincial government; and other stakeholders. The department also assists operational management to understand local conditions, whether social or political, and to engage with people and situations when necessary.

The Community Engagement Department plays an integral role in identifying communities' needs, primarily through in-depth dialogue and engagement with what are often numerous parties.

STRATEGY, SYSTEMS AND PROCESSES

The need to understand the operational profiles of stakeholders – what motivates them, what their requirements are – and then to respond to this information appropriately is framed firstly by legal requirements and secondly by company values, strategies, policies and standards.

Legal requirements include South Africa's Mining Charter and associated Social and Labour plans, Zimbabwe's indigenisation legislation, and local development imperatives as codified in municipal integrated development plans and spatial development frameworks.

Important Company guidance is contained in the Anglo American Social Way and the Anglo American Socio-Economic Assessment Toolbox (SEAT) Version 3. The Social Way is the overarching governing framework for the management of stakeholder relationships and social impacts.

Community and infrastructure development: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
Many communities around our operations remain woefully underdeveloped. Furthermore, communities expect to benefit from the development and expansion of our mines.	Put plans in place to respond to SEAT 2 assessment suggestions	CED operational plans in place	✓	Conduct SEAT 3 assessments and develop social management plans
	1% of pretax profit to be spent on community development	R276 million spent	✓	1% of pretax profit to be spent on community development
	Continue to promote home ownership. Build 20,000 homes by 2017	2,500 serviced stands installed by 2012	✓	Continue to promote home ownership. Build 20,000 homes by 2017

Assurance of the Company's compliance with the standards contained in the Social Way are obtained through the following means:

- The Good Citizenship Business Principles letters of assurance process
- Regular self-assessments
- Peer reviews
- Community consultations
- Operational grievance mechanisms
- Implementation of the SEAT process
- Third-party audits

The Social Way requires that operations assess their performance annually to establish the degree to which the "24 elements" (see box on page 76) have been addressed.

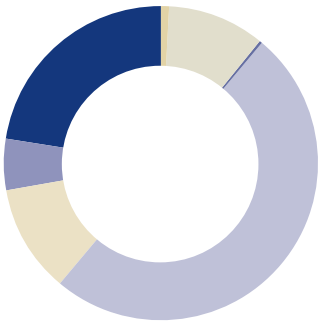
Amplats' compliance with these requirements is generally good. Element 14 is not currently applicable in the Amplats context as the Company does not operate in jurisdictions where indigenous people exist, and elements 15 to 20 are specific to only a few of our operations. The self-assessments culminate in improvement plans that guide each operation in closing any gaps identified during the assessment.

We have made progress in addressing those two requirements in which we previously lagged behind expectations:

- Element 5. Ensure that all contractor and business partner arrangements and Contractor Management Systems include the operation's and Anglo American's social performance requirements. A plan to integrate social performance requirements into contractor management has been developed but is yet to be implemented at operational level. To address requirement in part, Anglo American plc convened a summit for high-risk contractors – transportation companies, explosives suppliers and large employers – whose activities require knowledge of the Group's social management requirements. The purpose of the summit was to engage with these entities about the Group's requirements in relation to the management of environmental and social issues.
- Element 10. Identify, prepare for and have the capability to respond

Corporate social spend 2012

%



Health	1.04%
Education and youth projects	9.81%
Environment	0.35%
General community development (including infrastructure projects)	50.02%
Arts, culture and heritage	0%
Other	11.01%
Chairmans Fund	5.43%
Project Alchemy	22.33%

Anglo American plc social performance strategy

Anglo American guiding values and good citizenship business principles

Policies and standards: The Social Way

Anglo American social strategy: to be partner of choice for host communities

1. Social education and training:
- SEAT training
- Postgraduate diplomas
- Advanced social management programme

2. Guidance documents:
- SEAT
- Exploration SHEC-list
- Mine closure planning toolbox

3. Social programmes:
- Enterprise development
- Social investment
- Partner capacity development
- HIV/AIDS testing and treatment
- Employee housing

4. Leverage core business:
- Local procurement
- Local workforce development
- Synergies from infrastructure provision
- Employee volunteering

5. Internal alignment:
- Business units
- Projects
- Supply chain
- Safety and sustainable development
- Human resources
- Internal assurance

6. External engagement
- Communities
- Governments and multilaterals
- EITI
- Voluntary principles
- Global Compact
- GRI
- ICMM
- NGOs

Performance measurement and reporting

appropriately to emergency and crisis situations that have the potential to impact associated communities or our corporate reputation. Work in this regard is under way. A draft revised emergency and crisis procedure has been developed and is currently under review.

The graph on page 77 clearly indicates that we are improving in our overall application of the Social Way. Two aspects of the figure deserve mention:

- Firstly, that we had slightly more significant non-compliances this year than in 2011.
- Secondly, that there is a distinctive move from compliance to good and best practice.

Additionally, during 2012 we focused on integrating the Social Way requirements into our projects as well as closing the gaps on any outstanding requirements.

A key tool used by operations to fulfil the obligations of the Social Way standards is the Socio-Economic Assessment Toolbox (SEAT) Version 3. The SEAT's objectives are to:

- provide guidance and support for achieving full compliance with the Social Way
- identify key social and economic impacts and issues that need to be managed and, thereby, improve risk management
- assess existing social performance initiatives, such as community development projects, and identify where improvements are required
- facilitate the capture and sharing of best practice across the Company
- improve each operation's understanding of the full range of local stakeholders, and of their views and interests; provide guidance in developing and updating annual Community Engagement Plans

Community needs analyses are routinely conducted by operations during the course of the year. Understanding these needs will be especially important during the implementation of the social plan.

THE 24 ELEMENTS OF THE SOCIAL WAY

1. Proactively identify positive and negative social impacts, assess significance and risks.
2. Proactively seek to deliver a lasting net socio-economic benefit to host communities over the project lifecycle and beyond through the operation of our core business in addition to social investment.
3. Efficiently utilise resources allocated for managing social performance, including through cross-company "One Anglo" delivery models where relevant.
4. Ensure that legal, regulatory, Anglo American and other requirements applicable to social issues are identified and documented, and that all documentation is maintained, accessible, communicated and understood, and that the requirements are complied with.
5. Ensure that all contractor and business partner arrangements and Contractor Management Systems include the operation's and Anglo American's social performance requirements.
6. Ensure that our conduct recognises the gender dimension of social challenges in the communities associated with our operations, and that, through our community programmes, assist in addressing previous disadvantage.
7. Ensure that relevant objectives and targets for social issues are integrated into the overall business planning process and are deployed throughout the organisation for the purposes of continuous improvement.
8. Ensure that employees and contractors are competent to perform their activities in a professional and socially responsible manner, including through the provision of appropriate training and mentoring.
9. Proactively communicate and consult with employees, contractors, suppliers, associated communities, relevant Government bodies and other stakeholders, to ensure that they are aware of social matters and that their perceptions and opinions are considered.
10. Identify, prepare for and have the capability to respond appropriately to emergency and crisis situations that have the potential to impact associated communities or our corporate reputation.
11. Investigate, categorise, analyse and internally report on all social incidents and complaints, and ensure that appropriate corrective and preventive actions are taken to close these out, and that the lessons learnt are shared.
12. Ensure that social performance, systems and practices are monitored, audited and reviewed to identify trends, measure progress, assess compliance, and ensure that good practice is shared.
13. All Anglo American-managed exploration activities, development projects and operations shall develop, document, implement, maintain and review a Social Management Plan.
14. Operations shall develop a formal plan for interactions with any communities of Indigenous People impacted or potentially impacted by their activities.
15. Protect and, where possible, enhance the value of cultural heritage. The management of cultural heritage must meet or exceed the requirements set out in IFC PS 8 on Cultural Heritage.
16. All resettlement exercises must be properly resourced and meet or exceed the requirements set out in IFC Performance Standard Number 5 on Land Acquisition and Involuntary Resettlement.
17. A Resettlement Action Plan and a participative economic development strategy must be developed for all resettlements and must be signed off by the Group Head of Government and Social Affairs.
18. All resettlements must be subject to ongoing monitoring and, three years after completion, an independent evaluation.
19. Plans and negotiations with respect to formalised benefit-sharing agreements shall be discussed with Group Government and Social Affairs and, where proportionate, approved by the Executive Committee.
20. Migrant colleagues should at all times be treated fairly and should not be subject to any form of discrimination. Adequate social provision and time to return to families should be allowed for.
21. Each Anglo operation shall ensure that executives and managers develop a formal process to recognise, reinforce and reward desired social outcomes.
22. Systems, procedures and work practices are formally reviewed following a legal non-conformance or a Moderate or Serious social incident to ensure that they continue to be applicable, relevant and effective. Lessons learned must be shared across Anglo.
23. Ensure that the possible impact of proposed corrective and preventive actions is reviewed in order to mitigate or prevent negative impacts and to enhance positive impacts. These actions must be documented, communicated, tracked and closed out.
24. Each Anglo American managed operation shall perform a Management Review of its Social Management System and plan at least annually.

01 Kgololosego Leteketwa, an educator at Kloof View Primary School in Rustenburg

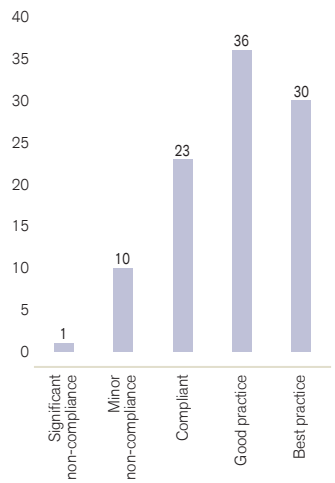
(CEPs), and increase trust and goodwill among host communities

- support sustainable socio-economic development in host communities and ensure that we respect human rights

SEAT is an assessment process designed to provide insight into our relationships with stakeholders and our impacts (both positive and negative) on them. It is also a set of mechanisms aimed at improving our socio-economic performance and enhancing our relationships.

Summary of Social Way self-assessment

Distribution on rankings (%)



Previously, the completion of the SEAT process – every three years – did not coincide with other operational socio-economic planning processes, especially those required to revise the Social and Labour Plans (SLPs). The forthcoming round of events in the completion of the SEAT process will be different: Anglo American Platinum operations will use the outcomes of (the important information derived from) the SEAT process as the basis for revising the SLP at each operation during 2014. This is a very new important step in aligning processes and systems at the operations, which will now compile integrated social management plans annually. These plans will combine all social management systems and processes under one plan, including the CEP, the emergency response plan, the components of the social and labour plan, contractor management plan and the plans for delivering support to local people.

Socio-economic benefits

This section summarises and discusses the overall economic contribution of the Company; the socio-economic benefits that result from the work primarily of the CED; and the work of the Supply Chain and Procurement Department. It also features a short section on beneficiation and the platinum market in general.

Economic contribution

Our economic contribution has been discussed in detail in the value add section of this report on pages 66 to 73.

Local socio-economic development

Our operations are situated in the rural parts of South Africa and in Zimbabwe. These areas are characterised by low levels of formal economic activity, the inadequate provision of infrastructure and services, and the often poor quality of services (when these are available). For many people living in these areas, the mines represent beacons of possibility: as employers and procurers, and as supporters of local development.

CED's role at the operational level is to understand local dynamics, link up with other development actors and tailor the operation's support to the local context. Through its various formal and informal platforms the CED acts as listener and communicator, and is central to an understanding of the local scenario by the Group and its operations. The information obtained by the department is used to guide the mine's support for local development.

Funding for development is committed to in the social and labour plans (SLPs) and is augmented through additional funding for projects not specified in the SLPs but identified as important in addressing real needs in the communities.

Emerging from the 2012 unprotected strikes are some fundamental questions that we need to ask ourselves in relation to the socio-economic development work that we do. At a general level, the entire mining sector needs to spend time and effort reflecting on what it has to do differently in order to ensure that the benefits derived from mining are optimised. This issue is discussed in more detail on pages 6 to 8.

At the operational level, management needs to test whether the socio-economic development programmes it commits to are yielding the intended results. We need to reassess our

01 Community members working at the glass beading project at Rustenburg

02 Kgabutle Senior School near Union Mine

03 Work on the Northam waste water treatment works

strategies, even when we believe that plans originally devised at the operational level were co-developed with all the relevant local stakeholders.

At present, local stakeholders benefit from the Company's activities in a number of ways:

- Employment. This generates income for employees and their families, and creates economic multipliers in the local economies where money is spent.
- Employment benefits. In poor communities, employment benefits such as healthcare and housing support are often as sought after as the jobs themselves.
- Royalties and rent. The Company pays royalties and rent to the owners of surface and mineral rights. Where these rights are vested in local communities, the benefits flow is direct.
- Taxes. Amplats and its employees contribute to national and local tax revenue in a variety of ways (company tax, employee income tax, local rates and taxes, and value-added tax). Here the benefit to communities is indirect.
- Black economic empowerment (BEE).
- Asset ownership. Amplats has undertaken a number of empowerment deals based on equity ownership. These equity ownership models involve one or several assets, including mines and processing facilities. Benefits are delivered through share value and dividends. See the detailed coverage on Project Alchemy on page 81.
- Business-process ownership. Here businesses in communities are given the right to own or co-own mine-related business processes, such as transport. Refer to the Supply Chain and Procurement section on page 90.
- Preferential procurement. Amplats practises preferential procurement in local communities, in compliance with broad-based

Emerging from the 2012 unprotected strikes are some fundamental questions that we need to ask ourselves in relation to the socio-economic development work that we do.

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black economic empowerment requirements. Refer to the Supply Chain and Procurement section on page 90.

- Local economic development (LED) projects. These are undertaken under the umbrella of the mines' social and labour plans, which require LED in host and labour-sending communities. Local infrastructural development is a strong focus of these programmes, and its impacts are often direct.
- Community social investment (CSI). Amplats has CSI programmes focusing on community upliftment at all its sites.

The Company is currently working towards an integrated benefits model built around a single planning process that would manage all social initiatives in a manner designed to maximise their benefits. This model is being designed to:

- identify bottlenecks early
- allocate both monetary and human resources effectively
- allow performance to be tracked through an effective feedback mechanism

Amplats currently follows an inclusive zone (radius) approach of 50 km from its operations for the identification of beneficiaries of community development. This is, however, under review to ensure our activities are more focused and beneficial.

The Company spent R276 million on community projects during the year, a significant increase on the figure for 2011, as a result of focused efforts to address local challenges and needs. The table below outlines spend according to investment areas between 2010 and 2012. The case study on page 81 shows where the Company spends this money.

OUR CONTRIBUTION

Amplats helps build a stronger society by investing in the communities around its operations to make them healthier, safer and more prosperous.

The Company spent R276 million on community projects during the year, a significant increase on the figure for 2011, as a result of focused efforts to address local challenges and needs.

Creating healthier communities

Managing HIV/AIDS in its workforce is a critical health issue. Amplats is part of Anglo American's leading HIV/AIDS testing and treatment programme, with 93% of employees tested in 2011. More than 5,700 employees are enrolled in wellness programmes and more than 3,500 are receiving free antiretroviral treatment.

Mobile clinics, funded by the Company and delivered in partnership with the Department of Health (DoH), have delivered primary healthcare to more than 32,000 people. Lifeline, also funded by the Company and the DoH, has run mobile clinics, testing 282,500 community members for HIV since 2010.

The Company's investment in healthcare facilities in 2011 included the completion of the Jalamba Clinic for remote communities in the Eastern Cape, in partnership with the Anglo American Chairman's Fund; and also the R14.5 million upgrade of primary healthcare facilities in communities living close to its mines in Limpopo.

Building stronger communities

During 2012, we invested R276 million in community development initiatives to support job creation, health, education, infrastructure (such as roads and schools), and community health and welfare. The increase is attributed to the construction of the R37 regional road as well as funds disbursed due to Alchemy.

Nine small business support hubs, run as part of Anglo American's internationally recognised Zimele initiative, have advanced R131 million in loans to create and maintain more than 5,300 jobs in 399 businesses since 2008.

Supporting education

More than 350 employees, community members and contractors took part in adult basic education and training (ABET) programmes in 2011.

The Company launched a R40 million bursary fund in 2011 for people living around Twickenham Mine.

More than 2,000 learners benefited from extra maths and science lessons organised by Amplats during the winter and spring school holidays in the provinces of North West and Limpopo.

In the course of 2011, the Company officially handed over the R15 million Tlhabane West Primary School to the Department of Basic Education. The school has 25 classrooms and will benefit 643 learners. It also began

Corporate social investment, R million

	CED programmes			Percentage		
	2012	2011	2010	**2012**	2011	2010
Health	**2.88**	2.5	6.7	**1.0**	1.3	5.6
Education and youth projects	**27.09**	37.5	50.4	**9.8**	20.1	42.5
Environment	**0.98**	–	1.6	**0.4**	–	1.3
General community development (including infrastructural projects)	**138.12**	99.1	11.0	**50.0**	53.1	9.3
Arts, culture and heritage	**0**	1.0	–	**–**	0.5	–
Housing	**10.32**	–	–	**–**	–	–
Other	**20.08**	22.6	34.0	**11.0**	12.1	28.6
Chairman's Fund contribution	**15.00**	23.8	15.0	**5.4**	12.8	12.6
Project Alchemy	**61.64**	0		**22.3**		
Total	**276.11**	186.5	118.7	**100**	100	100

01 Makgopa village football near Twickenham Mine

02 Isaac Masha inspects the Kalkfontein olive farm project near Der Brochen

03 Mashishi farm project near Twickenham Mine

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the planning and construction of two more schools in labour-sending areas in the provinces of Eastern Cape and North West.

Sharing the benefits of mining

In 2012, Amplats generated value for the following stakeholders: R1,250 million for providers of capital; R11,511 million to employees for wages and related costs; R3,574 million in taxes and royalties to governments; R27,636 million to suppliers for goods and services.

The Company's ground-breaking community share ownership scheme, Project Alchemy, is a R3.5 billion transaction that will ensure the long-term development of communities situated close to the Mogalakwena, Rustenburg, Twickenham and Amandelbult mines, and in key labour-sending areas.

As part of Project Alchemy, four community development trusts and a non-profit company will receive a minimum of R20 million in cash and dividends from shares per annum; R30 million from rechannelled corporate social investment spend; and health and safety-related cash flow benefits if on- and off-mine safety and health targets are met. Refer to page 81 for more information.

Between 2007 and 2012, Amplats spent 41% (or R55.5 billion) of its R140 billion procurement spend with businesses run by historically disadvantaged South Africans.

In 2012, Amplats spent R2.7 billion – or 13.5% of total supply chain spend – with local businesses run by historically disadvantaged South Africans living around its operations.

Working for a sustainable future

To address water shortages for its operations and the communities around its mines, the Company is part of a partnership with Government to provide 1.9 million people with clean water through the Lebolelo Water Scheme, and the Flag-Boshielo and De Hoop dams in Limpopo province.

The Company invested R597 million in 2011 in professional development programmes for employees, training more than 443 bursars and delivering 430 engineering and mining learnerships.

Amplats is facilitating home ownership among its employees with more than 510 houses built in 2011 in the Seraleng and Northam housing projects.

A key bottleneck identified by the Company is the lack of capacity at the local municipal level. In order to address this, the Company supports the training and development of officials in order to speed up the rate of delivery. Without the capacity to develop a long-term development strategy and the coherent planning needed to implement it, delivery will always be accompanied by missed deadlines and other issues.

In certain circumstances, nothing an operation does will appease all constituencies. An example is the firebombing of the Serafa camp at Twickenham in 2012. This occurred as a result of contested payments to community trusts, local power struggles and surface rights issues.

Regular communication by the operations tempers the frustrations experienced by local stakeholders. Operations use various means to engage their stakeholders, including newsletters, the radio and face-to-face meetings.

PROGRESS MADE ON PROJECT ALCHEMY

Project Alchemy (Alchemy) was designed to provide direct participation by local stakeholders in Amplats, and 2012 saw substantial progress being made on the project's implementation.

A R3.5 billion transaction, Alchemy is designed to promote sustainable socio-economic development. Its benefit areas are communities that are not benefiting from the Company's existing broad-based black economic empowerment initiatives. They include a number of communities hosting and living close to the Mogalakwena, Rustenburg, Twickenham and Amandelbult mines, and also communities in the key labour-sending areas.

Alchemy is unique in its overt facilitation of long-term development through equity ownership. Funding and institutional arrangements have been carefully designed to realise this objective.

Guiding principles

Alchemy's guiding aims and principles are:

- to design a transaction structure that will result in real benefits for the target communities from the outset
- to provide funding for the transaction through a "cashless" funding structure for ten years
- to ensure transparency and community empowerment by engaging with and educating the beneficiaries about the scheme and its dividends
- to ensure that the communities benefit from the structure – through both dividends and capital appreciation – for a period of at least 30 years
- to promote the viability of communities beyond the life of the mines

A R3.5 billion transaction, Project Alchemy is designed to promote sustainable socio-economic development.

Lefa La Rona and the development trusts

An umbrella trust, the Lefa La Rona (meaning "our inheritance") Trust, has been created to hold Company shares for the beneficiary communities. Four independent development trusts and a not-for-profit company (NPC) are in the process of being established to serve the intended beneficiaries. Steady progress has been made in setting up the trusts.

The Amandelbult trust is close to 70% established, while the trusts at Rustenburg, Mogalakwena and Twickenham are likely to be established in the course of 2013. All four trusts are likely to be registered by the end of 2013. Regulatory approval from the South African Revenue Service has been obtained for the non-profit status of Lefa La Rona.

As they move into the operational phase of their evolution, the NPC and the four development trusts will each have five trustees: one from Amplats, three selected by the beneficiaries and an independent trustee. To better guarantee the success of the trusts, Amplats has an established project team whose purpose is to ensure that the trustees understand their mandate and are able to inform and guide beneficiaries. Working groups have been planned or set up to seek agreement on the processes for the selection of community trustees (to take place in 2014), the signing of the trust document and other foundational requirements. Typically, these groups comprise representatives from the local communities, local municipalities and the Company. The working groups are also responsible for communicating with beneficiaries; the handover to the trustees; and making certain that the trust documents are locally appropriate and acceptable, and completed and signed.

The trust contracts contain certain fixed elements such as governance requirements, financial management and reporting criteria, and a framework for long-term development planning. There are portions of the agreement

SOCIO-ECONOMIC DEVELOPMENT IN THE LABOUR-SENDING AREAS

Amplats' employees come from across southern Africa. The key labour-sending areas are the Eastern Cape province of South Africa, followed by Lesotho and Mozambique. The Company's Human Resources Department knows exactly where each employee comes from and is thus able to assist the CED in terms of where to target support for development in these areas.

The CED focuses on four main labour-sending areas, namely:

- Taung in the North West province
- Bizana and Mqanduli in the Eastern Cape province
- Mohaleshoek in Lesotho
- Xai-Xai in Mozambique.

The CED works in partnership with the Anglo American Chairman's Fund, which is responsible for ensuring that the projects are implemented on the ground. Other implementation partners include TEBA Development.

Support focuses on agriculture, education and housing. In Lesotho, approximately R9 million will fund support for small-scale crop and livestock farmers. The money will fund technical support and market access for the farmers. The Company is also involved with keyhole gardens in a partnership with the Lesotho Department of Agriculture. These are small gardens that provide much needed vegetables for their owners and that will, at some point, produce a surplus for sale.

In Mqanduli in the Eastern Cape province, the Company supports a wool-farming initiative in partnership with the Council for Scientific and Industrial Research (CSIR). The farm is run by ex miners and the widows of miners.

that are open to change and that allow beneficiaries, through the working groups, to tailor the contract to suit their circumstances.

Each development trust, and also the NPC, will be entitled to appoint a trustee to, and receive a pro-rata participation interest in, the umbrella Lefa La Rona Trust.

Once functional, the trusts will be responsible for (1) development planning; (2) the identification of projects and programmes in which to invest; and (3) the management and administration of the trusts themselves. The development planning undertaken by the trusts will be aligned with other relevant planning, including that of local government.

Funding

No equity contribution will be required from the beneficiaries. A notional loan was used by the Lefa La Rona Trust to purchase shares in Amplats. Notional interest is fixed at a rate of 9.5%, nominal annual compounded in arrears annually for a period of 10 years. The funding structure provides the beneficiary trusts with exposure to capital appreciation, a portion of dividends in cash and voting rights. Amplats will repurchase a portion of the shares held by the Lefa La Rona Trust to settle the outstanding notional loan at the end of the 10 years.

Restrictions

The shares allocated to the Lefa La Rona Trust may not be sold or encumbered for the first 10 years. Thereafter, 40% of the beneficiaries' entitlement at the end of the term may be sold or encumbered, with the remaining 60% saleable only after 20 years. This equates to the current 30-year life-of-mine period in the Company's mining rights.

No equity contribution will be required from the beneficiaries. A notional loan was used by the Lefa La Rona Trust to purchase shares in Amplats.

Benefits

The benefits of the structure are as follows:

- The trusts and the NPC receive cash benefits from the start of the transaction.
- The trusts and the NPC are able to influence the amount of cash they receive each year. In addition to the dividend income, the trusts and the NPC will be able to motivate for projects to be funded through a R30-million corporate social investment fund. The development trusts will receive incentives for achievements against community-relevant health and safety indicators.
- The minimum guaranteed dividend of R20 million means that the trusts and the NPC will always receive a minimum guaranteed dividend even if Amplats does not make a profit or declare a dividend to other shareholders.
- The early settlement of the notional loan as the result of the outperformance of the Amplats share price will ensure significant equity-value transfers to the community trust and NPC, thereby reducing the risk of the structure. However, like all other shareholders in Amplats, the trusts and the NPC will be exposed to equity risk, which might mean that the share price underperforms even though the Company may be making profits.

Governance

During the first two years of the project (the mobilisation phase), and in order to ensure that benefits begin to flow immediately to the beneficiaries, Amplats will establish the development trusts and appoint five initial trustees per development trust, three of whom will be independent. The community trustee selection process will be refined and implemented during the mobilisation phase.

The Alchemy institutions are intended to progress through a consolidation and then an operational phase, reaching full autonomy when community trustees are in the majority. At that stage Amplats will no longer be entitled to appoint trustees, and the development trusts will be able to sell and/or encumber up to 100% of the remaining Amplats equity holdings.

During 2012, R20 million was paid into the Lefa La Rona Trust. An appropriate proportion of this money has been allocated for development projects in the LSAs.

Mogalakwena resettlement

An agreement was signed between the Motlhotlo Community and the mine in June 2012, which unlocked the relocation of the remaining households. Relocation commenced in December 2012 and current planning includes completion of the relocation process by end 2013.

Twickenham resettlement

The last seven households at Mokobakoba in Twickenham have consented to move off the land. Until 2010, these households had refused to move with the other households who had gone to Magobading. The engagement and resuscitation of this resettlement was initiated by the residents themselves, after Twickenham Mine accepted that they did not want to leave the area. The areas in which they will settle have been identified and the Company is finalising the necessary administrative processes.

FIRMLY ROOTING SUSTAINABLE DEVELOPMENT

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Many of our mines are located in rural areas and among rural communities. Over time it has become clear that two things threaten the long-term economic sustainability and well-being of some of the communities living close to our operations:

- A high dependence on the resources, activities and financial opportunities that will inevitably come to an end when our mines eventually reach the end of their lives. These include jobs at the mines and in other businesses supporting the mines, schools built and maintained by the mines, and so on.
- An often dire lack of the essential skills community members require to be able to make a living and become self-sufficient.

In order to address these challenges more meaningfully in Limpopo province, Amplats has opened an environmental training centre near Mogalakwena Mine, some 30 kilometres from Mokopane. The centre was launched in 2012, when various courses on offer were successfully implemented.

Fully sponsored by the mine, the new training centre is located on Mogalakwena's biodiversity offset area, on the eastern boundary of the Waterberg Biosphere Reserve. Converted from a disused stable, it provides accommodation for some two dozen learners and five trainers in a comfortable and relaxed atmosphere. It has been fitted with training equipment, and offers a diversity of work spaces to cater for different training styles and needs. The centre also has a separate industrial-style kitchen that makes it possible for a group of women from the local community, who have been trained to cater for larger groups, to prepare meals for up to 30 participants.

By providing courses in permaculture, food preparation and other subjects, the Mogalakwena centre aims to help local communities acquire greater control over their lives. In the more immediate term, they are being empowered to meet many of their food needs by cultivating their own crops based on the sound agricultural principles taught at the environmental centre; in the slightly longer term, they will be acquiring various other skills capable of boosting microeconomic development in the area.

The first course in 2012 covered the art of food preservation and was presented by an accredited company. Participants were taught all aspects of the subject, including the making of chutneys, jams, pickles and salads. The produce used to make the preserves had been grown on Mogalakwena's own Groenfontein vegetable farm, which has acquired a reputation as one of the mine's sustainable-development success stories. Seen from this angle, the new training in permaculture and food preservation amounts to the logical extension of a community-development programme that has already proved itself and is already familiar to the community.

The permaculture course seeks to provide participants with the knowledge and skills they need to undertake their own farming, ideally at a scale that enables them to grow much of their own food and also produce a surplus for sale.

The course is aimed at the following typical sizes of land cultivation:

- Individual gardens of up to 10 m^2 (able to produce up to 250 kg of vegetables a year).
- Family gardens of up to 60 m^2 (capable of producing up to 1.5 tonnes of vegetables a year).
- Community gardens of 1 hectare (which can yield up to 150 tonnes of vegetables a year).

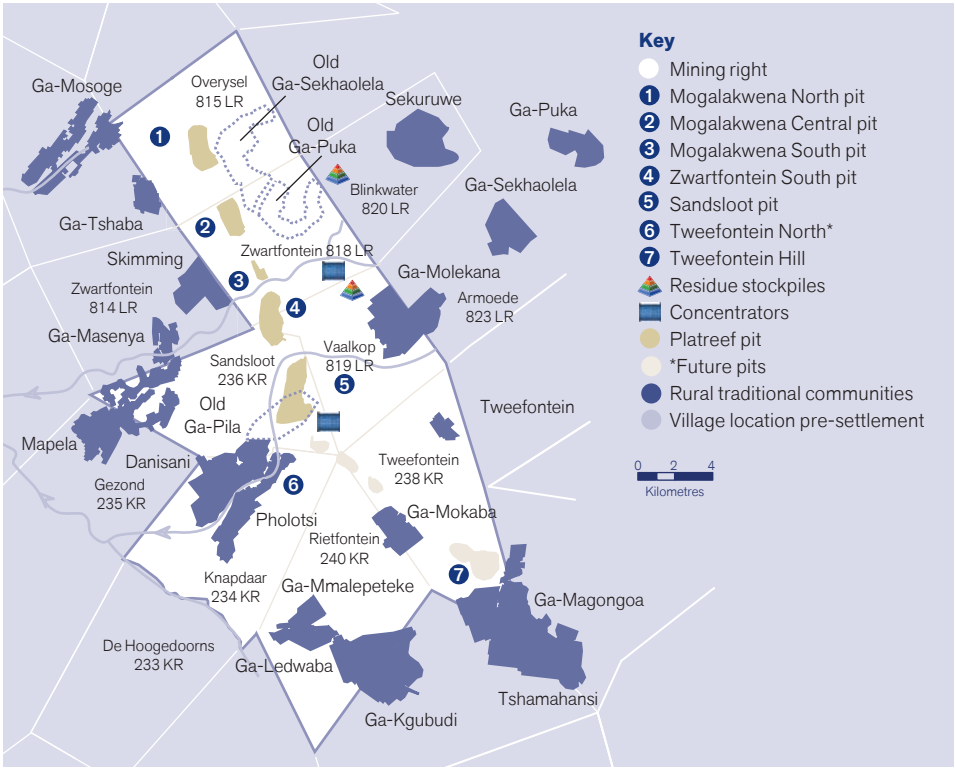
In 2012, a total of 100 trainees from the nearby Sterkwater and Pafola communities attended training in permaculture, and we are looking forward to the roll-out of the same courses in other communities. The programme has been designed to cater for 300 permaculture students per year. In 2013, the mine aims to fill the course with participants sponsored by some of its larger service providers.

An additional three courses are being introduced in the centre's second year:

1. Sustainable development through mining. This course is designed to expose the community to the meaning of sustainable development in mining; and to explain how the mine has been contributing, and will continue to contribute, to sustainable development in the region.
2. Linkages to the Eco-Schools South Africa programme. The objective here is that the training centre should become the hub for an Eco-Schools node consisting of 13 registered Eco-Schools. Four such schools already exist in the area. Courses offered at the training centre will complement the existing Eco-Schools programme.
3. A carpentry/woodworking course for adults. This will teach the skills required to make furniture from the wooden packaging crates supplied by the mine as part of its waste-reduction strategy.

Mogalakwena thus plans to build on its early success in 2012, and to make a lasting contribution to the communities living close to it.

Mogalakwena



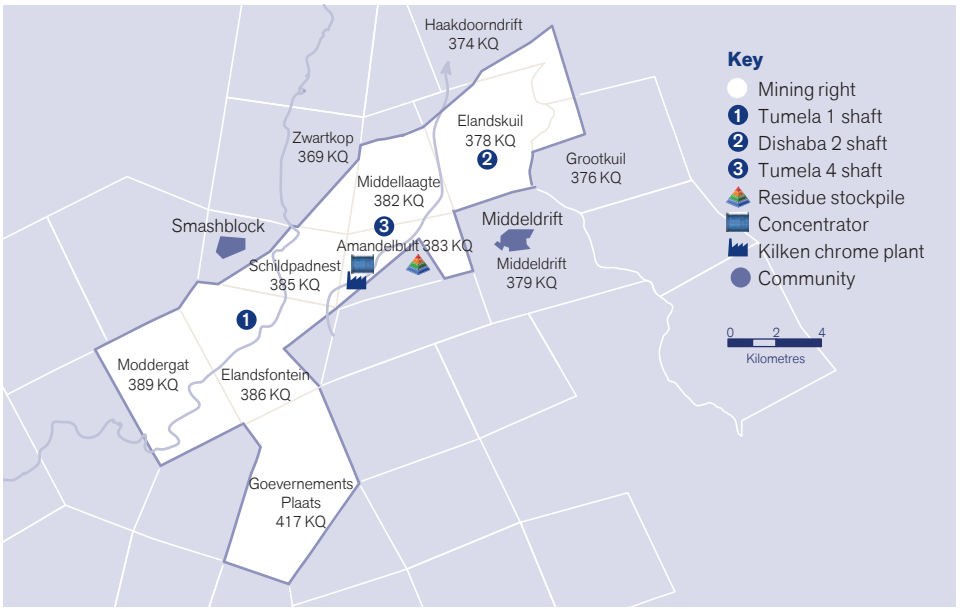
Community issues

Stakeholder	Issue	Action
Sekuruwe community	Inability to finalise surface lease agreement	Community resolution was undertaken, and the matter dealt with by both parties' legal representatives.
Mapela Rural Development Agency (MARUDA)	Disruption of public meetings convened to discuss resettlement and other issues at Mogalakwena	The Company approached the Department of Mineral Resources in order to clarify MARUDA's legal status. This will help the mine to ascertain whether to engage formally with the organisation, and whether this should be done via the Company's Community Engagement Forum.

Community spend

Project	Comments	Spent 2012 (R)
Aletuke drop-in centre	Planning complete, tender process under way	3,576,722
Provide water and sanitation at four schools	In progress	441,809
Provide water to ECD centres	In progress	1,283,870
Enterprise development programme – develop 25 entrepreneurs	Entrepreneurs are being developed as part of both supply chain and community engagement and development initiatives	

Amandelbult



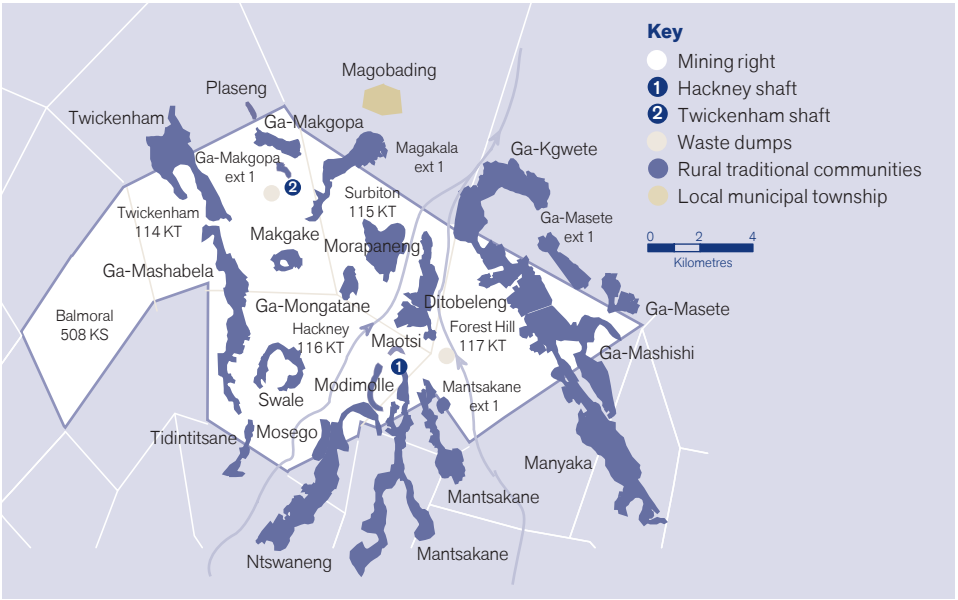
Community issues

Stakeholder	Issue	Action
Mmantserre community	Community's demand for a share in the chrome recovery plant	Meetings were held with senior Government officials and Amplats senior management, but no resolution was reached.
Mmantserre community	Community's request to renegotiate lease-agreement rates	Amplats' Legal Department has engaged the traditional leadership on the matter. The Mmantserre community has asked that the existing contract be reviewed.
Mmantserre community	Delayed finalisation of electrical connection for street lighting	Formal communication was established with Eskom, but quotations received from the parastatal exceeded the available budget.
Mmantserre community	Lack of access to procurement opportunities	The Supply Chain Department, working through the Company's Community Engagement Forum, made a formal presentation to the community regarding Amplats' use of local service providers. Among other aspects, the presentation discussed the work done by the local Anglo Zimele business hub, a key and proven vehicle in stimulating enterprise development in the area.

Community spend

Project	Comments	Spent 2012 (R)
Vegetable farming project	Feasibility assessments under way	1,332,708
Zenzele arts and crafts project	Plans and drawings completed. Will be going out on tender to appoint a contractor to construct the facility	761,162

Twickenham



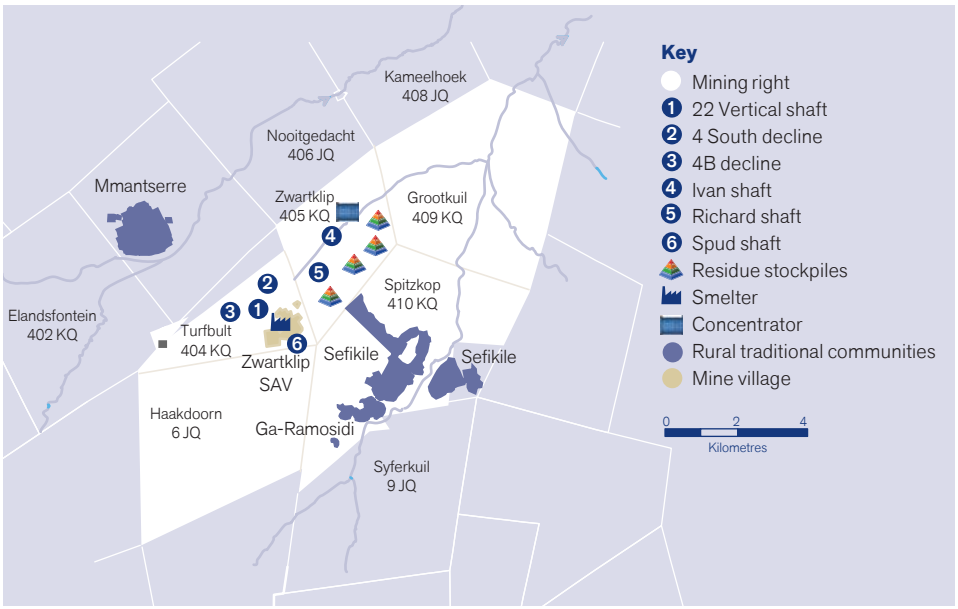
Community issues

Stakeholder	Issue	Action
Various groups	Concern by local stakeholders that the mine is not implementing the projects related to its social and labour plans (SLPs)	The mine's SLP projects were implemented in 2012, and most of them have already been completed.
Various groups	Complaint by local stakeholders that they were not hearing of any employment opportunities available at the mine	The mine's Community Engagement Department (CED) has adopted a new approach to advertising employment opportunities at Twickenham. It will be providing ward councillors and tribal authorities with recruitment advertisements, to enable these to be distributed as widely as possible.
Ward 18 residents, Burgersfort	Complaint by a group of residents and their ward councillor that they were not benefiting from the mine's local housing project. The action included a march to the project and a threat to bring it to a halt.	Several meetings were held in which the following were represented: ward councillors from the communities around Twickenham, including the councillor for ward 18; the municipal speaker; the public participation manager; and the mine's CED office. The outcome was that 40 people from ward 18 will be gradually employed as opportunities become available. The councillor of ward 18 agreed to provide the mine with a list of 40 people detailing their skills, qualifications and experience.

Community spend

Project	Comments	Spent 2012 (R)
Access bridge construction at Ditabaneng	Construction in progress	1,696,838
Road construction at Makgopa	Construction in progress	2,327,642
School administration blocks for Moseki School and Mpetli School	Funds reallocated to the construction of the new Setlamorago Primary School. Tender process under way	4,607,114

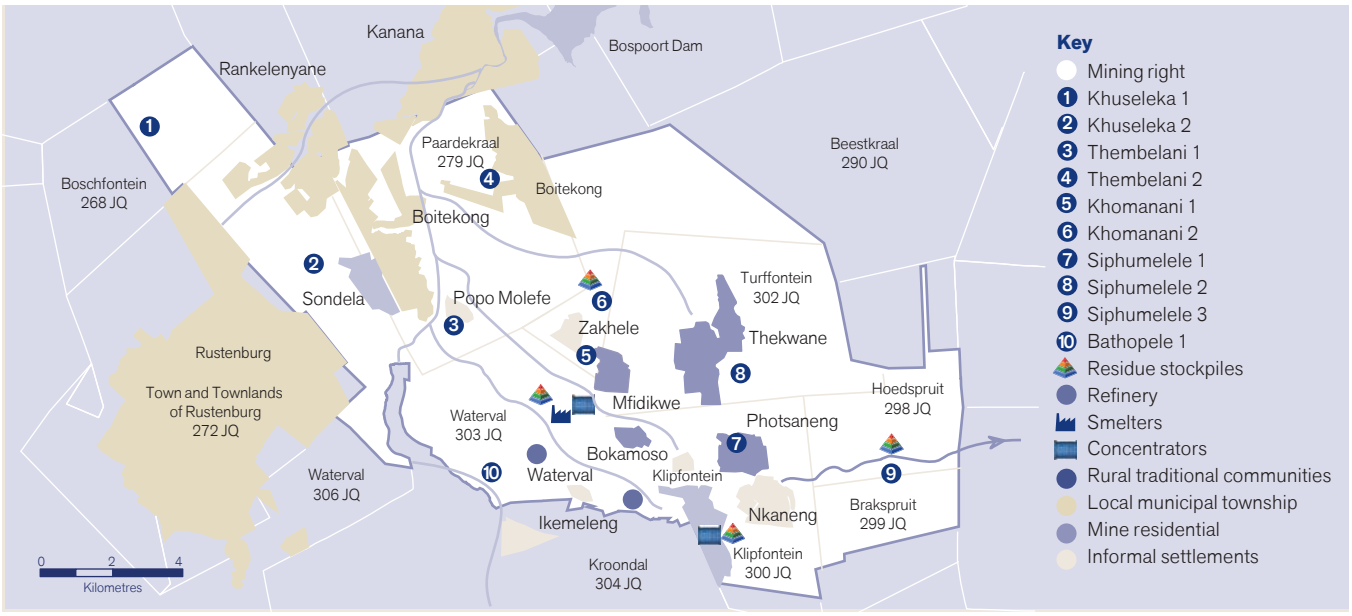
Union



Community spend

Project	Comments	Spent 2012 (R)
Develop a mango farm – Bojating	Feasibility study completed with positive results. CSIR appointed implementing agents. Project kick-off under way	1,875,899
Establish a poultry farm – Sedimogang	Farm has been established and a tender process is under way for storage and packing purposes	319,087
Waste reclamation business – salvage yard	Feasibility study complete and will link into existing waste management processes	
Sefikile clinic upgrade	Scheduled for completion in March 2013	4,945,617

Rustenburg



Community spend

Project	Comments	Spent 2012 (R)
Piggery project	Completed, currently attending to a few minor construction issues	2,417,517
Phatsima project	Appointment of service provider to establish a community farming project under way	–
Glass bead and jewellery project	Beading project under way	3,793,340
Construct science and computer centres	Computer centres completed. Science facility needs a complete upgrade to the Bakwena School	1,742,125
Construct Manthe School – Taung	In construction, about 65% complete	11,352,096
Construct Ethridge Combined School	In construction, about 90% complete	23,216,434

UNKI VILLAGE 17, HOUSING PROJECT

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02

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During 1999 to 2000, 22 families (former Shungudzevhu Cooperative members) were relocated to Village 17 as part of the development of the Unki Project and its associated mine infrastructure.

Prior to this resettlement, wide consultation occurred with the affected families, the local authority (Tongogara Rural District Council), the Office of the District Administrator (who chairs the District Land Committee) and other relevant Government departments at district level. Scott Wilson Consulting Engineers were engaged by Unki Mines to conduct a social impact assessment for the Unki Project and to come up with a resettlement action and compensation plan.

The plan was approved by the board of Unki Mines on 25 March 2002.

Over and above land-for-land compensations, the relocated families were paid money based on valuations of their respective assets. These included dwelling structures, granaries, domestic-animal pens, fruit trees and a share of co-operative assets. The valuations were made in line with the then applicable market values. All the affected families were also paid an equal lump sum for general disturbance resulting from the displacement, and received agricultural seed and fertilizer.

The compensation in cash (paid in 2002) happened at a time when the national economy was already suffering from runaway inflation that quickly eroded the buying power of the Zimbabwean dollar. Evidence of non-development in Village 17 years after the relocation was testimony that Zimbabwe's hyperinflation had not spared the relocated families and had reduced their cash compensation to almost "nothing", thus leaving them worse off than before the relocation.

This situation accounted for the families' appeal to Unki, in 2011, to build them houses similar to the ones the mine had built for other families who had been resettled in Rietfontein during 2002 to 2003 and in Makwikwi in 2006.

The result of this appeal was the Village 17 housing project, which culminated in a day of celebration on 14 November 2012, when the general manager of Unki Mines, Mr Walter Nemasasi, handed the villagers ownership and occupation certificates for the brand-new modern homes that were replacing the grass-thatch huts they had been living in.

Speaking on behalf of all the beneficiaries, Mr Madala Sekani, the head of Village 17, thanked Unki Mines for responding to their plea: "Many of us had never dreamt of owning such beautiful houses. We are very happy with the houses and grateful for the continued support from Unki Mines, which also includes the upgrading of our village access road and the implementation of the Shungudzevhu irrigation project – currently in progress – that will improve our food security and livelihoods."

The road upgrade means that the Village 17 community now also enjoys easier access to the better-resourced Chironde clinic, and to the Chironde Primary and Secondary schools. Both the schools were refurbished and equipped by Unki Mines, under its previous community social investment initiatives.

Left

01 New house at Unki Village housing project

02 Handing over ceremony at Unki Village

03 Unki Village scene

SUPPLY CHAIN AND PROCUREMENT

The Supply Chain Department has implemented various safety initiatives in order to contribute to the all-important vision of Zero Harm. The aim of these endeavours is to ensure that suppliers and contractors adhere to the Company's safety principles and standards at all times. The supply chain scorecards and key performance indicators (KPIs) we use are all aligned with our operational safety standards; and progress on adherence to the standards is discussed monthly by management.

TOTAL HDSA PROCUREMENT

R**10.7**bn

LOCAL HDSA PROCUREMENT

R**2.7**bn

SUSTAINABLE DEVELOPMENT SUPPLIER AUDITS

To ensure their compliance with the relevant Amplats standards, the Company conducts sustainable development (SD) assessment audits of its on-site suppliers.

During the year the SD team audited 38 suppliers.

Second annual Transport Safety and Sustainable Development Conference

Our second annual Transport, Safety and Sustainable Development Conference was held on 19 September 2012. Attendees included representatives from all our road-transport services providers and our suppliers of dangerous goods.

The objectives of the conference were twofold:

- To reinforce the Amplats safety and sustainable development vision and principles.
- To enhance safety and sustainable development as a collaborative effort between Amplats, its transport-services providers, and suppliers of dangerous goods who transport products to sites.

The full-day conference included presentations on road infrastructure; trends in, and feedback on, safety and SD audits conducted with transport-services providers; Amplats personnel transport standards; and Company progress on the following:

- Rollover protection. This covers operator compartment structures (usually cabs or frames) intended to protect equipment operators and motorists against the injuries that may be caused when a vehicle overturns.
- Supplier parks (transport business centres situated in a common area and sharing services and infrastructure).
- Criteria for intermodal transportation, which refers to the use of more than one form of transport for a goods journey.

The presenters included subject specialists from the Company and also speakers from Imperial Logistics, Econogistics and the Road Traffic Management Corporation.
Two workshop sessions were used to discuss the following:

- The optimisation of our carbon emissions footprint.
- The possibility of identifying, and collaborating on, opportunities for local community upliftment.

Supply Chain Department's safety workshop for small contractors

The Company hosted a safety summit on 3 August 2012 for a group of 42 black economic empowerment (BEE) and community-based companies that operate in Rustenburg and supply Amplats with products and services. The summit focused on risk assessment; contractors' safety packs; legal appointments; risk-identification tools; and corporate governance.

Entrepreneur Internship Programme

The chief executive of Anglo American, Cynthia Carroll, made a public commitment in 2012 that Anglo American would create up to 25,000 sustainable new jobs in South Africa by 2015. This announcement was linked to our Entrepreneur Internship Programme (EIP), an innovative enterprise that supports the accelerated growth of high-potential entrepreneurs to create job opportunities and achieve rapid growth in employment size and revenues.

The programme, hosted by the Supply Chain Department, saw five emerging entrepreneurs join Anglo American for a 12-month internship in March 2012. It combines experiential learning with industry exposure, mentoring and networking. Together these components help to accelerate the necessary cycle of personal and business-capacity development, confidence and accomplishment that empowers each entrepreneur to translate his or her ideas into a sustainable business. Entrepreneur

The chief executive of Anglo American, Cynthia Carroll, made a public commitment in 2012 that Anglo American would create up to 25,000 sustainable new jobs in South Africa by 2015.

interns are exposed to Anglo American's business, the aim being to enable them to start a new local company or grow an existing one, ideally one that supplies goods or services to Amplats. By the end of the EIP experience they will have developed a detailed "go to market" business plan that can be implemented and provide the foundation for a successful business with strong growth opportunities.

The programme's combination of skills development, mentoring, real-life learning and opportunity identification is providing positive results for everyone involved in it. The EIP is designed to help create sustainable businesses that can lead to meaningful social and economic transformation. Anglo American is also interested in investing in small and medium enterprises that could, given time, build a pipeline of products and services for the Company's supply-chain needs.

Procuring goods and services from BEE-compliant companies

By supporting BEE vendors situated in close proximity of its operations, Amplats has continually met its commitment to procure goods and services from BEE-compliant companies. It has been eight years since the Company started to track its procurement spend with BEE-compliant vendors. (See the graph on page 93.)

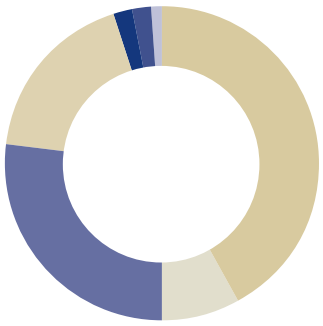
The figures show that Amplats has been making solid progress with BEE procurement year-on-year. Between 2005 and October 2012, the Company has spent R60.9 billion on such procurement (i.e. 37% of the total procurement spend of R166 billion during this period). Of the R60.9 billion spent on BEE procurement, R16.7 billion was spent in the regions/provinces where the procuring operations are located, representing 11.95% of total BEE spend, while local (less than 50 km from a procuring mining operation) BEE spend was R11.8 billion (8.8% of total spend).

Number of deals done per hub

Burgersfort	13
Mogwase	35
Mokopane	18
Rustenburg	43
Thabazimbi	20

Sectors in which deals were done

%



Construction	42%
Retail	8%
Services	27%
Engineering	18%
Transport	2%
Manufacture	2%
Other	1%

UNDERGROUND MINING TOUR – AFRICA AND AUSTRALIAN REPRESENTATIVES

01

In March 2012, the Supply Chain Department hosted visitors from the Australia–Africa Partnerships Facility (AAPF). The AAPF is an initiative of the Australian Government to facilitate relationships and development co-operation with African governments and institutions, and is a key pillar of Australia's aid and development programme in Africa. The facility responds to requests from African partner governments and institutions to provide training, study tours, short-term advisory support and funding for capacity-building programmes, particularly in the areas of mining governance, agriculture, and food security and public policy reform. AusAID, the Australian Agency for International Development, funds all AAPF activities.

The objective of the AAPF visit to Amplats was to enable participants from various African countries to gain insight – from the Company's local procurement and Zimele teams – into opportunities and good industry practice in improving the capability and competitiveness of small and medium enterprises (SMEs), particularly those capable of supporting mining operations.
The 18 visitors, from governments, local chambers of commerce and the mining industry in Kenya, Malawi, Nigeria, Tanzania and Zambia, visited the Company's operations in Rustenburg and described the visit as constructive and informative. As one participant put it, "the host organisations wanted to learn as much from the group as the group wanted to learn from them."

Left

01 Bernadette Mwakacheya (Zambia), Calitha Weeks-Bropleh (Liberia), Vincent Annan (Ghana), Ana Maria Esteves (facilitator), Yaw Asare Appiah (Ghana) and Joseph Abbey (Ghana)

SUPPLY CHAIN HONOURED

In 2010, Amplats' transport service provider went insolvent, putting at risk the Company's supply chain and platinum production. Barloworld Logistics was appointed to provide a solution. Since then, it has moved more than 80,000 tonnes of concentrate per month, at service levels exceeding 98%. The team has optimised costs and aligned itself with operational requirements, achieving a 15% reduction in operating costs per annum. Ninety employees from the communities close to the mines have been upskilled and empowered, world-class risk-management and safety processes have been implemented, and strategic relationships with key service providers have been formed.

In 2012, Amplats won the prestigious gold award jointly with Barloworld Logistics at the 24th annual Logistics Achiever Awards. These are the benchmark logistics and supply-chain-industry awards recognising excellence and outstanding performance in sustainable supply-chain solutions in South Africa.

Gary Ditchfield, operations supply chain manager for Amplats, commented: "A key part of Platinum's strategy to achieve its vision is to conduct its business safely, cost-effectively and competitively. In support of these goals and strategy, the team delivered a smart supply-chain solution that is flexible, agile and responsive to the continually fluctuating supply and demand of platinum as well as to the complexities of both the transport network and the operating environment."

Francois van Rensburg, divisional director at Barloworld Logistics, had this to say: "These results can only be achieved through a mutual vision, a strategic partnership and collaboration with all stakeholders. The entire solution is built on a culture of operational excellence, continual improvement and innovation, the results of which provide ongoing service and cost enhancements to Platinum." The solution achieved with Barloworld Logistics is also scalable, and replicable in other, similar operations.

HDSA spend (ZAR million)

Summary	2012	%	2011	%	2010	%
Consumables	**3,900**	**55.0**	3,789	50.0	2,440	34.3
Services	**4,347**	**53.4**	4,029	21.0	3,181	44.0
Capital	**2,615**	**51.7**	2,467	46.2	2,559	47.7
HE	**8,467**	**41.2**	7,789	35.6	6,407	31.3
HO	**2,508**	**12.2**	2,598	11.9	1,838	9.0
HDSA regional	**3,433**	**16.7**	3,340	15.3	2,714	13.3
HDSA local	**2,771**	**13.5**	2,449	11.4	1,874	9.2
HDSA total	**10,975**		10,387		8,246	
Total discretionary procurement	**20,563**		21,854		20,451	
Total HDSA %	**53.4**		47.5		40.3	
Internal target %	**49.0**		43.0		37.0	

Hub performance

	2012	2011	2010
Number of transactions	**129**	159	194
Jobs created	**1,341**	1,240	1,362
Loans advanced (ZAR million)	**29**	35	40
Turnover created (estimate ZAR million)	**81**	122	100

BEE spend in 2012

In 2012, the Company spent R20.6 billion on procurement, of which R11 billion was with BEE-compliant companies, representing 53.4% of the total procurement spend. Of this R3.4 billion was spent in the mining regions/provinces, representing 16.7% of total procurement, while R2.8 billion was spent in areas that are less than 50 km from the procuring mining operations, representing 13.5% of total procurement spend.

Envisaged BEE spend in 2013

Although we have made significant progress in terms of procurement from BEE enterprises, we realise that we are still not having enough of an impact in terms of creating procurement opportunities in the communities close to our mines or within our labour-sending areas. It is with this in mind that the supply chain is refocusing in 2013, to accelerate the development of supplier companies within these areas.

Anglo Zimele

Anglo Zimele, Anglo American's enterprise development arm, began to fund black economic empowerment (BEE) transactions from as early as 1998.

From 2008 to 2012, Anglo Zimele's four funds have provided R708 million in funding, supported 1,393 companies, and completed 1,972 loan transactions. Furthermore, funded businesses have employed 25,364 people, and achieved a collective annual turnover of R3.47 billion.

Zimele is recognised as an integral part of the way we do business, and this in turn enables us to take a holistic approach to enterprise development.

These aspects have resulted in Zimele being recognised as a global leader in

enterprise development. The Zimele formula has been adopted by both the International Finance Corporation and the United Nations Development Programme.

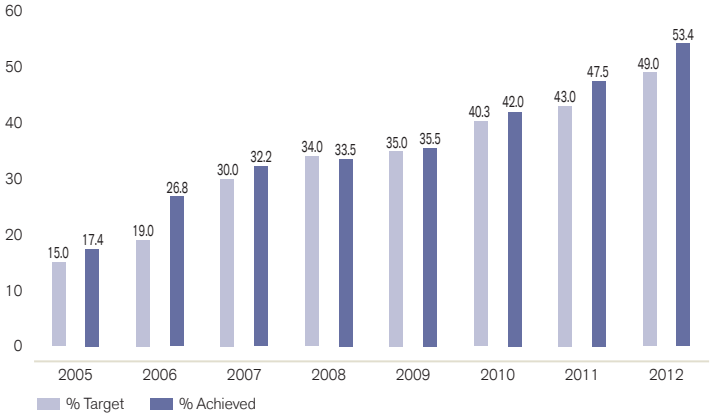
We have ensured that Zimele's enterprise development model is made more visible and accessible through a corporate centre that is supported by a national footprint of 31 small-business hubs, with experts always on hand to offer professional advice and other services to existing or potential entrepreneurs, through every step of their business journey.

Anglo American also fully recognises the vital importance of partners, and collaborates with a number of key stakeholders in order to achieve its enterprise development objectives. It is this very approach, over a period of 23 years, that has enabled Anglo American's enterprise development philosophy to grow into the successful model it is today.

BEE procurement spend

7 years 2005 to 2012

%



ASSISTING LOCAL SUPPLIERS

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02

Makinta Mahlako Transport and Projects CC is a business wholly owned by Mr Makinta Esrom Masenya, who lives at Ga-Molekane village, less than a kilometre from Mogalakwena Platinum Mine. The company was registered in 2008 and started operating in 2011, with welding and building as its core activities. Currently, Makinta Mahlako Transport and Projects CC is carrying out plant maintenance at the mine.

Makinta Masenya originally approached the Anglo Zimele Communities Fund in January 2012, regarding an order for the manufacture and installation of guard rails. The fund financed the CC's first loan to the amount of R236,542, which was repaid within three months. Zimele has also financed a Hyundai light-delivery vehicle worth R209,000 and repayable over three years, and the building of a parking bay costing R476,000. This most recent loan will be settled at the end of January 2013.

Having begun to work for Amplats for an order valued at R17,000, Makinta Mahlako Transport and Projects CC had accumulated company orders totalling approximately R3 million by the end of 2012. The business, which started to operate from Mr Masenya's home with three employees, was employing 22 people and renting two workshops in the industrial area of Mokopane by October. All its employees are recruited from the local mining communities. The staff members consist of 18 young people, three of whom are women. Only four employees are older than 35 years of age. In the short space of time since it started supplying services for Amplats, Makinta Mahlako Transport and Projects CC has also invested in assets such as vehicles, an overhead crane and welding machines.

Left

01 William Baloyi, Kevin Kwakwa, Baston Manyaka, Justice Nyaka, Jimmy Machoga, Jeremiah Chimika and Pfunzo Maluta

02 Cynthia Tloubatla, Makinta Masenya (owner), Portia Ramashala, Johannes Nkgoeng, Doctor Tobane, Lucy Sebatana and Joseph Ramotebele

MARKET DEVELOPMENT AND BENEFICIATION

Most of the platinum that is mined today is used in the manufacture of catalytic convertors in vehicle exhaust systems. Together with fine jewellery, autocatalysts consume more than 70% of the world's platinum supply.

PLATINUM SALES TO THE LOCAL JEWELLERY INDUSTRY

2,379 oz

MARKET DEVELOPMENT AND BENEFICIATION

It is important to invest in developing sustainable markets for PGMs, as applications for these unique metals are largely derived. Together with various partners, the Company invests in a portfolio of activities from lab-scale research and product development to investments in early stage commercialisation of products that drive PGM demand in the longer term. As far as possible, market development opportunities are located or focused on South Africa in order to facilitate beneficiation of the metals produced.

Overall, the Company invests in market development and beneficiation across four broad areas:

- Developing the platinum jewellery market, both locally and internationally.
- Funding of research into PGM applications at South African universities and research institutes.
- Development and commercialisation of fuel cells.
- Establishment of the PGM Development Fund to invest in local, early stage industrial businesses that consume PGMs.

Jewellery development

Together with other platinum producers, the Company supports the Platinum Guild International (PGI). The PGI has provided sales support and training to all levels of the global jewellery trade for over 30 years. In addition to supplying information, practical advice and expertise to help jewellery buyers, the PGI also develops targeted marketing campaigns to stimulate interest – and sales – in platinum jewellery around the world.

In South Africa, the Company invests in building design and manufacturing capability, providing affordable metal access to platinum jewellers, and stimulating demand for platinum jewellery.

The Company continued to support five training institutes which are geared to provide instruction on platinum jewellery design and manufacturing to students. In addition, the Company supported the Small Enterprise Development Agency Platinum Incubator in Rustenburg. This initiative, run by the Department of Trade and Industry, offers training in business skills for small jewellery manufacturers.

In line with Government's beneficiation objectives, the Company continued to provide a metal consignment scheme to facilitate the local jewellery industry. The scheme allows for extended payment terms and gives jewellers the ability to manage price volatility.

This year, the Company ran its 14th PlatAfrica design and manufacture competition, attracting a record 137 entries from professionals, apprentices and students. The pieces submitted under the "Red Carpet Platinum" theme showcased local design talent and high-quality workmanship. The annual competition and related media campaign raises consumer and retail awareness for platinum jewellery in the country.

Platinum sales in the local jewellery industry

	Platinum (ounces)	Consignment customers
2012	2,379	12
2011	1,518	16
2010	1,500	18
2009	1,988	20
2008	2,842	13

Research collaborations

Both Government and the Company realise that the development of local products can only be enabled by strengthening research capacity and building skills in the fields of science and engineering. To this end, the Company supports various PGM research programmes at South African

01 Production of autocatalyst cartridges at Johnson Matthey, Johannesburg

universities and at the CSIR. Some of the programmes are undertaken in collaboration with international researchers, allowing for transfer of skills and access to new methodologies and equipment.

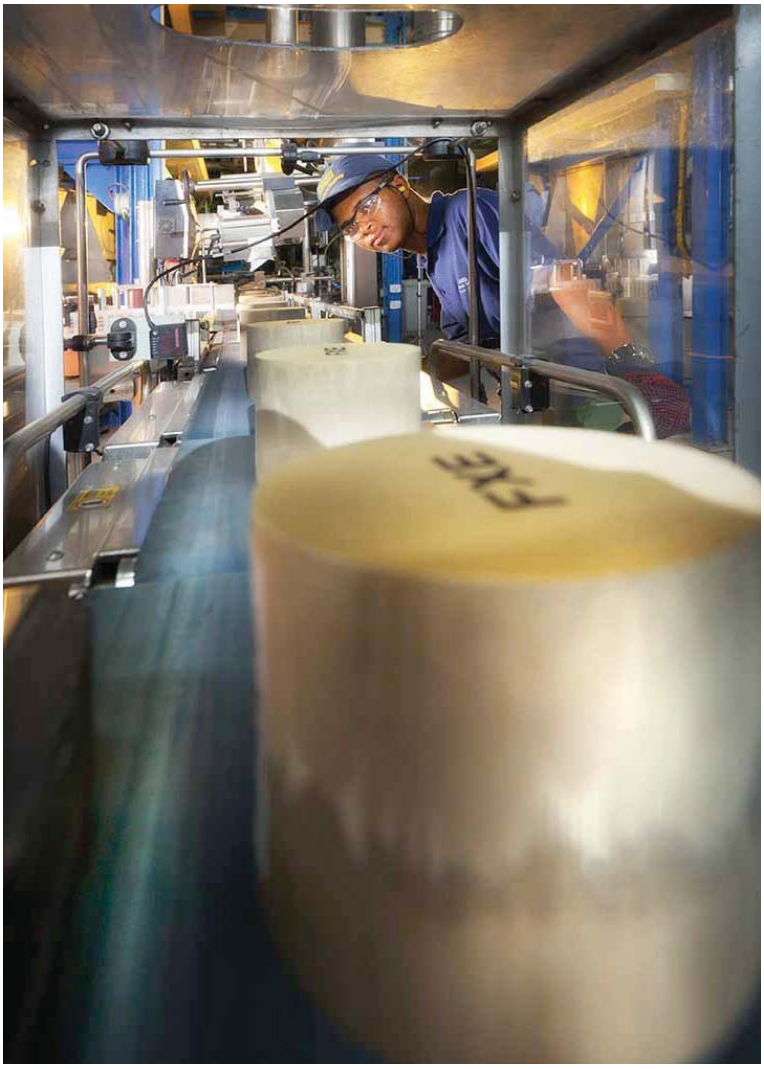
While these programmes are starting to show pleasing results, they are still in very early stages of development and are reviewed regularly. It is hoped that successful research results can lead to the development and commercialisation of new PGM applications which drive demand in the longer term and establish new industries in South Africa.

Fuel-cell product development

A key development area for platinum is in accelerating the use of platinum-based fuel cells for the small- and large-scale provision of electricity in mobile, stationary and portable applications. Fuel cells are efficient, versatile and scaleable and offer significant medium- to long-term demand for platinum.

This technology:

- facilitates switching from internal combustion engines to electric vehicles
- improves availability of electricity in emerging economies with low rates of electrification



FUELLING DEMAND FOR PLATINUM

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Nissan joined the existing fuel-cell alliance between Ford and Daimler to develop affordable fuel-cell electric vehicles that automakers hope to have on the road by 2017.

The three companies are trying to keep up with Toyota which has said it will start selling fuel-cell vehicles in 2015. Honda, Hyundai and Kia have also said they will offer a fuel-cell vehicle in 2015.

BMW and Toyota, too, have signed agreements aimed at long-term collaboration for the joint development of a fuel-cell system, along with architecture and components for a sports vehicle, light-weight technologies and a "post-lithium"-air battery. The companies are aiming for the project to be completed in 2020.

While fuel-cell vehicles remain limited today, they should grow to a 1.8 billion dollar market by 2030 at a compounded annual growth rate of 22%. Forecasts predict that 63,000 fuel-cell passenger vehicles will be sold globally in 2030 together with 62,000 forklifts and only around 304 units of fuel-cell buses.

These numbers are low compared with current sales numbers of cars with combustion engines. However, this might change with more series vehicles and better infrastructure because a major hurdle remains the need for networks of hydrogen stations.

Left

01 Hydrogen fuel-cell being demonstrated at COP17

01 Platinum jewellery and accessories being modelled

02 A fine example of platinum jewellery

03 Chris Griffith at the 2012 PlatAfrica Jewellery Design Awards

- provides a more energy- and carbon-efficient solution in numerous other applications

The Company identified uses for fuel cells in its own operations and is currently investing in the development of underground fuel-cell locomotives and mining cap lamps, together with its partners. The first prototypes of both products are currently being tested in order to refine the design parameters and the business cases for these products to be commercialised in the country.

Beyond mining, the Company is also investing in the development of a fuel-cell home generator product designed to provide efficient, reliable power to off-grid, rural communities. In parallel with the technical product development activities, the Company is focusing its efforts on creating a local manufacturing strategy and securing off-take as part of the commercialisation process.

PGM Development Fund

The Platinum Group Metal Development Fund (PGMDF) was established by the Company to increase the use and application of PGMs in South Africa by investing in entities that support PGM product development or that use PGM technology in their products or processes. The fund provides capital to innovators and entrepreneurs in early-stage development and commercialisation of PGM technology with a focus on local beneficiation.

To date, the fund, together with the Department of Science and Technology and USA-based Altergy Systems, has invested in Clean Energy Investments Proprietary Limited. Clean Energy provides fuel-cell-based back-up power solutions into the telecommunications industry with the aim of initially localising installation, maintenance and fuelling. Once critical volumes are reached, fuel-cell units are expected to be assembled and manufactured in South Africa.

REACH

Anglo American Platinum had no REACH obligations in 2012. It met its REACH obligations by successfully submitting the required dossiers to the European Chemicals Agency for four of its products, namely nickel metal, copper metal, cobalt sulphate and secondary leach concentrates. The target date for submission for the next group of products is December 2013.

In 2012, Amplats was actively involved in the different REACH consortiums to which it is a signatory.

02

UNDERGROUND FUEL-CELL LOCOMOTIVES

01

A key area of use into which platinum will be developing is that of platinum-based fuel cells.

Basically, a fuel cell is a device that converts the chemical energy from a fuel into electricity, and does this through a chemical reaction with oxygen or another oxidising agent. Various fuels can be used in the process, but the most common one is hydrogen gas.

Fuel cells are different from batteries in that they require a constant source of fuel and oxygen to run, but their main advantage is that they can produce electricity continuously for as long as these inputs are supplied. Fuel cells thus provide round-the-clock electricity. They also result in less downtime and increased productivity, since there is no longer any need to change or charge the batteries they replace.

In addition to their 24/7 efficiency, fuel cells are versatile: able to provide electricity in stationary, mobile and portable applications, they can also be adapted for small- or large-scale applications. The technology is capable of:

- facilitating the switch from internal combustion engines to electric vehicles
- improving the availability of electricity in emerging economies with low rates of electrification
- providing a more energy- and carbon-efficient solution in numerous other applications

With the future in mind and given our extensive operations and our desire for safe, sustainable platinum, we have identified ideal uses for fuel cells in our own operations. One such opportunity is represented by our underground mining locomotives. Here Trident South Africa and Battery Electric – two original equipment manufacturers – were partnered with fuel-cell developers Vehicle Projects Inc. to demonstrate the superior energy efficiency and productivity of fuel-cell-powered locomotives.

The project also involved the partnership between Anglo American Platinum Limited and Ballard Power Systems. This collaboration has entailed working on a number of early-stage stationary and motive power applications of fuel cells in the South African market.
The locomotives use Ballard PEMFC stacks, which contain platinum as a catalyst.

The new technology is believed to offer environmentally friendlier and safer means of underground transportation.

Used underground, fuel-cell-powered vehicles offer the mobility, power and safety characteristics of a diesel unit combined with the environmental cleanliness of a battery vehicle. Lower recurring costs, reduced ventilation costs compared with those for diesel vehicles and higher vehicle productivity could make the fuel-cell mine vehicle cost competitive several years before the technology is used above ground.

Our first fuel-cell locomotive prototype was launched at our Khomanani Mine in Rustenburg in April 2012. The Minister of Mineral Resources, Susan Shabangu, had this to say in praising the innovative step:

"We welcome the launch of the fuel-cell locomotive as a sign of commitment from industry to proactively transform and contribute to national strategic objectives. This particular case touches upon several key strategic priorities – development of the mineral sector, beneficiation, industrial development, an environmentally friendly economy, development of a knowledge economy and job creation."

The metal-hydride storage unit permits the dense, energy-efficient and ultra-safe storage of hydrogen for underground operations. It is safe because in it hydrogen is stored as part of a solid material and can be released only in a slow, controlled manner. Designed to store 3.5 kg of hydrogen (with approximately 50 kWh in electrical output at the fuel cell), it is refuelled underground in 10 to 20 minutes from a hydrogen source at 20 bar pressure.

The entire power-dense locomotive power module (consisting of fuel cell, battery, hydride storage, cooling system and power electronics) requires a volume of only 1 cubic metre, which can easily fit within the design of both new and existing locomotives.

To date, the locomotive prototype has undergone various tests on surface to determine its performance and reliability parameters. Surface testing will continue into early 2013, to determine the efficiencies, reliability and effectiveness of the new technology in comparison with those of the current product; and to ensure that the latest version of the fuel-cell power pack is capable of withstanding the rough underground testing conditions needed to obtain the necessary regulatory approvals for safe underground operation from the Department of Mineral Resoures.

Once all troubleshooting has been carried out above ground, the locomotive will begin to be tested underground and a suitable test site is being sought for this.

It is also crucial to prepare and train our employees for the new behaviours required of them when we introduce this alternative equipment. The need for such training cannot be over-emphasised, and will be integrated into Amplats' safety strategy.

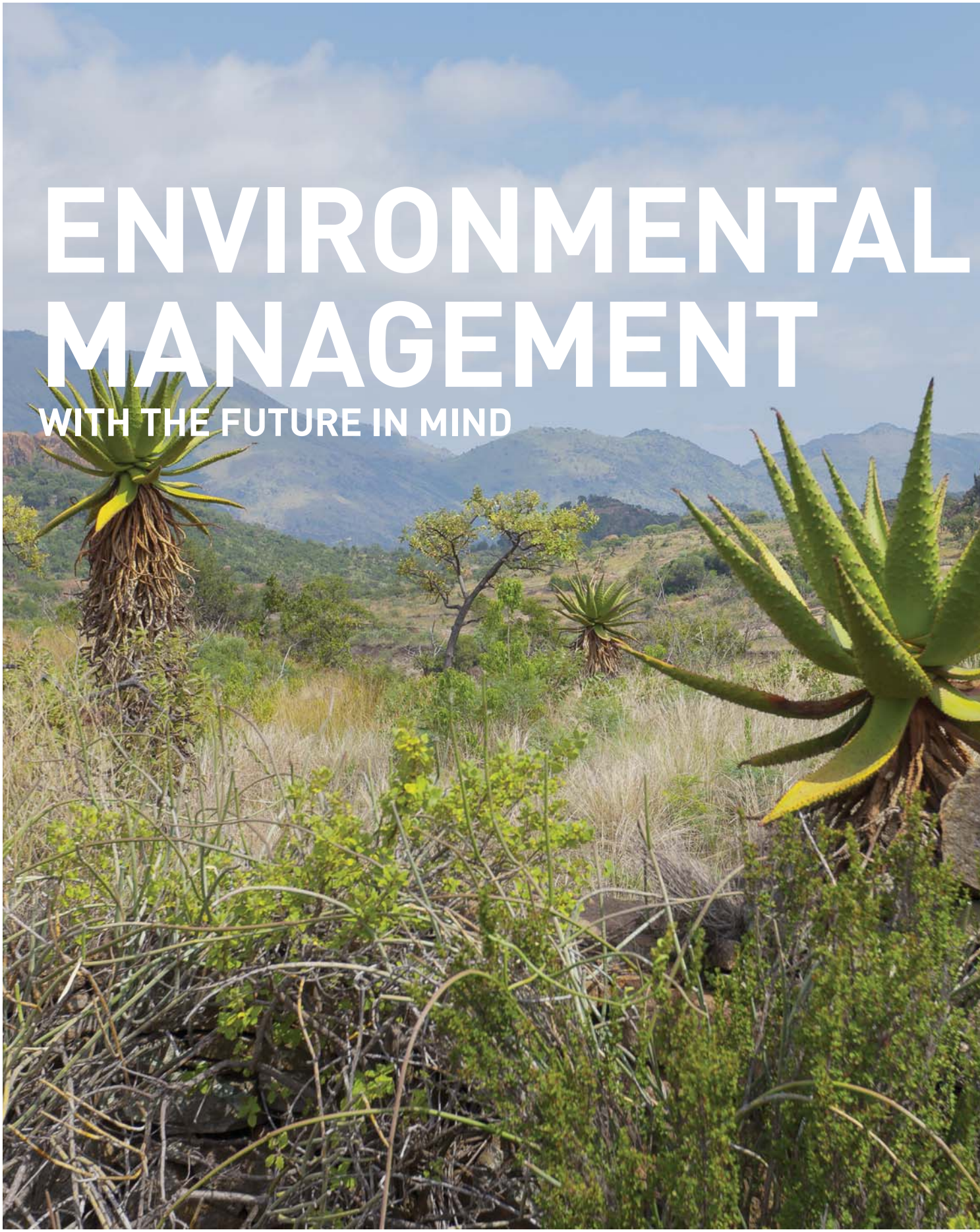
Above
01 Hydrogen fuel cell at COP17

01 03

STRATEGIC ELEMENT: Conduct the business safely, cost-effectively and competitively.

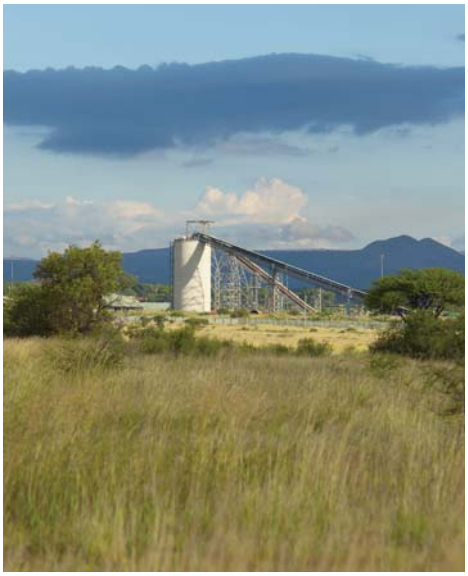
ENVIRONMENTAL MANAGEMENT

WITH THE FUTURE IN MIND



01

Acknowledging the impacts mining has on the environment obliges us to enforce the highest standard of management so as to alleviate these impacts. The systems used to achieve this are refined and adapted as required.



02

03

10.6 m^3

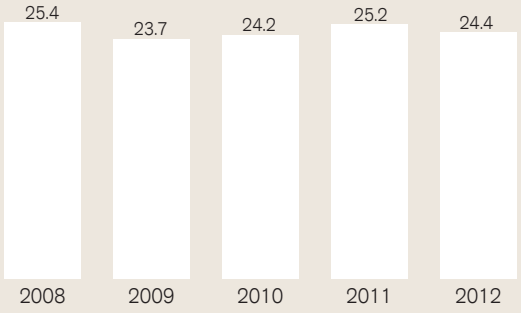
WATER INTENSITY PER OUNCE PGM AND GOLD

"Environmental management is characterised by a focus on a sustainable future and on ensuring that mining bestows a positive legacy."

ENERGY INTENSITY PER OUNCE PGM AND GOLD

5.51 GJ

ENERGY CONSUMPTION (PJ)



04

34.9 million

CUBIC METRES OF NEW WATER CONSUMED

05

01 Der Brochen landcape

02 Bathopele Mine, Rustenburg

03 Phoenix slurry pump, Amandelbult Concentrator

04 Der Brochen landscape

05 Judah Mojalefa monitoring at Der Brochen

ENVIRONMENTAL MANAGEMENT

Environmental management at Anglo American Platinum is characterised by a focus on a sustainable future and on ensuring that mining bestows a positive legacy.

OPERATIONS MAINTAINED ISO 14001 CERTIFICATION

100%

OPERATIONS WITH APPROVED WATER-USE LICENCES

6

As a leading mining company we have a clear commitment to sustainable development that means turning natural capital in the form of PGMs into other forms of capital, thereby unlocking new opportunities. With a systematic and continuous focus on rehabilitation, and socio-economic development, we edge closer towards a post-mining environment that is sustainable and beneficial. Effective and responsible environmental management will secure our licence to operate, minimise harm and deliver long-term benefits to our stakeholders. We are also in the fortunate position that some of the PGMs we produce are used in autocatalysis, which reduces toxic emissions from internal combustion engines; thus contributing to a cleaner and healthier environment.

STRATEGY

The board is responsible for the strategic direction set with regard to environmental management and Company performance. The strategic intent of our environmental mission is to drive implementation of best practice through effective engagement, reviews and related recommendations that will secure our licence to operate, minimise harm and deliver long-term benefits to our stakeholders. The legacy we leave must add value to the Company, reduce long-term risks and liabilities, and enable host communities to use mining as a foundation for a better future.

MANAGEMENT SYSTEMS

To ensure that we continually make improvements to our environmental management, all our managed operations have environmental management systems (EMSs) that are certified against the ISO 14001:2004 standard. Furthermore, the system and performance standards contained in the Anglo Environment Way (AEW) support our operations' efforts to improve their environmental performance beyond mere legal compliance.

Since 2004, we maintained certification for all our managed mining and process operations. In 2012, 23 operations were recertified by Bureau Veritas (BV) South Africa. BV replaced the previous service provider, the DQS German Association for Certification of Management Systems Proprietary Limited in January 2012. The change was as a result of a decision made by Anglo American to use the same certification body for all business units within the Group.

During 2012, 54 major non-conformances and 115 minor non-conformances against our management systems were raised by the BV auditors. All major and minor non-conformances were cleared,

As a leading mining company we have a clear commitment to sustainable development that means turning natural capital in the form of PGMs into other forms of capital.

Legislative compliance: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
As a minimum, ensuring compliance with applicable South African environmental legislation is not negotiable. However, in all instances we strive to exceed the compliance threshold.	Ensure all SO_2 emissions are below permitted levels	All smelter emissions below target	✓	Ensure all SO_2 emissions are below permitted levels
	Maintain ISO 14001 certification	All operations maintained certification	✓	Maintain ISO 14001 certification
	All operations to have approved water-use licence (WUL)	Six operations have approved WULs; remaining one submitted, but not approved yet	✗	All operations to have approved water-use licence (WUL)

01 Siphumelele 2 Shaft **02** Agricultural students busy at Groenfontein Farm Project near Mogalakwena **03** Environmental logging of data in Der Brochen area

except for the 12 minor non-conformances (which are in the process of being cleared) raised at Union Mine in December 2012. The majority of non-conformances (39%) were related to the "operational control" section of the ISO 14001:2004 standard, which include a lack of housekeeping and non-adherence to standards. As a result, a new awareness programme, called "Environmental Matters", will be rolled out in 2013 to re-emphasise the importance of environmental management in general, and good housekeeping and adherence to standards in particular.

Two of our joint-venture operations, the Modikwa Platinum Mine and the Pandora Joint Venture, are currently not certified to ISO 14001. Modikwa intends to apply for certification in 2013. The Bokoni Platinum Mine Joint Venture, Bafokeng-Rasimone Platinum Mine (BRPM) Joint Venture, Aquarius (Marikana and Kroondal) in Rustenburg and the Mototolo Concentrator that forms part of the Xstrata Joint Venture, all maintained their ISO 14001 certifications in 2012, without any major non-conformances reported.

Amplats does not require joint-venture partners to implement and maintain ISO 14001; compliance with applicable environmental legislation is clearly mandatory.

GREENING THE FUTURE

Anglo American Platinum received the *Mail and Guardian*'s 'Greening the Future' business award – environmental management category on 28 June 2012 for accomplishing quite a difficult feat – creating a management plan for sustainable development and successfully translating it into practice at Mogalakwena Mine.

01

02

03

ENERGY AND CLIMATE CHANGE

Mining is energy intensive. The increasing cost of energy, coupled with potential greenhouse gas emission regulations, creates risks and opportunities for the organisation. Furthermore, potential impacts of climate change on the physical environment could pose a risk to people and assets. As a result we are increasingly analysing our exposure to potential climate change impacts, among others, through financial modelling and development of mitigation and adaptation strategies. Climate change does, however, also bring opportunities, for example, we are investing in the development of fuel cells.

More than 90% of our greenhouse gas emissions are indirect emissions attributed to electricity consumption.

CLIMATE CHANGE AND ENERGY GOVERNANCE

Climate change and energy are important issues in the turbulent times in which we operate. Amplats recognises this fact and, as a result, has elevated the governance of these issues to board level, with the Safety & Sustainable Development Committee having ultimate responsibility for the issue.

Our climate-change strategy covers the next ten years (to 2022), and aims to achieve the maximum economically sustainable energy and carbon savings achievable in the business and in the use of products. The purpose of our climate-change strategy is to optimise the value of our mineral resource over the life of our mines. This is important as both mine life and climate change are long-term issues.

Amplats follows the Anglo American climate strategy, which covers carbon and energy efficiency, standards and targets. We are a signatory to the Energy Efficiency Accord of the Department of Mineral Resources and have committed to a 10% reduction in CO_2 emissions and a 15% reduction in energy consumption per unit of production by 2015, with 2005 as the baseline year. We have made significant progress towards meeting these targets, with a saving of 7.3% in energy achieved at the end of 2010 (measured against a business-as-usual (BAU) baseline). Action plans are in place to achieve the rest of the target by 2015.

Our progress against our targets is monitored closely. Of our total greenhouse gas emissions (combining Scope 1 and 2 emissions but excluding Scope 3 emissions), more than 90% are indirect emissions attributed to electricity consumption. Therefore, the key factor in our strategy to reduce greenhouse gas emissions is our energy-efficiency drive.

ENERGY

Amplats is a major consumer of energy in the form of electricity, diesel, petrol, coal, LPG, paraffin and light fuel. Energy from electricity supplied by Eskom comprises 75% of our total energy consumption. Electricity thus remains a key energy driver for the industry.

Although a few power-supply interruptions occurred in 2012, these were less frequent than in previous years. Eskom nevertheless remains under supply pressure. In 2012, the actual electricity tariffs increased by 16.7%, and an annual increase is expected over the next five years at least.

Energy consumption and modelling

The utilisation of the 2010 Energy Consumption Modelling and Targeting tool continues and the reporting function into the Safety, Health and

ENERGY INTENSITY GJ/OZ PGM AND GOLD

5.51

TONNES CO_2 EQ/OUNCE PGM AND GOLD

1.31

Access to and allocation of resources: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
Security of energy supply in South Africa is a major issue with Eskom being unable to guarantee electricity supply to our operations. Climate change is a global challenge and may affect events such as droughts and flooding.	Reduce energy consumption per unit of production by 15% against 2005 baseline by 2015	Energy intensity increased in 2012 compared to 2011, by 3.5% to 5.51 GJ/ounce PGM and gold	⊗	Reduce energy consumption per unit of production by 15% against 2005 baseline by 2015
	Reduce CO_2 emissions by 10% per unit of production by 2015	CO_2 equivalent emissions per unit of production increased in 2012, compared to 2011, by 3.2% to 1.3 t/ounce PGM and gold	⊗	Reduce CO_2 emissions per unit of production by 10% against 2005 baseline by 2015

Environment (SHE) database remains in place. Electricity consumption is monitored and reported using the Central Electricity Management Support System, and overall energy performance is reviewed monthly by management.

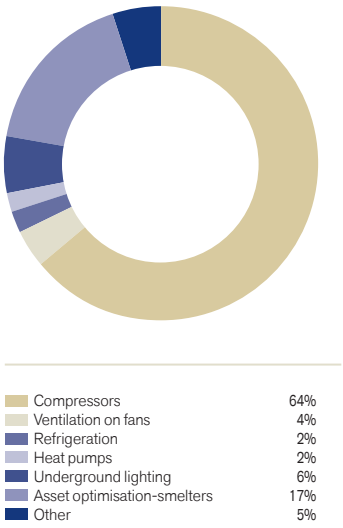
Good progress has been made on the implementation of the Anglo American ECO2MAN energy and CO_2 management programme. All operations have individual energy and CO_2 targets that are tracked and reviewed monthly. The base loads of mines and operations are considered when agreeing targets, as the relationship between production and energy consumption is not a linear one. It is also not possible to compare different mines in terms of energy consumption, as the operating parameters of each determine energy use. As we mine deeper and further from the main shaft, energy consumption increases. This is the result of longer hauling distances and of the additional need for refrigeration owing to higher virgin-rock temperatures. Energy intensity is also impacted by ore grade, to a significant degree.

In 2012, we continued to implement energy-efficiency-enhancement projects and tracked the associated energy-consumption reductions (see the pie chart). Collaboration with Eskom on its various funding programmes continues, and a number of these initiatives will deliver benefits in 2013.

Those energy-efficiency projects (referred to in the pie chart) that were implemented were based on the size of the energy-savings opportunity, the complexity of implementation and also the investment required.

By far the largest savings were achieved by optimising the compressed-air system even further. While the compressors themselves were optimised by closely matching the generation of compressed air with the mine's demand for it, the latter was also optimised by installing control systems that minimise the demand when air leaks are detected.

Energy savings achieved
% of total



This optimising of the air networks is ongoing, and it is expected that more savings will be realised in future.

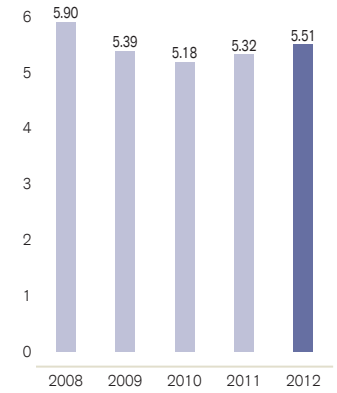
The next biggest saving was achieved through various process-optimisation initiatives at the smelters, where the improved drying of concentrate and better furnace control yielded significant energy efficiency. Other savings projects, such as the completion of the inlet guide-vane for the ventilation fan and the installation of heat pumps at all the industrial change houses, contributed to the balance of the savings achieved.

Overall energy performance

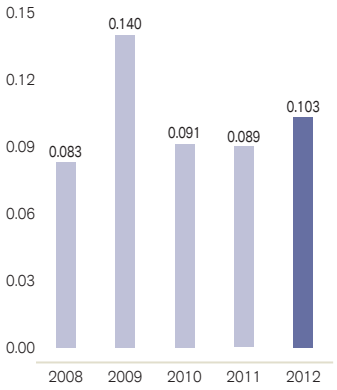
Energy intensity is calculated by dividing the managed operations' energy consumption by the total refined ounces of precious metals produced through the Precious Metals Refiners (PMR). Total PGM ounces produced by PMR are used to calculate the intensity, but the energy consumed for the production of concentrate from the non-managed operations is not considered in the efficiency calculation.

The Company's overall energy intensity increased in 2012 compared with 2011, by 3.5% to 5.51 GJ/ounce

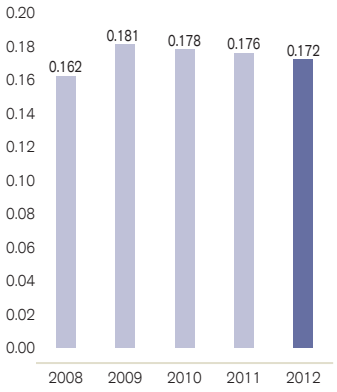
Overall energy intensity – based on total refined PGMs and gold
GJ/oz PGM and gold



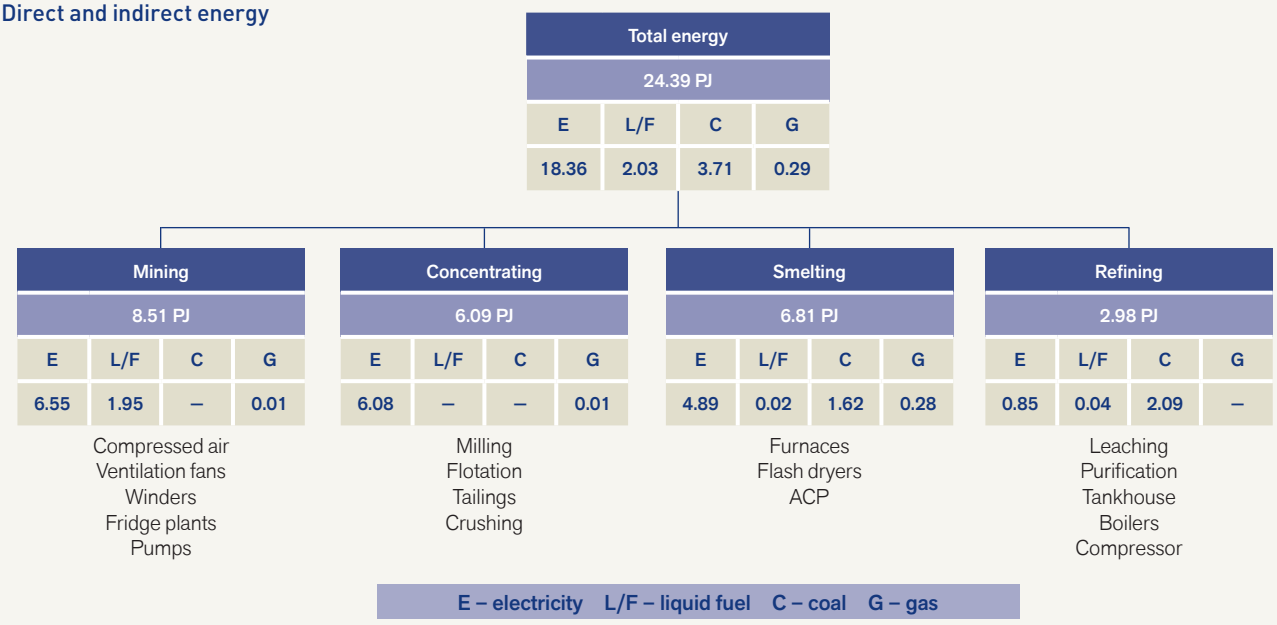
Energy intensity for mines
GJ/tonnes broken and mined



Energy intensity for concentrators
GJ/tonnes milled



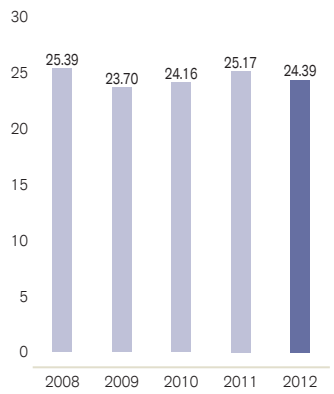
Energy footprint
Direct and indirect energy



PGMs and gold, owing to an increase in tolled concentrate processed by our smelting and refining processes. This increase is likely to be aggravated by the expected rise in energy requirements as mines get deeper, and also by the impact of mining greater quantities of UG2 ore.

Energy-intensity targets are set in terms of tonnes broken and mined for the mines; and of tonnes milled for the concentrators. As far as mining is concerned, absolute energy consumption was down by 2% in 2012. However, the reduced production linked to labour instability in the fourth quarter of the year meant that energy intensity increased by 16%, as pumping and ventilation needed to continue while very few tonnes were produced at the affected mines. When it comes to concentrators, the energy intensity graph shows a marginal decrease of 2%, from 0.176 to 0.172 GJ/t milled. It is not possible to isolate a key contributing factor for this improvement, as the entire drill-to-mill activity cycle impacts milling efficiencies.

Energy consumption
PJ



In absolute terms, total energy consumption decreased by 3% in the period under review, from 25.2 PJ in 2011 to 24.4 PJ in 2012.

The diagram above illustrates our energy footprint, including the split per energy source, business area and key energy users.

Less energy was consumed by mining, concentrator and smelter operations as the energy-efficiency projects started to deliver, while the energy consumption of the refineries increased by 5%. Concentrators were the most efficient, with a year-on-year decrease of 8%. The higher energy consumption at the refineries relates to the increased use of electricity and coal following higher process-steam demands caused by process optimisation at Base Metals Refiners, and the increased need for effluent evaporation at PMR.

The total direct-energy consumption for our managed operations decreased by 1.4%, from 6.1 PJ in 2011 to 6.0 PJ in 2012. Direct consumption by primary energy sources include petrol, diesel, paraffin, coal, light fuel oil and liquefied petroleum gas (LPG). Although more LPG was used, significantly less liquid fuels and paraffin were consumed. Coal consumption decreased marginally. These direct-energy sources accounted for 24% of the Company's total energy use in 2012.

The total indirect-energy consumption for our managed operations decreased by 3.6%, from 19.1 PJ in 2011 to 18.3 PJ in 2012.

Use of renewable energy

Renewable energy initiatives include the investigation of a 20 MW solar photovoltaic power plant and an initiative to supply electrical energy from a 60 MW biomass thermal power plant to supplement the supply of electrical energy to our operations.

The deregulation of power-generating plants makes these opportunities viable, as power purchase agreements (PPAs) can now be entered into with independent power producers. These would be based on a typical contract period of 20 to 25 years.

Energy management

Eskom's integrated demand management programme gained some momentum in 2012, when several more energy-efficiency programmes were announced. This includes the existing demand-side management programme used extensively before, and also the new performance contracting and demand

01 Waterval Concentrators and Waterval Smelter Complex

02 Khomanani 1 Shaft

response programmes. The Company is participating in the demand response programme in order to aid stability in electricity supply.

With energy a key cost component at its operations, Amplats has developed several projects to reduce energy consumption. It has also implemented time-of-use interventions to reduce costs. Four of the projects successfully implemented were:

- Improving the power factor of our operations to avoid the reactive energy penalties which Eskom levies during the three key winter months.
- Providing "cooling on demand" at the Union, Dishaba and Tumela mines to reduce the consumption of electrical energy.
- Implementing a two-way control system to control domestic geysers in villages and hostels to shed load if required, manage remote temperature control and shift this load out of the Eskom peak periods.
- Load-clipping project at Union Mine.

We are also reaping the benefits (in the form of a 2% contribution to total savings) of installing heat pumps in change houses.

The overall energy target for 2013 for each mine and process operation will be a 2% reduction, similar to that in 2012. The targets allocated are based on the overall Amplats targets of a 15% reduction in energy and a 10% reduction in CO_2 by 2015, based on the 2005 business-as-usual (BAU) baseline.

In addition to existing energy efficiency initiatives, we will embark on a review process to further improve efficiency and cost-effectiveness.

01

02

CLIMATE CHANGE

Climate change is one of the defining challenges of our era. We recognise the responsibility we have to carry in mitigating our emissions; increasing the resilience of our assets; and protecting the communities close to our operations against the negative effects of a changing climate. We are deeply committed to these actions, especially since they are fundamental to our own viability as a business.

In pursuance of our commitment we support Anglo American's climate-

A DEVELOPMENT IN ENERGY RECOVERY

01

Our business is an energy-intensive one, but we are committed to developing and investing in projects that optimise our energy use, benefit our operations and improve our environmental impact.

Over the years, Amplats has become a leader in saving and reusing energy. A more recent project joining the mix of successful initiatives in this area is our "thermal harvesting" project, which involves the Amplats Converting Process (ACP) plant based at our Waterval Smelter complex in Rustenburg.

The project is being developed by an independent power producer (IPP) and involves the recovery of waste heat energy. The introduction of private-sector power generation has multiple benefits, including job creation, reducing the financial burden on the state and improving supply and pricing. With funding from Investec Bank and development finance from the Department of Trade and Industry, this is a collaborative project that will provide long-term benefits for our business and the wider community. The project is also being registered as a carbon-disclosure-mechanism project by the IPP, as a supplemental project-funding stream. This development is an example of how a combination of alternative funding models can be used effectively in our industry; and of how "thinking long-term" can deliver benefits that are in fact immediate.

The project focuses on extracting waste heat from the high-pressure water system used to cool the converter off-gas in the ACP, something that was previously carried out using air-based fin-fan coolers. However, by implementing an innovative, closed system, the Organic Rankine Cycle technology will harvest the waste heat and feed electrical energy into the local electrical grid.

The high-pressure water exchanges heat with an organic medium converted to a vapour. The organic vapour is used to drive a turbine, converting heat energy to electrical energy. The cooler high-pressure water is returned to the converter and the organic vapour is condensed in the closed circuit and reused.

The plant will be commissioned in June 2014, and the length of the agreement signed by Amplats with the IPP is 15 years.

This new approach harvests 20 MW in thermal energy and returns approximately 3.75 MW in electrical energy to the electrical grid. As a result of this, the potential saving in carbon emissions is approximately 19 kt CO_2e per year, resulting in a reduced exposure to the imminent carbon tax.

Above

01 RBMR Nickel Tankhouse

change policy, which encapsulates the following strategic objectives:

- Building internal agility and ensuring resilience to climate change.
- Driving energy and carbon savings throughout our business.
- Understanding and responding to the carbon life-cycle risks and opportunities of our products.
- Developing and implementing collaborative solutions with our stakeholders.
- Contributing our skills and knowledge to the development of responsible public policy.

In support of these objectives we have initiated a variety of projects.

It is possible that National Treasury will implement a carbon-tax scheme in South Africa in the next two to five years. Following an initial discussion paper on carbon tax issued by the Treasury in 2010, further information was provided in the national budget for 2012. Government is proposing a tax of R120 per tonne of CO_2 (at 2012 prices), with a threshold exemption level of 60% for trade-exposed industry sectors.

The physical impacts of climate change pose risks in terms of our production and safety, and may threaten the communities in which we operate. They also offer opportunities in terms of new product development. Both risks and opportunities have grown in

prominence over the last five years, and are expected to increase significantly in scale and coverage in the course of the next decade. We are currently trying to ascertain our exposure to various aspects of climate change; understand more fully the potential threats to our supply chains and distribution networks; and calculate the financial implications of all these risks.

A further focus has been the development of mitigation strategies and adaptation response plans. We have been participating in a project commissioned by Anglo American, which aims to develop a methodology that enables projects to 1) interpret the results of climate change projections in such a way that the risk to the business is clearly articulated and 2) put in place the correct strategies or adaptation plans. The intent of the project's participants is to finalise a Climate Risk and Adaptation Guidance note in 2013.

Owing to its potential impacts, climate change has been integrated into the Amplats communication strategy.

Greenhouse gas emissions

We have been quantifying our greenhouse gas (GHG) emissions (our carbon footprint) in accordance with ISO 14064-1 and the Greenhouse Gas Protocol. We use the Control Principle of the Greenhouse Gas Protocol in the calculation of our footprint and our GHG emissions were therefore calculated for all our managed operations. All greenhouse gas emissions are reported as tonnes CO_2eq.

Our overall GHG emissions decreased by 4%, from 5,990 kt in 2011 to 5,743 kt in 2012. However, owing to the decrease in production during 2012 the emissions intensity in tonne CO_2eq per unit of production increased by 3.2% in 2012 (comparing 1.27 tonnes CO_2eq/ounce PGM and gold in 2011 with 1.31 tonnes CO_2eq/ounce PGM and gold in 2012).

During 2012, the emissions intensity in tonne CO_2eq per unit of production increased by 3.2% in 2012 (comparing 1.27 tonnes CO_2eq/ounce PGM and gold in 2011 with 1.31 tonnes CO_2eq/ounce PGM and gold in 2012).

The following emissions were considered as required by the ISO standard:

Direct emissions (Scope 1)

In 2012, CO_2 emissions generated directly on site decreased by 1.5%, to 532 kt. This was the direct result of the smaller consumption of coal and liquid fuel (including diesel, petrol, LPG, paraffin and light fuel oils), by 0.6% and 6.8% respectively.

Although absolute emissions decreased, the emission intensity of direct CO_2 emissions generated per refined ounce of precious metal from managed operations increased by 5.2% to 120 kg in 2012.

Indirect emissions – electricity (Scope 2)

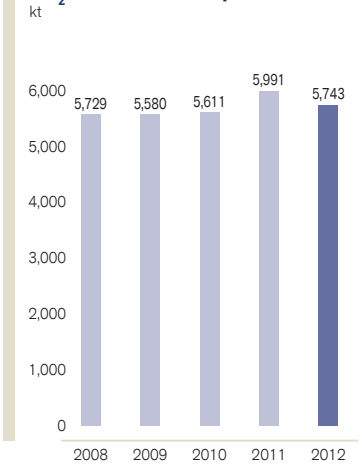
Indirect CO_2 emissions associated with electricity from the coal-based national grid decreased by 4.3% to 5.21 Mt in 2012. The emission intensity from managed operations, in tonne CO_2eq per refined ounce of precious metal, increased by 2.2%, to 1,177 kg in 2012.

Other indirect emissions (Scope 3)

Indirect CO_2 emissions of 1,798 kt were reported resulting mainly from the usage of fuels, transportation of materials, products and employees, explosives, emissions from our joint-venture partners and commuting of employees. The latter two were reported for the first time in 2012 representing 52% of the total Scope 3 emissions.

The transport of concentrates to the various smelters, and of furnace matte from the Polokwane and Mortimer smelters to Waterval Smelter, is by road, by third-party contractors. The transport of products such as copper, nickel, sulfuric acid and sodium sulphate is by road and rail. Precious metals are transported to customers by road or air.

CO_2 emissions (Scope 1 and 2)



WATER

There is growing public concern about the availability of fresh water in the world. Demand for such water is projected to outstrip supply by a staggering 40% by 2030, and an estimated half of the world's population is likely to live in areas of high water stress by the same year (CDP Water Disclosure South Africa Report 2011). Consequently, impacts on water increasingly present risks to business from supply and demand management, changing regulatory regimes, licence to operate and reputational damage from misuse, or perceived misuse, of this shared, life-sustaining resource.

NEW WATER CONSUMED (m^3)

34.9

WATER INTENSITY (m^3) PER OUNCE PGM

10.6

Water is required to mine, concentrate, smelt and refine our base and precious metals. If access to water is restricted and if we have a negative impact on water resources, then our ability to produce is directly affected.

For us, the threat of water scarcity is very real, given that more than 90% of our operations are located in South Africa, a country that is water-stressed. However, sufficient water has been secured to ensure the continuation of our business.

Water strategy

The Anglo American water strategy and policy coincide with our aim to demonstrate leadership in water management within the areas in which we operate. This strategy is premised on being a "responsible water steward", i.e. on maximising the value from water resources while seeking to achieve no long-term net harm in places where we operate. It sets out a three-stage journey that is being phased in over a ten-year period, to 2020. It includes a commitment to make our operations water-resilient, invest in water treatment and relevant technology innovation, build water infrastructure for mutual benefit and proactively partner with key stakeholders. Our implementation of this strategy is being realised through our initiatives in improving operational excellence, investing in technology, and engaging and partnering with our stakeholders.

We seek to:

- develop new water resources and secure alternative water resources for mutual benefit
- identify and secure post-consumer domestic effluent for use as industrial grade water
- use water resources efficiently by adopting our waste-hierarchy principles of reduce, reuse and recycle
- achieve water targets
- protect water-quality resources and manage water quality within our operations

The Anglo American water strategy and policy coincide with our aim to demonstrate leadership in water management within the areas in which we operate.

Access to and allocation of resources: Progress on our commitments

	2012 targets	2012 performance		2013 and future targets
The threat of water scarcity is very real for Amplats, given that more than 90% of our operations are located in South Africa, a country that is water-stressed. However, sufficient water has been secured to ensure the continuation of our business.	Water consumption target for 2012 (41.2 million m^3)	14% saving on water consumption target set for 2012 (achieved 34.9 million m^3 against restated target of 39.9 million m^3)	✓	Water consumption target for 2013 (33.1 million m^3)
	Water intensity target of 10.6 m^3 per refined ounce of PGMs and gold	1% year-on-year improvement on actual water intensity (10.5 m^3/ounce PGMs and gold)	✓	Water intensity target of 18.7 m^3 per refined ounce of PGMs and gold as a consequence of low production plan of approximately 2 million ounces from managed operations
	Improve water balances per operation to support performance tracking against targets	Water balances at all managed operations have been reviewed to align with new Anglo American parameters	✓	Commence with aligned water balance reporting to support Anglo American parameters and water target tracking

Through these strategies we continually strive to manage our water in a manner that does not compete with other sectors for the same water resource and to maintain the environmental reserve. Over time, this approach should prevent material impacts on the environment, downstream ecosystems and food security. In respect of reduction of water demand, a key feature of our water strategy is the drive towards "zero-potable-water" use in process operations (excluding domestic-use demand).

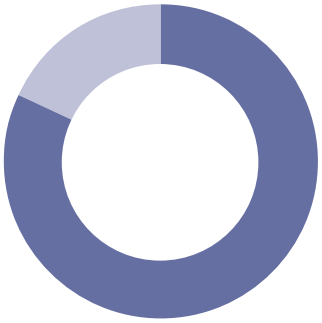
Water supply

As part of our water-supply strategy, we have designed water-supply scenarios for the next 20 years based on the latest production predictions. To ensure the long-term security of water availability for our operations, other users and surrounding communities, we have also developed a bulk water strategy and infrastructure plan to protect, manage and maintain the water supply.

In 2011, we reported on the Olifants River Water Resources Development Project, which includes the construction of the De Hoop Dam and associated distribution components. The latest progress can be seen in the case study.

Water use by activity

%



Water used for primary activities	82%
Water used for non-primary activities	18%

WATER DELIVERY THROUGH PARTNERSHIPS

01

A key pillar of Amplats' water strategy is to manage water-supply issues by building partnerships. In 2011, we reported on the Olifants River Water Resources Development Project, which includes the construction of the De Hoop Dam and associated distribution components. Through the Joint Water Forum (JWF), we are actively involved in this public-private partnership initiative that aims to meet some of the mining sector's water requirements and provide water to local people, agriculture and industry.

The De Hoop Dam, which started to store water in 2012, is now near completion. Owing to its size, it may take four to eight years to reach full capacity.

The Department of Water Affairs (DWA) has begun to construct the first phase of the pipeline from the dam towards Steelpoort. This phase will provide water up to the Sekhukhune take-off point, and our target date for delivery of water into the area is 2015.

Because of various investigations carried out by the DWA – the Yield Analysis of 2010 and the Olifants River Reconciliation Strategy of 2012 – it has become necessary to redevelop the bulk distribution system. The DWA has accepted the new layout proposed by the JWA.

The scheme's progress is now envisaged as follows:

- **The De Hoop Dam will be completed by the DWA in 2013.**
- **A pipeline from the dam will link into the existing southern extension pipeline of the Lebalelo Water Users' Association (LWUA).**
- **The upgrading of the pipeline between Steelpoort and Modikwa will be delayed and the LWUA will upgrade this pipeline when necessary.**
- **The building of the other pipelines (phases 2e, 2f) is to be excluded from the project.**
- **The Phase 2b pipeline, from the Flag Boshielo Dam to Mogalakwena Mine, will be completed by the end of 2017.**

The development of new resources to augment the scheme, to ensure water surety for the mines and the communities in the area, is currently under investigation. The main source under investigation is the treatment of acid mine drainage from coal mines in the Emalahleni area.

Above

01 De Hoop Dam

Water supply to Rustenburg

Water supply to Rustenburg is a concern because of a continued increase in the demand for potable water in the area by other users. This means that we have to reduce our potable water demand. As a result, we signed an off-take agreement with the Rustenburg Local Municipality to use 15 Ml/d of treated sewerage effluent from its sewage treatment plant. However, inconsistent water quality and supply are limiting the optimal use of this water. Several options to improve the situation were explored and a R15-million water-treatment plant was commissioned in November 2011, to improve the quality of the treated sewage water introduced into our water-reticulation system. The objective is to reduce potable water consumption by replacing potable water with upgraded treated sewage water. Since we commissioned the plant, the substitution of treated sewage water for potable water has resulted in the average conservation of 2 Ml/d of potable water. The plan for 2013 is to install additional pipelines to promote the use of a further 3 Ml of treated sewage water and simultaneously offset the use of an equivalent volume of potable water.

In addition, and in conjunction with other stakeholders, we initiated a pre-feasibility study to increase the supply of water to Rustenburg. This would involve 100 Ml/d originating from Hartbeespoort Dam, of which 50% would be provided to the municipality. The Department of Water Affairs has since taken over the pre-feasibility study and increased the scope of water supply to the greater Bojanala District area. We and other mines participated in the study as stakeholders through the Western Limb Producers' Forum (WLPF), an association of mines in the province of North West. This study was completed in 2012. The parties will review the findings in 2013 and agree on which projects need to be developed for implementation.

Furthermore, WLPF has embarked on a programme to explore the opportunities for water-conservation and water-demand management between the various mines. We are participating in the study, which commenced in 2012 and will be completed during 2013.

In 2012, we consumed 34.9 million m^3 of new water, against a total usage of 36.3 million m^3 in 2011, a decrease of 4%.

Finally negotiations are at an advanced stage to secure a further 2 Ml/d of treated sewage water from the Northam Sewage Works, currently under construction, for use at Union Mine. The final contract to use the water will be concluded in the first quarter of 2013.

Water resources classification

To support the consistent interpretation and reporting of water resources, we apply the following classification system:

- New water consumed is separated into water used for primary activities and water used for non-primary activities. Primary activities include all water used to produce our products, from mining to refining. It excludes domestic use (e.g. at houses within Company-managed villages) and recreational use (e.g. soccer fields, golf courses, swimming pools, etc), which are classified as water used for non-primary activities. Internally recycled water is also excluded from the water used for primary activities as this water is accounted for when it enters the system.
- Potable water is sourced from water utilities such as Rand Water, Magalies Water, Lepelle Northern Water and Rustenburg Municipality. These water utilities source their water from various dams, but in no instances do our abstractions account for more than 3% of the average annual yield of these water bodies.
- Non-potable water use at managed operations is low and comes from the pipeline of the Lebalelo Water Users' Association, in the Eastern Limb, which abstracts water from the Olifants River based on an approved allocation.
- Surface water is consumed by Unki Platinum Mine (Unki) in Zimbabwe from the Lucilia Poort Dam. Water abstracted from the open pits at Mogalakwena Mine is also classified as surface water consumption.
- Treated sewage effluent is classified as waste or second-class water and is sourced from municipal sewage plants to supply process water to Mogalakwena Mine and our operations in the Rustenburg mining area.
- The groundwater parameter includes groundwater from boreholes used for primary and non-primary activities, as well as fissure water ingress from underground operations where this can be measured or estimated.
- Rainfall harvested is defined as rain water collected or harvested by the operation, regardless of collected quality, that is used or stored for use in the operation. It is a predicted number from a rationalised water balance and reporting model developed for each of our operations. Rainfall harvested for use finds its origins in contained dirty-water circuits, open dams, water tanks and tailings facilities.
- Discharge to surface water is defined as the total volume of water discharged from our operations to a receiving environment, such as rivers, during the reporting period regardless of the quality. Included is the excess water dewatered from mines and not used for primary or non-primary activities, for example at Dishaba Mine.

No water source, ecosystem (such as a Ramsar-listed wetland) or habitat is materially affected by our extraction and use of water.

Water consumption

In 2012, we consumed 34.9 million m^3 of new water, against a total usage of 36.3 million m^3 in 2011, a decrease of 4%. This also shows a 14% reduction against the 2012 water consumption target of 39.9 million m^3. The main factors contributing to the savings were the successful implementation of two water-saving projects and reduced

production as a result of the labour unrest. Water used for primary activities decreased by 8%, to 28.8 million m^3, while water used for non-primary activities increased by 21% to 6.2 million m^3. The increase in water used for non-primary activities is a result of the improvement in water metering at the Union Mine.

Potable water

Potable water used for primary and non-primary activities decreased by 3% to 18.4 million m^3 during 2012, compared with 19.0 million m^3 during 2011. The decrease in potable water consumption was influenced mainly by the consistent use of the treated sewage water at Rustenburg operations to offset the use of potable water. We remain committed to striving towards the zero use of potable water in our operations.

Groundwater

Groundwater consumption increased by 2%, from 4.3 million m^3 in 2011 to 4.4 million m^3 in 2012.

Surface water

Surface water consumption decreased by 2%, from 1.54 million m^3 in 2011 to 1.50 million m^3 in 2012. A reduction in water use at our Mogalakwena Mine influenced surface- water consumption.

Stormwater management

Rainfall harvested at operations decreased by 10%, from 0.038 million m^3 in 2011 to 0.034 million m^3 in 2012. Since 2011 there has been increased focus on the separation of clean and dirty water at our operations, which allows clean water to by-pass the operation and enter the natural environment. There is continued awareness of and focused compliance with Government Notice 704 (dealing with regulations on the use of water in mining), and our operations are at different stages of implementing and upgrading stormwater-management plans and systems.

Recycled water

Water recycled from internal sewage plants, tailings return-water dams, mine service water and other internal water sources, such as pollution control and stormwater dams, is not included in water used for primary or non-primary activities. Total recycled water use increased by 5% to 53.7 million m^3 in 2012 (from 51.3 million m^3 in 2011), with the ratio of recycled to new water consumed standing at 1.54. The overall emphasis remains on optimising the use of recycled water, and improving our water-monitoring and water-measuring initiatives.

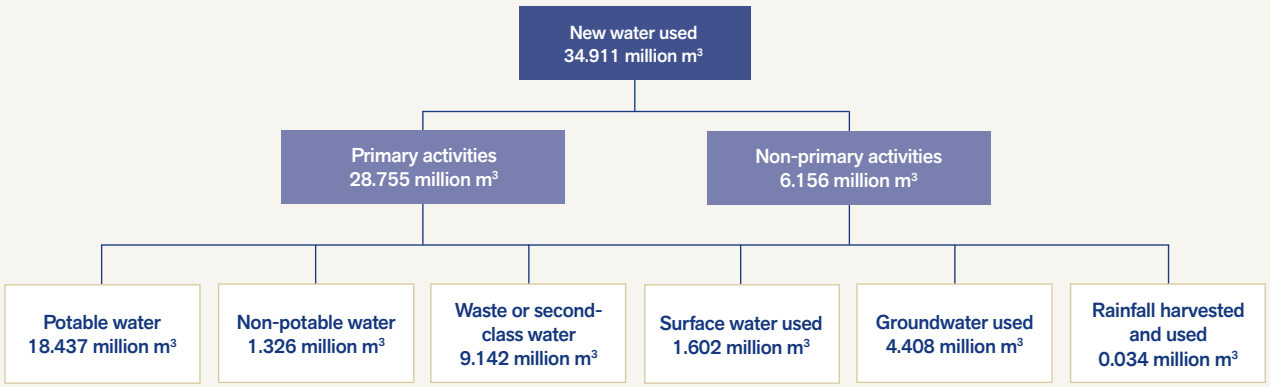
Potable water use and intensity

Water use and intensity targets

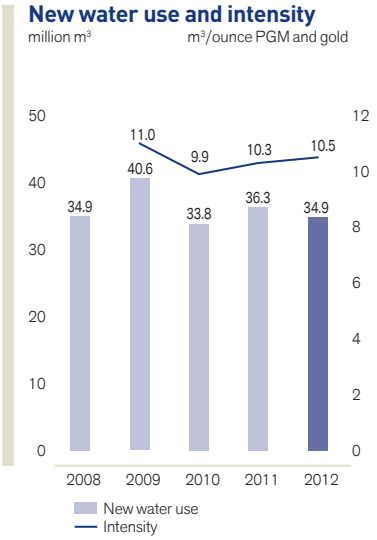
Our new water intensity target for 2012 was 10.6 m^3 per refined ounce of platinum group metals (PGMs) and gold from managed operations, and was calculated using a projected production of 3.9 million ounces of PGMs and gold from our managed operations.

Actual new water intensity per refined ounce of PGMs and gold from managed operations was 10.5 m^3 in 2012 compared to the target of 10.6 m^3 per refined ounce of PGMs and gold, a 1% improvement. However, a 3% increase in the intensity was

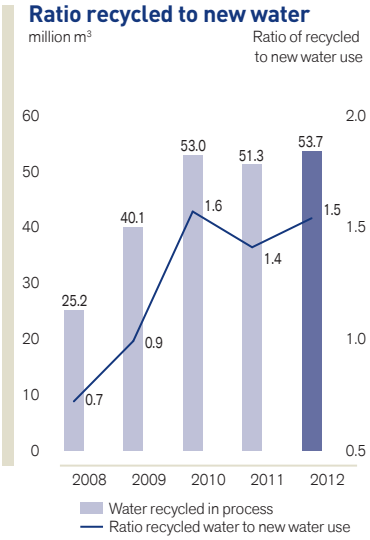
Water allocation



New water use and intensity



Ratio recycled to new water



observed from the 2011 intensity of 10.3 m^3 per refined ounce of PGMs and gold. This intensity was calculated using the actual production of 3.32 million ounces of PGMs and gold in 2012 from managed operations, a 6% decrease in production compared to the 2011 production of 3.54 million ounces. When compared to the 2012 forecast production of 3.93 million ounces from managed operations, the decrease in production was 16%. The poor intensity observed was a result of the lower production output and operational disruptions during the industrial strike action.

While the new water consumption and intensity trends for our mining, smelting and refining operations showed an upward trend, our concentrator operations showed a consistent decrease in water consumption and intensity.

Water used for primary activities per refined ounce of PGMs and gold from managed operations improved by 2%, from 8.8 m^3 in 2011 to 8.7 m^3 in 2012. The potable water-use intensity per refined ounce of PGMs and gold from managed operations increased by 4% to 5.5 m^3 (compared with 5.4 m^3 in 2011).

An important focus by Anglo American in 2012 was on embedding operational water targets through the implementation of our water-efficiency target tool (WETT). The tool forecasts the projected business-as-usual (BAU) water demand of individual operations and establishes a register of water-saving projects, linking the two in order to deliver future performance targets. During 2012, we aligned to the WETT programme.

Consequently, our 2013 new water target is calculated to be 33.1 million m^3 (or to achieve a 5% reduction in our 2012 water consumption of 34.9 million m^3). The water consumption intensity for 2013 is expected to increase to 18.7 m^3/ounce PGM and gold as a result of a lower production forecast.

EFFLUENTS

Discharge to surface water

Total excess water discharged decreased by 57%, from 1.76 million m^3 in 2011 to 0.77 million m^3 in 2012. The average discharge for 2012 was 2 Ml/d (compared with 4.8 Ml/d in 2011). A contributing factor to reduced discharge was our water-management programmes and in particular the implementation of our integrated water and waste management plans (IWWMPs) at several operations.

The salt load of discharges to surface water was 25,670 tonnes of total dissolved solids and 7,461 tonnes of sulphates.

Total excess water discharged decreased by 57%, from 1.76 million m^3 in 2011 to 0.77 million m^3 in 2012.

Some 68% of the total authorised discharge is from the Amandelbult mining right area, where excess water pumped from the Dishaba Mine is discharged into the Crocodile River as per section 21 permit requirements. To manage the excess water ingress, the mine continues with measures to reduce groundwater ingress and explore opportunities to reuse excess water. The excess water discharge from Amandelbult has been reduced by 80%, from 2.5 million m^3 in 2009 to 0.52 million m^3 in 2012. Despite the current efforts, however, the mine still discharged an average of 1.4 million litres per day during 2012 (2.2 million litres per day in 2011).

Chemical analysis and bio-monitoring surveys are conducted in the Crocodile River and the Bierspruit to determine any possible decline in the biotic integrity of the receiving water bodies (the last survey was conducted in November 2012). While there is a marginal deterioration in the chemical quality of the Crocodile River, it appears that the biotic integrity of this river is unaffected by any potential impacts originating between upstream and downstream sites. The biotic integrity of the Bierspruit may be affected during the dry season by its reduced dilution capacity, but survey results indicate that toxicity risks associated with the river have not increased as a result of the discharge.

The balance of the excess water discharge occurred as the result of spills owing to high rainfall or accidental discharges from various operations. These are reported as incidents and investigated and managed through our environmental management system.

Surface-water and groundwater quality around our operations

Surface water and groundwater are monitored at all our mines and process plants, both upstream and downstream of operations, as well as inside and outside the mining areas in the catchments where we operate (see the case study on the IDDS water monitoring tool). Groundwater-

01 Edward Masoba taking surface water samples at the Hex River, Rustenburg

02 Pipeline from De Hoop Dam

01

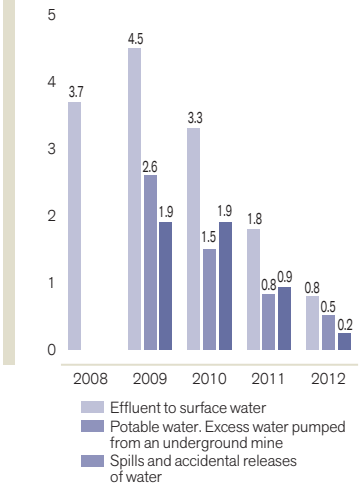
02

monitoring results are used to model groundwater flows and contaminant plumes, if any, and surface-water and groundwater monitoring results are compared with various regulatory standards. Bio-monitoring of surface water bodies is also conducted. The tailings return-water dams at all operations continue to provide habitat for fish, birds and plant life. The quality of groundwater is affected at all mining operations, mainly as the result of seepage from the tailings storage facilities (TSFs). The impact is, however, localised in all instances and no external groundwater users are affected. Seepage from the TSFs contributes mainly to an increase in salinity of localised groundwater bodies.

In 2011, we reported on the abstraction and treatment of impacted groundwater using desalination technology at Rustenburg Base Metal Refiners (RBMR) as a pilot project. The abstraction and treatment of groundwater have not progressed as well as planned owing to technical problems experienced with the desalination plant. An upgrade of the desalination is planned for completion in July 2013. Thereafter the project will recommence.

Discharge to surface water

million m³



At Rustenburg, surface-water quality, notably at Klipfontein Spruit, Klipgat Spruit, Paardekraal Spruit and the Hex River, is affected by the legacy of mining and process activities as well as by non-mining-related activities. Guideline values for electrical conductivity, sodium, chlorides, sulphates, calcium, magnesium, nitrites, nitrates and phosphate are exceeded for a section of the Hex River. This is the result of both industrial activities and non-industrial activities (i.e. agriculture). The Hex River has been shown to have good assimilative capability, with the result that the exceeded parameters are assimilated and water entering the Bospoort Dam complies with the Class I SANS 241:2006 drinking water standard.

Localised groundwater aquifers in the greater Rustenburg mining right area have shown evidence of groundwater quality deterioration. Such deterioration in groundwater quality could be compounded by future process-plant projects planned on our mining right area. The Rustenburg operations have embarked on a capital project, the Water Action Plan (WAP), to explore potential interventions to reduce and, where appropriate, mitigate impacts on surface and groundwater quality in the mining right area. While an integrated water and waste management plan is being implemented for Rustenburg operations, it is largely driven by legal compliance, whereas the WAP has a more overarching focus. The WAP is being developed in two phases:

1. Phase 1 aims to be proactive by going beyond compliance in setting water targets and securing water. Furthermore, Phase 1 is intended to mitigate both surface and groundwater regional quality impacts and liabilities.
2. Phase 2 aims to align the Rustenburg section with water security, water efficiency and stakeholder partnerships. The premise is to optimise the usage of internal water sources at the Rustenburg operations in order to reduce reliance on purchased potable water.

A series of concept studies, to the value of R6.5 million and supporting Phase 1, was initiated in 2012 and will be completed during 2013. The Phase 2 concept studies will begin in 2013.

At Twickenham, shaft dewatering has led to a reduction in water yield from a surface spring on which the community is reliant for water. The mine is now supplying water to the community to address the loss. Twickenham has a positive water balance. The mine has evaluated water-treatment scenarios in order to manage the excess water and concomitant nitrogen loads. A waste-water treatment plant based on biological nutrient removal technology is being constructed to deal with water quality, and will be commissioned during 2013.

At Mogalakwena Mine, the total dissolved solids and the sulphate levels in the vicinity of the tailings dam increased slightly in the groundwater from last year, as was predicted in the recalibrated contaminant model for the operation. The current action plan calls for the monitoring and updating of the model as data becomes available. There are no users of this water.

Mogalakwena also completed the development of an integrated water balance during 2012, using advanced simulation tools. The mine has used the water balance to evaluate scenarios to further optimise its water-demand and reticulation management.

Acid rock drainage

Acid-base accounting to determine acid rock drainage and hazardous heavy metal leachate potential on both the Merensky and the UG2 tailings has indicated that such tailings have a

AN INNOVATION IN SLURRY PUMPING

01

Slurry refers to any mixture consisting of a liquid mixed with spent tailings particles. Many industrial and mining processes operate on the basis of a wetted product to facilitate chemical reactions. Slurries are a convenient method of handling bulk materials.

Many types of slurry are abrasive, and some could be described as liquid sandpaper! Although the effects of their abrasive nature can be reduced by decreasing their flow velocity, many slurries have a minimum flow velocity that has to be adhered to in order to prevent their solid particles from being deposited. Slurries almost always result in abrasion in the pipelines and pumps used to move them along.

Moreover, the pumping of slurry is energy intensive, wastes water and requires intensive maintenance. Firstly, because tailings slurries are usually quite a lot denser than water, they require much higher pressure to pump them up elevations. Booster pumps are often required. Secondly, the centrifugal slurry pumps traditionally employed in the pumping of slurry have a number of serious limitations.

All centrifugal pumps require a seal where the pump shaft enters the pump casing. In the case of a water pump, this is achieved rather simply through the use of a "gland" (a mechanical seal). In the case of a slurry pump, maintaining a seal is far more complex because the slurry erodes the gland. The problem is overcome by injecting water at high pressure into the pump to keep the slurry away from the gland. However, this requires large quantities of clean (often potable) water at pressures higher than the pump-discharge pressure. Significant quantities of water are wasted, and additional power is required first to pump the water into the seal and then to pump the additional water through the slurry pipeline.

In response to all these drawbacks, International Slurry Pumping Services (ISPS) has developed a very different type of slurry pump. The Phoenix, as it is called, is able to pump high volumes of slurry at high pressure, with high overall system efficiency and low maintenance requirements. It does this by using an efficient water pump and then transferring the energy to the slurry using a bladder and vessel arrangement. Two vessels are utilised to achieve a constant pressure and flow rate in the pumping of water and the discharge of slurry. The system is operated in a manner that ensures smooth switching from vessel to vessel. The features developed for the Phoenix have been designed to greatly reduce the heavy wear and tear and the intensive maintenance of existing slurries pump systems.

Amplats has been testing the new technology through the pilot installation of a Phoenix-type pump at its Amandelbult Concentrator to validate the benefits. The system, which eliminates the need for a V-belt drive (and the energy losses associated with this), has undoubtedly questioned established ideas regarding the pumping of slurries in our business. The system has a design flow rate of 350 m^3/h at 16 bar, and its overall efficiency is 74% compared with the previous system's 54%. This, together with its use of a switchgear, means that the need for booster pumps in the pumping of slurries simply falls away.

Greater efficiency, reduced set-up and running costs, and less time and money spent on maintenance – the new system seems to have it all.

Above

01 Willie van Loggerenberg at the Phoenix Slurry Pump, Amandelbult Concentrator

negligible potential to generate acid or to mobilise metals. Although acid production and metal mobilisation do not occur, the sulphide content is sufficient to produce some soluble sulphates under oxidising conditions. This may increase the sulphate concentration in water that comes into contact with the tailings should there not be sufficient buffering capacity.

MATERIALS

The total rock broken at managed operations was 3.7% less in 2012 than in 2011, mostly as the result of decreased production at most of the mines owing to labour unrest. There was a marginal decrease of 3.1% in tonnes ore milled from managed operations between 2011 and 2012.

Key bulk consumable materials required for mining and processing include liquid fuels, coal, grease and lubricants. Lower production contributed to a reduction in the use of liquid fuels, with a small decrease of 6.8% in the usage of diesel, petrol and paraffin. The consumption of other consumable materials, such as lubricants and grease, also decreased; with grease consumption down by 29%.

LPG use, however, increased by 37%, mainly at the Waterval Smelter and the ACP. The main reasons for this were flash dryers that were started more often during 2012, more intensive utilisation of the ladle and launder burner, increased pre-heating requirements of the main sulphuric acid vessel and a leaking heat exchanger.

Other key materials used include wood (for underground support), chemicals and packaging. Although different types of packaging materials are used, their volumes are minimal and therefore not material. Amplats does not currently use waste, processed or unprocessed, from external sources.

A DATA-DISPLAY SYSTEM THAT SUPPORTS WATER QUALITY MANAGEMENT

01

In 2012, Amplats embarked on the development of an integrated data-display system (IDDS) that would make it possible for us to collate all the water-quality data for our operations into a single database. The water-quality data covers the various water sources that Amplats interacts with, such as groundwater, surface water, potable receiving water bodies such as rivers, process water such as return-water dams, stormwater dams and pollution-control dams, mine service water, treated sewage water and cooling water.

The water-quality analysis for Amplats is undertaken by external laboratory service providers, which supply feedback data to Amplats on a regular basis. They are Aquatico, AGES Lab, GCS Labs, Capricorn Veterinary Services and the University of Zimbabwe. All the water quality data they provide is uploaded into the IDDS.

Until quite recently, the detailed water-quality data gathered painstakingly over the years was available mostly in the form of individual hard-copy reports at our operations, with each report covering one or two aspects only. Few people were able to make sense of or even access the wealth of information they contained.

We have now captured most of the old data, which dates as far back as 1997 for some of our operations. In future, all water-quality data will be uploaded into the database.

The use of the visual representation of data in countering this type of limitation – and in making data accessible – has been growing in popularity, sophistication and ease of use. Amplats' IDDS works as a geospatial display of our operations; and its fit-for-purpose reporting functionality provides comparisons of water-quality data and trends analyses on demand.

The result is that Amplats has been visualising monthly results for all its operations on a common interface. Attributive information about a particular aspect or topic for a particular month is being accessed merely by clicking on it. It is now possible to compare data and results against many different standards, not just one or two as in the old reports. If a new standard is introduced, this is easily incorporated into the system. Moreover, data is processed and integrated in a way that affords technicians and managers new and valuable insights into aspects that were previously not noticeable.

Being able to integrate data from multiple sources onto a common visual interface reduces the time required to access critical information, and thus leads to faster, better-informed decisions. The new system also saves money by using technologies currently in place at the suppliers (e.g. Microsoft SQL databases, IE web browsers), and increases the accuracy of the data entering the database. (The database administrators and also the software service provider (Geosemantic) analyse the data for errors before it enters the Anglo American database.)

The IDDS will be further developed as we proceed with customised reporting for each operation.
Amplats envisages adding databases for other environmental data categories, for example air quality, biodiversity and land management.

Above
01 Pollution control dams at Twickenham Mine

AIR QUALITY

Air-quality performance is measured using indicators of standard releases to the environment considered to be pollutants. These indicators include different types of air pollutants, namely greenhouse gas and non-greenhouse gas emissions that are controlled via international conventions, national laws and local regulations, which can include the environmental authorisations of a reporting organisation's operations.

TOTAL SO_2 EMISSIONS

20.08 kt

Greenhouse gases

Greenhouse gas emissions are believed to be the main cause of climate change and are governed by the United Nations Framework Convention on Climate Change and the Kyoto Protocol. The main greenhouse gas emissions from our operations are covered under the "Energy and climate change" section on page 102.

Other potentially significant air emissions that are relevant to our operations include ozone-depleting compounds, persistent organic compound, sulfur dioxide (SO_2), particulate matter and total dust fallout.

Ozone-depleting compounds

In accordance with the Montreal Protocol on substances that deplete the ozone layer, ozone-depleting compounds have been phased out at all major installations (for example, in ventilation units) across our operations. An assessment of minor installations (for instance, single air-conditioning units) has shown that there are only negligible quantities of ozone-depleting compounds present at these installations. All our mining refrigerants are ozone friendly, including small air-conditioning applications consisting of either ammonia or R134a, both of which are environmentally acceptable replacement compounds used in existing medium- and low-temperature refrigeration.

Persistent organic pollutants

The Stockholm Convention on Persistent Organic Pollutants is an international environmental treaty that aims to eliminate or restrict the production and use of these pollutants. The convention requires that equipment containing polychlorinated biphenyls (PCBs) be phased out by 2025. The persistent organic pollutants that may pose a risk are PCBs that are present in some transformers and capacitors. This equipment is continually maintained and serviced to ensure that all reasonable steps are taken to prevent leaks and contain any spillages. Any PCBs recovered from such equipment in the interim is treated and will be eliminated by 2025 to ensure compliance with the convention.

Another potential risk is the emission of dioxins and furans from the Precious Metals Refinery (PMR) incinerator stack. The incinerator is fed with PMR general and process-specific wastes. The incineration is not a continuous process and control measures are in place to keep the emission levels to a minimum.

Sulfur dioxide and particulate emissions

The direct sulfur dioxide (SO_2) emissions from the sources owned and controlled by Amplats are at the Waterval, Mortimer and Polokwane smelters, with minor contributions from the refineries.

Total SO_2 emissions (stack and fugitives) for the refineries and smelters were 20.08 kt in 2012, which is higher than the 18.78 kt emitted during 2011. The increase is attributed mainly to emissions from the Mortimer Smelter. The SO_2 emissions at the smelter in 2011 were 3.70 kt and increased to 8.18 kt in 2012. The 2012 emission rate is higher than in 2011, as the smelter was shut down for an extended period in 2011 for an upgrade to the furnace. An average of 22.3 t/d was emitted in 2012, against the target of 24 t/d.

Total SO_2 emissions from Waterval complex for 2012 was 5.44, which was lower than the 2011 result of 7.90 kt. An average of 14.9 kt was emitted in 2012, against the target of 20 t/d.

SO_2 emissions at the Polokwane Smelter decreased, from 7.20 kt in 2011 to 6.46 kt in 2012, as the result of the blending of Merensky and UG2 concentrates, and stability of the furnace operation. On average, 17.23 t/d were emitted, against the target of 25 t/d.

SO_2 emissions from RBMR and PMR remain low.

Total SO_2 emissions (stack and fugitives) for the refineries and smelters were 20.08 kt in 2012, which is higher than the 18.78 kt emitted during 2011.

01 Mogalakwena North Pit

Monitoring of ambient air quality

Direct and indirect emissions result in ambient air pollution concentrations that vary spatially and temporarily depending on changes in meteorology and topography. Sources of ambient air emissions can include vehicle fumes, industrial gases and domestic coal burning. As a result, the South African Government has published a gazette to regulate national standards for ambient air quality. The standards set the limits for ambient concentrations of priority pollutants (sulfur dioxide, nitrogen dioxide, particulate matter, ozone, benzene and carbon monoxide). Ambient-air real-time monitoring is conducted in the Waterval, Mortimer and Polokwane smelter areas, owing to potential impact of sulfur dioxide and particulate matter.

The Rustenburg air-quality-monitoring network comprises eight stationary ambient monitoring stations, while the Polokwane Smelter has six stationary ambient monitoring stations and the Mortimer Smelter has one ambient monitoring station. The ambient monitoring stations are equipped to measure sulfur dioxide (SO_2), particulate matter (PM_{10}) and meteorological data from all sources in the region.

Comprehensive data sets are available for all ambient monitoring stations; the data sets for the eight stations in Rustenburg are shown below.

01

RPM ambient-air-quality monitoring statistics for the annual period 1 January to 31 December 2012

Station name	SO_2 data capture (%)	Number of exceedances of national SO_2 hourly average (>350 µg/m³)	Number of exceedances of national SO_2 daily average (>125 µg/m³)	SO_2 annual average (µg/m³)	PM_{10} data capture (%)	Number of exceedances of national PM_{10} daily average (>120 µg/m³)	PM_{10} average (>µg/m³)
Bergsig	83.9	4	0	22.4	80.2	0	24.2
Brakspruit	76.8	1	0	11.0	78.4	0	31.4
Hex River	79.5	0	0	11.8	74.8	0	37.3
Klipfontein	78.3	3	0	22.7	70.9	2	46.3
Mfidikwe	97.1	7	0	22.6	80.3	0	55.7
Paardekraal	58.1	15	0	23.2	23.3	7	74.4
Waterval*	74.6	4	0	16.8	75.8	0	44.0
Wonderkop	84.2	2	0	16.8	0.0		
Total	–	36	0	–	–	9	

* Note that the Waterval station was only recommissioned on 1 June 2012, and that all data therefore pertains to the six-month period only.

SO_2

There were no exceedances of the SO_2 annual average standard of 50 µg/m³ at any station during 2012. There were no exceedances of the national SO_2 daily standard (125 µg/m³) and only 36 exceedances of the hourly standard (350 µg/m³). This represents a reduction against data from 2011 (when 83 exceedances of the hourly standard were recorded) and indicates a general reduction over the previous five years (with 189 measured exceedances of the hourly standard and six of the daily standard measured in 2008).

PM_{10}

There was a significant reduction in the number of measured PM_{10} exceedances over the last year. Only two stations measured exceedances of the PM_{10} daily standard 120 µg/m³, namely Klipfontein (2) and Paardekraal (7) compared with a total of 42 exceedances measured over the same period in 2011. Two stations (Mfidikwe and Paardekraal) exceeded the DEAT annual average (50 µg/m³) owing to higher readings during the winter months, when weather conditions are especially dry and there are increases in coal burning and wind-blown dust.

Data capture

SO_2 data captures for 2012 at the monitoring stations were lower than in 2011, as only three of the eight stations achieved data capture of above 85%. Overall, PM_{10} data capture showed a slight decrease from 2011 percentages.

The main reason for the decrease in data capture for 2012 is the result of a number of PM_{10} and SO_2 analysers that developed faults over the course of the year. Some PM_{10} data was lost because of problems associated with analyser filter tapes. Loss of both SO_2 and PM_{10} data was associated mainly with analyser malfunctions and power failure throughout the year. The focus on 2013 will be on replacing old equipment; increasing the maintenance frequencies on the stations; and improved collaboration and communication between contractors for the earlier detection and more rapid resolution of faults.

There was a significant reduction in the number of measured PM_{10} exceedances over the last year.

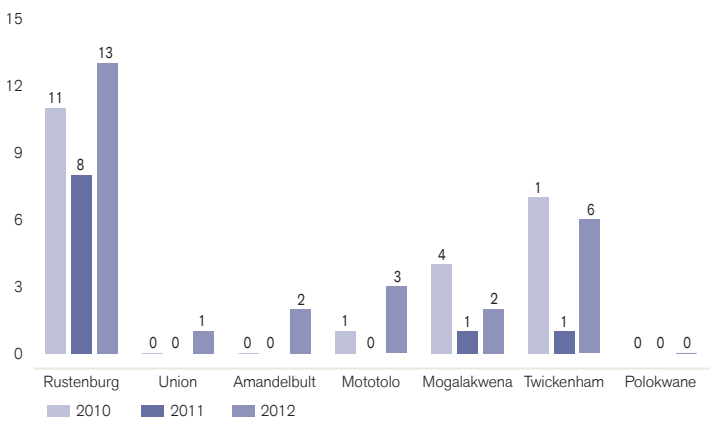
Dust fallout

On 7 December 2012, Government Notice 1007 was published on the Draft National Dust Control Regulations for South Africa. The total dust deposition methodology that is being proposed aligns with the current practice at our operations. Currently, total dust fallout is determined at our operations in accordance with the ASTM D1739 standard test method for the collection and measurement of dust fallout. Dust fallout buckets are used and samples are analysed by external laboratories. The gravimetric results are compared with the proposed guidelines for dust deposition as described in the SANS 1929: 2005, Edition 1.1. These guidelines set four levels of dust fallout rates (measured in milligrams per cubic metre per day), namely: residential, industrial, action and alert rates.

The main sources of dust within mining operations are unpaved haul roads, opencast activities and tailings storage facilities. All sites showed a slight increase in dust levels at specific sampling points between 2011 and 2012. This is the result of localised sources of dust during increased transport activities on the unpaved roads; remining activities at tailings storage facilities; increased activities near crushers for waste rock crushing; and high wind speeds experienced in 2012. Dust suppression measures are implemented and maintained at sites with a high dust potential.

Overview of dust fallout exceedances against the industrial guideline from 2009 to 2012

Number of exceedances



LAND

Air-quality performance is measured using indicators of standard releases to the environment considered to be pollutants. These indicators include different types of air pollutants, namely greenhouse gas and non-greenhouse gas emissions that are controlled via international conventions, national laws and local regulations, which can include the environmental authorisations of a reporting organisation's operations.

WASTE TO LANDFILL

22,083 t

Our current managed mining operations consist of mainly underground mines, except for the Mogalakwena Mine, which consists of a number of open pits. As the pits at Mogalakwena are not rehabilitated concurrently with mining, it is not possible to report annually on newly rehabilitated land as would be the case for opencast mining. There is still a mined-out opencast pit at Rustenburg. Although mined over 12 years ago, it has not been rehabilitated as it is intended to be used as a regional landfill site by the Rustenburg Local Municipality once specific legal requirements have been met. The environmental impact assessment for the site has been approved and construction of the waste site should commence in 2013.

At our joint-venture operations, mined-out opencast pits exist at Bafokeng-Rasimone Platinum Mine (BRPM), Aquarius (Marikana and Kroondal) and Modikwa Platinum Joint Venture. The status of these pits is as follows:

The rehabilitation of the BRPM pit has not yet begun, because it is currently filled with water which previously overflowed from the return-water dam, underground seepage and rainfall. A geohydrological study was completed during 2009, which concluded that the impacts of the overflowing return-water dam are localised and detected only in boreholes within the immediate vicinity of the dam. Sufficient funds are available to commence with the backfilling of the opencast pit, and this is planned for when the pit has been emptied.

A water-treatment feasibility study was undertaken in 2012 to determine ways to treat the water in the pit for reuse in the mining process. A reverse osmosis water treatment plant was found to be a viable option. The water treatment plant will produce 4 Ml per day of high-quality potable water, which will be used daily to replace 4 Ml of potable water supply from Magalies Water. Because a listed activity (the treatment of waste water) is triggered via the National Environmental Management: Waste Act (NEMWA) of 2008, an environmental impact assessment is currently in progress. The final environmental impact assessment report will be submitted to the Department of Environmental

Affairs in the first quarter of 2013. BRPM has also engaged the Department of Water Affairs regarding authorisation to abstract water from the opencast pit for treatment. The application is still awaiting approval.

At the Aquarius Joint Venture (AQPSA), both the Marikana and the Kroondal mines had open pit operations.

At the Kroondal Mine all opencast mining ceased by 2007. There were five small opencast pits at the mine, namely the Central West, Central Far West, Central East, East West and East pits. Rehabilitation of two of the opencast pits, namely Central West and Central Far West, has been successfully completed and an application to obtain a closure certificate for these areas is currently under way. The other three opencast pits were progressively backfilled while mining took place. However, final rehabilitation (i.e. grassing) was not undertaken as new infrastructure (e.g. stores and dense media separation stockpiles) was subsequently built over the old opencast pits.

At the Marikana Mine, opencast mining started in 2003 and ceased in January 2011. Progressive backfilling and rehabilitation took place over the life of the opencast pit, and final rehabilitation of 60.7 ha has been recorded as completed. The extent of the remaining voids equates to 122.9 ha. AQPSA is awaiting confirmation on the approval of the proposed rehabilitation methodology from the Department of Mineral Resources and other applicable environmental authorities. Once this has been received, it will continue with the rehabilitation of the remaining voids.

Although progressive rehabilitation at the Klipfontein opencast pit took place during mining operations, a small void remains to be rehabilitated as mining is still expected to continue further east once the retreatment of the Klipfontein tailings storage facilities has been completed.

The Modikwa Mine has one existing opencast pit. This consists of 7 hectares, 5 of which have been backfilled. The remaining 2 hectares are currently being mined to a depth of 30 to 40 metres. The intent is to backfill the opencast pit when mining ceases.

The focus in 2012 was to identify waste types, develop a waste inventory and implement waste minimisation.

At the Bokoni Mine, an open pit is under investigation on the farm Klipfontein. Mining is expected to commence in 2013 following the approval of the required authorisations.

NON-MINERAL WASTE

General waste management

Historically, landfills have been the most common methods of organised waste disposal and remain so in many places around the world. However, a large number of adverse impacts may potentially occur owing to landfill operations, including infrastructural damage (e.g. to access roads by heavy vehicles), the pollution of the local environment (e.g. through the contamination of groundwater and soil), the flaring of methane and the harbouring of disease vectors (e.g. rats and flies).

Our vision for waste management is to progressively reduce our waste disposed of at landfill sites until we have zero waste to landfill by the year 2020.

Our strategy is based on a systematic application of the waste hierarchy, to reach a point where recovery, reuse, recycling and alternative disposal technologies are the preferred methods of waste management, as opposed to disposal.

Our strategy adopts an integrated approach to waste management, using the waste hierarchy contained in NEMWA and the National Waste Strategy (NWS) approved in 2010. We aim to prevent and reduce waste generation and, where possible, recycle and reuse products to recover value from waste.

The key elements of our waste-management strategy are:

- Waste-stream identification, categorisation, classification and quantification
- Adherence to the requirements and standards of waste permits
- Waste minimisation, reuse, recycling and target-setting
- Internal and external reporting
- Responsible waste disposal and treatment

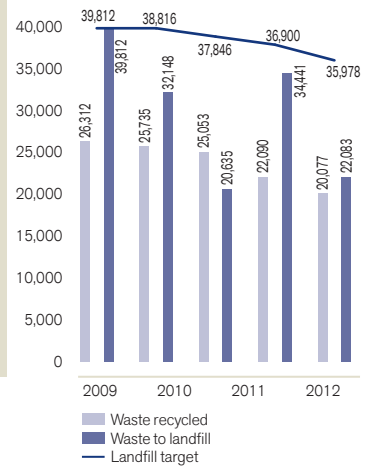
The waste we generate is broadly categorised as follows (see graph below):

- Non-hazardous waste
- Industrial waste
- Hazardous wastes

The focus in 2012 was to identify

Waste target to reduce landfilling

tonnes



Waste to landfill

tonnes

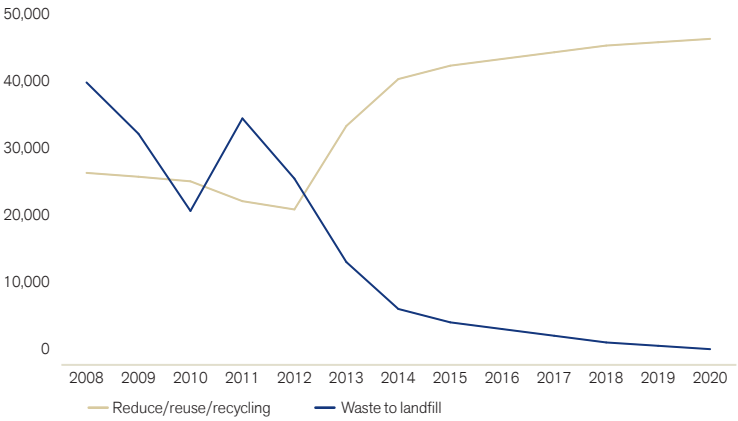
waste types, develop a waste inventory and implement waste minimisation. An external waste management consultant was appointed to audit waste management activities at our operations, with the objective of making recommendations that would improve our waste management strategy and align with our waste management philosophy. A finer classification of the waste streams exists for each broad category, and it is among these that several opportunities for optimised waste management and the removal of some waste streams from landfill disposal were identified.

We also undertook a feasibility study to evaluate the opportunities to reclaim and salvage equipment from our operations. While this effort is predominantly financially driven, the results of the study are promising in terms of waste management, and recommendations will be considered for implementation in 2013.

Our waste management objective is to stabilise the quantity of waste disposed to landfill and then to reduce this volume by increasing our reuse and recycling of waste. To this end we have set a target to reduce our quantities of waste disposed to landfill by 15% in 2014, using 2008 as a baseline. Since 2008 we have aimed to reduce our quantities of waste disposed to landfill by at least 2.5% a year. Waste minimisation was also included as a key performance indicator in the scope of works for all our waste-management contractors, with an emphasis on further increasing the reuse and recycling of waste streams. As can be seen from the target graph on page 120, we surpassed expectations achieving a 45% reduction in waste sent to landfill (22,083 tonnes in 2012 compared to 39,812 tonnes in 2008).

Even though we have complied, our target of a 15% reduction in waste to landfill, we continue to landfill a substantial quantity of waste – 22,083 tonnes. Our target for 2013 is a further reduction of 12% in waste to landfill.

Journey towards zero waste to landfill



Non-mineral, non-hazardous waste management

All non-mineral waste at the operations is segregated into different waste streams. Waste that can be recycled is sent to salvage yards at the operations for final recycling to external users. Most of our operations contract an external company to salvage, reclaim, sort and recycle waste. Some 104 tonnes of waste paper, 30 tonnes of glass, 15,350 tonnes of steel and 277 tonnes of plastic were collected for external recycling in 2012. The total waste recycled in 2012 was 20,077 tonnes, 9% lower than in 2011. The lower volumes of waste recycled are a consequence of the industrial strike action.

Non-mineral hazardous waste sent to landfill

Hazardous wastes include oils, grease, fluorescent tubes, medical waste and chemical containers. The final collection and transportation of such waste is carried out by waste contractors. To ensure that "cradle-to-grave" principles are adhered to, a waste manifest system has been implemented whereby safe disposal certificates are issued by these contractors. Owing to the special requirements for the handling and disposal of medical waste, all medical waste generated at our operations is collected, treated and disposed of by a specialist contractor. Safe-disposal certificates are issued for such wastes and are audited by independent external auditors. We also conduct audits at the hazardous-waste disposal sites. Some 7,818 tonnes of non-mineral hazardous waste went to hazardous waste landfill during the year, while 18.9 tonnes of medical waste were incinerated.

We do not transport, import or export any waste deemed "hazardous" under the terms of annexes I, II, III and VIII of the Basel Convention.

MINERAL WASTE

Mineral waste – accumulated tailings

As briefly mentioned earlier in this section, mineral waste is disposed of in tailings storage facilities (TSFs). We have sixteen active TSFs, six dormant TSFs, five TSFs where remining is taking place and two TSFs where remining has been completed. Mineral waste accumulated in active and inactive TSFs includes all accumulated tailings from the concentrator plants and the co-disposal of excess slag from the Waterval and Mortimer smelters. The tailings at the Klipfontein TSF complex are currently being reprocessed through the WLTR plant. The tailings arising from this plant are sent to the Hoedspruit TSF.

A TSF poses a variety of environmental challenges during its operational life, and these must be managed to ensure that a stable and sustainable landform is created. These environmental challenges include, among others, minimising the impacts on surface water, groundwater and soils; minimising adverse impacts on air quality; and minimising visual impact and maximising revegetation.

To ensure the stability and sustainability of our TSFs, specialist consultants are contracted to provide expert advice on their environmental management and geotechnical aspects. Aerial inspections of all TSFs were conducted in 2012. Internal audits of all TSFs were also carried out at the managed operations in 2012. Each TSF is furthermore subjected to an external third-party audit every two years.

An environmental risk assessment of all our active TSFs was completed in 2012 via an independent environmental consultant. All identified risks were assessed using the Anglo American standardised risk matrix and recommendations were proposed for each potential risk identified. Management plans based on current environmental management programme (EMP) commitments, the results of periodic audits and the outcomes of the risk assessment exercise were initiated in 2012 and will continue in 2013. Key aspects of the management plans include:

- Extensive surface and groundwater monitoring and modelling programmes around the TSFs
- Improved revegetation methods for side-slopes
- Additional dust-control measures during periods of high wind
- The compilation of mandatory codes of practice for TSFs

Mineral waste – accumulated waste rock

A by-product of mining ore is waste rock, hence waste rock dumps are created at all our mining operations.

The results of the assessment indicated that Mogalakwena Mine, the Der Brochen Project and Twickenham Platinum Mine pose a moderate risk to biodiversity.

In the case of underground mining, these dumps are mainly located close to the shaft complexes. In the case of open-pit mining, such as at Mogalakwena Mine, substantial volumes of waste rock are created requiring large areas for dumping. Our largest waste-rock dumps are next to the various mine voids at Mogalakwena. The total area covered by permanent waste-rock dumps at all the operations is 933 hectares, and together the dumps contain 840 Mt of waste rock.

Some waste-rock dumps at Mogalakwena Mine are a source of low-grade PGMs and are remined, crushed and reprocessed. The waste rock is also a resource in many areas, as it can be used as aggregates for construction and road building. Aggregate production companies and companies owned by historically disadvantaged South Africans have been given the contracts to process waste rock. This has created local employment opportunities.

Mineral waste – slag

Some of the slag produced at Waterval Smelter is disposed of together with tailings on the Paardekraal TSF, while a portion is supplied to a third-party company for sandblasting purposes. An EMP amendment process is under way to authorise the storage and stockpiling of slag. There are also slag dumps at the Mortimer and Polokwane smelters. The current Mortimer Smelter slag arisings are transferred to the Ivan concentrator plant, co-treated with its feed and discarded with the general tailings to the TSFs. The slag pads at Polokwane Smelter are designed to take cognisance of the potential environmental impact of seepage and run-off, even though the slag could be considered inert. A number of commercially viable uses for slag have been investigated, for example the use of slag as a raw material in building construction. Applications have been submitted to the relevant authorities to authorise this commercial use of slag.

BIODIVERSITY

To ensure that we identify the significant impacts on biodiversity associated with the activities, products and services of the Company, appropriate biodiversity action plans (BAPs) were compiled and implemented at the managed operations where a moderate or high risk to biodiversity has been identified.

In 2011, a qualitative assessment of the "perceived biodiversity value" of all the land under our charge was undertaken to determine the biodiversity value of these areas. The results of the assessment indicated that Mogalakwena Mine, the Der Brochen Project and Twickenham Platinum Mine pose a moderate risk to biodiversity, while the rest of the managed operations pose a low risk to biodiversity.

Salient issues pertaining to biodiversity management at those operations with a moderate risk are listed below:

Mogalakwena:

- In order for Mogalakwena to monitor its biodiversity action plans the University of Limpopo was engaged to monitor fish in the return-water dam for parasite infestation and heavy metal accumulation. Mogalakwena also initiated an exotic vegetation control programme in 2011, which continued in 2012.
- Projects that assist with carbon sequestration include the planting of indigenous trees. For example, 625 trees were planted at Groenfontein in 2012 and the mine has distributed a further 300 trees in support of the Groenfontein permaculture training project. All waste wood from the mine (e.g. pallets, crates and vegetation) is sent to a community project at Groenfontein, where the wood is recycled into bio-char.
- In planning for mine-closure impacts, a preliminary mine-closure plan was completed in 2012. Subsequently, North-West University was asked to develop a waste-dump rehabilitation plan for the mine, taking into account

01 Dishaba Mine, 1 Shaft rock dump

02 Waste sorting and recycling at the Union Mine waste disposal facility

recommendations from the closure plan.

– Biodiversity awareness at Groenfontein occurs via the environmental education facility, where schools, teachers and other groups are educated.

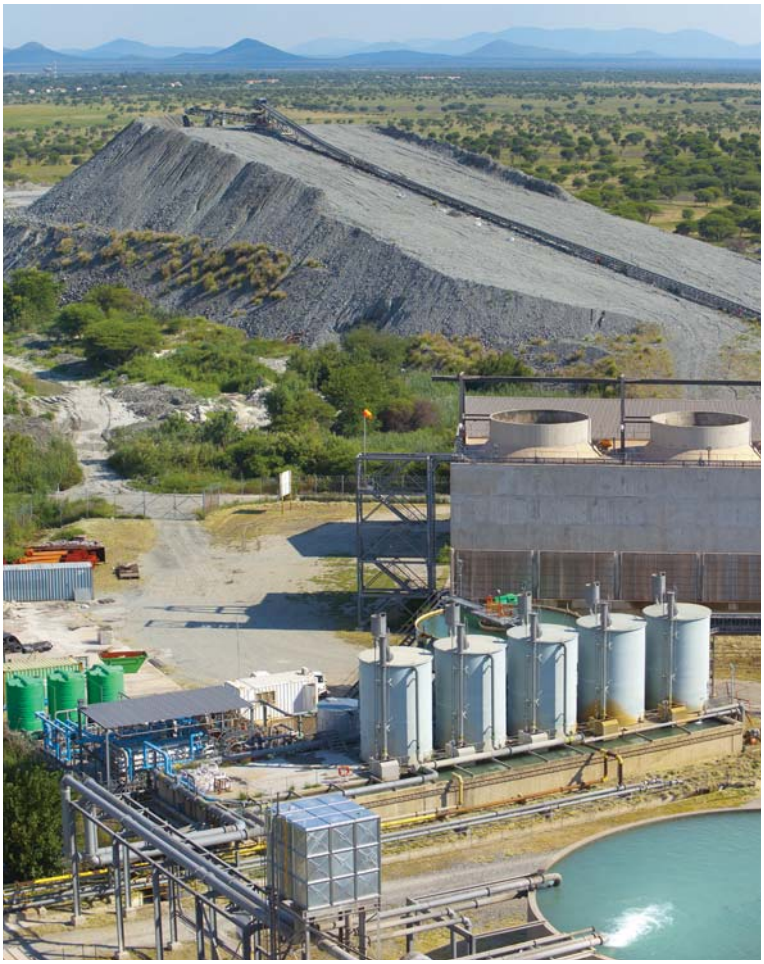
Twickenham:

- Twickenham has completed a monitoring programme for parasite infestation and heavy metal accumulation in fish in the return-water dam and is implementing an exotic vegetation control programme that includes an indigenous species identification and eradication and control of alien invasive vegetation. In order to protect the biodiversity footprint around Twickenham, the bioremediation of hydrocarbon-contaminated soils occurs on site.
- Twickenham has also established an organic farm near a local community. It will be used to plant herbs and other indigenous gardens.

Der Brochen (including the Mototolo Concentrator):

- Situated in a biodiversity-rich area, Der Brochen Mine has a programme in place for the removal of alien and invasive species, and protection of the indigenous and endemic floral species in the area. A snake awareness and control programme ensures the protection of snakes and reptiles. Access to the area is controlled in order to prevent any damage to fauna and flora and to reduce litter.
- The land manager ensures that the large mammal populations in the area are within the veld's carrying capacity.

During Arbour Week in 2012, all operations participated in tree-planting ceremonies at their sites and within the local communities. As a result, 1,757 trees were planted at our managed operations during 2012.



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02

COMPLAINTS, INCIDENCE AND COMPLIANCE

Amplats has a systematic approach to capturing, recording, investigating and providing feedback on environmental complaints and incidents.

COMPLAINTS
10

LEVEL 1 AND 2 INCIDENTS
442

CONDITIONS IDENTIFIED
2,880

COMPLAINTS

Altogether ten environmental complaints were reported in 2012, compared to 20 in 2011.

Of the complaints in 2012, six were air-quality-related complaints that occurred in the Rustenburg area. They were the result of visual emissions from the Waterval Smelter complex and RBMR, and of dust emissions from the TSFs. Twickenham Mine recorded one complaint related to an overflow of the surface water dam at the Twickenham Shaft.

All complaints received are investigated and feedback is given to the relevant stakeholders. In addition, communication with third parties is conducted in consultation with our Corporate Communications Department and with the Community Engagement Department at the operation involved.

INCIDENTS

Incidents and substandard acts and conditions

In our five-level environmental incident classification system we classify all incidents in accordance with the actual severity of their impact. For example, a Level 1 incident has a minor impact on the environment, while a Level 5 incident has a major impact on the environment.

Level 1 and 2 incidents are regarded as unplanned or unwanted events that result in low impacts requiring only on-site reporting, investigation and remediation. Our procedure requires that an event should be treated as a potential Level 3, 4 or 5 incident the moment it is assessed as capable of resulting in a medium, high or major environmental impact. The decision is based on defined classification criteria and on the environmental co-ordinator's professional judgement. Confirmation of the event as a potential Level 3, 4 or 5 incident triggers reporting to the relevant authorities and to senior management. A full investigation, supported by extensive engagement with the authorities, confirms the final significance and classification of the incident. All incidents are closed out after a thorough investigative process.

This process ensures a transparent approach and the review of existing controls, and ensures that the true significance of incidents is confirmed for public reporting.

Level 1 and 2 incidents and substandard conditions

The number of Level 1 incidents reported in 2012 was 442 (an additional 34 incidents were reported as Level 2), which represents an increase of 54% on the number reported in 2011. However, the reporting of both incidents and substandard acts and conditions increased by 28%, indicating a renewed focus on reporting and awareness.

The following categories (representing the areas of impact) are used for classification purposes:

- Air
- Biodiversity
- Sites of archaeological and cultural interest
- Closure
- Land and soil
- Visual aspects
- Climate and energy
- Stakeholder engagement
- Waste
- Water

As was the case with incidents in 2011, most of the Level 1 and 2 environmental incidents reported in 2012 were caused by the inadequate management of hydrocarbons such as diesel, oil, grease (40% in the land and soil category) that contaminated soil. This was followed by leaks, discharges and contamination (27% in the water category); and improper dust and air quality management (21% in the air category). The bar chart on page 125 provides a consolidated view of the various categories of Level 1 and 2 environmental incidents in 2012.

Substandard acts and conditions in 2012 followed a similar pattern to those in 2011, with the highest reporting relating to the inadequate

The number of Level 1 incidents reported in 2012 was 442, which represents an increase of 54% on the number reported in 2011.

management of hydrocarbons such as diesel, oil, grease (42% in the land and soil category); inadequate waste management (22% in the waste management category); and leaks, discharges and contamination (18% in the water category). The graph above provides a consolidated view of the various categories of substandard acts and conditions in 2012.

Hydrocarbon-related incidents and substandard conditions contributed around 40% respectively of all reported events in 2012. It is encouraging to see an increase in reported incidents and substandard acts and conditions respectively, as reporting plays an important role in prevention. Hydrocarbon-related reported incidents and substandard acts and conditions relate to spillage as a result of the storage and use of fuel, oil, grease and lubricants and will continue to receive attention.

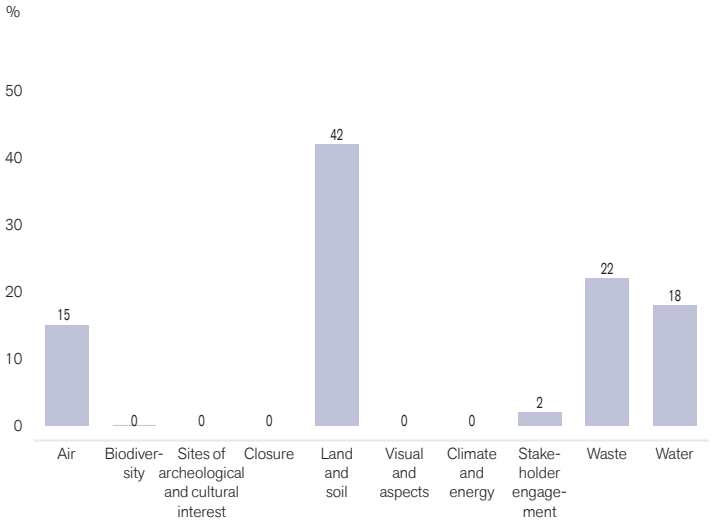
The number of waste-related incidents as a percentage of all incidents reported decreased between 2011 and 2012, from 16% to 10%, mainly as a result of improved awareness. The year-on-year increase – from 15% to 21% – of air-quality-related incidents is a concern, since dust is normally highly visible and also leads to complaints. Dust fallout from the TSFs is the main cause of reported incidents and complaints.

All reported incidents and substandard conditions generate a response; trends are tracked to ensure that their root causes are addressed to prevent reoccurrence and the impacted area rehabilitated.

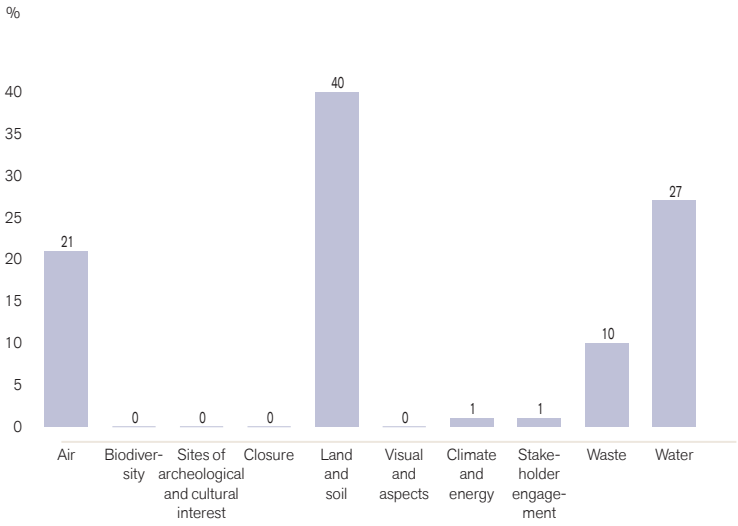
Level 3 incidents

Although 12 potential Level 3 incidents were reported in 2012 (in comparison to 18 in 2011) and were investigated to confirm whether the impact met the significance criteria, no incidents were confirmed to have a final significance rating of Level 3 or higher after the investigation. Of the 12 incidents, ten were related to discharges and spillages at our operations. The other two were related to tailings spillages. As stated, none of the incidents

Substandard acts and conditions



Environmental incidents



investigated were found to have had any significant impacts on the receiving environments of the catchments in which we operate. According to the incident investigation procedure, all incidents with the potential to cause a significant environmental impact are reported to the relevant authorities and are investigated in detail to ensure that a realistic and accurate indication of significance is allocated in the final ratings. All these incidents were found to have had a low impact on the environment, and were thus downgraded to Level 1 or 2 incidents and reported as such to the authorities. Existing controls were reviewed and mitigation measures were either improved or new ones implemented.

Level 4 and 5 incidents

No Level 4 or 5 incidents were recorded in 2012.

COMPLIANCE /ADHERENCE

The three critical acts (in addition to others) which relate to the environment, the Minerals and Petroleum Resources Development Act (MPRDA), the National Environmental Management Act

(NEMA) and the National Water Act (NWA), and related regulations, regulate environmental impact management in South Africa. In Zimbabwe, the Mines and Minerals Act (MMA) performs a role similar to that of the MPRDA in South Africa, which regulates mining in particular. These acts also prescribe statutory duties in respect of environmental standards, the mitigation of environmental impacts and the rehabilitation of disturbed land.

In order to ensure that all environmental authorisations are granted on time, three South African Government departments (Mineral Resources, Environmental Affairs and Water Affairs) are engaged during the application process.

We are compliant with all the relevant environmental legislation in terms of environmental authorisations, licences and permits, with the exception of one water-use licence for Amandelbult (which still operates under a water permit). Although the initial application for this licence was submitted as far back as 2005, a resubmission was made in 2011 owing to documents being misplaced by the DWA, changed DWA requirements and changed circumstances at the operations.

The environmental management systems at our operations provide the management framework needed to track compliance with applicable legal and other requirements, and to support improvement in the prevention of pollution.

No fines or non-monetary sanctions were imposed by authorities at any of our South African or Zimbabwean operations in 2012 for non-compliance with environmental regulations, licences or permits at our managed operations.

All operations have access to the relevant environmental legislation, and to an environmental legal register designed specifically to address issues of importance to their sites. All operations are also kept informed of changes in environmental legislation.

Detailed legal reviews were conducted at four mining operations in 2012, in which 2,880 conditions were identified. Of these, 2,629 were found to be compliant and 251 were findings.

All managed operations were subjected to internal legal compliance reviews during 2012. The findings and action plans of all audits and internal reviews are managed through our environmental management system until close-out. Internal review findings are reported to management at each operation and key findings are elevated to executive heads where applicable.

Compliance status based on legal reviews

The operations reviewed are identified as being legally compliant if all the conditions in the legal authorised documents (e.g. EMP reports, environmental impacts assessments, water use licences, etc) are implemented or have adequate action plans that will be completed. Therefore, a "finding" implies that all actions related to a specific condition have not yet been completed and does therefore represent a legal non-conformance. In general, the number of conditions (and therefore the number of findings) increased in 2012 owing to the addition of new legal checklists that were used in conjunction with the internal legal reviews.

Mining operations

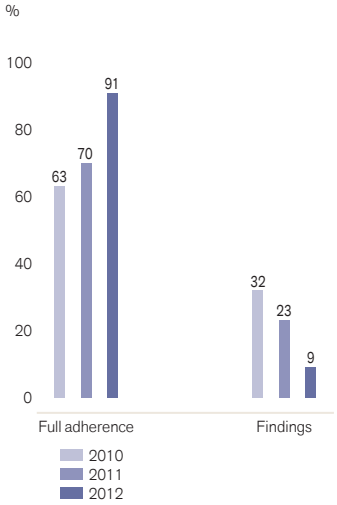
Detailed legal reviews were conducted at four mining operations in 2012, in which 2,880 conditions were identified. Of these, 2,629 were found to be compliant and 251 were findings.

The legal reviews highlighted the following focus areas:

- Conditions of water-use licences
- GN704 requirements to separate clean and dirty water
- Concurrent rehabilitation
- Monitoring of environmental noise and PM_{10} levels
- Waste management practices
- Statutory environmental reporting to regulators

In 2012, 91% of the conditions were fully compliant or had adequate management plans in place, compared with 71% in 2011. This amounts to a significant year-on-year improvement in overall compliance.

Mining % EMP implementation 2011 vs 2012



Process operations

Legal reviews were conducted at all process operations (smelters, refineries and concentrators) during 2012. In total, 3,105 conditions were identified, compared with a total of 565 in 2011. Of the 3,105 conditions, 2,947 were found to be fully compliant or to have adequate action plans in place, while 178 conditions needed attention.

The legal reviews highlighted the following focus areas:

- Groundwater remediation management plans
- Air-quality-improvement initiatives
- Waste-management plans

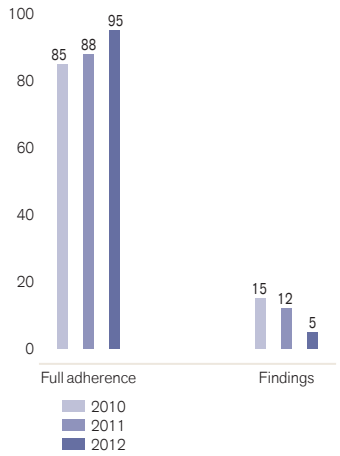
In 2012, 95% of the conditions were fully compliant or had adequate management plans in place (88% in 2011), pointing to a year-on-year improvement in overall compliance.

We view findings as risk areas and continue to take corrective action to ensure legal compliance. A follow-up review will be conducted during 2013 to verify the progress of corrective actions against the findings.

01 A view across the Twickenham Mine landscape

02 Spud Shaft, Union Mine

Process % EMP implementation 2011 vs 2012



Environmental management programme (EMP) performance assessments

Mining operations

The Minerals and Petroleum Resources Development Act (MPRDA) states that any organisation that has obtained a mining permit or a mining right must compile and submit an environmental performance assessment report (EPAR) to the Director: Mineral Development of the Department of Mineral Resources (DMR) for approval. The frequency of performance-assessment reporting is every two years (or as specified in the approved EMPs).

Therefore, in addition to the legal compliance reviews described above, EPAs were completed for the Twickenham, Mogalakwena, Amandelbult, Union and Rustenburg mines in 2012. While most mines have to conduct an environmental performance assessment once every two years, Twickenham and Mogalakwena mines are required to conduct an assessment annually.

Altogether 2,295 conditions were assessed at these mining operations. Of these, 1,345 (91%) were observed to be compliant. Among the rest were 255 (9%) non-completed conditions

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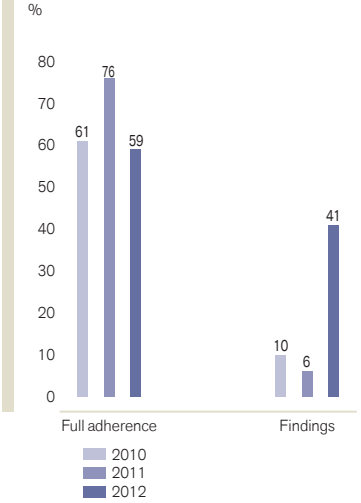
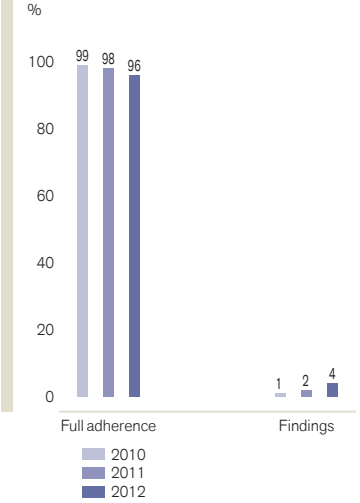
Mining EMP regulation 55 compliance 2011 vs 2012



Process EMP regulation 55 compliance 2011 vs 2012



and 695 non-applicable conditions (as a result of the current life-cycle phase of the operation). General findings, therefore, were similar to those reported for the mining operations in the sections on compliance above.

Owing to the labour unrest, the schedule for the performance assessments for Twickenham, Amandelbult, Union and Rustenburg mines was affected. The performance assessments could consequently be conducted only late in 2012 and the reports will be submitted to the DMR during the first quarter of 2013.

Process operations

Statutory environmental performance assessments (EPAs) were undertaken at all process operations in 2012 and EPARs submitted to the DMR. The methodology used for 2012 differed from that employed in 2011: all process-related EMP conditions were extracted from the mining EMPs in order to assign responsibilities and action plans to the process operations. Hence a comparison of 2011 and 2012 is not representative.

The total number of conditions assessed for all operations was 3,361. There were 143 (5%) applicable conditions requiring attention. Groundwater-management and rehabilitation was identified as key focus areas in going forward.

At 96%, the percentage adherence remained high for all process operations.

Assessment of compliance through internal water audits

Internal water-use-compliance audits against approved water-use licences (WULs) were conducted at the Twickenham Platinum Mine, the Polokwane Smelter and the Mogalakwena Mine. The level of compliance was rated at 89%, 92% and 94% respectively. The non-compliant findings are considered minor and of low risk; they will be addressed through the implementation of the integrated water-and-waste management plan (IWWMP) developed for each operation.

An additional two integrated WULs were approved by the DWA at the Rustenburg and Union operations during 2012. Upon review several administrative and substantive errors were observed with the WUL conditions. The DWA has been engaged on this matter and WUL amendment processes are under way. The requirement for compliance audits on these WULs is under discussion with the DWA. A proposal was made to the DWA to suspend the audit requirements of the two WULs approved in 2012 until these WULs have been amended and value-adding audits can be undertaken.

All other operations have developed and are implementing IWWMPs. The DWA defines an IWWMP as a simple, feasible, implementable plan for water use, based upon site-specific programmes, but also taking into account the National Water Resource Strategy, the Catchment Management Strategy and the Resource Quality Objectives. It has to consider the sensitivity of the receiving water resource, the upstream and downstream cumulative impacts of water-use activities, external water-use authorisation guidelines, and water-use-specific supplementary information requirements.

ENVIRONMENTAL EXPENDITURE AND PROVISIONS

All the environmental cost centres were analysed with the focus on costs for waste disposal, emissions treatment, remediation, prevention and environmental management. The 2012 environmental expenditure for Amplats' managed operations is as follows:

- R121.8 million for waste disposal, emissions treatment and remediation.
- R91.7 million for the prevention of pollution and environmental management.

The total calculated estimate for environmental expenditure increased from R167.1 million to R213.8 million in 2012, which represents a year-on-year increase of 28%. This was mainly the result of an improved system for calculating environmental expenditures and not actual cost increases.

The total excludes costs of non-product output as defined in the International Federation of Accountants' document, "International Guidance Document on Environmental Management Accounting".

01 View from an archaelogical site near Unki Mine.

PROVISION FOR REHABILITATION AT CLOSURE

Regulation 41(3) of the Mineral and Petroleum Resources Development Act (Act No 28 of 2002) requires that the closure liability of mining operations must be assessed on an annual basis. Regulation 54 (2) indicates that the holder of a prospecting right, mining right or mining permit must annually update and review the quantum of the financial provision for closure liability in consultation with a competent person.

We use a Standardised Reclamation Cost Estimator (SRCE) model for each of the managed operations to assist with the annual update of the operations' closure liability estimates. This model was introduced primarily to standardise our approach to closure costing, but also to make updating easier and less costly.

On an annual basis, in terms of the commitments of its approved EMP and closure objectives, each operation utilises the SRCE model to estimate the total expenditure required for the final rehabilitation and remediation of its operations. All the rehabilitation liabilities based on current assets and impacts were updated in 2012. The total undiscounted rehabilitation liability for all our operations at the end of 2012 was estimated to be R3,112 million.

The total calculated estimate for environmental expenditure increased from R167.1 million to R213.8 million in 2012, which represents a year-on-year increase of 28%.

In addition to estimating our closure liability, we place emphasis on turning rehabilitation into opportunities for community development and engagement. Although partial closure is not accepted by the DMR, the restoration costs for successful rehabilitation projects in line with the EMP commitments can be offset against the annual closure provision. As a result specific opportunities for continuous rehabilitation have been identified and highlighted to the operations during the 2012 closure liability assessments.

The Platinum Producers Environmental Trust Fund was established for managed operations so as to fund their estimated environmental closure liabilities. Different trust funds exist for the same purpose for our joint ventures. Contributions are determined on the basis of the estimated environmental obligation over the life of a mine, to a maximum of 30 years. The total amount in all the environmental rehabilitation trusts at year end was R723 million. The shortfall between this total and the undiscounted environmental rehabilitation liability for premature mine closure is funded by way of bank guarantees in favour of the DMR.

01

ENVIRONMENTAL INDICATORS

for the year ended 31 December 2012

	2012	2011	2010	2009	2008
MATERIALS			Kilotonnes		
Rock broken – managed operations (100%)	**107,235**	111,379	102,393	73,478[1]	128,089
Ore milled – managed operations (100%)	**35,431**	36,547	37,530	37,604	39,126
Accumulated low-grade stockpiles	**24,634**	19,626	16,273	16,631	19,709
Coal	**138.9**	140.0	125.25	127.5	113.7
Liquid petroleum gas (LPG)	**6.23**	4.48	5.16	4.40	4.62
Grease	**0.39**	0.54	0.87	0.88	1.18
			Megalitres		
Fuels	**55.63**	59.68	52.31	40.01	77.36
Lubricating and hydraulic oils	**6.92**	7.91[9]	14.21	12.25	17.48
ENERGY			Terajoules		
Energy from electricity purchased	**18,362**	19,049	18,556	18,550	19,196
Energy from processes and fossil fuels	**6,031**	6,119	5,600	5,151	6,202
Total energy consumed	**24,392**	25,168	24,156	23,701	25,398
WATER			Megalitres		
Total new water use	**34,911**	36,340	33,817	40,600	34,944
Water used for primary activities	**28,755**	31,248	28,874	34,151	28,362
Water used for non-primary activities	**6,156**	5,092	4,943	6,449	6,582
Potable water from an external source	**18,437**	18,983	18,483	20,925	23,556
Non-potable water from an external source	**1,326**	924	935	999	1,144
Waste or second-class water used	**9,142**	10,638	10,673	11,171	4,170
Surface water used	**1,502**	1,535	–	–[2]	1,164
Groundwater used	**4,407**	4,323	3,636	4,970	8,792
Water recycled in processes	**53,731**	51,260	53,014	40,074[3]	25,231
LAND			Hectares		
Land under Group charge for current mining activities	**91,827**[10]	54,640	39,049[4]	51,330	51,334
Land utilised for current mining and related activities	**14,530**	14,791	14,186	14,723	15,634
Total tailings dam area	**2,444**	2,848	2,555	3,127	2,310
Total waste rock dump area	**933**	790	772	844	
All land owned (new parameter from 2007)	**43,212**	40,136	40,136	45,855	46,974
EMISSIONS			Kilotonnes		
GHG emissions, CO_2 equivalent (Scope 1 and 2 only)	**5,743**	5,991	5,611	5,580	5,581
From electricity purchased	**5,210**	5,450	5,154	5,153	5,087
Internally generated	**533**	541	457	427	494
Nitrous oxides	**NM**	NM[5]	NM	NM	NM
Sulfur dioxide	**20.08**	18.77	17.65	15.34	15.51
Particulates (point sources)	**0.43**	0.42	0.46	0.45	0.38
DISCHARGE			Megalitres		
Discharge to surface water	**765**	1,761	3,327	4,456	3,658
			Quality		
Surface water quality monitored at all operations?	**Yes**	Yes	Yes	Yes	Yes
Surface water quality deterioration off-site?	**Yes**	Yes	Yes	Yes	Yes
Adverse surface water impact on humans?	**No**	No	No	No	No
Groundwater quality monitored at all operations?	**Yes**	Yes	Yes	Yes	Yes
Groundwater quality deterioration?	**Yes**	Yes	Yes	Yes	Yes
Adverse groundwater impact on humans?	**No**	No	No	No	No
WASTE			Kilotonnes		
Mineral waste accumulated in:					
Tailings dams (active and inactive)	**893,600**	810,639	869,616	839,142	730,750
Rock dumps	**840,266**	752,349	715,437	692,799	665,399
Slag dumps	**3,985**	3,047	5,054	5,162	–[6]
Non-mineral waste generated:					
Hazardous to landfill	**7.82**	18.26	4.83	5.5	13.69
Hazardous incinerated	**3.71**	0.80	0.01	0.03	0.02
Non-hazardous to landfill	**14.26**	16.18	15.80	26.63	26.13
Non-hazardous incinerated	**–**	–	–	–	0.03

	2012	2011	2010	2009	2008
ENVIRONMENTAL INCIDENTS AND COMPLAINTS			Number		
Level 1 and 2	**476**	309	477	2,689	3,442
Level 3	**–**	–	–	3	1
Level 4 and 5	**–**	–	–	–	–
Formal complaints	**10**	20	16	18	8
Substandard acts and conditions[7]	**1,175**	976	875	–	–
PRODUCTS			Ounces		
Total refined PGMs and gold[8]	**4,423,639**	4,726,682	4,660,176	4,395,394	4,302,554

[1] *Large decrease owing to reduced mining at Mogalakwena. Surface stockpiles were processed in 2009. Rock broken at Bokoni only included until 30 June 2009.*
[2] *Water reassigned to groundwater rainfall according to latest water model definitions.*
[3] *Increase attributed primarily to better internal measurements of the overall water balance.*
[4] *Reduction is owing to exclusion of BRPM and Bokoni JVs.*
[5] *Not measured.*
[6] *Parameter not reported as final figures for 2008 could not be verified.*
[7] *Substandard acts and conditions reported in 2010.*
[8] *Excludes toll refining from Anglo American Platinum Limited marketing.*
[9] *Number lower owing to higher overstated figures in previous years. Data for 2007, 2008 and half of 2009 includes Bokoni Platinum Mine and Bafokeng-Rasimone Platinum Mine.*
[10] *Increase owing to revised definition that includes privately owned land above mining right.*

MINING CHARTER SCORECARD

Mining Charter scorecard

Description	Measure	2012 progress against target	Compliance target by 2014
Reporting			
Has the Company reported the level of compliance with the charter for the calendar year?	Documentary proof of receipt from the department	Reports submitted on a quarterly basis	Annually
Ownership			
Minimum target for effective HDSA ownership	Meaningful economic participation	In advancement of black economic empowerment, the Company has entered into a number of disposal transactions and joint ventures and it has established an employee share ownership scheme as well as various community trusts as part of the community economic empowerment transaction. The result of these transactions was a transfer of more than 26% of the Company's forecast attributable production, as it would have been in 2014 had it not entered into these transactions, to historically disadvantaged South Africans	26%
	Full shareholder rights	Good progress to achieving 2014 target	26%
Housing and living conditions			
Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	50% of employees in single room accommodation	Occupancy rate of one person per room
Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	All hostels converted into family units	Family units established
Procurement and enterprise development			
Procurement spent from BEE entity	Capital goods	51.7%	40%
	Services	53.4%	70%
	Consumable goods	55.5%	50%
Multinational suppliers' contribution to the social fund	Annual spend on procurement from multinational suppliers	This programme is currently being addressed and work is under way. The identification of suppliers is complete. The strategy for the management of the funds is being developed	0.5% of procurement value
Employment equity			
Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (board) level	38%	40%
	Senior management (Exco)	39.8%	40%
	Middle management	57.2%	40%
	Junior management	65%	40%
	Core skills	83.4%	40%
Sustainable development and growth			
Improvement of the industry's environmental management	Implementation of approved EMPs	Regulation 55 performance reviews are done by the environmental managers and are submitted to the DMR by the operations. The schedules are aligned with the EMPR commitments	100%
Improvement of the industry's mine health and safety performance	Implementation of the tripartite action plan on health and safety	Implementation of action plans aligned	100%
Utilisation of South African-based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	100%

Mining Charter scorecard

Description	Measure	2012 progress against target	Compliance target by 2014
Beneficiation			
Contribution of a mining company towards beneficiation (this measure is effective from 2012)	Additional production volume contributory to local value addition beyond the baseline	The Company continues with implementation of its beneficiation strategy. The offset guidelines have not been finalised by the Department of Mineral Resources and therefore the Group cannot calculate what offsets it qualifies for. Furthermore, the DMR released its beneficiation strategy but with no reference to baseline levels and targets.	Section 26 of the MPRDA (percentage above baseline)
Human resource development			
Development of requisite skills, including support for South African-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation	HRD expenditure as percentage of total annual payroll (excluding mandatory skills development levy)	5.4% achieved	5%
Mine community development			
Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Projects in communities surrounding our operations implemented to the value of R276 million	Up-to-date project implementation

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
Investor community	Provide financial capital to sustain and grow the business	Sound return on their investment	Anglo American plc	Listed in London	Owns 79.66% of Anglo American Platinum Limited	Meetings	Weekly
			Minority shareholders	Predominantly South African, European and North American	Own the balance of Amplats shares	Results presentations, media	Bi-annual, continual
			Potential investors and analysts	Represented by investor groups, such as pension funds	An interest in the potential of becoming shareholders	Results presentations, media	Bi-annual, continual
			JSE Limited	Regulator of listed companies	Primary listing exchange and market	Various	Continual
			JSE SRI Index	Independent assessment of triple bottom-line reporting	Inclusion of Anglo Platinum Limited in the Index	Index questionnaire	Annual
Employees	Investment in career growth, mentors and skills	Provide a safe environment conducive to growth that is free from harassment or intimidation	Permanent employees	90.71% South Africa; 8.67% Botswana, Lesotho, Mozambique, Zimbabwe	Direct contractual relationship	Various	Continuous
			Contractors	75.81% South Africa	Indirect contractual relationship	Various	Continuous
Trade unions and associations	Provide guidance on topical issues, shared expertise and experience	Work together to ensure productive partnerships and agreements	National Union of Mineworkers	28,173 predominantly mining employees	Signatory to employee relations recognition agreement	Partnership structures and task teams	Once every two months
			United Association of SA	4,806 predominantly supervisory employees	Signatory to employee relations recognition agreement	Partnership structures and task teams	Once every two months
			National Union of Metalworkers of SA	1,172 plant employees	Signatory to employee relations recognition agreement	Partnership structures and task team	Once every two months
Customers	Partnership to seek opportunities for continued growth	Platinum at competitive prices. Work together to develop new markets	Johnson Matthey	Listed in London; PGMs fabricated into industrial products	Direct supply and long-term agency contracts for PGMs	Meetings and written correspondence	A minimum of once a month
			BASF	Listed in New York; PGMs fabricated into industrial products	Direct long-term contract to buy PGMs	Meetings and written correspondence	A minimum of once a month
			Tanaka Kikinzoku Kogyo KK	Private Japanese company, fabricating PGM industrial products	Direct long-term contract to buy PGMs	Meetings and written correspondence	A minimum of once a month
			Umicore SA	Listed in Brussels, fabricating PGM industrial products	Direct long-term contract to buy PGMs	Meetings and written correspondence	A minimum of once a month
			Heraeus	Private German company, fabricating PGM industrial products	Direct long-term contract to buy PGMs	Meetings and written correspondence	A minimum of once a month

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
			Toyota Motor Corporation	Tokyo-listed motor manufacturer; PGMs used in autocatalysts	Direct long-term contract to buy PGMs	Meetings and written correspondence	A minimum of once a month
			Honda Motor Corporation	Tokyo-listed motor manufacturer; PGMs used in autocatalysts	Direct long-term contract to buy PGMs	Meetings and written correspondence	A minimum of once a month
Business partners	Return on our investment. Opportunities for continued business growth	Safe production at competitive prices	ARM Mining Consortium	HDSA mining company comprising ARM Platinum and the Mampudima and Matimatjatji communities	Joint-venture partner at Modikwa Platinum Mine	Joint-venture executive committee and steering committee meetings	Monthly
			Aquarius Platinum (South Africa)	A subsidiary of Aquarius Platinum Limited, the Sydney-, London- and Johannesburg-listed mining company	Partner at Kroondal Platinum Mine, Marikana Platinum Mine, Platinum Mile tailings retreatment facility and Sheba's Ridge project	Pooling-and-sharing meetings	Quarterly
			Lonmin plc	London-listed mining company in partnership with Bapo-Ba-Mogale community	Joint-venture partner at Pandora project	Joint-venture meetings	Monthly
			Bapo-Ba-Mogale	Traditional community	Joint-venture partner at Pandora project	Joint-venture meetings	As required
			Mvelaphanda Resources	Johannesburg-listed HDSA mining company	Shareholder of Northam Platinum, BEE partner at Pandora project, 50% shareholder in Platinum Mile tailings retreatment facility	Joint-venture meetings	Quarterly
			Royal Bafokeng Resources	A traditional authority in North West province	Joint-venture partner at Bafokeng-Rasimone Platinum Mine	Joint-venture executive committee and steering committee meetings	Monthly
			Bakgatla-Ba-Kgafela community	Traditional community	Joint-venture partner at Union Mine, Rooderand and Magazynskraal	Joint-venture meetings	Monthly
			PTM	Exploration company	Joint-venture partner at Western Bushveld Joint Venture	Joint-venture meetings	Quarterly
			Pacific North West Capital Limited	Exploration company	Joint-venture exploration partners in Canada	Meetings	As required
			Anooraq Resources	HDSA-controlled mining company, controlled by Pelawan Investments	Partner at Bokoni Platinum Mine and the Ga-Phasha, Boikgantsho and Kwanda projects	Meetings	As required
			Eurasia	Exploration company	Joint-venture partner in Russia	Meetings	As required
			Solitario	Exploration company	Joint-venture partner in Brazil	Meetings	As required

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
			Xstrata South Africa Pty Ltd	Mining company	Joint-venture partner at Mototolo Platinum Mine	Joint-venture meetings	Monthly
			Kagiso Trust	A broad-based charitable organisation established by the SA Council of Churches in the mid-1980s to provide assistance to underprivileged communities	Joint-venture partner at Mototolo Platinum Mine	Joint-venture meetings	Monthly
			Siyanda Chrome Investments Pty Ltd	HDSA chrome company	Joint-venture partner in chrome retreatment plant	Joint-venture meetings	Monthly
Major contractors and suppliers	Provide safe and quality products and services that support our current operations and potential growth	Provide joint developmental and growth opportunities	Shell SA Marketing Pty Ltd	South African EPCM company	Service to the value of R679 million in 2011	Contract meetings and correspondence	Monthly
			Scaw SA Pty Ltd	South African EPCM company	Service to the value of R342 million in 2011	Contract meetings and correspondence	Monthly
			Senmin SA Pty Ltd	South African EPCM company	Service to the value of R389,5 million in 2011	Contract meetings and correspondence	
			SAN Pty Ltd	South African contracting mining company	Service to the value of R273 million in 2011	Contract meetings and correspondence	Monthly
Municipalities	Engage with governmental initiatives and topical issues to drive agendas. Shared expertise and experience	Contributing to the collective industry voice. Contribute to the uplifting of regions where we operate	Bojanala District Municipality	District municipal area in North West province	Labour-sending area; part of mine communities at Rustenburg Mine, Amandelbult Mine, Union Mine and BRPM	Formal and informal meetings	As required
			Rustenburg Local Municipality	Municipal area in North West province	Labour-sending area; part of Rustenburg Mines' and BRPM's mine communities	Formal and informal meetings	Monthly and as needs arise
			Moses Kotane Local Municipality	Municipal area in North West province	Labour-sending area; part of mine communities at Rustenburg mines, Amandelbult Mine, Union Mine and BRPM	Formal and informal meetings	Bi-monthly and as needs arise
			Waterberg District Municipality	District municipal area in Limpopo province	Labour-sending area and part of Amandelbult Mine's and Mogalakwena Mine's community	Formal and informal meetings	As required
			Thabazimbi Local Municipality	Municipal area in Limpopo province	Labour-sending area and part of Amandelbult Mine's communities	Formal and informal meetings	Quarterly and as required
			Mogalakwena Local Municipality	Municipal area in Limpopo province	Labour-sending area; part of Mogalakwena Mine's community	Formal and informal meetings	Quarterly and as required
			Greater Sekhukhune District Municipality	District municipal area in Limpopo province	Labour-sending area; part of Lebowa Mine's community	Formal and informal meetings	As required

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
			Greater Tubatse Local Municipality	Municipal area in Limpopo and Mpumalanga provinces	Labour-sending area; part of Lebowa Mine's community	Formal and informal meetings	Monthly
			Fetakgomo Local Municipality	Municipal area in Limpopo province	Labour-sending area; part of Lebowa Mine's community	Formal and informal meetings; joint planning sessions	Monthly
			Capricorn District Municipality	District municipal area in Limpopo province	Labour-sending area; part of Mogalakwena's, Lebowa's and Polokwane Smelter's communities	Formal and informal meetings	As required
			Polokwane Local Municipality	Municipal area in Limpopo province	Labour-sending area; part of Mogalakwena's, Lebowa's and Polokwane Smelter's communities	Formal and informal meetings	As required
			Lepele Nkumpi Local Municipality	Municipal area in Limpopo province	Labour-sending area	Formal and informal meetings	As required
			OR Tambo District Municipality	District municipal area in Eastern Cape province, covering King Sabata; Nyandeni	Labour-sending area	Formal and informal meetings	As required
			Traditional authorities, administrations and liaison committees	Traditional leadership around operational areas	Surface lease; social and economic impacts of mining on the community	Meetings, workshops and presentations	As required
Governmental bodies	Provide our licence to operate as well as a clear regulatory framework	Legal compliance and the validity of all rights, authorisations and permits. Implementation of the Mining Charter and the social and labour plans	Central government	Various administrative departments, including DME	Some departments may only be visited on specific issues, such as Home Affairs (for work permits). Other relationships are more permanent and relate to specific issues (e.g. legislation on mining rights, environmental management, environmental permits and licences)	Formal and informal meetings/ presentations	Various structures meet at various times
			Parliament	Various administrative departments	Policy discussion and lobbying (both ways) take place at this level; also debate on overarching issues of mutual interest	Formal and informal meetings/ presentations	Various
			Regional offices	Various regional offices of DME and DWAF	Provides administrative governance function at provincial level	Formal and informal meetings/ presentations	Various

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
			Limpopo provincial government	Various administrative departments	Provides administrative governance function at provincial level	Formal and informal meetings/ presentations	Various
			Mpumalanga provincial government	Various administrative departments	Provides administrative governance function at provincial level	Formal and informal meetings/ presentations	Various
			North West provincial government	Various administrative departments	Provides administrative governance function at provincial level	Formal and informal meetings/ presentations	Various
			Independent Government structures	Commission for Conciliation, Mediation and Arbitration; Commission on Restitution of Land Rights; Magalies Water Board; Mintek; National African Federated Chamber of Commerce; the South African Reserve Bank	Focused working groups may work together for up to 18 months on specific issues (e.g. land restitution)	Formal and informal meetings/ presentations	As required
			SAPS	Various branches of SAPS around Group operations	Addressing security risks and issues in partnership	Meetings and consultations	Monthly and as required
			SARS	Revenue services	Authority	Meetings and correspondence	As required
Non-governmental organisations (NGOs)	Share expertise and experience. An under-standing of community interests and building trusted relationships	Contributing responsibly and transparently to societal interests	Association of Black Professionals in Mining	A network of black professionals in mining, supporting the entry and development of blacks in the industry	Community development, mentorship and support	Meetings, seminars and workshops	As required
			African Pathways for Youth Development	Polokwane-based youth development and training organisation	Social impacts and community development	Meetings	As required
			Kroondal Environmental Forum	Rustenburg area environmental watchdog	Environmental impacts	Meetings	As required
			LimDev	Limpopo business development agency	Business development, training and funding	Workshops	As required
			Limpopo Education Development Trust	A public-private partnership to develop education in Limpopo province	Educational developments in Limpopo	Meetings and workshops	Monthly and as required
			Limpopo SMME Agency	A business development agency funded through Government	SMME development and support	Meetings and workshops	As required

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
			Vision of the Nation and Tshupe Hospice	A home-based care centre for HIV/AIDS patients in local communities	Provider of home-based care services funded by the Group	Meetings	Quarterly
			Mpumalanga Education Development Trust	A public-private partnership to develop education in Mpumalanga	Educational developments in Burgersfort	Meetings and workshops	Monthly and as required
			North West Eco Forum	Rustenburg area environmental watchdog	Environmental impacts	Meetings, consultations and presentations	As required
			North West Education Development Trust	A public-private partnership to develop education in North West province	Educational developments in North West province	Meetings and workshops	Monthly and as required
			Royal Bafokeng Economic Board	Economic board of the Royal Bafokeng Nation, looking at development of SMMEs within the Royal Bafokeng Nation	An important partner in the development of SMMEs in and around RPM operations and communities	Meetings, workshops and presentations	Monthly and as required
			Sivukile Home-Based Care	Ten NGOs providing home-based care	Provide home-based care in communities around operation	Meetings and contract meetings	As required
			ActionAid	Global NGO focusing on poverty alleviation	Commented on our water and relocations at Mogalakwena	Reports and meetings	As required
			Trade and Investment Limpopo	Investment agency for Limpopo	Black economic empowerment supplier, development and preferential procurement	Meetings	As required
			Benchmark Foundation	Faith-based mining organisation. Corporate governance	Conducts research around our operations	Meetings	As required
			SOMO	Dutch-based research organisation	Conducted research into impacts of platinum	Meetings, correspondence	As required
Educational institutions	Opportunity to develop skills and industry education. Provide expertise	Investing in education to promote community growth and skills development	Universities/ universities of technology/ technical and community colleges	Educational institutions promoting required skills	Bursary programmes. Continuing education. MDP/MBA. Graduate development. Beneficiation. Research sponsorship. Membership of faculty advisory boards. Interaction on planning directly and via professional bodies. Major contributor to Mineral Education Trust Fund. Sponsorship of professorial seats	Meetings	As required

Stakeholder group	The value of our stakeholders	Stakeholder expectations	Stakeholder name	Key attributes	Relationship to (Amplats)	Method of engagement	Frequency of engagement
Industry bodies	A view on regulations and requirements of the industry standards	Compliance with regulations and industry standards. Participation in industry debates	Chamber of Mines – SA	Industry body	Amplats is a member of the Chamber of Mines	Meetings	As required
			International Platinum Group Metals Association	Industry body	Amplats is a member	Meetings	As required
			BUSA	Industry body	Member	Meetings and events	As required
			National Business Initiative Platinum Guild International ICMM	Industry body	Member	Meetings and events	As required
Labour-sending areas	Employees to work in existing operations and for future development	Provide skills development and growth	Labour-sending area	King Sabata Dalindyebo; Nyandeni; Port St Johns; Ntabankulu; Qahkani; Mbizama; Mhlontlo municipalities	Labour-sending area	Formal and informal meetings. Chairman fund and partnership as Teba	As required
Communities surrounding our operations	Provide our "social" licence to operate. Provide employees for our operations	Engage in early stages of life cycle. Strong and effective social management systems. Compliance. Broad community support. Add sustainable value to the communities though local procurement business creation	See tables on pages 84 to 88	Communities in the areas of Rustenburg municipality, Greater Tubatse Local Municipality, Thabazimbi Local Municipality, Mogalakwena Local Municipality	Communities surrounding our operations	Formal and informal meetings. Chairman's Fund	As required

Municipality	Community	Classification	Relationship to (Amplats)	Local municipality	Population
Bojanala District Municipality	Chaneng	Rural small village	BRPM	Rustenburg Local Municipality	6,689
	Robega	Rural small village	BRPM	Rustenburg Local Municipality	3,292
	Bala	Rural small village	BRPM	Rustenburg Local Municipality	3,020
	Rankunyana	Rural small village	Rustenburg	Rustenburg Local Municipality	1,699
	Kanana	Rural scattered	Rustenburg	Rustenburg Local Municipality	398
	Rankelenyane	Urban formal town	Rustenburg	Rustenburg Local Municipality	1,718
	Boitekong	Urban formal town	Rustenburg	Rustenburg Local Municipality	11,632
	Zakele	Rural scattered	Rustenburg	Rustenburg Local Municipality	Unknown
	Mfidikwe	Rural small village	Rustenburg	Rustenburg Local Municipality	798
	Thekwane	Rural small village	Rustenburg	Rustenburg Local Municipality	3,994
	Waterval	Rural small village	Rustenburg	Rustenburg Local Municipality	798
	Kwa Photsaneng	Rural small village	Rustenburg	Rustenburg Local Municipality	4,314
	Siyavuya	Rural scattered	Rustenburg	Rustenburg Local Municipality	318
	Sefikile	Rural small village	Union	Rustenburg Local Municipality	2,702
	Ga-Ramosidi	Rural small village	Union	Rustenburg Local Municipality	8,572
Greater Sekhukhune District Municipality	Ga-Makgopa and Ext 1	Rural scattered	Twickenham	Greater Tubatse Local Municipality	100
	Twickenham	Rural small village	Twickenham	Greater Tubatse Local Municipality	2,088
	Ga-Mashabela	Rural small village	Twickenham	Greater Tubatse Local Municipality	4,222
	Makgake	Rural scattered	Twickenham	Makhuduthamaga Local Municipality	255
	Thidintitsane	Rural scattered	Twickenham	Greater Tubatse Local Municipality	295
	Dipururung	Rural scattered	Twickenham	Greater Tubatse Local Municipality	4
	Ga-Kgwete	Rural dense village	Twickenham	Greater Tubatse Local Municipality	5,116
	Morapaneng	Rural small village	Twickenham	Greater Tubatse Local Municipality	1,523
	Ditobeleng	Rural small village	Twickenham	Greater Tubatse Local Municipality	511
	Maotsi	Rural scattered	Twickenham	Greater Tubatse Local Municipality	75
	Ga-Masete and Ext 1	Rural small village	Twickenham	Greater Tubatse Local Municipality	974
	Ga-Mashishi	Rural small village	Twickenham	Greater Tubatse Local Municipality	3,114
	Manyaka	Rural small village	Twickenham	Greater Tubatse Local Municipality	1,500
	Mohlope	Rural small village	Twickenham	Greater Tubatse Local Municipality	1,166
Waterberg District Municipality	Northam	Urban formal town	Amandelbult	Thabazimbi Local Municipality	4,712
	Ga-Tshaba	Rural small village	Mogalakwena	Mogalakwena Local Municipality	1,096
	Ga-Malebana	Rural dense village	Mogalakwena	Mogalakwena Local Municipality	5,463
	Ga-Masenya 1	Rural small village	Mogalakwena	Mogalakwena Local Municipality	1,879
	Pholotsi	Rural small village	Mogalakwena	Mogalakwena Local Municipality	3,242
	Ga-Mapela	Rural dense village	Mogalakwena	Mogalakwena Local Municipality	6,228
	Ga-Masenya 2	Rural small village	Mogalakwena	Mogalakwena Local Municipality	2,116
	Tweefontein	Rural small village	Mogalakwena	Mogalakwena Local Municipality	1,243
	Ga-Mokaba	Rural small village	Mogalakwena	Mogalakwena Local Municipality	2,361
	Magongoa	Rural small village	Mogalakwena	Mogalakwena Local Municipality	1,839
	Tshamahansi	Rural dense village	Mogalakwena	Mogalakwena Local Municipality	13,274
	Ga-Mmalepeteke	Rural small village	Mogalakwena	Mogalakwena Local Municipality	3,208
	Ga-Letwaba	Rural small village	Mogalakwena	Mogalakwena Local Municipality	3,951
	Ga-Kgubudi	Rural dense village	Mogalakwena	Mogalakwena Local Municipality	5,287

ASSURANCE STATEMENT

We have been engaged by the directors of Anglo American Platinum Limited (Amplats) to perform an independent assurance engagement in respect of Selected Identified Sustainable Development Information reported in the Amplats' Sustainable Development Report for the year ended 31 December 2012 (the "Report"). This report is produced in accordance with the terms of our contract with Amplats dated 13 September 2012.

Independence and expertise

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

Scope and subject matter

The subject matter of our engagement and the related levels of assurance that we are required to provide are as follows:

Reasonable assurance

The following identified sustainable development information in the Report was selected for an expression of reasonable assurance:

- Fatal-injury-frequency rate (FIFR) (page 41)
- Lost-time injury-frequency rate (LTIFR) (page 40)
- Employee new cases of noise-induced hearing loss (NIHL) (page 44)
- Employee new cases of occupational diseases reported (page 42)
- Scope 1 CO_2 emissions in kilotonnes (page 107)
- Scope 2 CO_2 emissions in kilotonnes (page 107)
- Number of level 3, 4 and 5 environmental incidents reported (page 131)
- Total energy use in terajoules (page 130)

Limited assurance

The following identified sustainable development information in the Report was selected for an expression of limited assurance:

- Scope 3 CO_2 emissions in kilotonnes (page 107)
- Water used for primary activities in megalitres (page 130)
- Water used for non-primary activities in megalitres (page 130)
- Percentage enrolment of estimated HIV cases in wellness programmes (page 48)
- Number of employees participating in voluntary counselling and testing (VCT) (page 47)
- Number of employee dismissals related to breaches of the business principles (page 55)
- Total amount spent on corporate social investment (CSI) projects in ZAR (page 79)
- Mining Charter Scorecard: employment equity (page 132)
- Mining Charter Scorecard: procurement spent from BEE entities (pages 92 and 132)
- Self-declaration of Global Reporting Initiative (GRI) application level (page 1)

We refer to this information as the "Selected Identified Sustainable Development Information".

We have not carried out any work on data reported for prior reporting periods except for data that was included in the prior year's assurance scope, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the Selected Identified Sustainable Development Information.

Responsibilities of the directors

The directors are responsible for selection, preparation and presentation of the Selected Identified Sustainable Development Information in accordance with the criteria set out in Amplats' reporting policies set out on page 144 of the Report, and the Global Reporting Initiative's (GRI) new generation (G3) guidelines, collectively referred to as the "Reporting Criteria". The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the Selected Identified Sustainable Development Information that are free from material misstatements, whether due to fraud or error.

Responsibility of the independent assurance provider

Our responsibility is to form an independent conclusion, based on our assurance procedures, on whether the Identified Sustainable Development Information for reasonable assurance is stated, in all material respects, in accordance with the Reporting Criteria.

We further have a responsibility to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the Identified Sustainable Development Information for limited assurance is not stated, in all material respects, in accordance with the Reporting Criteria.

Our responsibility is to express a conclusion to the directors on the selected identified sustainable development information contained in the Report for the year ended 31 December 2012, based on our assurance engagement. We consent to the inclusion of this report in the Report to assist Amplats' members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report from an appropriately qualified organisation in connection with the selected subject matter.

Assurance work performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ("ISAE 3000"). This standard requires that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain either reasonable or limited assurance on the Selected Identified Sustainable Development Information as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the Identified Sustainable Development Information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the Identified Sustainable Development Information. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusions:

- Reviewing processes that Amplats has in place for determining material Identified Sustainable Development Information to be included in the Report.
- Obtaining an understanding of the systems used to generate, aggregate and report data at the sampled operations.
- Conducting interviews with management at the sampled operations and at head office.
- Applying the assurance criteria in evaluating the data generation and reporting processes.
- Performing a controls walkthrough.
- Testing the accuracy of data reported on a sample basis for limited and reasonable assurance.
- Reviewing the consolidation of the data at head office to obtain an understanding of the consistency of the reporting processes compared with prior years and to obtain explanations for deviations in performance trends.
- Reviewing the consistency between the Identified Sustainable Development Information and related statements in Amplats' Report.
- Reviewing the accuracy of Amplats' self-declaration of the GRI (G3) Application Level in the Report.

A limited assurance engagement is less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the Selected Identified Sustainable Development Information, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to Amplats' preparation of the Selected Identified Sustainable Development Information in order to design procedures that are appropriate in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Conversion factors used to derive energy used from fuel and electricity consumed, is based upon information and factors derived by independent third parties. Our assurance work has not included an examination of the derivation of those factors and other third-party information.

Conclusions

Reasonable assurance

Based on the results of our procedures, in our opinion, the Identified Sustainable Development Information for reasonable assurance for the year ended 31 December 2012 is stated, in all material respects, in accordance with the Reporting Criteria.

Limited assurance

Based on the results of our procedures nothing has come to our attention that causes us to believe that the Identified Sustainable Development Information for limited assurance for the year ended 31 December 2012, is not stated, in all material respects, in accordance with the Reporting Criteria.

Other matters

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

PricewaterhouseCoopers Inc.
Director: Wessie van der Westhuizen
Registered Auditor

Johannesburg
15 February 2013

GLOSSARY OF TERMS

3E: three elements: platinum, palladium and gold.

4E: four elements. The grade at Anglo American Platinum Limited mines is measured as the combined content of the four most valuable precious metals: platinum, palladium, rhodium and gold.

ABET: adult basic education and training.

ACP: Amplats Converting Process, a pyrometallurgical process used at the Waterval Smelter complex in Rustenburg.

Adverse groundwater impacts on humans: evidence of adverse impacts on human health or activities as a result of discharge to groundwater.

Adverse surface water impacts on humans: evidence of adverse impacts on human health or activities as a result of discharge to surface water.

AEW: The Anglo Environment Way.

AFRS: Anglo fatal risks standards.

Anglo American 5 × 5 risk matrix: a risk matrix characterised by a five-category scale for (a) likelihood and (b) consequence.

ANSI: American National Standards Institute.

ARM: African Rainbow Minerals Limited.

ART: antiretroviral therapy, used to mitigate the effects of AIDS.

Asbestosis: a lung disease caused by inhaling asbestos particles.

Aspect: element of an organisation's activities, products or services that can interact with the environment.

Autocatalyst: a cylinder made from ceramic or metal and formed into a honeycomb. It is coated with a solution of chemicals and platinum group metals, and is mounted inside a stainless steel canister and installed in the exhaust line of vehicles between the engine and the silencer. Autocatalysts convert over 90% of hydrocarbons, carbon monoxide and oxides of nitrogen from gasoline engines into less harmful carbon dioxide, nitrogen and water vapour. They also reduce the pollutants in diesel exhaust by converting 90% of hydrocarbons and carbon monoxide, and 30% to 40% of particulate, into carbon dioxide and water vapour.

Basel Convention: the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal was drafted and adopted in 1989 and came into effect in 1992. The convention works to reduce the movement of hazardous wastes, to ensure that wastes are disposed of as close as possible to where they were produced, and also to minimise the generation of hazardous wastes in terms of their quantity and level of hazard.

Base metal: a common metal that is not considered precious, e.g. copper, tin or zinc.

BAU: business as usual.

BBBEE: broad-based black economic empowerment. This represents a broadening of earlier BEE (see below) policy and attempts to spread the benefits of economic empowerment to the widest-possible spectrum of black South Africans.

BEE: black economic empowerment. BEE is a policy of the South African Government, aimed at increasing the access that black South Africans have to productive assets. It seeks to "promote new opportunities for and increase the levels of participation of black people in the ownership, management and control of economic activities".

Bokoni Platinum Mine: joint-venture mine.

BRPM: Bafokeng-Rasimone Platinum Mine.

BSI: British Standards.

CED: Community Engagement Department.

CEMSS: central electricity management support system.

CEO: chief executive officer.

CO: carbon monoxide.

CO_2: carbon dioxide.

Concentrating: the process of separating milled ore into a waste stream (tailings) and a valuable mineral stream (concentrate) by flotation. The valuable minerals in the concentrate contain almost all the minerals found in base and precious metals. They are treated further by smelting and refining to obtain pure metals: Au, Cu, PGMs and Ni (see entries above and below for these metals).

COP17: 17th Conference of the parties to the United Nations Framework Convention on Climate Change, held in Durban from 28 November to 9 December 2011.

Dietary Reference Intakes (DRIs): a comprehensive set of nutrient reference values for healthy populations, which can be used for assessing and planning diets. Published since 1997, the DRIs are established by Canadian and American scientists through a review process overseen by the U.S. National Academies, a respected and independent non-governmental entity. They reflect the current state of scientific knowledge with respect to human nutrient requirements.

Discretionary spend: spending for the long-term profitability of a company.

DMR: Department of Mineral Resources.

DSM: demand-side management.

DWA: Department of Water Affairs.

EAP: economically active population.

Effluent to surface water: total volume of excess water discharged to surface water (e.g. rivers, dams, pans) during the reporting period.

EIA: environmental impact assessment.

EMP: environmental management plan.

EMS: environmental management system.

Energy from electricity: electricity purchased from the national utility, Eskom.

Energy from processes and fossil fuels consumed: total energy excluding electricity purchased.

Equivalent refined platinum: mine production and purchases of metal in concentrate converted to equivalent refined platinum production using Amplats' standard smelting and refining recoveries.

ERRA: employee relationship recognition agreement.

ESOP: Amplats' share-ownership plan.

Exco: the Executive Committee.

FIFR: fatal-injury-frequency rate: the number of fatal injuries per 200,000 hours worked.

Flotation: in the flotation process, milled ore is mixed with water to form pulp, which is passed through a series of agitating tanks. Various chemicals are added to the pulp in a sequence that renders the valuable minerals hydrophobic (water-repellent) and the non-valuable minerals hydrophilic (possessing a strong affinity for water). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach themselves to the rising air bubbles and are removed from the main volume of pulp as a soapy froth. In this manner, various combinations of flotation cells in series are utilised to produce a concentrated stream of valuable mineral particles, called the "concentrate", and a waste pulp stream, called "tailings".

FOG: fall of ground.

FOGM: fall-of-ground management.

Fuels: diesel, petrol and paraffin consumed for processes and utilities.

Fundamental human rights conventions of the International Labour Organization: international labour standards covered in the Declaration on Fundamental Principles and Rights at Work (adopted by the International Labour Conference at its 86th session, Geneva, 1998):

Convention No 29: Forced Labour, 1930

Convention No 87: Freedom of Association and Protection of the Right to Organise, 1948

Convention No 98: Right to Organise and Collective Bargaining, 1949

Convention No 100: Equal Remuneration, 1951

Convention No 105: Abolition of Forced Labour, 1957

Convention No 111: Discrimination (Employment and Occupation), 1958

Convention No 138: Minimum Age, 1973

Convention No 182: Worst Forms of Child Labour, 2000

Furnace matte: the product of the smelting process.

GHG: greenhouse gas.

GJ: gigajoules(109 joules).

Global compact: the United Nations Global Compact is a "strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption".

Grade: the mass of desired metal(s) in a given mass of ore. Ores bearing PGMs are normally low-grade. Grades are usually expressed as grams per tonne, equivalent to parts per million.

Grease: total quantity of all types of grease used in all types of equipment during the reporting period.

Greenhouse gas emissions, CO_2 equivalent: quantity of CO_2 from electricity purchased and internally generated. Conversion factors used are as recommended by the Intergovernmental Panel on Climate Change. Gases include CO_2, CH_4, N_2O, HFCs, PFCs and SF_6, and other CO_2 equivalents.

Grey water: poor-quality water obtained from an external source, e.g. municipal sewage effluent. Does not include non-potable water, or internally recycled effluent.

GRI: the Global Reporting Initiative. It was established in 1997, with the mission of designing globally applicable guidelines for the preparation of enterprise-level sustainable development reports.

Groundwater quality deterioration: monitoring results indicate deterioration of groundwater quality because of an operation's activities.

Groundwater quality monitoring: programme to monitor water quality. Sites required to be monitored are those identified by legal permit requirements or by the site environmental management system.

Groundwater used: water abstracted/collected by the operation from groundwater sources, e.g. from boreholes and mine dewatering, which is used by the operation.

g/t: grams per tonne, the unit of measurement of grade. One gram per tonne is one part per million.

Hazardous waste to incineration: may include sludge contaminated by heavy metals; contaminated containers (reagent containers, oil/grease containers, anti-freeze drums); medical waste; vehicle batteries; and oil-contaminated material (gaskets, filters, soaking agents, rags). Incineration takes place in a facility designed and operated in a manner compliant with legislation or internationally accepted practice (this does not include the burning of waste in a pit or open area).

Hazardous waste to landfill: may include sludge contaminated by heavy metal; contaminated containers (reagent containers, oil/grease containers, anti-freeze drums); contaminated soil; and oil-contaminated material (gaskets, filters, soaking agents, rags).

HDSA: historically disadvantaged South African. Refers to "any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993), came into operation". The Company definition of HDSAs includes employees who are classified as African, Asian, coloured or women, regardless of citizenship status.

Head grade: the grade of the ore leaving a mine and entering a processing plant.

HIV/AIDS: human immunodeficiency virus/acquired immune deficiency syndrome.

HMO: health maintenance organisation.

ICMM: International Council on Mining and Metals.

IDC: individual development charter.

IDPs: integrated development plans, as specified in the mining scorecard in respect of mine community and rural development, and legislated by Government in terms of the Local Government Municipal Systems Act.

IFRS: International Financial Reporting Standards.

IIED: International Institute for Environment and Development.

ILO (International Labour Organization): the specialised UN agency that seeks to promote social justice and internationally recognised human and labour rights. It was founded in 1919.

IPA: International Platinum Association, which provides a communication forum for producers and fabricators, and facilitates market development.

IPP: independent power producer.

IRM: integrated risk management.

ISO: International Organization for Standardization.

ISO 1400: an EMS standard published by the ISO. See EMS above.

IUCN protected area categories: the World Conservation Union (IUCN) defines a protected area as "an area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of the natural and associated cultural resources, and managed through legal or other effective means". IUCN categorises protected areas by management objective and has identified six distinct categories of protected areas.

JM: Johnson Matthey plc, a leading fabricator of PGM products and leading researcher and developer of PGM applications and uses, based in London.

JSE: JSE Limited, the Johannesburg-based securities exchange.

JV: joint venture. A contractual agreement between two or more parties for the purpose of executing a business undertaking. The parties agree to share in the profits and losses of the enterprise.

King Report: the King Committee on Corporate Governance in South Africa was formed in 1992 (under the auspices of the Institute of Directors in southern Africa and with Mervyn King as chair) to promote the highest standards of corporate governance in South Africa. Corporate governance in the country was institutionalised by the publication of the King Report on Corporate Governance in 1994, by the release of an updated version (King II) in 2002 and, more recently, by the release of King III in September 2009. The King Report features a Code of Corporate Practices and Conduct, which the JSE stipulates all listed companies must follow. The Global Reporting Initiative (see entry above) is referenced in this code.

kt: thousand tonnes.

ktpm: thousand tonnes per month.

Land disturbed for mineral extraction activities: area of land under Group charge where the original characteristics have been disturbed by mineral extraction and ancillary operations. This includes open pits and quarries, access roads, stockpiles, tailings/slimes dams and co-disposal facilities, offices, dumps, villages, land awaiting rehabilitation, screening banks, and concentrator, smelter, and refinery complexes. Disturbance can be through both physical and chemical means.

Land under Group charge: includes land falling under the direct management of the Group (including all land owned, leased or covered by surface rights), but excludes land that does not fall under the direct management of the Group. It also excludes prospecting rights.

Level 1 incident: an unplanned or unwanted event that results in minor impact, defined as: lasting for a week or less; and/or affecting a small area (measured in metres); and/or impacting a receiving environment that is highly altered with no sensitive habitats; and/or occurring in an area with no biodiversity value (urban/industrial area). All Level 1 incidents should be classified and investigated to the appropriate level of detail to determine the root cause of the event and to prevent a repeat occurrence. They do not have to be reported to the authorities. Repeat or continuous Level 1 incidents must be escalated to Level 2 if the impact is not mitigated within the scheduled period of time appropriate to the severity of the impact.

Level 2 incident: an unplanned or unwanted event that results in low impact, defined as: lasting for weeks; and/or affecting a limited area (measured in hundreds of metres); and/or impacting a receiving environment that is altered with little natural habitat; and/or occurring in an area with low biodiversity value. All Level 2 incidents should be classified and investigated to the appropriate level of detail to determine the root cause of the event and to prevent a repeat occurrence. They do not have to be reported to the authorities. However, repeat or continuous Level 2 incidents must be escalated to Level 3 if the impact is not mitigated within the scheduled period of time appropriate to the severity of the impact.

Level 3 incident: an unplanned or unwanted event that results in medium impact, defined as: lasting for months; and/or affecting an extended area (measured in kilometres); and/or impacting a receiving environment that comprises largely natural habitat; and/or occurring in an area with moderate biodiversity value (determined using the

Anglo American "Guideline for preparing biodiversity action plans"). All estimated Level 3 incidents should be classified and internally investigated to the appropriate level of detail to determine the root cause of the event and to prevent a repeat occurrence. Repeat or continuous Level 3 incidents must be escalated to Level 4 if the impact is not mitigated within the scheduled period of time appropriate to the severity of the impact. A Level 3 incident triggers specific reporting and investigative procedures. It is reported to senior Amplats management and to the authorities in terms of the National Water Act and the National Environmental Management Act.

Level 4 incident: is termed a "significant incident" and refers to an unplanned or unwanted event that results in high impact, defined as: lasting for years; and/or affecting the catchment on a sub-basin scale; and/or impacting a receiving environment that has sensitive natural habitat; and/or occurring in an area with high biodiversity value (determined using the Anglo American "Guideline for preparing biodiversity action plans"). All estimated Level 4 incidents will trigger a formal independent investigation as covered in Anglo American plc's "Procedure for incident reporting and investigation" and will be subject to specific reporting and investigative protocols. Reporting to the authorities is done in terms of the National Water Act and the National Environmental Management Act.

Level 5 incident: is termed a "significant incident" and refers to an unplanned or unwanted event that results in major impact, defined as: having a permanent impact on the environment; and/or affecting a catchment area on a whole-basin scale; and/or impacting a receiving environment classified as having highly sensitive natural habitat; and/or occurring in an area with very high biodiversity value (determined using the Anglo American "Guideline for preparing biodiversity action plans"). All estimated Level 5 incidents will trigger a formal independent investigation as covered in Anglo American plc's "Procedure for incident reporting and investigation" and will be subject to the same reporting and investigation protocols. Reporting to the authorities is done in terms of the National Water Act and the National Environmental Management Act.

Lost-time injuries (LTIs): any occupational injury that renders a person unable to perform his/her regular duties for one full shift or more following the day on which the injury was sustained, whether a scheduled work day or not.

LPG: liquefied petroleum gas.

LTIFR: lost-time injury-frequency rate; the number of lost-time injuries per 200,000 hours worked.

Lubricating oil and hydraulic oil used: total quantity of all types of lubricating oil and hydraulic oil added to all types of equipment.

MCP: magnetic concentration plant.

Merensky Reef: a layer in the Bushveld sequence.

Milling: the process of reducing broken ore to a size at which it can be concentrated.

Mineral Resources: See Integrated Annual Report.

Mining area: the area for which a mining authorisation/right has been granted.

Mining Charter: the promulgation of the Mining Charter in 2004 was intended to bring the mining industry in line with South Africa's overall social and economic transformation. The charter went through a revision in 2010. It re-emphasised that 26% of South Africa's mining assets would have to be BEE (see above) compliant by 2014; provided for the complete elimination of hostel accommodation on the mines; and introduced a sustainable element, on the understanding that mines' social licence to operate would be linked to their environmental, health and safety performance. It also made provision for penalties for non-compliance. The Codes of Good Practice and The Housing and Living Conditions Standard for the South African Minerals Industry were gazetted in 2009.

MI: million litres.

Moz: million ounces.

MQA: Mining Qualifications Authority. The MQA is a body of the South African Government, charged with developing standards and qualifications for the country's mining sector; maintaining the quality of standards, qualifications and learning provision; developing and implementing a sector skills plan; disbursing grants from the Skills Development Levy; and establishing, registering, administering and promoting learnerships and the administration of apprenticeships.

Mt: million tonnes.

NEMA: National Environmental Management Act.

NGO: non-governmental organisation.

Ni: nickel.

NIHL: noise-induced hearing loss.

Non-hazardous waste to incineration: the disposal of waste by incineration, in a facility designed and operated in a manner compliant with legislation or internationally accepted practice (this does not include the burning of waste in a pit or open area).

Non-hazardous waste to landfill: the disposal of domestic-type waste at on-mine and off-mine landfill sites.

Non-potable water from an external source: water obtained from an external source that is untreated or only partially treated and is not of a standard suitable for drinking. This does not include waste water/second-class water, which is effluent from sewage works. It also does not include untreated surface water and groundwater extracted by the operation itself.

NOx emissions: emissions of nitrogen oxides from diesel engines.

NWA: National Water Act.

OHSAS 18000: an international system specification for the management of occupational health and safety. It comprises two parts, 18001 and 18002, and embraces a number of other publications.

OHSAS 18001: Occupational Health and Safety Assessment Series (providing specifications for occupational-health and safety-management systems).

Opsco: Amplats' Operations Committee.

Ore: rock from which metal or minerals can be extracted at a financial profit.

Oz: troy ounce.

Ozone-depleting compounds (ODCs): quantity of ozone-depleting compounds released/vented to the atmosphere during the reporting period, expressed as CFC-11 equivalent. ODCs include the following compounds: chlorofluorocarbons (CFCs) (CFC-11, CFC-12, CFC-113, CFC-114, CFC-115); hydro-chlorofluorocarbons (HCFCs); halons (halon 1211, halon 1301, halon 2402); carbon tetrachloride; trichloroethane; methyl bromide; and hydrobromofluorocarbons.

Particulates: particulate matter consists of airborne particles in solid or liquid form. Particles are a type of air pollution that commonly affects people's health. "Big" particles are between 2.5 and 10 micrometres in size and are called PM_{10}."Small" particles are under 2.5 micrometres in size and are called $PM_{2.5}$. They cause more severe health effects. Amplats data on particulates refer to the mass of particulates released to atmosphere from point sources during the reporting period.

PCBs: polychlorinated biphenyls, which are mixtures of chlorinated compounds.

PGI: Platinum Guild International, based in London. It is the key promoter of platinum jewellery throughout the world.

PGMs: platinum group metals. Six elemental metals of the platinum group, nearly always found in association with one another. Some texts refer to PGEs (platinum group elements). The metals are platinum, palladium, rhodium, ruthenium, iridium and osmium.

PJ: petajoules (1015 joules).

Platinosis: an allergy-like reaction to exposure to soluble salts of platinum.

Pneumoconiosis: a lung disease caused by inhaling dust.

POPs: persistent organic pollutants. These are chemicals that remain intact in the environment for long periods, become widely distributed geographically, accumulate in the fatty tissue of living organisms, and are toxic to humans and wildlife. POPs circulate globally and can cause damage wherever they travel.

Potable water from an external source: water obtained from an external source (e.g. a local authority) that has been treated to a standard suitable for drinking.

Precious metals: all PGMs and gold. See above for definition of PGMs.

Primary activities: those activities in which the operation engages to produce its product(s), including dust suppression within the operational area.

Pt: platinum.

PTA: purified terephthalic acid.

Pt oz: equivalent refined platinum ounce(s). Equivalent ounces are mined ounces expressed as refined ounces.

PwC: PricewaterhouseCoopers, who administer the external panel that reviews Amplats' annual Sustainable Development Report prior to its publication.

R&D: research and development.

Ramsar Wetland: an area designated as a wetland of international importance because of its role in preserving biological diversity, or because it is a representative, rare or unique type of wetland.

RBMR: Rustenburg Base Metal Refiners.

RBR: Royal Bafokeng Resources.

REACH: Registration, Evaluation, Authorisation and Restriction of Chemical Substances. It is a European Community regulation.

ROD: record of decision.

RPM: Rustenburg Platinum Mines.

RPMR: Rustenburg Precious Metal Refiners.

S&SD Committee: Amplats' Safety & Sustainable Development Committee.

SANS: South African National Standards.

SD: sustainable development.

SDD: safety and sustainable development.

SEAT: Anglo American Socio-Economic Assessment Toolkit.

Section 54 stoppage: issued when a mining inspector orders a work stoppage after a death or other accident at a mine. Such stoppages are legislated by section 54 of the Mine Health and Safety Act.

SED: socio-economic development.

SHE: Safety, Health and Environment.

SMMEs: small, medium and micro enterprises.

SO_2 from processes: mass of sulfur dioxide released to atmosphere, from point sources and fugitive emissions, during the reporting period.

Social incidents:

a) Minor social incident: an incident related to Anglo American (Anglo) that results or could result in a stakeholder complaint that is isolated within an annual reporting period; and/or produces significant negative publicity that is local or regional in nature; and/or results in a breach of Anglo policies or standards that is short-term in nature and is quickly reversible (in under one month) with or without significant intervention; and/or involves no injury to or health impacts on any member of the public.

b) Moderate social incident: an incident related to Anglo American (Anglo) that results in multiple stakeholder complaints that are widespread or repeated within an annual reporting period; and/or produces significant negative publicity that is national in nature; and/or results in a breach of Anglo policies or standards that has medium- to long-term impacts (longer than a month) and is reversible with or without significant intervention; and/or results in actions by stakeholders or employees/ contractors that break the law or lead to a serious disturbance requiring the attention of private or public security forces; and/or involves minor or moderate injuries to or health impacts on members of the public as a result of operational, security or other actions by Anglo staff or contractors, or as a result of actions by state security forces during an incident related to Anglo specifically and/or involves fatalities or one or more injuries (of any severity) to members of the public as the result of operational, security or other actions by Anglo staff or contractors, or as the result of actions by state security forces during an incident that could be perceived to be related to Anglo.

c) Serious social incident: an incident related to Anglo American (Anglo) that produces significant negative publicity that is international in nature; and/or results in a breach of Anglo policies or standards that is non-reversible; and/or involves fatalities or one or more serious injuries to members of the public as the result of operational, security or other actions by Anglo staff or contractors, or as the result of actions by state security forces during an incident related to Anglo specifically.

Stockholm Convention: a global treaty to protect human health and the environment against persistent organic pollutants (POPs).
In implementing the convention, governments take measures to eliminate or reduce the release of POPs into the environment. See above for definition of POPS.

Surface-water quality deterioration: monitoring results indicate a deterioration of surface-water quality off-site, because of the operation's activities, during the reporting period.

Surface-water quality monitored:
a surface-water quality-monitoring programme to monitor water quality at all the required monitoring sites. Required sites are those identified for monitoring by legal permit requirements or by the site EMS. See above for definition of EMS.

Surface water used: water abstracted/collected by the operation itself from surface-water sources, e.g. from rivers, dams and pans, and which is used by the operation, but excludes water recycled internally
from stormwater and tailings return-water dams.

Tailings: that portion of the ore from which most of the valuable material has been removed by concentrating, and which is therefore low in value and rejected.

TB: tuberculosis.

Tonne: unless otherwise defined, this refers to a metric tonne (1,000 kg).

Total energy used: energy from electricity purchased, plus energy from fossil fuels consumed.

tpm: tonnes per month.

TRCFR: total recordable case-frequency rate. This represents the total of all fatalities, serious injuries, and lost-time, medical-treatment and first-aid cases during the year.

TSF: tailings storage facility.

UG2 Reef: a chromite layer in the Bushveld sequence.

UNEP-WCMC: the World Conservation Monitoring Centre of the United Nations Environment Programme.

Unprotected strike: The partial or complete concerted refusal to work, or the retardation or obstruction of work, by persons who are or have been employed by the same employer or by different employers, for the purpose of remedying a grievance or resolving a dispute in respect of any matter of mutual interest between employer and employee, and every reference to "work" in this definition includes overtime work, whether it is voluntary or compulsory.

VCT: voluntary counselling and testing.

VSP: voluntary severance package.

Water used for primary activities: total new or make-up water entering the operation and used for the operation's primary activities.
This definition includes mine dewatering water used for primary activities, but excludes internally recycled water and mine dewatering water discharged to surface and not used for any primary activities. (It may be discharged or evaporated, but these are not primary activities.)

WBCSD: World Business Council for Sustainable Development.

WHO: World Health Organisation.

WLPF: Western Limb Producers' Forum.

WULA: water-use licence application.

ZAR: South African rand.

SUSTAINABLE DEVELOPMENT REPORT 2012

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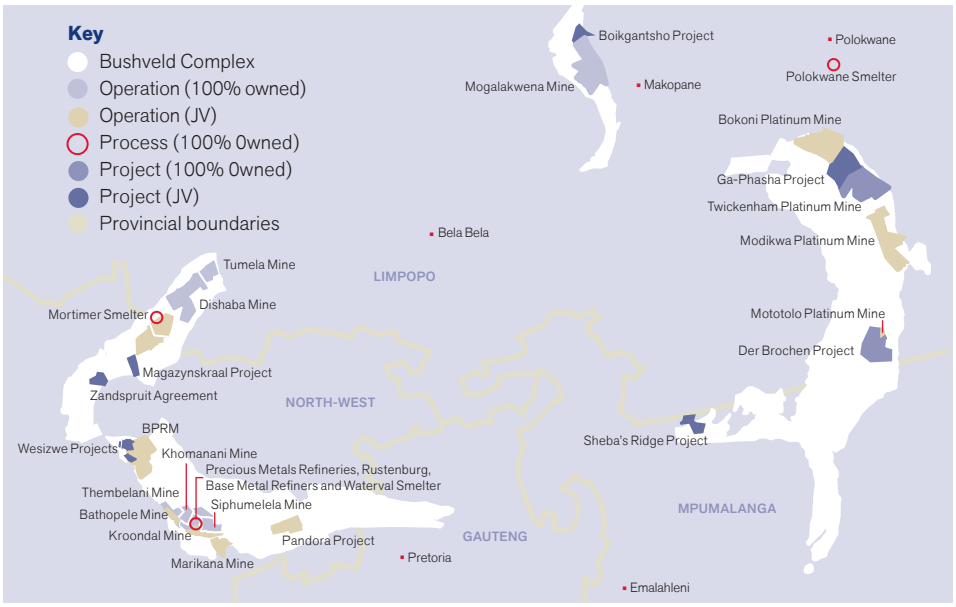

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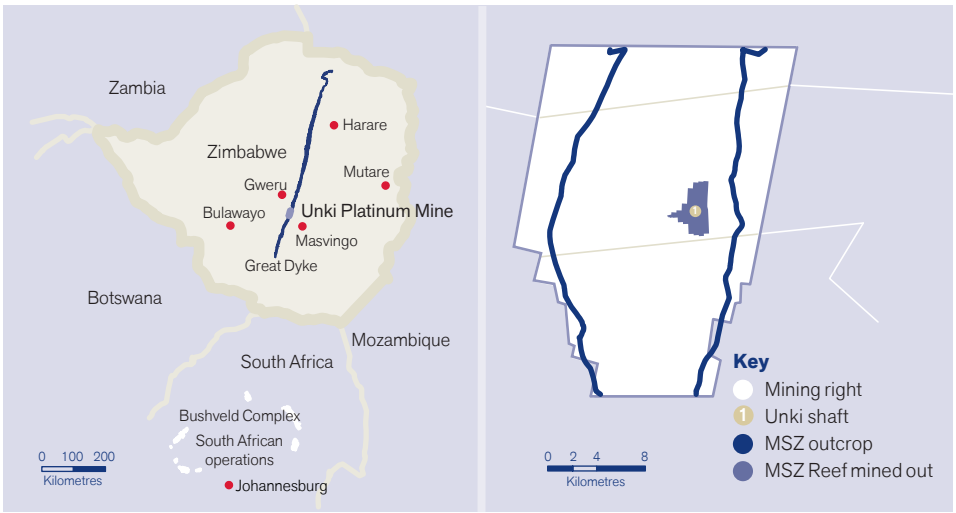

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