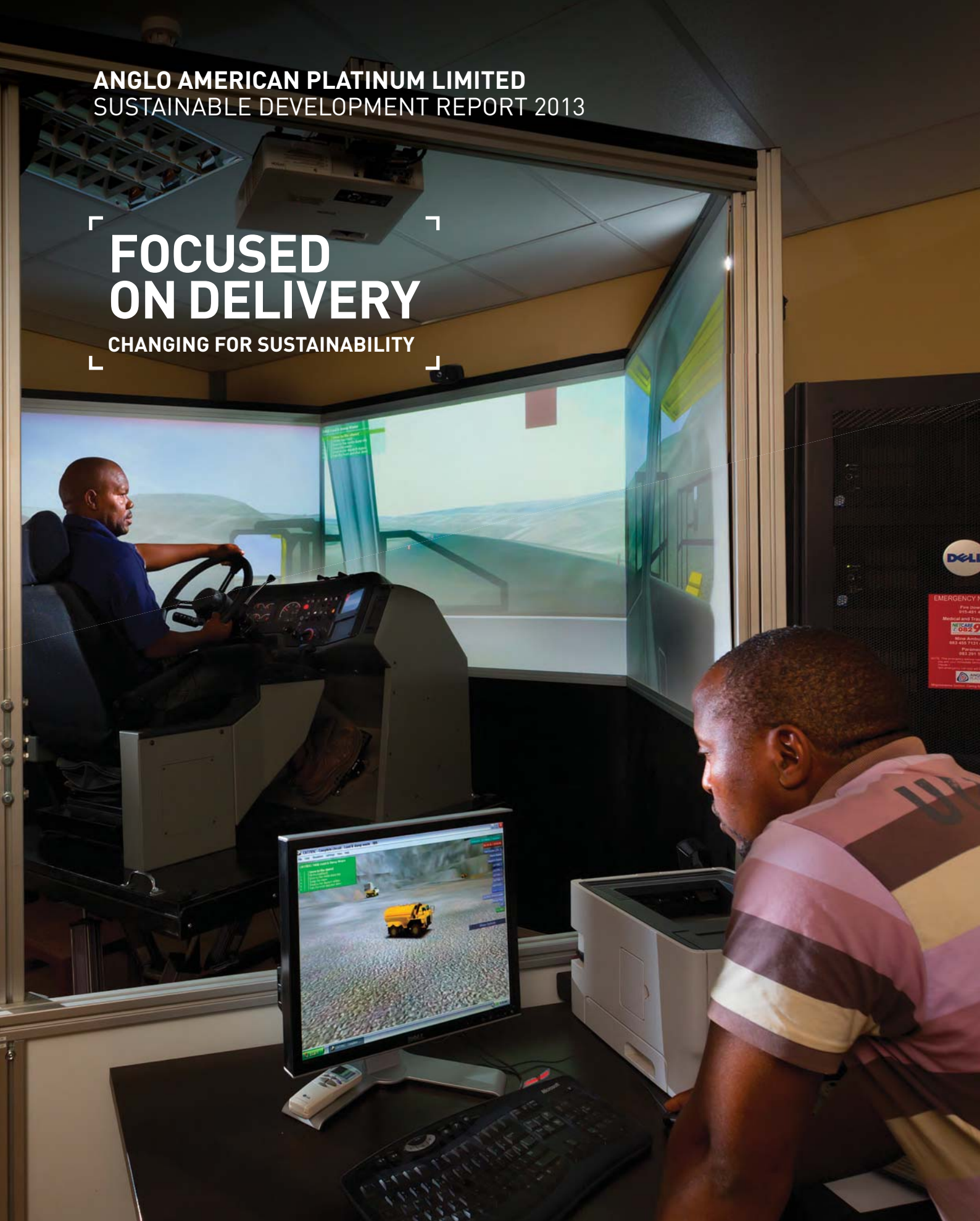


# FOCUSED ON DELIVERY

CHANGING FOR SUSTAINABILITY







## RESTRUCTURING FOR SUSTAINABILITY

Our fundamental restructuring in 2013, in the face of challenging and changing external and internal dynamics, has resulted in a more resilient organisation, capable of sustaining value in the long term, for all stakeholders.

### About this report

This sustainable development report offers an overview of Anglo American Platinum Limited's (Amplats or the Company or the Group) financial, social and environmental performance in a single, consolidated report. In preparing this sustainable development report, the Company has been guided by the G4 guidelines of the Global Reporting Initiative (GRI), published in 2013. The report should be read in conjunction with the *integrated report* and the full annual report, both of which are available for viewing or downloading from the Company's website at [www.angloamericanplatinum.com](http://www.angloamericanplatinum.com).

The aim of this report is to enable a broad range of stakeholders to make better informed assessments of the value the Company creates in society and its long-term sustainability.



# LIVING OUR VALUES



## We put safety first

- We all take personal responsibility in ensuring that we work and live safely.
- We believe that zero harm can be achieved by putting safety first.



## We act with honesty and integrity

- We are open, honest and direct in our interactions.
- We raise and solve issues as they arise.
- We have the courage to confront tough issues and to stand up for what is right.



## We deliver on our promises

- We do what we say we are going to do.
- We set challenging but realistic goals and hold ourselves personally accountable for achieving them.
- We learn from our experiences and move forward to greater achievement.



## We value and care about each other

- We all have a right to be heard and a duty to listen to others.
- We care for each other's well-being and treat each other with respect and dignity. This means that we have zero tolerance for racism, sexism or any form of unfair discrimination.
- Our care reaches out to include our communities and the environment.



## We are one team

- We work together across functions and teams to improve our performance and solve problems.
- We seek out and are open to new ideas, wherever they may come from.



## We are passionate and take pride in everything we do

- Individually and together, we strive to be the best we can be.
- We recognise and celebrate dedication, achievement and excellence.



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At the North pit at Mogalakwena mine, power cables are being repositioned.

# REPORTING TO ALL STAKEHOLDERS

**This report has been prepared in accordance with the GRI's G4 guidelines.**

For the 2013 financial year (1 January to 31 December 2013), we have prepared the following reports to account to our broad range of stakeholders:

- This *Sustainable Development Report 2013*, has been prepared in accordance with the G4 sustainability development guidelines of the Global Reporting Initiative (GRI). The report explores important non-financial aspects of our business which, if not managed, could have a material impact, and is intended for a broad audience of stakeholders, including employees, local communities, non-governmental organisations (NGOs), customers and the government. 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 an operational level. We also report our compliance with a number of international codes and principles, including the 10 principles of the International Council on Mining and Metals (ICMM), the Voluntary Principles on Security and Human Rights (VPSHR), and the United Nations Global Compact (UNGC), to which we are bound through commitments made by Anglo American plc.
- Our *Integrated Report 2013*, the development of which has been guided by The International Integrated Reporting Framework, published by the International Integrated Reporting Council (IIRC) in December 2013. In it we strive to report on the linkages and interdependencies between the factors that enable the Company to create value. We report on our business model and strategy; how we respond to our external environment; the risks and opportunities we face; how we identify and respond to the legitimate needs and interests of key stakeholders; our activities and performance, and the outlook for the Company in the medium to long term.
- Our comprehensive *Annual Report 2013*, which incorporates information additional to that in the integrated report, including our annual financial statements; extensive operational, financial and non-financial disclosure by operation; and a full statement of our Mineral Reserves and Ore Resources.

## REPORT SCOPE AND BOUNDARY

This report covers all the operations managed by Amplats, and also key issues at joint-venture (JV) and associate operations where these are appropriate. Data for JVs that are not under the Company's direct control is not presented. All JV operations are required to provide the executive head: JVs with information and assurances in respect of sustainable development, and this is then provided for consideration by the Board's Safety & Sustainable Development (S&SD) Committee. Group exploration in other territories does not have material impacts on Amplats, and neither have any material issues related to

it been raised by stakeholders, so exploration has not been included in this report.

Definitions and data-measurement techniques are in line with recommended practice and are explained in the relevant sections of this report. Additional information may also be found in the Glossary of terms and acronyms on page 128.

There have not been any material changes since previous reporting periods in the scope, boundary or measurement methods applied in this report.

## CORPORATE PROFILE

Amplats is the world's leading primary producer of platinum group metals and accounts for approximately 40% of the world's newly mined platinum. The Company is listed on the JSE Limited and has its headquarters in Johannesburg, South Africa.

Amplats has eight mining operations in the Bushveld Complex, namely the Bathopele, Dishaba, Khomanani, Khuseleka, Mogalakwena, Siphumelele, Thembelani and Tumela mines. The Company is currently developing the Twickenham Platinum Mine.

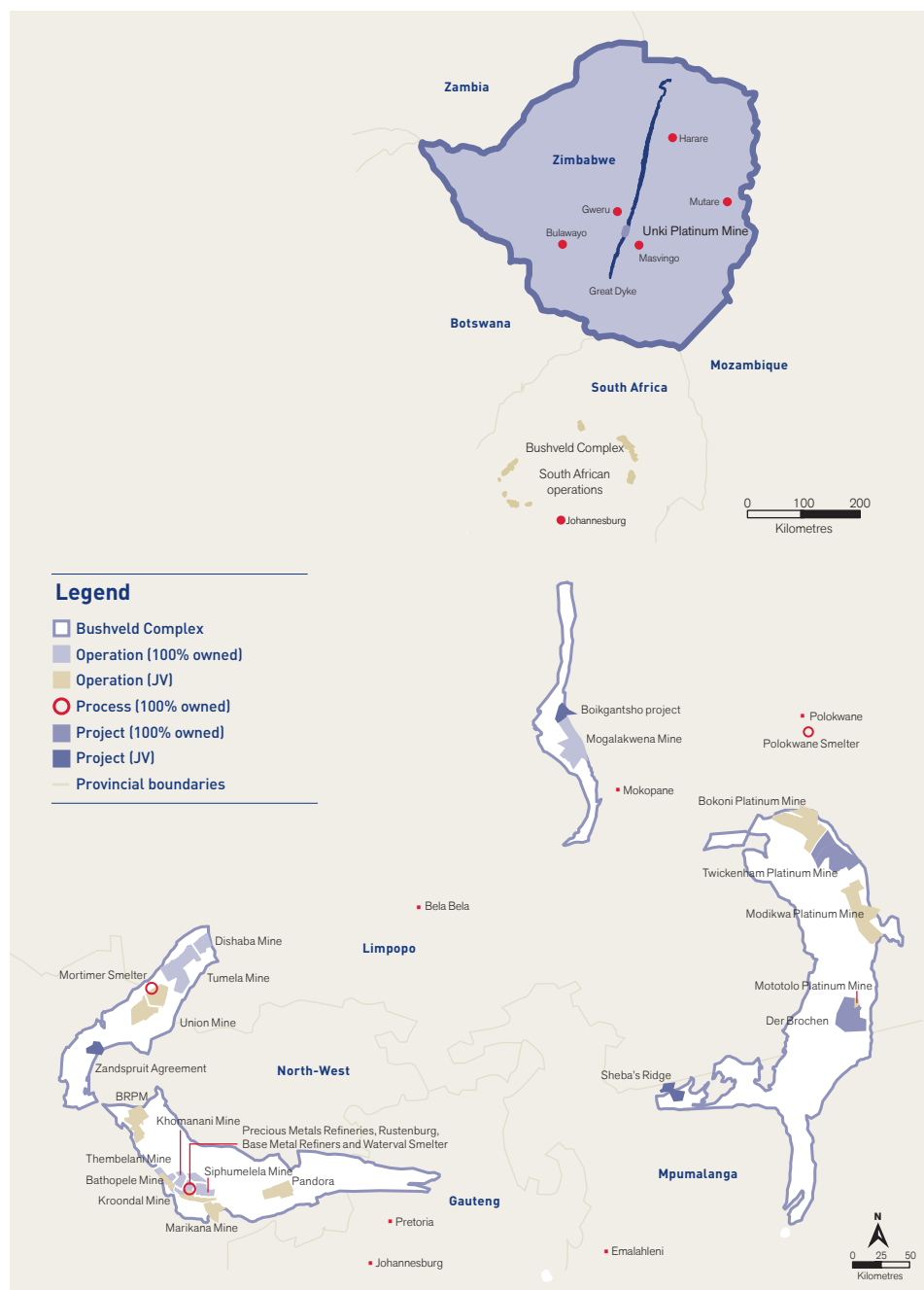
Elsewhere in the world, the Group operates the Unki Platinum Mine (100%) on the Great Dyke in Zimbabwe and is actively exploring in Brazil with JV exploration partners.

The Group has a number of strategic joint ventures (JVs), in which it holds significant interests, namely: Bokoni Platinum Mine (49%) (JV with Atlatsa Resources Corporation); Modikwa Platinum Mine (50%) (African Rainbow Minerals Mining Consortium Limited); the Bafokeng-Rasimone Platinum Mine (33%) (BRPM); and the Styldrift project (JV with Royal Bafokeng Platinum).

In addition, Amplats is involved in the following JVs and partnerships: the Bakgatla-Ba-Kgafela traditional community holds a 15% share in Union's North and South mines; Amplats holds a 42.5% interest in the Pandora JV, with Eastern Platinum Limited (a subsidiary of Lonmin plc) and its partner, the Bapo-Ba-Mogale traditional community, and Northam Platinum; the Mototolo Platinum Mine (50%), in a partnership with the Glencore Kagiso Tiso Platinum Partnership; and a pooling-and-sharing arrangement with Aquarius Platinum (South Africa), covering the shallow reserves of the Kroondal and Marikana mines that are contiguous with its own Rustenburg mines.

Amplats' smelting and refining operations are wholly owned through Rustenburg Platinum Mines Limited and are situated in South Africa. These operations treat concentrates, not only from the wholly owned operations but also from JVs and third parties.

## LOCATION OF OPERATIONS 2013



# ADDING VALUE – OUR BUSINESS MODEL IN PERSPECTIVE

## INPUTS

We mine and produce PGMs from our extensive network of underground operations and one open-pit.

## CAPITAL INPUTS

### NATURAL CAPITAL

Mineral resources, land, water and air are critical natural capital components required to sustain the business.

### HUMAN CAPITAL

49,816 appropriately qualified and trained employees.

### SOCIAL CAPITAL

Society needs PGMs for various industrial, environmental and jewellery applications. Society ultimately gives the Company its license to operate.

### MANUFACTURED CAPITAL


Investment in engineering and technical solutions to reduce risk and increase efficiency. Management systems in place to manage hazards and risk.

### FINANCIAL CAPITAL


Capital reinvested in the Group in 2013 amounted to R6.4 billion.

## VALUE CHAIN

### ASSESS


 **Project excellence** – Ensuring efficient investments, and effective execution of value accretive projects – on time and on budget

### SECURE

 **Sustainability excellence** – To improve relations with stakeholders

To create a sustainable business, communities and environments around our operations for the benefit of all stakeholders

## MATERIAL PRIORITIES


 Our ability to understand, manage and meet **stakeholder expectations** and bridge perceived or actual trust gaps

### EXTRACT


 **People excellence** – To ensure support for the new organisation through a simplified lean structure, investment in people and skills to support the achievement of our strategy.

 **Mining and operational excellence** – Safe effective management of assets, targeting industry-leading productivity, cost performance and delivering on budget targets

 **Social and environmental excellence** – Being cognisant of the impact on communities, environment and people and having programmes to prevent harm.

 Safeguarding our employees' and communities' **health and safety**

 Seeking to ensure **access to affordable infrastructural and natural resources**, and minimising our footprint

 Our ability to **optimise production**, cost-effectively and efficiently, within a changing and complex business and socio-political environment

### MARKET AND SALES

 **Commercial excellence** – To execute the marketing and commercial strategy for maximisation of the value from the basket of metals, improve forecasts for future demand and to provide effective market-development investments

 Our **obligation to comply** with legislation, regulation, voluntary codes and social impacts

► For more go to page 23.

## OUR BUSINESS PROCESS FRAMEWORK

### RESOURCES AND RESERVES

Ore Reserves: **2,166.0 Mt/212.9 Moz 4E**

Resources exclusive of Ore Reserves: **5,328.2 Mt/678.4 Moz 4E**

Resources inclusive of Ore Reserves: **7,505.2 Mt/917.7 Moz 4E**

Above figures include Zimbabwe's reserves and resources.

### MINING – OPEN-PIT AND UNDERGROUND

22 shafts and five open pits were used to access ore across the Company in 2013. This was reduced to 18 shafts following our portfolio review.

**106.312 Mt** rock mined (77% surface and 23% underground)

### CONCENTRATING

12 concentrators were in operation during 2013. This was reduced by one as part of our portfolio review.

**39.5 Mt** rock milled at concentrators

**6.3 Mt** tailings treated

### SMELTING

Four smelting furnaces, one slag cleaning furnace and two converters were operated in 2013.

**1.2 Mt** concentrate smelted

**228 kt** furnace matte produced

**57 kt** converter matte produced

### REFINING

A base metals refinery refines nickel and copper and produces cobalt sulphate and sodium sulphate. A precious metals refinery refines platinum, palladium, rhodium, iridium, ruthenium and gold.

**2.38 Moz** converter matte produced

### COMMERCIAL

Invested in developing sustainable markets for PGMs, leading to increasing sales opportunities and diversified client base.

## OUTPUTS

Platinum	2.380 Moz
Palladium	1.381 Moz
Rhodium	0.294 Moz
Nickel	16.8 tonnes
Copper	8.3 tonnes
Tailings	849 Mt
CO <sub>2</sub> emissions	5.834 Mt
SO <sub>2</sub> emissions	52,000 tonnes

## CAPITAL OUTCOMES

### NATURAL CAPITAL

- Energy consumption increased by 2% from 24.39 PJ to 24.94 PJ
- Water consumption reduced by 2% to 33,412 million m<sup>3</sup>

### HUMAN CAPITAL

- Average attrition rate for critical and scarce roles in the Company was 10.32% (12.09% in 2012)
- Turnover rate in all other roles was 4.96% excluding VSP (5.16% in 2012)
- To date 14,078 A to D1 employees have an individual development charter, based on identified development needs (2012: 13 010)
- 68 new cases of noise-induced hearing loss reported in 2013 (46 in 2012)
- 72% of employees received VCT

### SOCIAL CAPITAL

Identified sustainability indicators

- Healthcare (16,875 received primary health care by Company funded mobile clinics)
- Education (79.4% beneficiaries of the Company bursary fund for communities; completion and handover of R40 million school to community in Bizane)
- Skills training (1,320 employees, community members and contractors benefited from ABET programmes)
- Infrastructure development (600 homes built to date)

### MANUFACTURED CAPITAL

- Progress reported in technology development to enhance mechanisation of underground mining to improve safety and efficiencies.
- Proof of concept of an alternate ore sorting technology (to improve recovery efficiency) being progressed
- Successful deployment of technology to eliminate collisions between locomotives in underground mining
- Progress reported in testing underground fuel-cell locomotives

### FINANCIAL CAPITAL

- R14,122 million to salaries, wages and other benefits, net of tax.
- R5,996 million to taxation.
- R956 million to providers of capital.
- R4,303 million reinvested in Company

# GOOD PROGRESS ACHIEVED IN 2013

PILLARS OF VALUE	2013 TARGET	2013 ACHIEVEMENT
Safety and health	Zero fatalities	Six work-related work fatalities
	Reduce total injuries by 20%	Total injuries decreased by 15%
	No new cases of noise-induced hearing loss (NIHL)	68 new cases of NIHL identified
Financial sustainability	Produce 2.2 to 2.4 Moz refined platinum	2.3 Moz refined platinum sold
	Maintain costs to below R17,000 per platinum ounce	Achieved costs of R17,053 per platinum ounce
	Generate R3.8 billion savings over three years	R1.9 billion savings achieved in 2013
Mineral policy and legislative compliance	26% ownership of reserves and resources by historically disadvantaged South Africans (HDSAs) by 2014	More than 26% of attributable production to HDSA entities
	HDSA procurement expenditure of 56%	HDSA procurement expenditure of 59%
	Maintain ISO 14001 certification in 2013	Retained ISO 14001 certification in 2013
	All operations to have approved water use licences	Amandelbult's water use licence outstanding
Labour relations and our performance	30 refined platinum ounce/employee	30 platinum ounce/employee achieved
	Labour unavailability to be below 12% benchmark*	Labour unavailability at 19.5%
Community development	All Socio-economic Assessment Toolbox (SEAT) assessments to be conducted	SEAT processes conducted at managed operations
	1% pre-tax profit to be spent on community development	30% of pre-tax profit spent on community development
Access to and allocation of natural resources	Reduce energy consumption per unit of production by 15% of 2004 baseline, by end 2014	Energy consumption per unit of production increased by 2%
	Reduce CO <sub>2</sub> emissions by 10% per unit of production by end of 2014, from a 2004 baseline	CO <sub>2</sub> emissions per unit of production increased by 3%
	Achieve water consumption target of 33.1 million m <sup>3</sup>	Water consumption of 33.4 million m <sup>3</sup>



## 2013 PERFORMANCE

## Fatalities



## Total injuries



## Significant Section 54 stoppages



## Net sales revenue

R billion



## Operating profit

R billion



## Capital expenditure

R billion



## HDSAs in management

%

Target: 40%



## Women in mining

%

Target: 10%



## Significant environmental incidents

(Level 3-5)

Target: 0



## Ounces lost due to industrial action

ounces



## Number of employees

(including contractors)



## Productivity

m<sup>3</sup>/total employee

## Local economic development expenditure

R million



## CED expenditure (CSI)

R million



## Energy use

Tj/oz



## Water intensity

m<sup>3</sup>/oz PGM and gold

## GHG emissions

CO<sub>2</sub>/oz

# COMMITTED TO SOUND CORPORATE GOVERNANCE AND RISK MANAGEMENT

**Sustainable development is an integral part of the way we operate, and we have various governance structures in place to ensure we achieve this.**

Our Board is committed to sound corporate governance, and thus ensures that the Company employs risk-management and risk-control practices that accord with local and internationally accepted corporate practice. These include the King III Code of Corporate Practices and Conduct for South Africa (King III) and the governance requirements of the Companies Act, No 71 of 2008, as amended.

## BOARD COMMITTEES AND THEIR ROLES

A comprehensive overview of the Company's governance structures and processes is provided in the *Integrated Annual Report 2013*. While sustainable development is an integral part of the way in which we operate, we recognise that specific governance structures and practices need to be in place to achieve this, and this report focuses specifically on the role and activities of the Safety & Sustainable Development Committee (S&SD) and the Social, Ethics & Transformation (SET) Committee. The Audit and Risk Committee plays an oversight role in reviewing our reporting on sustainability and overseeing the third-party assurance process.

## GLOBAL GUIDANCE, LOCAL ACCOUNTABILITY

As the majority shareholder of Amplats, Anglo American plc (Anglo American) 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 key documents:

- The Safety Way: <http://www.angloplatinum.com/sus/eco/safety.asp>
- The Social Way: [http://www.angloplatinum.com/sus/hum/community\\_engagement.asp](http://www.angloplatinum.com/sus/hum/community_engagement.asp)
- The People Development Way: [http://www.angloplatinum.com/sus/eco/people\\_development.asp](http://www.angloplatinum.com/sus/eco/people_development.asp)
- The Occupational Health Way: <http://www.angloplatinum.com/sus/eco/health.asp>
- The Environmental Way: <http://www.angloplatinum.com/sus/mat/environment.asp>
- The Projects Way: [http://www.angloplatinum.com/business/business\\_sub/projects.asp](http://www.angloplatinum.com/business/business_sub/projects.asp)
- The Social Way: [http://www.angloplatinum.com/about/about\\_sub/business\\_principles.asp](http://www.angloplatinum.com/about/about_sub/business_principles.asp)

### S&SD Committee

**Mandate:** Develops frameworks, policies and guidelines for S&SD management and ensures their implementation; monitors compliance with legislation and evaluates material impacts, and advises the Board accordingly. Takes a precautionary approach.

**Members:** Dorian Emmett (chair), Brian Beamish (Resigned 30 September 2013), Richard Dunne, Bongani Khumalo (Resigned 31 December 2013), Wendy Lucas-Bull (Resigned 1 January 2013), Valli Moosa, Chris Griffith, Dean Pelsner

**Key activities in 2013:** Oversight of identification of SHE risks; reviewed internal assurance findings; approved policies; revised SHE strategy was reviewed and approved; reviewed and approved sustainability report and Carbon Disclosure Project (CDP) response; undertook site visits to Twickenham Mine in July and Rustenburg Base Metals Refinery (RBMR) in November; participated in Global Safety Day in November.

### SET Committee

**Mandate:** Provides guidance and oversight on adoption of principles of diversity, transformation and empowerment; 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 Black Economic Empowerment (BEE) Act. Also monitors Company's goals on the 10 UNGC principles and the OECD recommendations on corruption.

**Members:** Nombulelo Moholi (chair) (Appointed 1 July 2013), Richard Dunne, Dorian Emmett, Bongani Khumalo (Resigned 31 December 2013), Khanyisile Kweyama, Wendy Lucas-Bull (Resigned 19 July 2013), Lorato Mogaki, Valli Moosa, Sonja Sebotsa (Resigned 1 February 2013)

**Key activities in 2013:** Oversight of Alchemy transaction reviewed transformation and employment equity initiatives and Mining Charter compliance; reviewed results of values and culture survey; considered labour unrest; reviewed social plan framework associated with restructuring.

### Audit and Risk Committee

**Sustainability mandate:** Oversees process of reporting including assurance and considers findings and recommendations of the S&SD Committee; meets with external auditors, senior management and internal auditors to consider their findings, and to make appropriate enquiries of management.

**Members:** Richard Dunne (chair), Peter Mageza, Dhanasagree Naidoo, John Vico

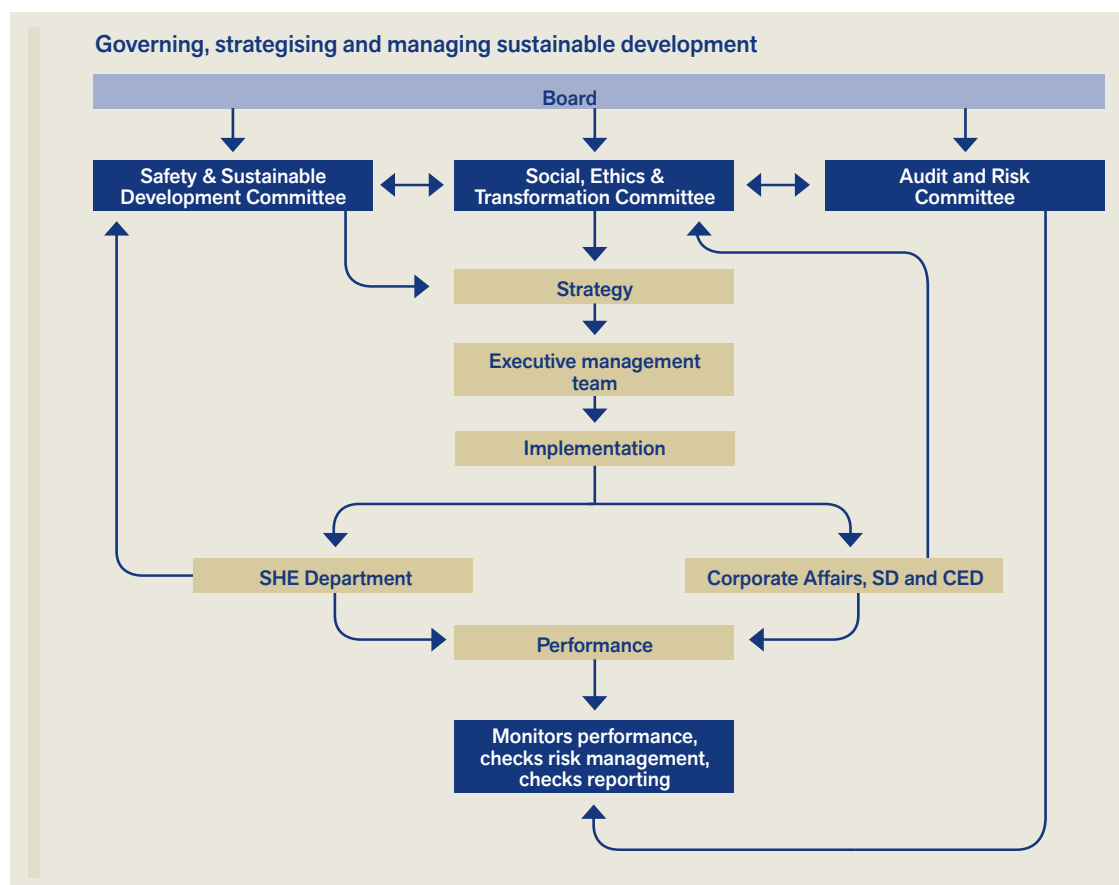
**Key activities in 2013:** Activities in 2013 related to sustainability. Reviewed and approved sustainability report and the 2013 assurance scope.

**Amplats does not tolerate corruption or bribery in any form.**

These documents outline the vision, principles, policies, frameworks and management system requirements for each area of focus.

Amplats' executive 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 sustainability principles.

- The S&SD Committee and the SET Committee provide policy direction and guidance; and monitor Company performance in terms of safety, health, the environment and social responsibility.
- The Audit and Risk Committee sets the direction for sustainability issues based on the organisation's risk profile.
- The executive management team relies on the Sustainability Department and the Safety, Health & Environment (SHE) function to implement Company policy and ensure that all material issues are addressed.



### OUR BUSINESS PRINCIPLES

As a long-term investor and operator, Amplats is committed to contributing to the sustainable development and good governance of the countries and regions where it operates.

Our business principles – see [http://www.angloplatinum.com/about/about\\_sub/business\\_principles.asp](http://www.angloplatinum.com/about/about_sub/business_principles.asp) – guide the conduct of our business. They make it clear that we will not tolerate corruption; and that we will neither give nor accept bribes, nor permit others to do so in our name, in any of our dealings, whether with public officials, suppliers or customers.

In addition to complying with our business principles, our employees and contractors have a duty to uphold and comply with the laws of the countries and jurisdictions in which we work.

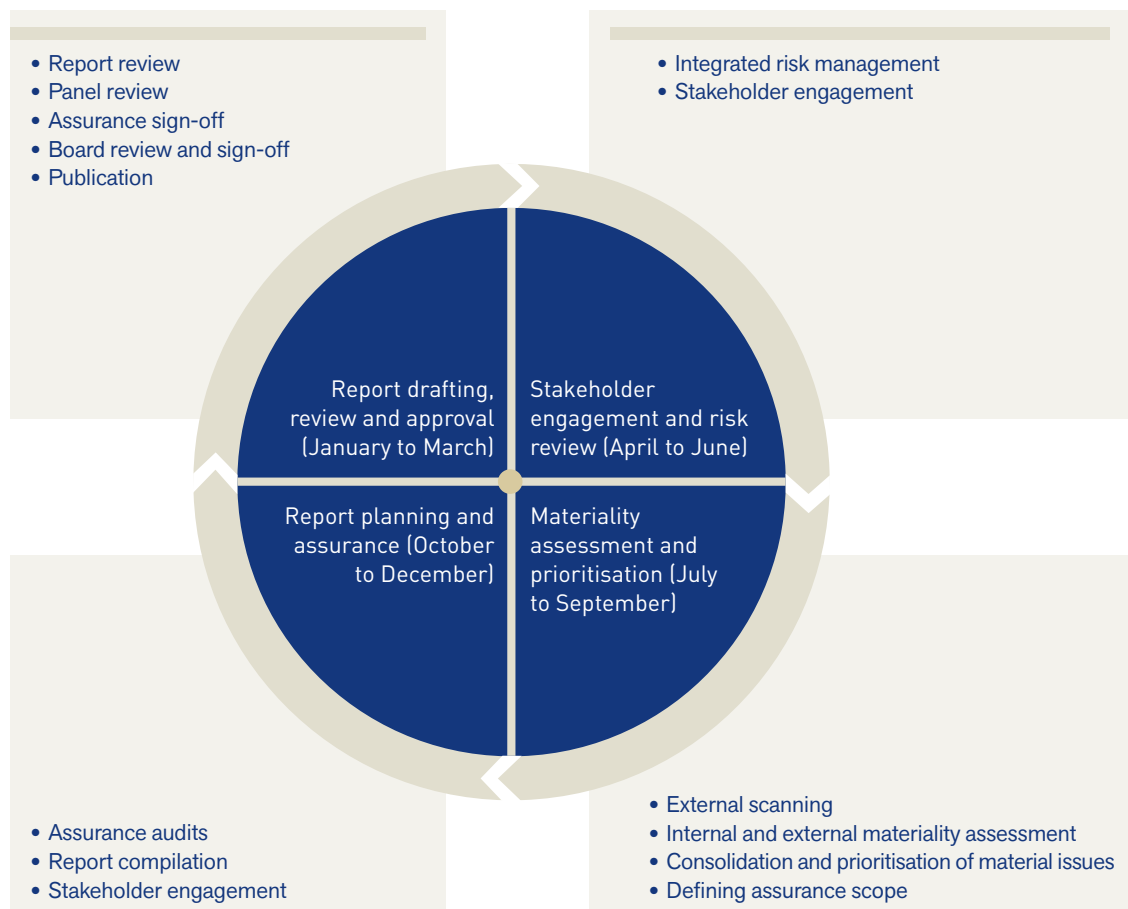
The risks posed by corruption are considered to be part of our risk-assessment process, as are the controls in place to mitigate these risks. Related procedures for risk management and internal audits are aimed at identifying broad risks facing the business. Amplats' management remains responsible for the operation of controls intended to minimise the risk of corruption, all of which is overseen by a steering committee chaired by the financial director.



# OUR TRANSITION TO G4

**We undertook a gap analysis in mid 2013 and decided to adopt the G4 guidelines for the 2013 report.**

Our report development process is an ongoing cycle and reflects the underlying processes underpinning sustainable development in the Company. The primary components of the report compilation process are illustrated in the diagram below:



The GRI launched its G4 sustainability reporting guidelines in May 2013. By 31 December 2015, all GRI reports must follow the G4 guidelines. The ICMM, of which Anglo American plc is a member, has indicated its adoption of G4 and, specifically, of a 'core' level of reporting by its members.

G4 introduces 27 new disclosures, new structural elements and two levels of reporting. It places greater emphasis on the importance of materiality and increases the degree of harmonisation with other reporting standards (including the guidelines of the Organisation for Economic Co-operation and Development, the principles of the UNGC and the UN Guiding Principles on Business and Human Rights). See [www.globalreporting.org](http://www.globalreporting.org).

In mid-2013 we undertook a gap analysis to determine our path to G4, and decided to immediately adopt the G4 guidelines. We recognise that certain reporting strategies and content elements will need to be developed further in coming years.

Determining materiality is a critical part of reporting on sustainability in accordance with the GRI guidelines. Every year, Amplats undertakes a formal materiality assessment that is tabled at the Board's Audit and Risk Committee, after review by other relevant Board committees, for discussion and input prior to being finalised. A discussion on our approach to materiality assessment can be found on page 23.



**01** Anton Simbini instructs Legogang Maxinita and Tshagofabo Keitumetse on underground winch processes.

**02** Slag tapping at the Waterval Smelter.

**03** Judah Mojalefa at an environmental audit at Der Brochen Mine.



The key changes from G3 to G4 reflected in our reporting are as follows:

- **Materiality:** This report focuses on key material issues and on how material aspects are managed. The various risks, opportunities and stakeholder engagement processes are explained in terms of their materiality.
- **Reporting boundaries:** We have reported on a broader range of impacts by placing greater focus on the economic, social and environmental impacts in our supply chain. G4 places increased emphasis on the importance of supply-chain impacts.
- **'In accordance' levels:** G4 takes a new approach to reporting levels, and has replaced the A, B and C grades of G3 with the two 'in accordance' levels of 'core' and 'comprehensive' reporting. This year Amplats is reporting in terms of the core in accordance level.

- **New governance disclosures:** G4 has introduced new standard disclosures on governance, and also the new category of ethics and integrity. These new indicators emphasise the composition, involvement and authority of an organisation's board.
- **Supply chain:** G4 accords greater prominence to supply-chain issues. Amplats has disclosed how it manages environmental, social and societal issues related to the supply chain.

Given the maturity of the Company's systems, the transition from G3 to G4 has been a logical progression for Amplats. We will seek to develop a comprehensive report for the 2015 financial year.

# RESTRUCTURING FOR SUSTAINABILITY

## LETTER FROM THE CEO

Following on from the challenging year we had in 2012, in which the Company made a loss for the first time in its history, 2013 continued to present significant headwinds.



**Chris Griffith**  
Chief executive

### HEADLINE EARNINGS

(2012: loss of R1.47 bn)

# R1.45bn

### REFINED PLATINUM PRODUCTION

(2012: 2.38 Moz)

# 2.38 Moz

It was a year in which the prices of PGMs were increasingly under pressure owing to macro-economic factors; a year of relentless cost increases and continuing labour challenges; a year of fundamental changes in the expectations of a number of stakeholders; and a year of sometimes uneasy relations with the South African Government and other mining-industry regulators.

The platinum mining industry in South Africa remains in crisis, a situation not always fully appreciated by those not engaged in the day-to-day running of operations. During the past year, however, the Government and its regulatory agencies have increasingly recognised the challenges faced by the platinum sector and by other parts of the mining industry. This has been demonstrated by initiatives such as the Deputy President's peace and stability accord, and we confidently expect more recent developments to influence our ongoing interactions with these important stakeholders.

Despite the difficulties posed by union rivalry and frequent labour disruptions, and by the simultaneous process of restructuring its operations, Amplats has remained fully aligned with its commitments to all its stakeholders. Our focus remains on ensuring the sustainable future of our business by returning the business to profitability. Only

with a profitable business can we continue to invest in community development and other social contribution. I am confident that these commitments will remain central to the manner in which we move into the future.

### SAFETY AND HEALTH

Fundamental to the care we owe our employees and contractors is our striving towards the goal of zero harm. Our people are entitled to be safe at their place of work; and to return home unharmed at the end of each working day. It is a goal that can be achieved if all concerned join in Amplats' commitment to safety and in the belief that safety is non-negotiable. Continuing progress towards our goal showed itself in the fact that our overall safety record again improved significantly in the past year: the Dishaba, Thembelani and Mogalakwena mines operated without a fatality in 2013.

Although 2013 was our best safety year on record, we are disappointed that our safety performance slipped in the second half of the year. Why this deterioration in safety occurred during this period has been the subject of intense examination. I am persuaded that a contributory factor may have been employees' concerns over job security. Restructuring to ensure a sustainable future has meant a necessary reduction in the number of jobs at some of our mines, and this, understandably, may have distracted people from their usual approach to their work and to the issue of safety.

Regrettably, six of our colleagues lost their lives while going about the Company's business in 2013, and we send our heartfelt condolences to the families, friends and colleagues of Mr Zamunyaka Dingani, Mr Matlapeng Lekoba, Mr Tsembele Mashele, Mr Eddie Moremi, Mr Mashabela Phuku and Mr Absalum Thabang Raphapule.

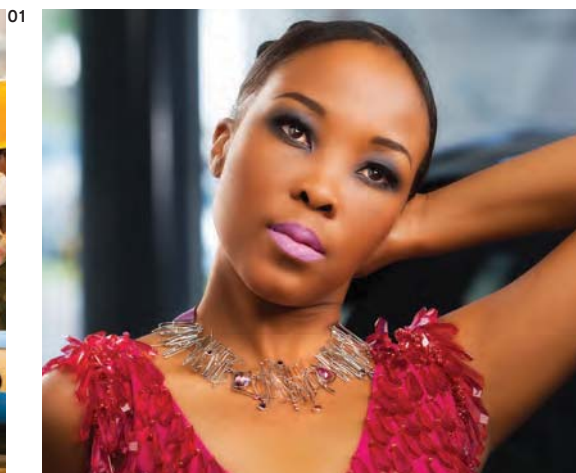
Although the six colleagues we lost in 2013 were fewer in number than the seven colleagues we lost in 2012, this provides no grounds for complacency. I remain personally committed to the aim of ensuring that no further lives are lost at our operations. Of particular concern to us is that four of the six fatalities were the result of fall-of-ground incidents, reinforcing our need to concentrate on this area of prevention.

Even though our safety record slipped in the second half of 2013, for the year as a whole we can take pride in the knowledge that our lost-time injury-frequency rate – at 1.05 per 200,000 hours worked – was lower than the rate of 1.15 reported in 2012, thereby continuing the steady improvement we have achieved since 2007. We have entered 2014 more motivated than ever to sustain our safety improvements. Indeed, several operations achieved their best-ever safety performance in 2013. Moreover, the Company was more than 130 days fatality-free on 13 June



01 CEO Chris Griffith engaging with employees at RBMR.

02 Platinum jewellery designed for the 2013 PlatAfrica, worn by Nthombifiso Ngwenya an Amplats employee.



2013, which was only the second time in our history that we managed to reach this milestone. We are optimistic that we will accomplish this again, and that we will even improve on this performance.

Health, too, has been an area of greater application during the year and we have continued to progress in our management of occupational health. We realise that overall employee well-being is equally important at home and at work, and that the health and well-being of employees cannot be viewed in isolation from that of their communities. This is a matter that is fundamentally tied in to the improvement of employees' accommodation and living conditions, and that has called for sharpened attention from Amplats.

### FINANCIAL SUSTAINABILITY

Global PGM markets remain influenced by changes precipitated by the global economic crisis in 2008. The mismatch between changes in global economic growth and changes in primary supply was compounded by the rapidly increasing supply of platinum from recycled autocatalysts and resulted in a period of sustained growth in cumulative above ground stocks.

In 2013 measured platinum and palladium demand exceeded supply for the second consecutive year. Gross global platinum demand increased as higher industrial demand and a doubling of investment demand more than offset the decline in autocatalyst and jewellery demand. Primary platinum supply grew by 1% and secondary supplies from scrap decreased by 1%. Gross global palladium demand decreased as the combined reductions in jewellery, industrial and investment far exceeded the increase in autocatalyst demand. Primary palladium supply reduced 3% and secondary supplies from scrap increased 8%.

However surplus above ground stocks of platinum and palladium continue to depress prices and in 2013 this was

further compounded by a significant weakening in the rand against the US\$. The monthly average platinum price weakened by 14% over the year and the palladium price rose by 4%.

### QUESTIONS AROUND BENEFICIATION

While we are effectively managing the impacts of normal market-driven price movements, we remain concerned about a number of proposed interventions by the South African Government. The Government has proposed amendments to the Mineral and Petroleum Resources Development Act (MPRDA), No 28 of 2002, to include provisions intended to encourage local beneficiation. The proposed amendments include giving the Minister discretion to set 'development prices' and quotas for an unspecified range of 'strategic' minerals to be sold at favourable prices to local beneficiaries. Along with the rest of the platinum industry and the Chamber of Mines of South Africa we engaged with the Government on the issue, and we are confident that our concerns will be heard. We are supportive of Government's drive to increase local beneficiation. Our view, however, is that such beneficiation is better encouraged through direct incentives to manufacturers than through decreed lower mineral prices, which are bound to have inherently uncertain or arbitrary effects on mine revenues.

We believe that it is important to invest in developing sustainable markets for PGMs, because applications for these unique metals are largely created. Together with various partners, we invest in a portfolio of activities ranging from laboratory scale research and product development to investments in the early-stage commercialisation of products capable of driving PGM demand in the longer term. As far as possible, these market-development opportunities are located in, or focused on, South Africa, to facilitate beneficiation of the metals produced.

**We remain committed to the ongoing transformation needed to set the Company on a sustainable path.**

We have invested in market development and beneficiation across four broad areas:

- Platinum jewellery, both local and international.
- Research into PGM applications at South African universities and research institutes.
- The commercialisation of fuel cells.
- The establishment of the PGM Development Fund in order to invest in local, early-stage industrial businesses that consume PGMs.

### RESTRUCTURING

Sustained periods of loss-making at a number of our operations, together with our analysis that the global platinum industry has been undergoing a major structural change, led us to a comprehensive review of our operations in conjunction with our parent company, Anglo American plc. This Platinum Review was completed in 2012 and its outcomes were announced in January 2013.

The review's short-term or immediate strategy was to close unprofitable operations, reduce costs, prioritise capital, improve efficiencies and tailor PGM supply to market demand. Over the longer term, the plan is to focus on reconfiguring our operations to concentrate on higher margins and more mechanised operations. Fuller details are contained elsewhere in this report and in our *Integrated Report 2013*.

Understandably, the Department of Mineral Resources (DMR) and the unions were particularly concerned about the scale of the proposed job losses. Negotiations with the Government and then the unions concluded in August, which enabled the initiation of the consultative process dealing with employee surplus to our operational needs. Following a two-week strike in late September and early October by the Association of Mineworkers and Construction Union (AMCU), the matter was fully resolved and its implementation began in earnest. Our decision to delay the recruitment of around 2,000 new employees for our planned expansions and to replace employees lost through natural attrition has minimised the impact of real job losses. So, while around 7,500 positions were lost during the year, no employees were subjected to forced retrenchments from the Company. Exits were done firstly through redeployment to existing vacancies and secondly through early retirements and voluntary separations.

Notwithstanding these challenges, we remain committed to the ongoing transformation needed to set the Company on a sustainable path. Our continued engagement with and financial support of, the Bokoni Platinum Mine (a JV with Atlatza Resources) and the Bafokeng-Rasimone Platinum Mine (BRPM) (a JV with Royal Bafokeng Platinum) are illustrative of our desire that these ventures should thrive.

### LABOUR RELATIONS

In the wake of the 2012 industrial action, including the Marikana tragedy, labour relations were central to discussions within the platinum sector for 2013. At our mines, like many

others in the platinum sector, AMCU obtained sufficient representation among the recognised bargaining units – around 60% at the year end – to replace the National Union of Mineworkers (NUM) where it held majority.

AMCU's emergence as one of the recognised unions at our mines has, at times, given rise to complexities. The relationship between the Company and AMCU has been marred by a large number of unprotected industrial actions, sit-ins, violent behaviour and union rivalry.

We have engaged with all representative unions to drive the building of relationships. We are contributing to the process by helping with the training of shop stewards and union leaders. This is a work in progress that, I am confident, will result over time in the establishment of healthy, collaborative relationships with organised labour. At the same time, we continue to engage the NUM, UASA and the National Union of Metalworkers of SA (NUMSA) on an inclusive basis. We will seek to sustain proactive and healthy relations with all the unions that represent our employees.

Finally, the Company engaged the recognised unions with a view to implementing the peace and stability framework initiatives begun by the government throughout the mining industry, to stabilise relations between the unions. Although this is work in progress, the fact that all unions support the process is promising.

While the wage agreement was reached with the NUM and UASA in December 2013 in respect of wages and benefit increases, agreement could not be reached with AMCU or NUMSA, but the wage talks are continuing under the auspices of a CCMA mediated process.

### SOCIAL DEVELOPMENT

It will become clear in reading this report that our Company's commitment to social development remains steadfast, particularly with regard to our employees, the communities near our mines and communities in the labour-sending areas. And our commitment includes, crucially and as far as possible, helping and working with the integrated development plans of government at the various levels (local, provincial and central) to deliver decent social conditions and opportunities to our people. Contributing to solutions to delivery challenges is part of our approach to social responsibility, in addition to the taxes and royalties we pay to central government for the privilege of working our mineral resources.

As increasing numbers of South Africans migrate from rural to urban areas in search of work, the need to provide housing and urban infrastructure grows in importance. In conjunction with the Government, we are focusing on the provision of lower-cost housing, particularly in the town of Rustenburg. We are currently reviewing our accommodation strategy and will be in a position to better set targets later in 2014. Our intention here is to offer construction jobs to employees who have exited the organisation, including those Amplats has helped to train in portable skills.

**I look forward to a significant improvement at our operations in 2014, based on sustainable and profitable production at appropriately staffed mines.**

The question of migrant labour, a long-standing aspect of South Africa's mining sector, will take time to resolve. In line with the Mining Charter requirements, older-style hostels have been de-densified to ensure that single individuals do not have to share rooms with one another. Living-out allowances are paid to employees who choose not to live in company-provided accommodation. For most migrant miners, however, the system results in a host of unintended social consequences. Two of these are the severe indebtedness and the living conditions of those men who opt for a living-out allowance but inhabit cheap shacks in informal settlements in order to help provide for the families they have near the mines as well as the families in their rural homes. This issue is receiving attention by Amplats, the Anglo American Group and the industry as a whole through the Chamber of Mines.

#### CREATING VALUE THROUGH ALCHEMY

Our innovative R3.5 billion BEE initiative Project Alchemy, was founded to create capacity and endow communities near our mines and in our labour-sending areas with shareholder rights in our Company amounting to 3% of our shareholder base. Operating through community trusts, communities have strong autonomy in determining the application of the trust funds. The Company currently has one stakeholder in the trust, though in time it is intended that the trusts will operate independently of the Company's management.

The past year has seen the steady progress of the project, with the early formation of the Dikuno Tsa Sechaba Development Trust accompanied by the appointment of the trust's independent trustees. Similar progress was made by the Mogalakwena and Twickenham operations as 2013 drew to a close, and these mines are scheduled to be followed by the Rustenburg mines in 2014. Shares in the mines are held in an umbrella trust, the Lefa La Rona Trust, on behalf of the four mines' individual development trusts, and spending on social development is managed by a not-for-profit company, Zenzele Itereleng.

In 2013, one project was launched successfully in Lesotho, a prime labour-sending area, under the auspices of Lefa La Rona, while two more projects have been verified in Taung and Mozambique. For further details on Project Alchemy, see page 53.

#### ZIMBABWE

Our commitment to social development in Zimbabwe parallels our commitment in South Africa. We have provided housing, water, electricity and other social amenities for our employees and their communities. Unlike in South Africa, however, in Zimbabwe we face significant uncertainties over the security of tenure of our operations. We have faced demands to transfer, at no cost, 51% of the ownership of our properties to indigenous Zimbabweans nominated by the government of Zimbabwe. This is an untenable situation as no commercial mining company can invest the full cost of

developing a mine and then, in addition to normal mining royalties and taxes, pay over half of its revenues to others who have not contributed to the investment risk capital. We remain in constant discussions with the Government of Zimbabwe regarding the issue of indigenisation. We are also in discussion with the Zimbabwean Government on the recent calls for beneficiation in that country.

#### THE ENVIRONMENT

We recognise that we are custodians of our natural capital, and that our aim is to ensure that we leave a post-mining environment that is both sustainable and beneficial. Securing access to water, energy and land resources is critical for us, and is balanced by the recognition that it is incumbent on us to minimise and optimise the use of these resources, and to avoid and mitigate any negative impacts by our operations.

Pleasingly, we have shown consistent improvement in the reduction of water consumption at our operations, even if some of this has been the result of lower production. We continue to place a great deal of emphasis on reducing our use of energy and our emissions. The introduction of wet scrubbers at our smelters has resulted in a significant reduction in our SO<sub>2</sub> emissions.

#### LOOKING TO 2014

After the difficulties of 2012 and 2013, I look forward to a significant improvement in our operations in 2014, based on sustainable and profitable production at appropriately staffed mines. Our planning encompasses production increases of as much as 20% at our Tumela, Union and Thembelani mines in South Africa, offsetting lower production from marginal mines that are being wound down.

At this stage there are few indications that the platinum market's fundamentals are set for an early improvement, and our operational planning will concentrate on containing costs. It is an endeavour that can succeed with collaboration among all our stakeholders.

It remains for me to thank our staff for their efforts and commitment in what has been a year of difficulties and change. Contrary to the views of the doomsayers, the system in South Africa is working, assisting us all to overcome the challenges that exist and enabling us to look forward to an increasingly stable, prosperous and safe future in 2014 and beyond.



**Chris Griffith**  
Chief executive

Johannesburg  
31 January 2014



# RECOMMITMENT TO EMPLOYEES AND SURROUNDING COMMUNITIES

The two Board sub-committees that we chair respectively, the Social, Ethics and Transformation (SET) Committee and the Safety and Sustainable Development (S&SD) Committee, provide governance over the bulk of matters generally identified as relevant to corporate sustainability aspects.



**Nombulelo Moholi**  
Social, Ethics &  
Transformation Committee  
chairman



**Dorian Emmett**  
S&SD Committee chairman

The S&SD Committee reports to the SET Committee on safety, health and environmental matters quarterly and provides feedback to the Board. Consequently, we deemed it appropriate to present a joint report to stakeholders.

The SET and S&SD committees monitor closely the Company's performance and that of the industry in our efforts to ensure the Company is maintaining best or near-best practice.

In the areas of safety, health and environmental management, we are pleased that the Company continues to show progress. However, society has shown increasing intolerance towards adverse corporate social and environmental impacts, and the Company needs to continue to strive to achieve its goal of Zero Harm. We are particularly pleased that, notwithstanding the challenges posed by the Company's restructuring process and programme and by labour relations issues, management and other employees remained focused on the imperative of continuous improvement in these areas, so that performance was not adversely affected during the year. As part of the governance role we perform, a very constructive engagement was arranged by the S&SD Committee between non-executive directors and the Chief Inspector of Mines which, we believe, enhanced the

company's and the DMR's mutual understanding of each other's concerns. We trust it was one step on the road towards safer and less disrupted operational performance. More broadly, the regular tripartite safety work the company is doing with government and organised labour is proving invaluable. We were pleased to observe committed participation in this regard by the company's new partners in organised labour. Key technical focus areas during the year included improved fall-of-ground and transport management and hazard identification and response.

Amplats' operations are also seeing improved performance in dust management, while noise-induced hearing loss with effective control measures being implemented, will in time mitigate the latent effect of the noise induced hearing loss risk. These controls include the silencing of all machinery to below the 110 dB(A) level.

While we are pleased that the Company's people maintained their safety focus through the restructuring process, we know that it was a difficult, even traumatic, time for many employees and their families and communities. Our committees' governance focus in this process was on optimising Amplats' efforts to mitigate these negative impacts.

In the first instance, while it became necessary to reduce by 7,500 the number of posts in the Company, offers of voluntary retrenchment, early retirement and redeployment to other companies in the Anglo American Group and to Amplats' mines that are in the process of ramping up meant that no forced retrenchments became necessary. In addition, the Company has budgeted R100 million for future job creation initiatives that include housing construction, vamping and rehabilitation work for Amplats, and work in the Company's labour-sending areas.

We are also intent on ensuring that, following the stresses of restructuring and of the labour-relations tensions during the period, work is put in place by management to rebuild the organisation, re-motivate those still with the Company and ensure the regeneration of the values that are so important to the Company. These efforts all require conscious interventions.

The SET Committee is seeking to understand fully the disruptive events of 2012 in the workplace and the surrounding communities. In addition to the work of the Farlam Commission, with which the company is co-operating fully, Amplats is contributing to and part of a study co-ordinated by the Chamber of Mines and being conducted by the National Research Foundation to look into these questions. The findings of both institutions are awaited with interest.

**We need to focus on outcomes through carrying out larger regional projects, including some collaboration with peer companies.**

In the meanwhile, there is no doubt that the events of 2012 focused management's minds and prompted us to encourage the Company to recommit to the work it has already been doing in improving the living conditions of employees and communities close to our mines as a whole. To this end, we are confident that the ongoing work to de-densify Company hostels and ensure single accommodation for all residents will be completed before the deadline. This report deals elsewhere with the achievements in respect of the provision of additional housing. However, many challenges remain, and well-considered overall strategies need to be developed, including in partnership with government at various levels and with peer companies. The questions we need to grapple with, from a governance perspective, are the unintended consequences of employees opting for living-out allowances, including the establishment of informal settlements; resistance to home ownership by those with homes in distant labour-sending areas; and, more broadly, how to deal with a deeply entrenched migrant-labour system that carries many adverse social consequences.

The Company has continued to spend significant funds on local economic development projects, even during these times of financial stress. We are proud of the work that has been done. However, we also acknowledge the need to improve the quality of our outputs. There needs to be greater focus on leveraging better outcomes by carrying out larger regional projects, including some in collaboration with company peers. The Company's operations need to improve on the ways in which they work with communities closer to our operations. This means better engagement with those communities, in order to ensure that operations are properly taking into account their preferences and priorities.

This is an aspect we are concentrating on particularly in respect of Alchemy. Alchemy, a R3.5 billion transaction, was designed to provide direct participation in the Company by local communities; and to promote sustainable socio-economic development in the areas where we mine and in the labour-sending areas. Though some work may take longer as a result, it is important to ensure that the Company gains community consent or support for whatever is done.

The murder underground in 2012 of Ms Binky Moseane at Khomanani Mine has naturally caused the Company to reflect on steps to enhance the safety of women working underground. In addition to developing new logistical procedures and providing new equipment, the Company initiated an active campaign to conscientise the workforce on the issue of women's rights. We trust, in addition, that justice will be done in the near future and that the

perpetrator of this crime will be brought to book in the courts of law.

We would like to acknowledge the work on Amplats of NGOs and independent environmental social and governance analysts. Though we sometimes do not agree with their assessments of the Company, we do acknowledge the useful role they play in providing perspectives that need to be considered seriously in assessing Amplats' approach and performance.

Finally, we would like to express our thanks to our fellow directors and the senior managers, who participate in the work of the committees and who, between them, bring a wealth of knowledge and experience to our work.



**Nombulelo Moholi**

Chairman: Social, Ethics & Transformation Committee



**Dorian Emmett**

Chairman: Safety & Sustainable Development Committee

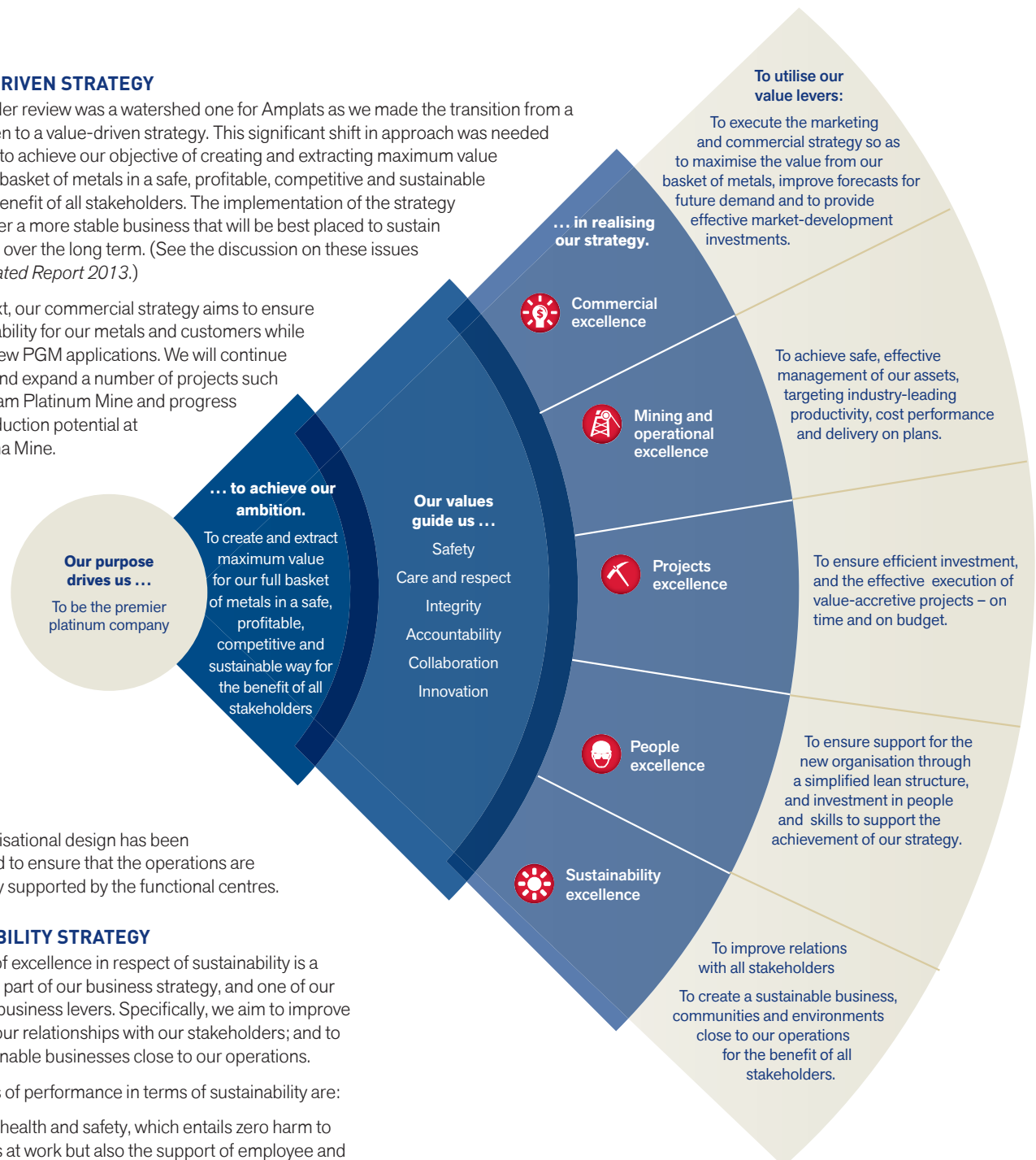
Johannesburg  
31 January 2014

# A VALUE-DRIVEN STRATEGY

## A VALUE-DRIVEN STRATEGY

The year under review was a watershed one for Amplats as we made the transition from a growth-driven to a value-driven strategy. This significant shift in approach was needed to enable us to achieve our objective of creating and extracting maximum value from our full basket of metals in a safe, profitable, competitive and sustainable way for the benefit of all stakeholders. The implementation of the strategy aims to deliver a more stable business that will be best placed to sustain employment over the long term. (See the discussion on these issues in our *Integrated Report 2013*.)

In this context, our commercial strategy aims to ensure value and stability for our metals and customers while promoting new PGM applications. We will continue to evaluate and expand a number of projects such as Twickenham Platinum Mine and progress with the production potential at Mogalakwena Mine.



A new organisational design has been implemented to ensure that the operations are appropriately supported by the functional centres.

## SUSTAINABILITY STRATEGY

Our pursuit of excellence in respect of sustainability is a fundamental part of our business strategy, and one of our five primary business levers. Specifically, we aim to improve and sustain our relationships with our stakeholders; and to create sustainable businesses close to our operations.

Critical areas of performance in terms of sustainability are:

- Employee health and safety, which entails zero harm to employees at work but also the support of employee and community health and well-being – see page 66.
- Environmental management, which includes compliance with legislation and permits together with the absence of significant environmental incidents – see page 84.
- Community development, through which we aim to continue making a positive contribution to sustainable socio-economic development in the areas in which we operate – see page 44.
- Stakeholder engagement, where we have to ensure regular and ongoing engagement with a broad range of stakeholders who affect our business and are affected by it. This includes the building of appropriate relationships and putting in place mechanisms to support the amicable resolution of conflict – see page 26.



## STRATEGY INTO ACTION

Our management systems are designed to uphold our values, execute our strategy, maximise opportunities, reduce our risk profile and ensure legal compliance. Guidance is offered by our governance structures; inputs from stakeholders (see page 26); outputs from risk management; our business principles; our safety, health and environment (SHE) and sustainable development policies; and our management systems and group-wide mandatory procedures, which are in alignment with the Anglo American Way policies, the SHE and Social Ways, and Anglo American standards and guidelines. Each operation has its own SHE policy in place, as well as agreements with organised labour in respect of safety and health, training and development, and employment equity, among other aspects. Our operational management systems, safety improvement plans and

procedures are supported by our compliance with OHSAS 18001 and ISO 14001.

Two dedicated corporate departments – the Sustainability and SHE departments – support the executive and operations by offering strategic advice and specific services. Nonetheless, responsibility for human rights, economic, environmental and labour practices, and societal and product responsibility remains the domain of line management.

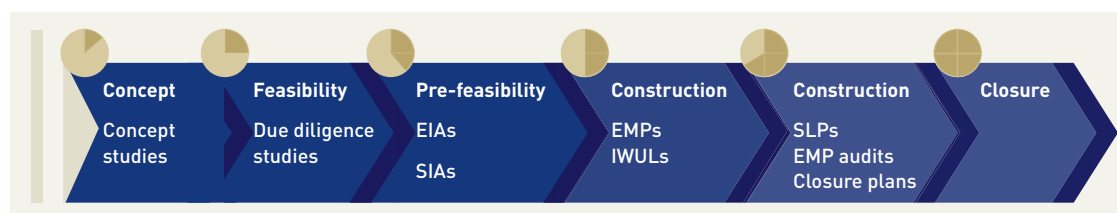
Further, the Corporate Affairs function is tasked with ensuring that social and community issues, engaging with government and relations with stakeholders are attended to in the day-to-day running of the business. The review of progress and the approval of management plans (where required) are driven by weekly Executive Committee meetings.



**We recognise that we do not operate in isolation.**

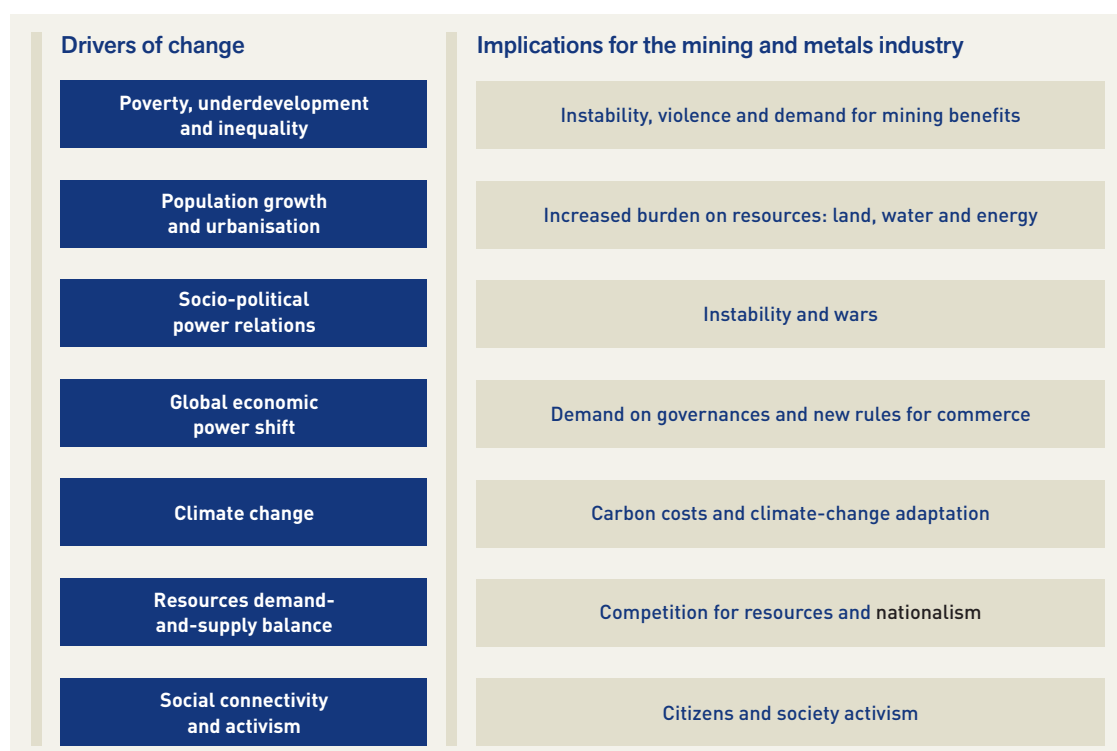
### SUSTAINABILITY AT EVERY STAGE

Sustainability is considered at every stage in the life cycle of a project/mine – i.e. from exploration and the concept stage, through the pre-feasibility, feasibility, construction and operation phases, to closure.



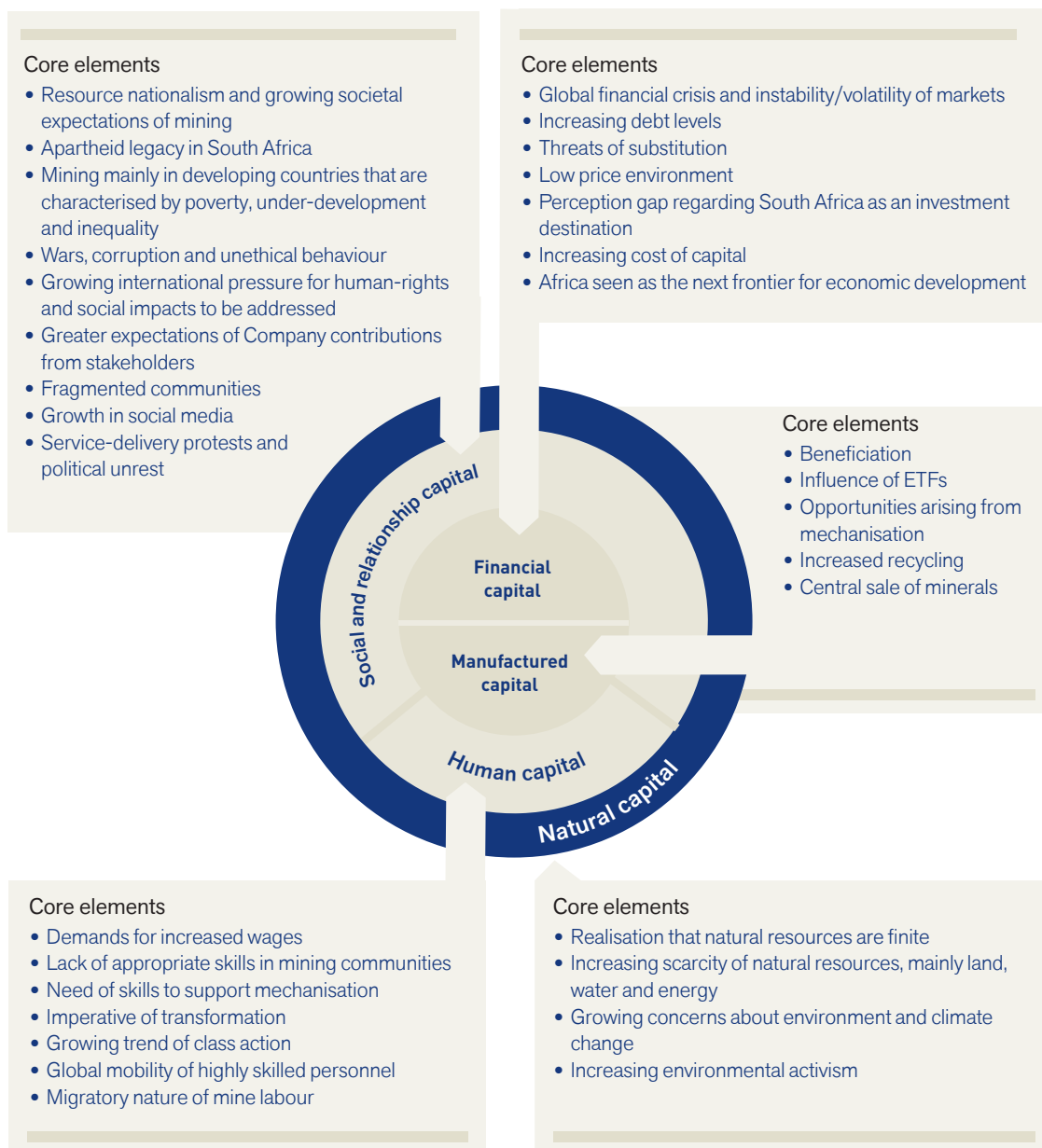
### EXTERNAL DRIVERS OF SUSTAINABILITY

We recognise that we do not operate in isolation: our external environment has seen rapid and dramatic changes, and sustainable business is becoming ever more complex to manage. The primary drivers of change and what these mean for mining- and mineral-processing enterprises are illustrated below:



## THE FIVE CAPITALS AND AMPLATS

In line with our transition to integrated reporting, we have used the 'five capitals' framework in assessing our business environment and informing our sustainability management plan. With its basic premise that a business uses five types of capital to create wealth – natural, human, social and relationship, financial and manufactured – the framework provides a basis for understanding sustainability in terms of the broader economic concept of wealth creation. A sustainable enterprise maintains and, where possible, enhances these capital assets instead of depleting them. The core elements of each capital as it typically relates to mining is depicted below.



**We conduct our business in accordance with the strict ethical and good governance standards in our business principles.**

**OUR POLICY STATEMENT**

To ensure that Amplats secures and maintains its social licence to operate and contributes to sustainability, we must undertake to do the following:

- Conduct our business in line with the strict ethical and good governance standards detailed in our business principles.
- Perform our activities in accordance with our safety, health, environmental and community policies, in order to ensure a safe and healthy work environment and to minimise adverse impacts on the natural environment for the benefit of our shareholders, our employees and the communities living close to our operations.
- Actively promote workplace equality and seek to eliminate all forms of unfair discrimination.

- Support the fundamental human rights of employees, contractors and the communities in which we operate.
- Promote efficiency and innovation in our use of resources so that our footprint is reduced.
- Engage with communities and local government to facilitate and participate in socio-economic development to ensure sustainable communities and economies post-mining.
- Advise on the responsible use of our products.
- Publicly report our performance in accordance with the applicable guidelines of the Global Reporting Initiative.

**CORE ASPECTS OF OUR STRATEGY**

The diagram below illustrates the core aspects covered in our sustainability plan.



Source: Based on ISO 26000



# IDENTIFYING OUR MATERIAL ISSUES

**We followed a seven-step process to develop an understanding of our most material issues.**

In 2013, as in previous years, we took a methodical approach to identifying and reporting on material issues. This was achieved by means of a thorough review of our external environment; a process of internal reflection; and engagement with our external stakeholders.

## OUR MATERIALITY DETERMINATION PROCESS

Many issues affect our business on a day-to-day basis. The most material issues are those defined as having the greatest impact on our success. They include all those matters or instances where we have a significant impact on our stakeholders and external environment. In developing an understanding of our most material issues, we took account of the following:

- The views, expectations, interests and concerns expressed to us by stakeholders, directly and indirectly, formally and informally.
- A review of peer reports and reporting as well as industry benchmarks.
- Current and future challenges as expressed by internal functional heads through an interview process.
- Implicit and explicit messages signified by strike action and other labour-relations issues.
- Relevant legislation and regulation, and agreements and commitments, entered into by the Company.
- Media coverage and market reports on the Company, the platinum sector and the industry.
- Our values, policies, strategies, systems, goals and targets.
- Significant risks that could affect our success as identified through our risk-management process.
- Views expressed by external stakeholders through direct interviews by an external party. Targeted stakeholders who participated in this process included investors, media and market analysts, NGO leaders and customers.
- The ranking and prioritisation of issues, and confirmation of these by the Executive Committee (Exco).

The process may be illustrated as follows:

Following the review process described above, step 1, 2 and 3 of the materiality determination process were conducted through internal and external interviews with stakeholders, and through questionnaires. The internal interviews took place with the functional head of each department. Addressed here were questions of stakeholder engagement, material impacts, stakeholder concerns and emerging issues. External stakeholders were selected from a list produced by the functional heads. They included members of communities, government, the media, investment corporations and trade unions. The participation of external stakeholders was limited, as few responses were received. However, most of the responses received were informative. Both the external and the internal engagement provided valuable insight into Amplats' material issues. In addition, the Company was part of an Anglo American external panel which was established to assess materiality across all the Anglo American businesses, Amplats included.

The internal and external engagement indicated that there were concerns regarding the following: Amplats' restructuring exercise; market conditions; government-related aspects; community issues; supplier issues; and environmental matters. These concerns were then ranked and prioritised in step 4. Once the concerns had been ranked as material aspects, they were sent to the Exco for comment and confirmation in step 5.

Once Exco had confirmed the materiality of the various aspects, these were sent to the committees of the Board for further comment (step 6). Once the committees had registered their approval of the material aspects, the review process progressed to step 7 – final authorisation by the Board.

This seven-step process was vital in the determination of Amplats' material aspects for 2013; and for what is reported on in this report.



## MATERIAL ISSUES

We have sought to address these issues in the remainder of this report. It should be noted that there is much overlap among the issues themselves, and between this report and our *Integrated Report 2013*.

Our material issues are identified as follows:



### Our ability to optimise production, cost-effectively and efficiently, within a changing and complex business and socio-political environment

#### Aspect includes:

- Decline in global demand (actual and anticipated) for PGMs
- Lack of confidence in security of supply/supply growth, leading to substitution
- Rising cost pressures
- High levels of company debt
- Productivity and meeting budgets
- Real and perceived obstacles to implementing portfolio review



### Our ability to understand, manage and meet stakeholder expectations and bridge any trust gaps

#### Aspect includes:

- Job security and loss, and limited access to jobs for locals as a result of skills gaps
- Limited Company capacity to improve living conditions for all in a context of poor local service delivery
- Reputational and relationship damage, following Portfolio Review (conflict with government, labour and communities)
- Reputational damage to industry as a result of sector-wide violence and conflict
- Migrant labour, housing and accommodation
- Environmental impact on communities (current and legacy exposures)
- Implementation of credible and effective stakeholder engagement



### Safeguarding our employees' and communities' health and safety

#### Aspect includes:

- Fatalities, and possible inability to sustain improvements
- Historic exposure to certain carcinogens
- Living conditions of employees (health, fatigue)
- Noise-induced hearing loss and tuberculosis



### Seeking to ensure access and affordable infrastructural and natural resources, and minimising our footprint

#### Aspect includes:

- Affordable and reliable electricity supply
- Water-supply constraints, particularly for expansion projects and permitting bottlenecks



### Our obligation to comply with legislation, regulation, voluntary codes and social compacts

#### Aspect includes:

- Ensuring real transformation
- Emissions (including threat of carbon emissions tax)
- Potential for water pollution
- Mining Charter (current and post-2014): Social and Labour Plans (SLPs), especially as they relate to meeting ownership and procurement objectives, and MPRDA amendments
- Obligation to respect human rights (includes land issues and sexual harassment)
- Beneficiation policy and practice

# RISK MANAGEMENT, INTEGRAL TO GOVERNANCE

**We seek to contribute to efforts to turn our mostly extractive industry into a developmental industry.**

Risk management forms an integral part of our governance framework.

Amplats' risk-management process seeks to exploit opportunities; and to manage, minimise or mitigate risk to a level we find acceptable. The process is a dynamic one. For a comprehensive account of our approach to risk management and to our key risks, see our *Integrated Report 2013*, page 32.

Our integrated risk-management methodology requires that each key risk in every part of the business be reflected in a structured framework and systematically managed. Our methodology reflects leading practice in accordance with the principles of the King III Code of Corporate Practices and Conduct for South Africa, and other guidelines.

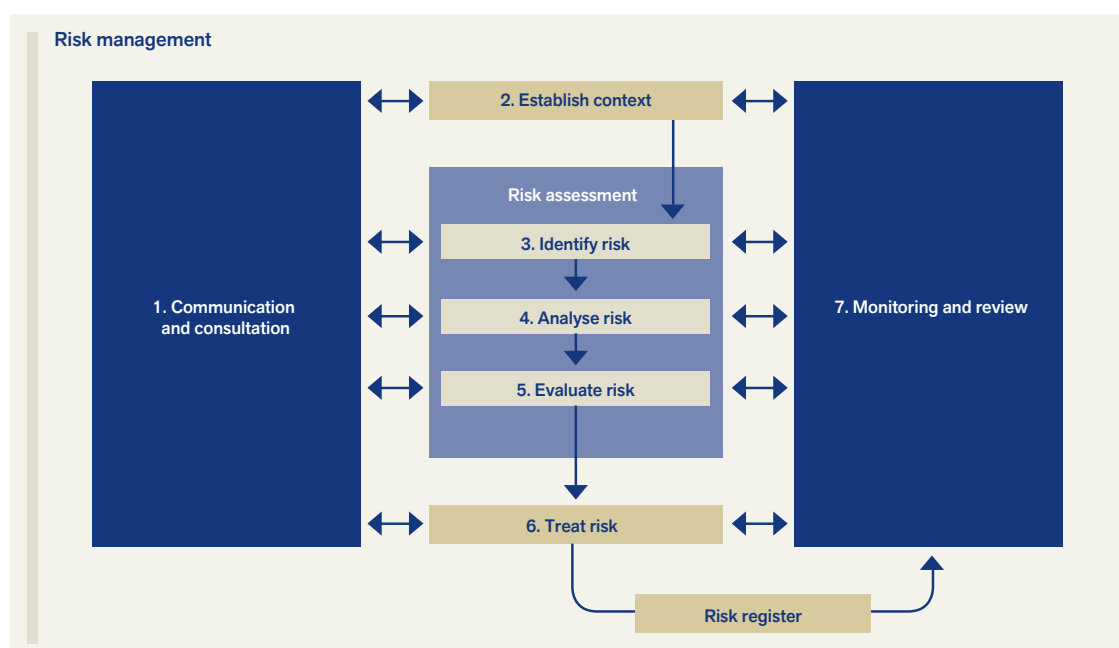
Risk management is an ongoing process that includes risk-based internal audits, the compilation of risk registers and associated action plans. Our risk-management process is audited by Anglo Business Assurance Services on an annual basis.

Sustainable development risks form a substantial part of our risk profile – of the 16 key risks identified in 2013, five (31%) fell within this ambit. While our focus is on reducing

and mitigating those risks with the highest potential impact and likelihood, and also those risks with the highest potential impact yet lower likelihood, we ensure that all risks are addressed to a point where the resultant risk rating is acceptable to the Company. We recognise, too, that existing risks must be monitored, and that we need to identify and address emerging risks.

We seek to contribute to efforts to turn our mostly extractive industry into a developmental industry. A successful transformation of the role of mining in society offers, among other things, an associated positive impact on stakeholders and their perceptions. There are significant threats to achieving sustainability, however, including: the inability to sustain current improvements in employee safety and health; potential long-term liabilities associated with employee safety and health; environmental incidents or concerns; the possibility of a catastrophic event at an operation; and community opposition. Increased resource nationalism is another potential threat to long-term sustainability, through threats to security of tenure, the possible loss of assets, increased taxes and potentially excessively onerous beneficiation requirements.

Our risk management approach is illustrated in the schematic below:



# IDENTIFYING AND ENGAGING WITH OUR STAKEHOLDERS

Stakeholder engagement is embedded in our culture as part of our values, policies, strategy and behaviour. We recognise that, without effective stakeholder engagement, we cannot realise our strategic objectives, operationally or otherwise.

Following an extensive external assessment of our engagement by our corporate office and our operations encompassing the Western Limb, the Eastern Limb and Zimbabwe, we developed a revised stakeholder engagement policy (<http://www.angloplatinum.com/sus/sd/stakeholderengagement.asp>) and strategy.

The stakeholder engagement process was undertaken in four phases, as illustrated below.

## UNDERSTANDING OUR GEOGRAPHICAL FOOTPRINT

We traced our stakeholders geographically, in the area of each mining operation, and classified the more than 140 communities on the Eastern Limb and the 56 communities on the Western Limb as:

- either a hosting community (on the mining right area) or a neighbouring community (residing within a 50 km radius of the area); and
- living in either a rural traditional village; a local municipality city, town or township; an informal settlement; or a mine residential area.

These classifications are illustrated on the map on page 27.

Stakeholders affected by, or who may have an effect on, Amplats include not only those with potentially negative consequences, but also stakeholders who may add value to the Company. With the emphasis being on long-term sustainable development, we identified international, national and regional stakeholders who can or should be partners in development.

We subscribe to the following strategic intent in respect of stakeholder engagement:

- To become a partner of choice in integrated and sustainable local economic development in the provinces where we operate.

**With an emphasis on long-term sustainable development we identified international, national and regional stakeholders who should be partners in development.**

**Phase 1:**  
Assessing the landscape

**Phase 2:**  
Specific focus – SA government and Unki

**Phase 4:**  
Development of Stakeholder Engagement Charter, Stakeholder Engagement Guidelines and Protocols

**Phase 3:**  
Gap analysis and recommendations based on phases 1 and 2

**Phase 1:** Identification of stakeholders on three levels of stakeholder mapping; register of stakeholder issues or material concerns; list of Amplats engagement partners and early analysis of policy, processes and systems.

**Phase 2:** Gaining understanding of the governmental expectations, preferences and regulations impacting Amplats engagement. Report outlines government's strategic intent, key insights, engagement goals and engagement platforms. Also covers Zimbabwe strategy situation analysis, strategic priorities for engagement, desired outcomes, prioritised issues and stakeholders, and implementation strategy.

**Phase 3:** Mitigating the risk of stakeholder fatigue, confusion and frustration created by multiple, unaligned Amplats interfaces. Stakeholders identified in Phase 1 are categorised and profiled.

Engagement guidelines developed, based on stated and implicit rules of engagement and specified best practice, and in the interests of alignment and improved co-ordination.

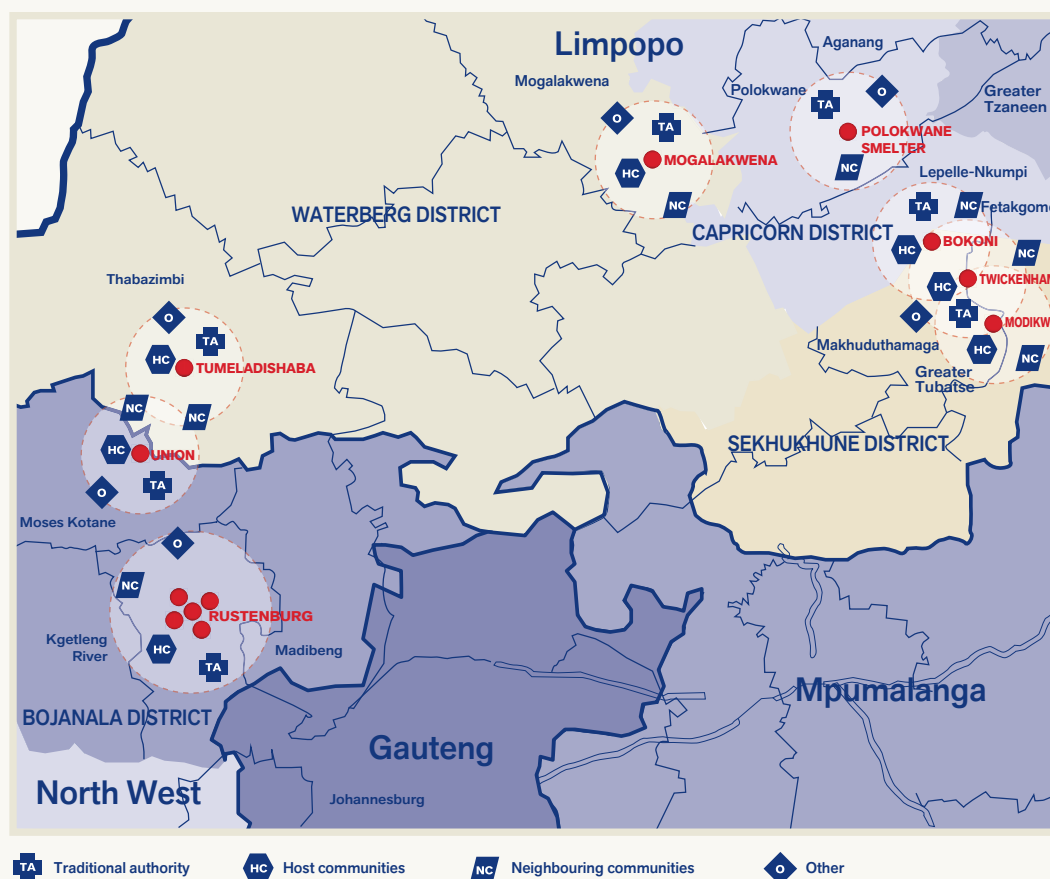
Stakeholder relationship owners assigned for each priority stakeholder in a category. Also covers Amplats employees interfacing with the stakeholder listed, each with the conditions for engagement; stakeholder representative to be engaged; and the means and frequency of engagement.

**Phase 4:** Development of overall high-level Amplats stakeholder engagement strategy.



We deliver stakeholder-specific engagement programmes that have been appropriately conceptualised, implemented and evaluated.

Geographical stakeholder map



- To build a reputation for consistent and reliable delivery – whether on production or on social or environmental commitments made to stakeholders.
- To effectively engage stakeholders in obtaining the right to, and support for, safe and profitable platinum mining.

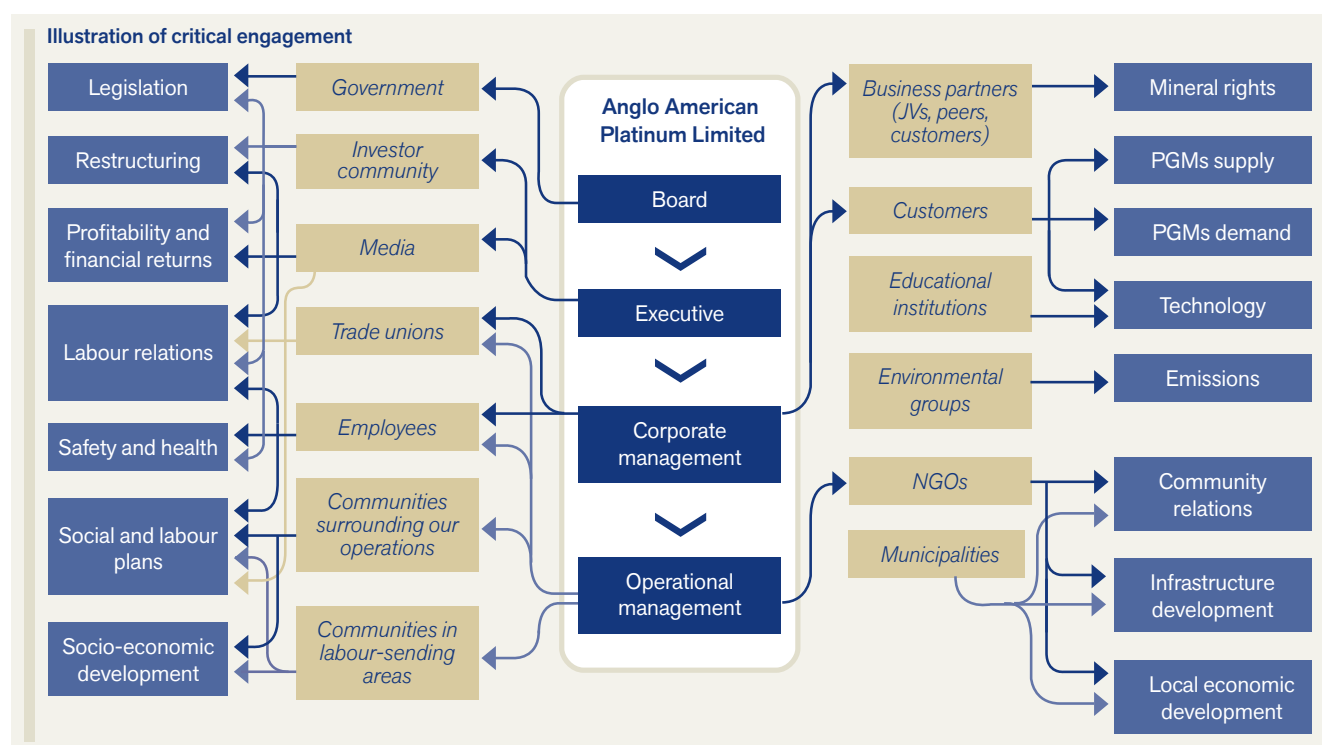
We identified the following stakeholder groups: investor/analyst community; employees; trade unions; customers; business partners; municipalities; government; NGOs; educational institutions; communities living near our operations; communities in labour-sending areas; the media; environmental groups; supply-chain partners and JV partners.

Having considered the nature of the desired end state, we set ourselves the task of achieving the following strategic objectives:

- Quality engagement with all stakeholders.
- Standardised and effective engagement by well-capacitated engagement partners.
- Being a partner of choice.
- Delivering stakeholder-specific engagement programmes that have been appropriately conceptualised, implemented and evaluated.
- Strengthening our reputation through profiling and thought leadership.
- The mitigation of social risk and crisis preparedness.

The table on page 28 and 29 provides an account of some of the most significant matters raised through stakeholder engagement in 2013.

For a more detailed schedule of our stakeholders, the nature and frequency of engagements and primary engagement issues, see our website.

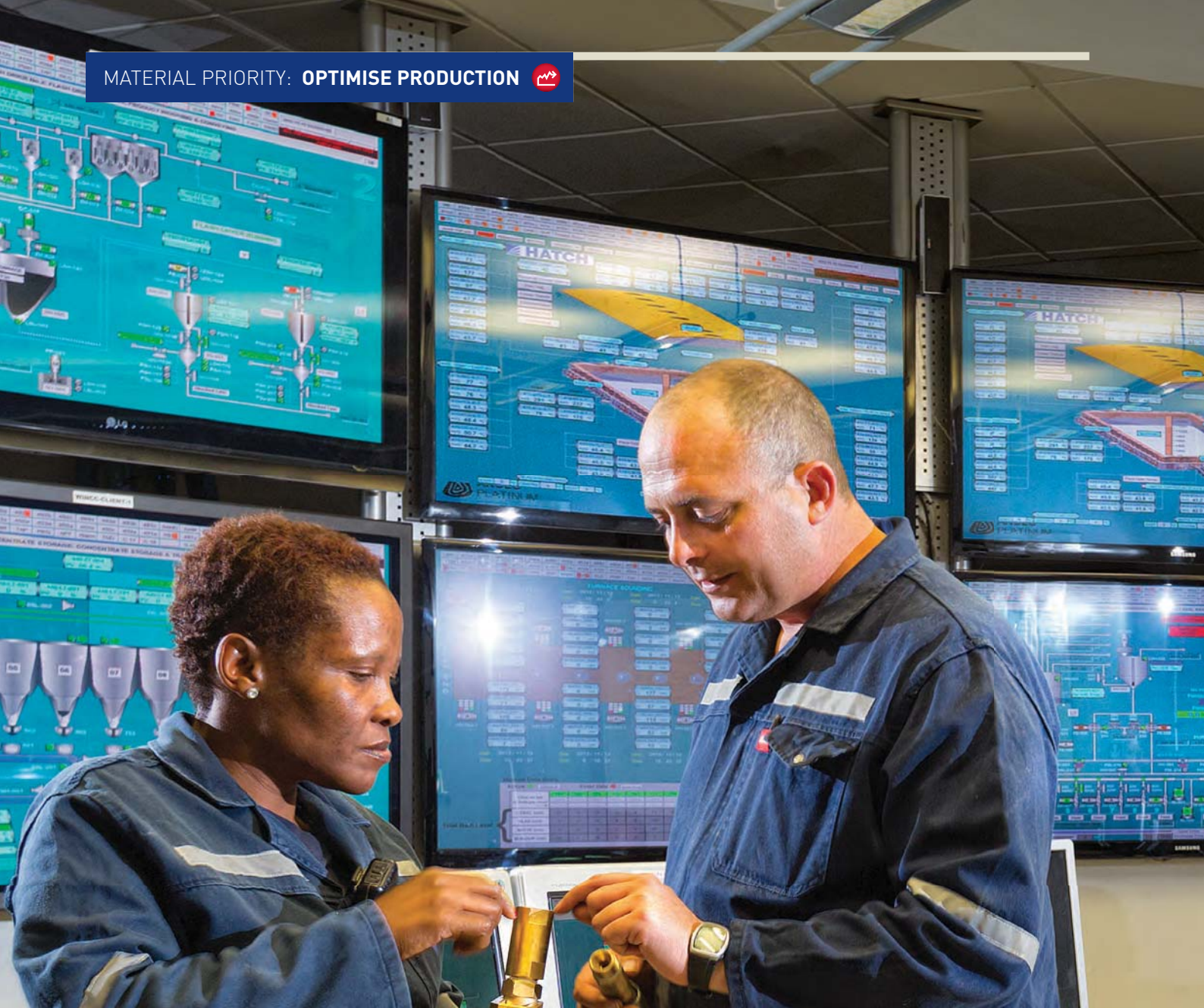
**Critical areas of stakeholder engagement in 2013**

Stakeholder group	Nature of engagement	Frequency of engagement	Critical issue(s) of engagement	Outcomes of engagement	Page reference
<b>Government</b>	S189 process announcement	Weekly	How to avoid job losses How efficient is our business	Amended implementation plan	114
	Mining Forum	Quarterly	Legislative considerations in mining, and progress reports on SLP projects and challenges	Collaborative effort and maximised impact emanating from shared responsibilities	13
	Projects	As required	Roles, responsibilities and time frames discussed and agreed to	Memorandums of agreement through recorded minutes	19
	Mine works programmes	Annual	Details of programmes		
<b>Investor community</b>	Updates on the S189 process*	Quarterly or as the need arises	Details regarding implementation	Better informed investors/stable	26 – 29
	Trading updates and performance reviews	Quarterly	Progress on restructuring Unit costs Mogalakwena Labour issues	Informed investment community – improved levels of confidence in Amplats shares	Integrated report
	Acceleration of production at Mogalakwena	Quarterly	Production profile	A better understanding of the Company's plan regarding this issue	Integrated report
<b>Media</b>	Detail around the S189 process	Bi-weekly	Revised implementation of the S189 would not sufficiently help our business to become more viable	Accurate and comprehensive reporting	2, 10 – 11
	Results and trading updates	Annually and quarterly	Detail around performance of the business	Media coverage on performance and revised targets	42
<b>Trade unions</b>	S189 – proposed retrenchments	Weekly	Critical factors relating to the financial position of the Company wages	Amended implementation of the proposed retrenchments	35, 36
	The peace accord between management, the unions and government	Quarterly	Violence in 2012 and 2013	Clearer understanding by all parties of the status of peace initiatives by the Company  Undertakings by all to abide by the Peace Accord	12 – 14

Stakeholder group	Nature of engagement	Frequency of engagement	Critical issue(s) of engagement	Outcomes of engagement	Page reference
<b>Employees</b>	The S189 process	Weekly	Reasons for restructuring Terms of retrenchment Opportunities for re-employment, if any	Employees with a better understanding of retrenchment proposals	34, 35
	Updates on wage negotiations	Ad hoc	Status updates	Better informed employees Employees better equipped to make career decisions	52
<b>Local communities</b>	Formal meetings	Ad hoc	The role of the Company in communities and development needs	Mutual agreement on terms of project implementation and shared vision	49, 52 – 53
	Issue management, complaints brought	Formally, through the CEF, frequent meetings between various task teams, urgent meetings on request, bi-weekly meetings with capital projects team	Detail regarding the issue(s) of contention Employment opportunities Procurement opportunities Bursaries	A way forward in terms of resolving the dispute/complaint Joint planning and resolution of issues HR and supply chain partners provided clarity on issues raised	51
<b>Communities in labour-sending areas</b>	Update on development initiatives	Monthly project steering committee meetings	Emphasis on the contribution made by the Company in investing in labour-sending areas	Joint planning and resolution of issues	14, 15, 37
<b>Business partners – JVs</b>	Operational	Weekly	Production costs Revenue Life-of-mine	One-year and three-year operational plans Life-of-mine plans	102
<b>Business partners – peers</b>	Formal meetings	Monthly and quarterly	Collaboration on areas of common interest, e.g. road and rail safety	Improved safety with maximum impact for communities	60
<b>Business partners – suppliers</b>	Formal meetings	Bi-monthly	Compliance with codes and charter	Maximum benefit – BBBEE procurement opportunities	50
<b>Customers</b>	Formal meetings	As required	Supply and pricing	Long-term contracts	57
<b>Educational institutions</b>	Meetings and workshops	Ad hoc	Alignment of initiatives	Positive collaborative relationship – maximum benefit to beneficiaries/ communities	49 52 – 53
	Schools' programmes	Quarterly	Information-sharing on available bursaries	Facilitation of access to application process	
<b>NGOs</b>	Formal meetings and written communication	Ad hoc	Sector-specific issues emanating from the community (e.g. unemployment; mine procurement policies; environmental concerns/issues)	A clearer understanding of the commitments and performance of the business in terms of issues Sometimes there is agreement on ways to curb socio-economic challenges such as unemployment	37, 51, 60
<b>Municipalities</b>	IDP/LED forums	Bi-monthly	Alignment of developmental projects (waste, water treatment, social and labour plans)	Timeous completion of projects together with proper quality assurance	48, 110
		Quarterly mayoral stakeholder meetings	Improved service delivery and uplifting of communities	Integrated planning, co-funding and partnerships	48
<b>Environmental groups</b>	Development initiatives and environmental impact issues	Whenever there are new projects, especially where there are potential impacts for the communities	Reduction of the negative environmental impact of projects	Joint planning and resolution Partnerships formed to deal with issues jointly.	84, 86, 87

\* Section 189 process undertaken to rescale activities in line with the Labour Relations Act, involves significant consultation with employees  
A detailed account of stakeholders may be found on our website.





Our external environment is dynamic and often complex and volatile, presenting challenges, risks and opportunities to our Company, and our stakeholders.

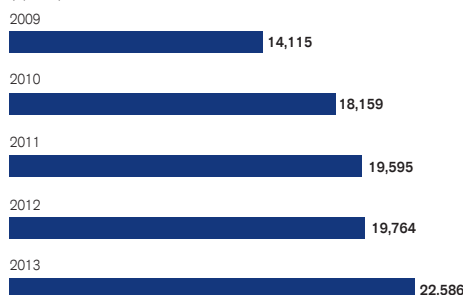
Global PGM markets remain influenced by changes precipitated by the global economic crisis in 2008. Despite platinum and palladium demand exceeding supply for the second consecutive year surplus above ground stocks continue to depress prices and in 2013 this was further compounded by a significant weakening in the rand against the US dollar.

Against this background, we need to overcome real and perceived obstacles to implementing our portfolio review plan, and to achieve our production capacity and targets safely, cost-effectively and efficiently.

In this way, we will secure the long-term sustainability of our business, and contribute to the common good of our stakeholders.

#### Net sales revenue

(R/Pt oz)



#### Procurement

(Rm)



#### Main

Inside the Polokwane smelter control room with Bernhard Enslin, Maggie Matheba, Romeo Sekone and Tshidiso Tsotsei.

## R3.2bn

(2012: R1.6bn)

**paid in taxes and royalties**

## R15.7bn

(2012: R12.9bn)

**paid in salaries, wages and other benefits**

Multi-lateral engagement is key to ensuring the long-term sustainability of the business.



# OPTIMISING PRODUCTION, COST-EFFECTIVELY AND EFFICIENTLY, WITHIN A CHANGING AND COMPLEX BUSINESS AND SOCIO-POLITICAL ENVIRONMENT



Changing for the better: A focus on material strategic priorities

# OPTIMISING PRODUCTION, COST-EFFECTIVELY AND EFFICIENTLY

## PRICES REMAIN WEAK

Global PGM markets remain influenced by changes precipitated by the global economic crisis in 2008. The mismatch between changes in global economic growth and changes in primary supply was compounded by the rapidly increasing supply of platinum from recycled autocatalysts and resulted in a period of sustained growth in cumulative above ground stocks.

In 2013 measured platinum and palladium demand exceeded supply for the second consecutive year. Gross global platinum demand increased as higher industrial demand and a doubling of investment demand more than offset the decline in autocatalyst and jewellery demand. Primary platinum supply grew by 1% and secondary supplies from scrap decreased by 1%. Gross global palladium demand decreased as the combined reductions in jewellery, industrial and investment far exceeded the increase in autocatalyst demand. Primary palladium supply reduced 3% and secondary supplies from scrap increased 8%.

However surplus above ground stocks of platinum and palladium continue to depress prices and in 2013 this was further compounded by a significant weakening in the rand against the US\$. The monthly average platinum price weakened by 14% over the year and the palladium price rose by 4%.

We believe that the longer term PGM demand fundamentals remain attractive as growth in demand from existing and developing PGM applications is complimented by stimulation of demand growth in new applications. Demand will increase in line with global economic growth for products containing PGMs or requiring PGMs for their manufacture, most specifically

motor vehicles, chemicals, glass and electrical products. The associated demand for PGMs, net of supply from recycled scrap metal, is also anticipated to grow in line with global economic growth, technological development and continually tightened environmental legislation. At the same time, short-term variability may be highly dependent on the specific PGM and the rate of uptake of new technologies. We believe that PGMs continue to provide cost-effective performance in these applications; and that they will continue to do so at price levels above the current depressed levels and the incentive cost of South African mining supply.

We expect that in the medium term cumulative deficits will drive price recovery and support sustainable supply. Sustainability of long term PGM demand is reliant on sustainability of supply and our portfolio of mines is now well positioned in this regard.

For a detailed account of our views of current and future PGM markets, see our *Integrated Report 2013*.

The proposed amendments to the MPRDA present an additional risk factor where PGM prices are concerned. As currently framed, these amendments give the Minister of Mineral Resources power to declare a mineral as 'strategic', and to determine the price at which it may be sold. However, we are hopeful that this aspect of the amendment bill will be modified through engagement between the government and the industry.

## ISING COSTS PLACE PRESSURE ON MARGINS

The cost of sales decreased by 10% year on year, from R46.2 billion to R41.9 billion, although on-mine operating expenses increased by R2.6 billion or 9.3% between 2012 and 2013. As in the rest of the industry, we experienced mining inflation of around 8.9%, which was well in excess of headline inflation as reflected by the consumer price index or CPI, with a number of cost items – such as the price of electricity, diesel and labour – rising by more than CPI.

### Progress and targets

Our commitment	2013 targets	2013 performance	2014 targets
Align equivalent refined platinum production to market demand	Produce 2.2-2.4 million ounces	2.3 million ounces	2.3 – 2.4 million ounces
Cash unit cost to be contained under mining inflation rates	R17,000 per platinum ounce	R17,053 per platinum ounce	R18,000-19,000 per platinum ounce
Generate earnings before interest and tax (EBIT) benefits through cost savings and revenue enhancing initiatives	R3.8 billion savings over three years	R1.9 billion savings in 2013	R3.8 billion savings over three years



## 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:

	2013	2012	2011
<b>Gross sales revenue analysis, R million</b>			
Platinum	33,218	27,056	32,171
Palladium	9,898	7,133	7,520
Rhodium	2,961	3,046	4,882
Nickel	2,978	2,672	3,180
Other	3,767	3,241	3,731
<b>Total</b>	<b>52,822</b>	<b>43,148</b>	<b>51,484</b>
North America	2,030	2,023	4,189
Asia	15,010	12,716	18,322
Europe	26,540	20,164	18,884
Africa	5,584	6,381	8,215
Other	3,658	1,864	1,874
<b>Total</b>	<b>52,822</b>	<b>43,148</b>	<b>51,484</b>
The following data represents the Company's output as a proportion of supply. This is defined as 'sales of new metal':			
<b>Market share of global mined production, %</b>			
Platinum	40	41	40
Palladium	22	21	19
Rhodium	42	44	44

Our costs comprised principally the following: labour (41%); stores (27%); electricity, water and other utilities (12%); contractors (6%) and other costs (14%).

The cash operating cost per equivalent refined platinum ounce increased by 4% from R16,364 to R17,053 year on year, owing to the continued inflationary pressures. These were offset by an increase in production and the benefit realised through various cost-savings initiatives.

## Procurement

	Sourced outside South Africa		Sourced in South Africa	
	Rm	%	Rm	%
2009	1,072	4	24,716	96
2010	1,072	4	24,716	96
2011	1,368	5	26,767	95
2012	1,682	6	25,954	94
2013	1,339	5	26,297	95

## INCENTIVISING PERFORMANCE

The Company – in line with the Anglo American Group – operates a system of incentives designed to enhance operating practices, both financial and non-financial.

Targets relating to annual production, finance, productivity and safety are set by Anglo American Group's Management Committee. These targets are cascaded down into all levels of the organisation in the form of individual performance agreements. Production bonuses and Group incentives are based on the achievement of these targets. In addition, personal objectives are set for each executive, forming one of the bases for these individuals' income.

For a detailed account of remuneration and, in particular, the linkages between performance and remuneration, see the remuneration report on page 52 of our *Integrated Report 2013*.

## Payroll and benefits paid in South Africa (Rm)

	2013	2012
Wages	12,755	10,972
Pension	1,047	924
Other benefits	513	391
Share-based payments	502	572
Redundancy payments	874	26
<b>Total</b>	<b>15,691</b>	<b>12,885</b>

Production bonuses and group incentives are based on the achievement of targets relating to production, finance, productivity and safety.

**The revisions to our restructuring proposal served as a basis for meaningful consultation with employees and their representative structures.**

## **PORTFOLIO REVIEW**

A combination of factors – particularly external ones – necessitated the major portfolio review that commenced in 2012.

Much of the work on the portfolio review was conducted during 2012 and detail announced on 15 January 2013. The two basic prongs of the strategy were to consider what needed to be done in respect of the Company's unprofitable shafts and to address the volume of metal being supplied into an already over-supplied market. The plan shifts operational focus on high-quality, low-cost, long-life and expandable assets; align output with adjusted demand expectations; and retain flexibility to respond to market realities.

The most visible consequence of the Platinum Review was that, at the end of August, the Company integrated five mines into three and established a new platform for production for the Group. This review was the subject of intensive consultations during 2013 with government and organised labour. A two-week strike was called by AMCU in September before final agreement was reached in October.

Management had recognised the potential adverse impacts of the plan on employees and communities, and devised short-, medium- and long-term social plans to mitigate these impacts. Certain concessions were made in respect of the announcement of 15 January 2013 in terms of improved severance payments for retrenched employees and the temporary postponement of some of the proposed measures. However, the final outcome was such that the goals of the Platinum Review will be met.

### **Outcomes of 2012 portfolio review**

The review was aimed at restoring the Company's profitability, to ensure our long-term sustainability and increase our competitiveness in the global platinum mining industry. It was sorely needed in response to the revised expectations for platinum-demand growth and the several structural challenges that have eroded profitability in recent years, including capital intensity, mine depths, lower ore grades, above-inflation unit cost increases, jewellery demand elasticity and an increasing secondary supply of platinum from recycling.

The key recommendation of the portfolio review was the plan to reduce our production target to between 2.1 and 2.3 Moz per annum to more closely align output with expected demand and stop production of loss making ounces. This reduction would be achieved primarily by placing four shafts, Khuseleka 1 and 2 and Khomanani 1 and 2, on long-term care and maintenance.

The portfolio review also included detailed disclosures on the number of jobs that we estimated might be affected,

and this was approximately 14,000 (13,000 of which were likely to be positions occupied by employees in the Rustenburg area.) Following the announcement, we began the consultation procedure with employees whose positions were potentially at risk, in line with the requirements of section 189 of the South African Labour Relations Act (LRA), No 66 of 1995, as amended.

### **Engagement with the DMR and unions**

The DMR and our recognised unions voiced concerns about the potential impacts of the restructuring, particularly with regard to the potential job losses. Amplats is a major employer in the Rustenburg area, where the regional economy relies heavily on platinum mining. In efforts to contain the consequences of the restructuring, the DMR and the unions requested that we enter into a period of further constructive engagement before the proposals were finalised, in order to try to identify areas where we could reduce the number of jobs affected.

We therefore agreed to suspend the section 189 consultations shortly thereafter, with a commitment to bi-lateral engagement with the DMR for a period of 60 days, beginning on 30 January 2013. This was subsequently extended, with the approval of the Commission for Conciliation, Mediation and Arbitration (CCMA), owing to the volume of data that needed to be considered. The revised proposals were announced on 10 May 2013, after which further interventions to mitigate the impact of the restructuring on employees with unions and key stakeholders remained under discussion, also under the auspices of the CCMA. These consultations were concluded in August 2013.

### **Revisions to the restructuring proposals**

The revisions to our restructuring proposal served as a basis for meaningful consultation with our employees and their representative structures. Not only did they reflect our commitment to South Africa and the acknowledgement of our role in addressing the socio-economic challenges facing the country, but they also enabled the Company to achieve its efficiency objectives by retaining flexibility, reducing complexity and positioning us for a sustainable return to profitability. See the table on page 36 for details on the changes in the revised proposal.

### **Retrenchment-avoidance measures prior to restructuring proposals**

We were involved in consultations with recognised trade unions about the global financial crisis and its potential consequences for our industry and our operations since 2010. Indeed, the restructuring process as a whole has been an extension of the measures that we have implemented over the past few years to return all our shafts to profitability.



01 Portable skills training for retrenched employees in Rustenburg.

02 Akhona Stokwe and her daughter, Liyema are proud owners of a house in Seralang due to Amplat's home ownership initiative.

03 Seralang housing project.



Many of these measures have been implemented over a number of years with a view to avoiding retrenchments, and have included:

- Terminating the services of 6,436 contractors.
- Terminating the services of labour-hire companies.
- Offering voluntary severance packages to 3,469 employees.
- Redeploying 2,346 employees internally within the Company.
- Placing a moratorium on recruitment throughout the Group, with 290 positions in services departments not filled during the period.
- Retraining and reskilling 306 employees.
- Offering early retirement to employees older than 55.
- Absorbing 472 employees at process operations, following the introduction of 12-hour shifts.

#### Retrenchment-avoidance measures proposed for restructuring

To minimise the number of affected jobs related directly to the restructuring, together with our stakeholders we accelerated the implementation of these measures – particularly redeployment into vacancies across the Group, voluntary severance packages and early retirements. An application process was employed to allow employees to take advantage of the retrenchment-avoidance measures.

The total uptake was as follows:

- Some 2,346 employees were redeployed into vacancies across the Group.
- There were 3,469 voluntary severance packages.
- Applications for early retirement numbered 905 people.
- There were approximately 200 other opportunities.

The success of these measures reduced the number of employees who had to be retrenched to approximately 3,300. Notices began to be issued to these employees on 2 September 2013. Following further consultation with unions, these affected employees opted for voluntary severance packages.

#### Social impact mitigation plan

We have always taken our social responsibilities very seriously and this includes our responsibilities towards employees and communities affected by proposed restructuring. To this end, we had always proposed that any restructuring in 2013 would be supported by a set of

## Summary of changes in revised proposal

Initial proposal	Revised proposal
Reconfigure Rustenburg operations into a sustainable 320,000 oz–350,000 oz platinum producer	Unchanged
Reduce production profile with a baseline production target of between 2.1 and 2.3 million ounces per annum	Reduce production profile with a baseline production target of between 2.2 and 2.4 million ounces per annum in the short-to-medium term
Place the Khuseleka 1 and 2 and Khomanani 1 and 2 shafts on long-term care and maintenance	Optimise Khuseleka 2 and Khomanani 1 and 2 shafts by integrating them into the surrounding Amplats mines Khuseleka 1 remains operational.
Consolidate the Union North and Union South mines into one mine in preparation for divesting at the right time, so as to maximise value under different ownership	Unchanged
Reduce overhead costs and improve efficiencies	Unchanged
Explore opportunities for further joint-venture business improvement and portfolio rationalisation, including possible rationalisation across current farm boundaries to optimise life-of-mine extensions	Unchanged
Deliver R3.8 billion of annual savings by 2015, through cost reduction and efficiency improvements, including savings of R390 million to be achieved through a redesign of the Company's overhead structure	Unchanged
Reduce planned capital expansion expenditure over the next 10 years by approximately 25% to R100 billion to focus investment on low-cost, high-margin projects	Unchanged
A possible total of 14,000 jobs affected – 13,000 of which are in the Rustenburg area	A reduced total of 6,000 jobs affected, in addition to approximately 900 corporate and overhead employees. However, the ultimate number of any possible retrenchments will depend on the conclusion of several retrenchment-avoidance measures still taking place, which include voluntary severance packages, early retirement, redeployments and the filling of internal vacancies. Our steadfast commitment to minimising jobs affected and mitigating the impact of the restructuring on employees' lives remains unchanged.
Full compliance with the LRA and the obligations of the MPRDA, including full consultation with unions and employee representatives	Unchanged
Comprehensive social impact mitigation plan which will form part of the consultation with employees and their representative structures	A social impact mitigation plan is in place, the budget of which has been reduced to R100 million due to voluntary nature of most retrenchments.

01 The reclamation crew at Khuseleka shaft 2.

02 Hein Van Staden and Tommy Masuku at the Precious Metals Refinery.

03 The R37 bridge close to Polokwane Smelter upgraded as an Amplats initiative.



interventions, which together would comprise our comprehensive social impact mitigation plan (SIMP). The initiatives in the SIMP were intended not only to go beyond the regulatory requirements that accompany large-scale restructuring of this nature, but also to address the concerns of unions, communities, government and, particularly, affected employees and their dependants.

In addition to the extensive retrenchment-avoidance measures that were implemented, some of the supporting features of the SIMP include R100 million to:

- Temporary employment of 1,200 persons for reclamation at the affected mines over the next six to nine months.
- Approved social housing project in partnership with the Rustenburg Municipality and the South African Government to build 4,000 houses and provide portable skills training immediately. We anticipate that 800 job opportunities will be created through this project.
- An additional 1,000 job opportunities near our operations and in our labour-sending areas will be created within a year through investments in agriculture, waste-recycling projects and supplier development interventions (such as enterprise development).

Many of these plans were designed to reflect the objectives of government's National Development Plan (NDP) and the Rustenburg Municipality's Integrated Development Plan (IDP).



Immediate after-care and safety-net interventions include:

- Retraining.
- Financial debt counselling and psycho-social counselling.
- Health care and wellness provision.
- Housing assistance.
- Bursary fund for educational assistance.
- Supply-chain support for local suppliers supported by Zimele, the initiative started by Anglo American in 1989 to assist HDSAs to own and run businesses.

Changing for the better: A focus on material strategic priorities



**Our interventions will be guided by local and international best practice, and designed to ensure compliance.**

The Company's medium-to-long-term mitigation measures are:

- A fund for an anchor housing project in Rustenburg.
- An integrated rural development programme in labour-sending areas.
- Expanded enterprise development in Rustenburg and labour-sending areas.
- Municipal capacity development in Rustenburg and in labour-sending areas.
- The re-use of redundant infrastructure for training and/or workshop facilities.
- Enhanced platinum beneficiation initiatives.

#### **Meeting legal requirements**

These and any other interventions or measures that we implement as part of the SIMP will be guided by local and international best practice, and designed to ensure compliance with the legal requirements associated with large-scale restructuring. These statutes include:

- National legislative requirements, including the requirements of the Department of Labour (DoL) for a Social Plan.
- Amplats' legal commitments in the form of the respective operations' SLPs.
- Anglo American's SEAT and Mine-closure Planning Toolbox.
- The Guidelines for Multinational Enterprises of the OECD and the UNGC.
- The Standards of the International Finance Corporation (IFC).
- The Mine Closure Toolkit of the International Council on Mining and Metals (ICMM).

#### **Status of restructuring process at year end**

In 2013 we saw significant progress in terms of executing our revised restructuring plans and we are well on our way to rightsizing our business. In summary:

- Blasting stopped at Khomanani 1 and 2 and at Khuseleka 2 in August 2013, and by December, the employee complement for the operations had been reduced by 7,450 positions. Capital has also been limited at the Khuseleka, Khomanani, Siphumelele and Thembelani mines.

- The Union mines have been rationalised into one and are being prepared for disposal at the appropriate time. A portfolio review of our joint-venture operations is under way.
- We successfully cut a further 250 koz of high-cost loss making annualised production in 2013, following a reduction of 50 koz that we had achieved in 2012.
- Financially, of the R3.8 billion in targeted earnings before interest and taxes (EBIT) benefits that we are aiming to realise in total, savings of R1.9 billion were achieved as at December 2013 and gross commercial savings of over R1 billion have been enabled.

#### **PAYMENTS TO AND FROM THE SOUTH AFRICAN GOVERNMENT**

Our approach to tax is important to many of our stakeholders who have a particular interest in the taxes we pay, the governments to whom these payments are made and ultimately what happens to those tax revenues. We believe that our approach to tax should reflect a balance of stakeholder expectations, from investors and governments to communities and NGOs. Our approach, combined with our business principles and desire to be the development partner of choice inform our Group tax strategy, which in turn specifically supports the principles of transparency and active engagement with our stakeholders.

Mining remains a relatively high risk, long-term investment, requiring significant capital outlay. In the globally competitive environment in which we operate, there is a need for governments and companies to take a holistic approach to balancing the risks and rewards of responsible investment.

Maintaining this balance is particularly challenging at times when the mining sector is under pressure from lower commodity prices and rising costs. The tax regime forms an important part of this equation, and it influences the domestic and international competitiveness of the mining sector, particularly in a capital constrained world.

South Africa, through the Davis Tax Committee, is evaluating the tax regime and will make recommendations for tax reform. We are heartened to see that the Committee's terms of reference specifically identify as key considerations the challenges facing the mining sector,



## Restructuring of Rustenburg mines

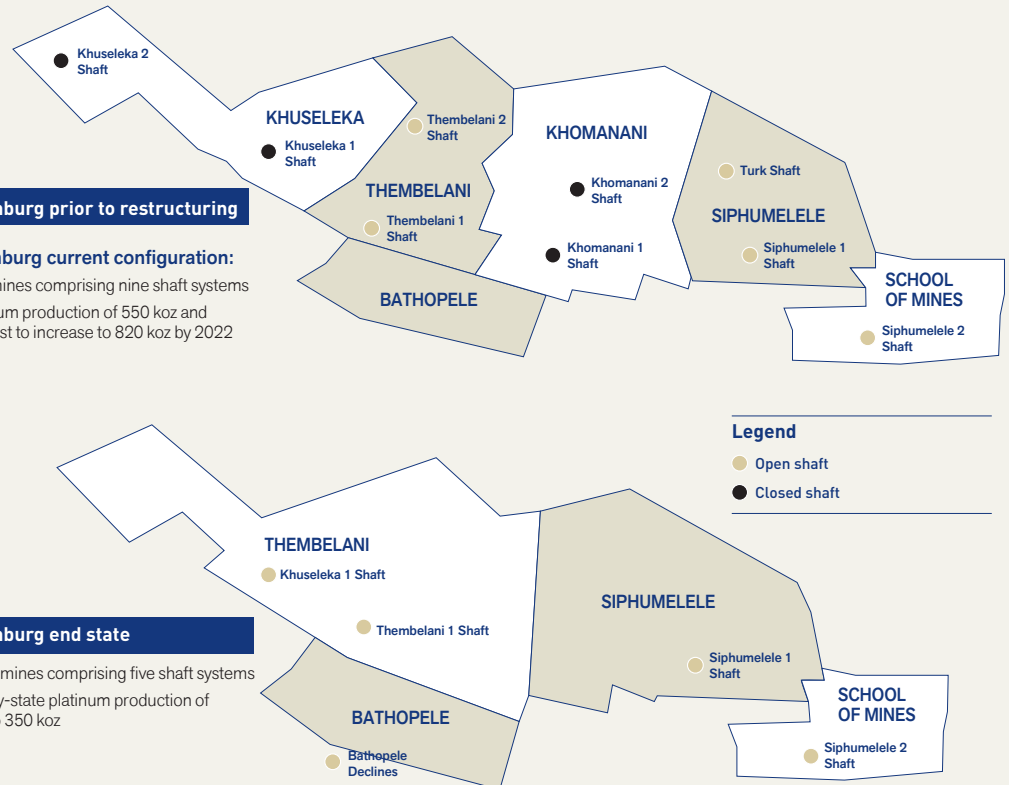
### Rustenburg prior to restructuring

#### Rustenburg current configuration:

- Five mines comprising nine shaft systems
- Platinum production of 550 koz and forecast to increase to 820 koz by 2022

### Rustenburg end state

- Three mines comprising five shaft systems
- Steady-state platinum production of 320 to 350 koz



**The more successful we are as a Company, the greater is our contribution to our communities and the countries in which we operate.**

and the need to remain competitive to secure growth and job creation.

On transparency, over recent years we have seen a move from voluntary tax disclosures, of the type included in this report, to mandatory requirements such as the EU Accounting Directive of 2013. We support the principle of transparency, the Extractive Industries Transparency Initiative (EITI) and other new transparency requirements when they are measured, meaningful and meet a clear objective around improving the ability of stakeholder to understand the value generated by our businesses, and how that value benefits our stakeholders.

Total African taxes borne by the Company, and collected on behalf of government in 2013, amounted to R5,835 million (2012: R3,574 million).

No financial assistance was received from government in 2013. The Government Employees' Pension Fund held an interest of 4.40% in Amplats as at 31 December 2013 (2012: 4.59%).

#### **ADHERENCE TO OUR BUSINESS PRINCIPLES**

As reported last year, our sector experienced significant acts of violence and abusive behaviour in 2012, particularly during the unprotected strike. We are pleased to report that incidents of violence decreased by some 22% in 2013 compared with 2012 (165 and 211 incidents respectively). We trust that continuous efforts to improve relationships and the management of security issues will be successful.

Of the 165 recorded incidents in 2013, 120 cases are still pending. These incidents included 34 cases of damage to

company property and 32 of damage to employees' and contractors' private property. One incident was reported as related to inter-union rivalry, where AMCU members allegedly threatened two NUM shop stewards.

Of the 45 cases finalised:

- 16 were closed as employees were dismissed and two were closed when the employees resigned;
- nine were closed with employees receiving warnings (final, written or verbal);
- six were closed as unproven; and
- 12 were withdrawn or employees were found not to be guilty.

There were no allegations of human rights violations by the Company's Protection Services in 2013. See page 61 for further discussions on our approach to human rights.

The Company continues to monitor the progress in the case of Binky Mosiane, the employee who was murdered underground at our Khomanani Mine in February 2012. In October 2013, the Rustenburg police arrested a 32-year-old suspect at Hoopstad in the Free State, for the murder. The suspect was employed by a private contractor at the time of the incident and will appear in court in due course.

#### **Total payroll and benefits paid (Rm)**

	2013	2012
Gauteng	1,367	1,373
Limpopo	5,891	4,847
North West	8,147	6,441
Mpumalanga	286	224
<b>Total</b>	<b>15,691</b>	12,885

#### **Taxes borne and collected in 2013**

	2013 (Rm) Total	2012 Rm
<b>Taxes borne</b>		
Corporate income taxes	2,275	1,031
Royalties	701	288
Other taxes	263	329
<b>Total</b>	<b>3,239</b>	1,648
<b>Taxes collected</b>		
Payroll taxes	1,904	1,701
VAT and other taxes collected and remitted to government	692	225
<b>Total</b>	<b>2,596</b>	1,926
<b>Total African taxes borne and collected</b>	<b>5,835</b>	3,574
<b>Other tax costs</b>	<b>161</b>	257

## NEGOTIATING IN A COMPLEX LABOUR RELATIONS CLIMATE AND UPHOLDING THE RIGHT TO FREEDOM OF ASSOCIATION



There are presently four trade unions at Amplats' operations, who seek to better the conditions of their members. Their operational strategy is not the same, thus making it complex to engage with them.

Our Employee Relations Department is tasked with steering relationships in a mutually beneficial direction for the well-being of all and this will be an area of continued attention in 2014. To deal with the complexities of employee relations will require thorough relationship-building fundamentals which will have to be created and inducted to all by way of training and constant and consistent engagement so as to create a climate of togetherness and cooperation.

Amplats endorses the concept of freedom of association as encapsulated in the South African constitution, the Labour Relations Act and International Organization Conventions. We will create a climate which is free from constraints that hamper freedom of association and will deploy resources and facilitate education and training in the various legislation and the employee relations recognition agreement, being the primary instruments that govern the conduct of employee relations.

Calls by AMCU in 2013 for a strictly majoritarian dispensation would have seen the de-recognition of other unions in the event that AMCU was able to prove majority membership. The events of 2012 included conflict between employees, which caused the casualties reported on in our 2012 report.

All these factors raised a range of challenges regarding freedom of association and the right to collective bargaining, both of which are part of the ILO Fundamental Principles on Rights at Work to which Amplats has long been committed.

In considering its response to this new environment, Amplats ultimately took the view that it should not do anything to amend the basis for union recognition contained in the Employee Relations Recognition Agreement (ERRA), the current version of which was first signed in 2009. In February 2013, AMCU became a signatory too. This means that all unions recognised by Amplats are party to the same agreement. The way the agreement is structured is that recognition occurs at each of Amplats' operational units.

Within each unit, there are separate recognition units for operators and supervisory employees. Any union that has achieved representation of 40% within any of these recognition units is entitled to organisational rights, and to admission to both the applicable operational participative forum and the central participative forums.

In addition, any union that enjoys representation of 30% or more in either the operators' or the supervisors' recognition unit through the Company as a whole is entitled to these recognition rights. And any union with representation of 50% in any unit is entitled to admission to the central collective bargaining forum.

The Company believes that these arrangements are equitable and give appropriate effect to the international principles to which the Company is committed. The recognised unions at Amplats now are AMCU, NUM, NUMSA and UASA. (For more information, see page 42.)

In seeking to deal with the tensions and even the violence we have seen, and which happily has been significantly less severe in 2013 than in 2012, we should acknowledge the Peace and Stability Framework Agreement for a Sustainable Mining Industry entered into by organised labour, organised business and the government, and signed by all parties in July other than AMCU.

Building on this, Amplats is working with its recognised unions on developing and implementing a Labour Peace and Prosperity roll-out plan. Workshops are to be conducted at all operations by mid-year in our joint efforts to win buy-in from all employees and union structures. We will report further on this next year.

**Labour relations a critical business issue**

The Company recognises the critical importance of conducting positive employee relations. In this regard, it is geared to engage more proactively with all stakeholders to create and sustain a healthy relationship in 2014 and beyond.

We will embark on an intense programme dealing with Employee Relations Recognition Agreement and its structures in order to create more understanding and appreciation of the fruits of engagement. See case study on negotiating in a complex labour relations climate and upholding the right to freedom of association on page 41.

**Infrastructural development for the common good**

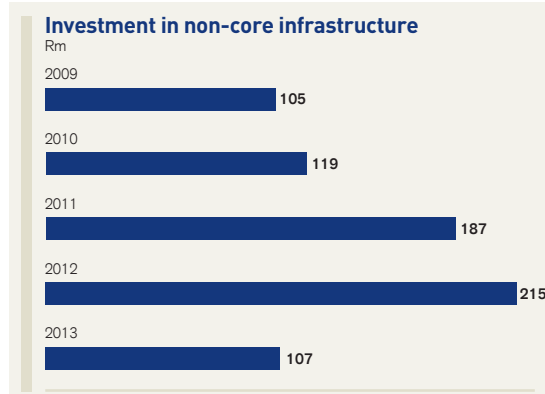
The Company is involved in a range of infrastructure development schemes, mostly in the spheres of water and transport.

We facilitated the set-up and management, and continue to chair, a number of the respective mining producer forums covering the Limpopo, Mpumalanga and North West provinces.

For example, the Olifants River Joint Water Forum creates a platform for mining sector parties interested in possible mining operations within the Olifants River catchment area. The forum has been involved with interested and affected parties, including the Department of Water Affairs and National Treasury in, inter alia, the issue of water delivery within the catchment and to the respective regions.

At the request of Amplats, other mining companies, members of the forum and the Mogalakwena Municipality, the Lebalale Water Users Association investigated the possible building of the Northern Extension to provide water to municipalities and the mining fraternity in the Mogalakwena area.

In respect of transport infrastructure, Amplats, through the Steelpoort Producers Forum and the Economic Sector Forum in conjunction with the Bushveld Igneous Complex Mining Forum, developed the Eastern and Central Limb Mine Land Transport Strategy (ECL-MLTS) in 2013. The aim of the ECL-MLTS was to prepare a basic practical and



useful guiding strategy focusing on cross-planning transport aspects between the various mines located in the affected mining areas in order to allow effective integration with government projects, and vice versa.

In another project, road safety risks on the R37 road near Polokwane were partially mitigated by upgrading the section between Modikwe and Polokwane. This was negotiated through the producer forum with the South African National Roads Agency Limited.

**ADDING VALUE – PERFORMANCE IN 2013**

Our conventional value added statement on page 43 indicates the value we created and distributed during the year. It is notable that by far the biggest component of our distributions are to employees in the form of salaries, wages and benefits – around 56% in 2013 (2012: 77%).

**Union representation at 31 December 2013**

Employees	AMCU	NUM	Numsa	UASA	No union	Total
Operators	25,998	7,095	296	2,066	1,941	<b>37,396</b>
Supervisors	918	2,465	169	3,011	827	<b>7,390</b>
<b>Total</b>	<b>26,916</b>	<b>9,560</b>	<b>465</b>	<b>5,077</b>	<b>2,768</b>	<b>44,786</b>
Percentage	61.9	20.2	1.1	11.7	5.7	<b>100</b>

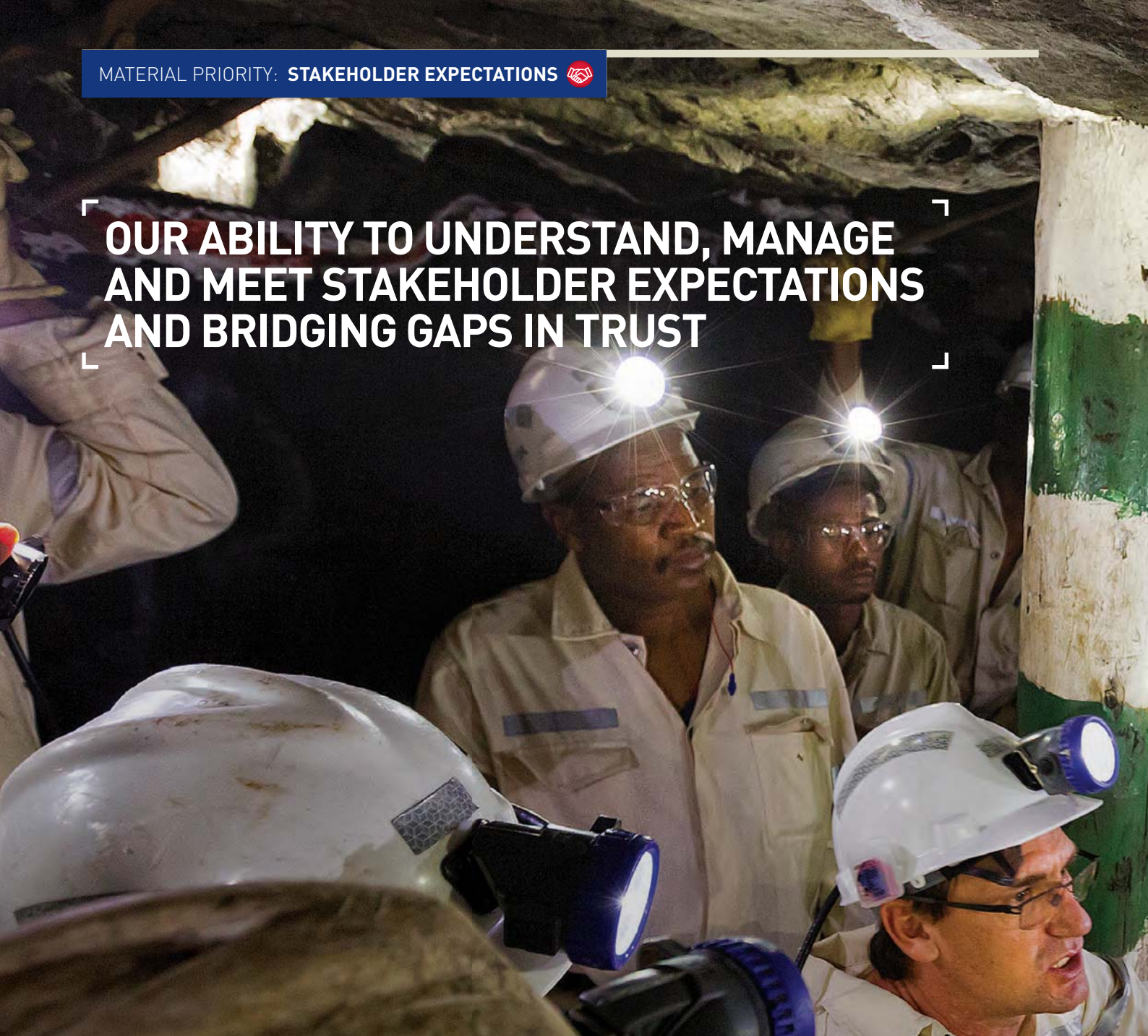
## VALUE ADDED STATEMENT

for the year ended 31 December 2013

	2013	%	2012	%
<b>Value added</b>				
<b>Net sales revenue</b>	<b>52,404</b>		42,838	
Less: Purchase of goods and services needed to operate the mines and produce refined metal, including market development and promotional expenditure	(22,659)		(20,111)	
Other net expenditure	(4,127)		(7,360)	
Value added by operations	<b>25,618</b>	<b>101</b>	15,367	103
Losses from investments net of interest received	(241)	(1)	(439)	(3)
	<b>25,377</b>	<b>100</b>	14,928	100
<b>Value distributed</b>				
<b>Salaries, wages and other benefits</b>	<b>14,122</b>	<b>56</b>	11,511	77
<b>Tax charges</b>	<b>5,996</b>	<b>23</b>	3,831	26
Taxes borne and collected	5,835		3,574	
Other tax costs	161		257	
<b>Providers of capital</b>	<b>956</b>	<b>4</b>	1,250	8
Interest paid	921		660	
Dividends	35		590	
<b>Total value distributed</b>	<b>21,074</b>		16,592	
<b>Reinvested in the Group</b>	<b>4,303</b>	<b>17</b>	(1,664)	(11)
Amortisation and depreciation	4,878		4,921	
Accumulated (losses)	(575)		(6,585)	
	<b>25,377</b>	<b>100</b>	14,928	100



# OUR ABILITY TO UNDERSTAND, MANAGE AND MEET STAKEHOLDER EXPECTATIONS AND BRIDGING GAPS IN TRUST



We live and work in a complex operating environment, with many negative legacy issues related to both our industry and our country.

Our current context is one of much community discontent with its roots in these legacies which include migrant labour, widespread poverty and joblessness, poor local service delivery and unsatisfactory living conditions, deficiencies in education and skills development which in turn limits career opportunities. There is also intensified industrial relations unrest and violence in our sector – see discussion on page 40.

Increasingly, communities and local and national government, have expectations of increased socio-economic delivery, substantially outside of the realm and reach of mining companies such as: job creation and security; housing and accommodation; healthcare; infrastructure development; and rising wages.

We need to develop and sustain credible and effective stakeholder engagement to arrive at an understanding of stakeholders' expectations, and engage with them on what is and is not achievable.

We need to bridge the trust gaps, where they exist particularly in the wake of our recent portfolio review and the relationship and reputational damage to the company and the industry as a result of sector-wide violence and conflict.

## R204m

(2012: R276 m)

**spent on community economic development**

## 60%

(2012: 58%)

**HDSAs in management**

## 13.2%

(2012: 12.7%)

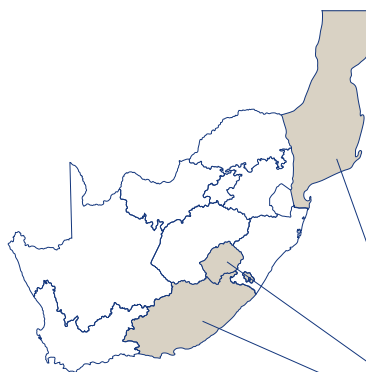
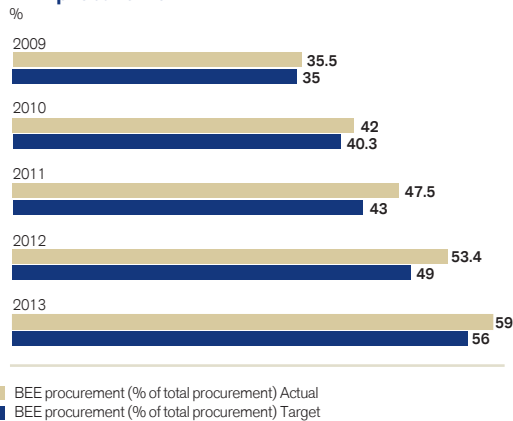
**women in mining**

**Main**  
Workers involved in a safety discussion.





### BEE procurement



**Key labour sending areas**  
 Mozambique  
 Lesotho  
 Eastern Cape

# OUR ABILITY TO UNDERSTAND, MANAGE AND MEET EXPECTATIONS

With the disruptive events of 2012 on the platinum belt and elsewhere in the mining industry still fresh in the national mind, Amplats is still seeking to fully understand their origins.

In addition to the work of the Marikana Commission of Inquiry (the Farlam Commission), with which the Company is cooperating fully, Amplats is contributing to and participating in a study commissioned to look into these questions. The study is being coordinated by the Chamber of Mines of South Africa and conducted by the National Research Foundation (NRF).

While we await the outcome of the study and the inquiry in order to gain a fuller and deeper understanding of events, we are nonetheless conscious that what happened in 2012 indicates a substantial level of community and employee alienation from mining companies operating

in the affected areas. We are aware that we cannot await those outcomes before we begin to address the issues as we see them, and are thus continuing with the various initiatives that were in place previously. These were designed to cement relationships and, to the extent that a single commercial organisation can do so, contribute to enhanced community and working conditions.

## MAKING A POSITIVE CONTRIBUTION TO LOCAL COMMUNITIES

The work undertaken by our Community Engagement Department (CED) is closely aligned with that undertaken by our Supply Chain and local Procurement Departments. These two departments support efforts to improve the economic circumstances and welfare of communities living close to our operations or in the areas from which we draw our labour (namely Lesotho, Mozambique, and South Africa's Eastern Cape province).

## Progress and targets

Our commitment	2013 targets	2013 performance	2014 targets
Our employee relations values charter guides the way in which we engage with employees and their union representatives.	Fully operate in accordance with the charter	Charter fully adhered to bringing increased sustainability	Continue to engage in line with the charter
Historical societal imbalances in opportunity need to be addressed through internal transformation. These are in line with the South African Mining Charter.	35% historically disadvantaged South Africans (HDSAs) in top management	40% HDSAs in top management	40% HDSAs in top management
	35% HDSAs in senior management	40.4% HDSAs in senior management	40% HDSAs in senior management
	40% HDSAs in middle management	59.3% HDSAs in middle management	40% HDSAs in middle management
	40% HDSAs in junior management	67.2% HDSAs in junior management	40% HDSAs in junior management
	Women need to reflect the economically active population demographic.	13.2% women in mining	Women need to reflect the economically active population demographic.
Local communities should – and expect to – benefit from mining. Many of our local communities are plagued by a lack of access to infrastructure and opportunity.	Conduct SEAT 3 assessments and develop social management plans.	SEAT 3 assessments have been completed and the reports will be finalised in 2014.	Complete SEAT 3 reports and distribute information to communities and stakeholders.
	1% of pre-tax profit must be spent on community development.	R204 million spent on community development – 30% of pre-tax profit.	1% of pre-tax profit must be spent on community development.
Ensuring the integrity of our supply chain encompasses developing and procuring from black economic empowerment vendors situated in close proximity to our operations. It also means ensuring that our suppliers adhere to our principles and standards, and contribute to our vision of zero harm.	56% of expenditure with BEE suppliers.	59% of expenditure with BEE suppliers: 46% of services; 40% of capital goods; 46% of consumables.	56% of expenditure with BEE suppliers.



01 Seraleng housing project in Rustenburg.

02 Lucy Matladi performing maintenance at the Mototolo mills.



We seek to understand communities' needs and assets rather than being prescriptive about the contributions we wish to make, or believe we should make. Our local CED managers participate in in-depth dialogue with numerous parties, including the beneficiaries themselves; local, district and provincial authorities; and other parties.

All our operations have functioning community-engagement forums (CEFs) in place that meet at least quarterly. Even though the appropriate structures are in place, we are keenly conscious that two aspects need consistent attention, namely the quality of our engagement and ensuring that the structures in place are indeed disseminating the necessary information back to individual households in the communities.

#### Implementing the Social Way

Our strategies, systems and processes are guided by regulatory requirements (such as the Mining Charter and our social and labour plans), the Company's strategy, policies, values and standards. Overarching frameworks and guidance for managing stakeholder relationships and social impacts are provided by the Anglo American Social Way and the SEAT. For further information on these, see [http://www.angloplatinum.com/sus/hum/community\\_engagement.asp](http://www.angloplatinum.com/sus/hum/community_engagement.asp).

SEAT Version 3 is a tool used to meet our Social Way obligations, providing guidance and support to achieve full compliance. The SEAT process assists in the following:

- Identifying key social and economic impacts and issues to be managed, thus improving risk management.
- Assessing existing social performance initiatives, such as community development projects, and identifying where improvements are required.

- Improving each operation's understanding of the full range of local stakeholders, and of their views and interests, both positive and negative.
- Providing guidance in developing and updating annual community engagement plans (CEPs).
- Supporting sustainable socio-economic development initiatives in host communities.
- Ensuring that we respect human rights.

An important step taken in 2013 was the alignment of our integrated social management plans, by combining all social management systems and processes under a single plan. These included the community engagement plans; our emergency response plan; components of our social and labour plans; our contractor-management plans; and our plans for delivering support to local communities. Further work will be done in 2014 to bring the task to fruition and to engage our communities accordingly.

Annual self-assessment of our compliance with components of the Social Way has shown steady improvement, and is reflected in the table on page 48.

A new round of SEAT assessments commenced at the Group's operations and are scheduled for completion by the end of March 2014. This is later than planned because of the internal challenges experienced during the restructuring process. Adverse impacts of our operations identified during this process, include noise, dust, SO<sub>2</sub> emissions and chloride emissions from the Precious Metals Refinery, blasting vibrations, water incidents, visual impacts and influx of people seeking opportunities.

All operations have development programmes in place as part of their social and labour plans, and community engagement and development plans. From 2010 to 2013,



**Our operations are mostly located in rural areas characterised by low levels of formal economic activity.**



SLP-related projects (both completed and under way) have numbered 128 at a cost of R427 million.

### **DELIVERING LOCAL SOCIO-ECONOMIC BENEFITS**

For the most part our operations in South Africa and Zimbabwe are located in rural areas characterised by low levels of formal economic activity, inadequate infrastructure provision and poor levels of service delivery. This is even more so in traditional areas from which we draw a great many employees – the labour-sending areas of Lesotho, Mozambique and the Eastern Cape province of South Africa. For many, our mines represent a centre of socio-economic activity and a source of welfare.

We address these needs at a local level through the funding committed to in our SLPs. We augment this funding for projects that were not specified in our SLPs, yet have been

identified as important to addressing real community needs. Examples of projects include the Thabazimbi water reticulation project, various road upgrades, and improvements at the Rustenburg, Northam and Polokwane waste water works. These relate to the various infrastructural projects we undertake in the broader community.

In last year's report, we noted that emerging from the 2012 unprotected strikes were fundamental questions we needed to ask ourselves in relation to the socio-economic development work that we do. At a general level, the entire mining sector needed 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. At an operational level, management needed to test whether the socio-economic development programmes it commits to are yielding the intended results.

### **Anglo Social Way Assessment 2013 scores**

Operation	Average score 2013	Average score 2012
Amandelbult	4.4	4.1
Mogalakwena	4.3	4.5
Rustenburg	4.4	4.3
Twickenham	3.9	4.3
Union	4.4	4.4
Unki	4.6	4.6

## MOGALAKWENA PERMACULTURE TRAINING PROGRAMME: HELPING PEOPLE TO HELP THEMSELVES AND THEIR ENVIRONMENT



Students being trained in permaculture at Groenfontein Farm in Mogalakwena.

South Africa is facing a decline in smallholding agricultural production, and a corresponding inability of local communities to feed themselves adequately. There are 300,000 people in Mogalakwena Mine's socio-economic development zone, of whom 50% are unemployed. (This figure is substantially higher than the national average.)

Mogalakwena Mine has developed and implemented a sustainable development management system through which it identifies, evaluates and designs community projects and business, with the aim of 'helping people to help themselves and their environment'.

Mogalakwena's sustainable development training centre was developed for this purpose. It is situated on the Groenfontein farm and provides courses dealing with agricultural projects, eco schools, permaculture, food catering and preserves. The overall objective of the Groenfontein vegetable farm is to serve as a training farm in permaculture, agro-ecology and commercial farming for the communities within the mine's socio-economic development zone.

The permaculture training programme introduces a sustainable agricultural method that makes it possible to grow fruit and vegetables all year round. These techniques reintroduce farming skills that use ecosystem techniques to reduce the need for water and energy inputs while at the same time improving yields.

Started in 2012, the permaculture training programme course has proved to be a success. It is held once a month free of charge, with 25 students from the surrounding communities attending. The course consists of a theoretical component that is presented at the training centre and a practical component that is undertaken at the farm. For the purposes of the practical training, Amplats has dedicated one of its quarter-hectare blocks to permaculture. Owing to the success of this block, a second such block will be established in 2014.

The purpose of the permaculture training is to encourage and assist community members to start their own family garden plots to grow food for their own consumption initially. Thereafter, it is hoped, the community garden-plot farmers will extend their lands to produce surplus food for sale to generate a modest income. The Groenfontein farm will support this expansion through a co-operative scheme and encourage community farmers to bring surplus produce to the farm's pack house, where the produce will be packed and sold.

Through this initiative community members can access the necessary skills and knowledge to improve the community's sustainability for many years following the eventual closure of the mine.

**We strive to make our communities healthier, safer and more prosperous.**

Both Amplats and neighbouring mining group, Implats, were identified as operations that will be used as the sample in the NRF research which is expected to be completed in 2014.

#### **Building healthier, stronger communities**

We strive to make our communities healthier, safer and more prosperous. Funding community health and wellness initiatives is an important component of our community programme, and one which can have a significant impact on our communities, particularly when these services are taken to where the communities live and work. In 2013, more than 16,500 people received primary healthcare services from mobile clinics funded by the Company (2012: 32,000) and delivered in partnership with the Department of Health (DoH).

The Company emergency services at Amandelbult, Mogalakwena and Twickenham are often the first to respond to accidents in the areas around the operations and offer emergency services until other relief arrives.

Small and medium-sized enterprises form the backbone of successful communities, and play a significant role in upliftment and job creation. We run nine small business support hubs as part of Anglo American's Zimele initiative.

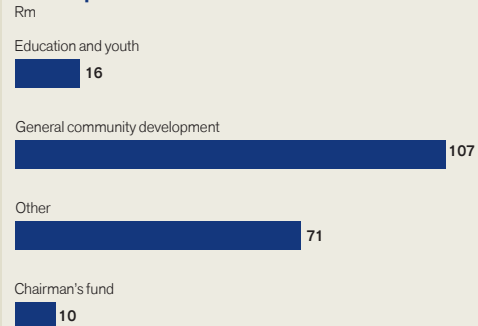
#### **Support for infrastructure**

Water is a scarce resource in South Africa. This scarcity is exacerbated by poor infrastructure, which means that many communities do not have access to potable sources of water. To address water shortages – both for our operations and the communities near our mines – Amplats is collaborating with the South African 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.

#### **SHARING THE BENEFITS OF MINING**

Communities living close to mining operations are increasingly seeking visible benefits from local mining companies. At Amplats, we seek to ensure that we create and leave a lasting legacy in those communities, while at the same time recognising that we have an obligation to support the requirements of the country. The diagram on page 51 illustrates some of the ways in which we share the benefits of mining. Some benefits are indirect – through taxes, royalties and rent – while others are immediate and direct – such as local employment and procurement. Through our BEE transactions, for example, we comply with the requirements of the Mining Charter in our support of BEE business entities – evidenced by our transactions with African Rainbow Minerals, Atlatsa Resources, Mvelaphanda Resources (now Northam Platinum) and Royal Bafokeng Platinum. But we also seek to ensure that empowerment is encouraged on the ground, in local

#### **CED expenditure 2013**



communities. Project Alchemy, a R3.5 billion initiative that promotes sustainable socio-economic development in the areas where we mine and in the labour-sending areas, is designed to provide direct participation in the Company by local communities.

#### **Community incidents**

Various incidents indicating community discontent took place at a number of operations during the year under review. The incidents included land invasions and other demonstrations at the Mogalakwena, Khomanani, Twickenham and Modikwa mines. Tensions at the Rustenburg mines and Twickenham were related to the Company's restructuring process. At Mogalakwena, the conflict related primarily to the community's demand for more job opportunities for unemployed community members.

Disputes have been discussed in the community-engagement forums. There has also been a focus on ensuring adherence to the law and the use of minimum force, and only as a last resort. Minor injuries to community members were reported in 2013, there were no allegations of human rights abuses. However, a number of incidents resulted in injuries for security personnel, at least one of which was serious.

After many years of negotiations with the community, its leaders and the government, the Zwartfontein surface lease at Mogalakwena Mine was registered in Amplats' favour in February 2013. This gives the mine access to the surface land. However, a dispute arose in April 2013, when certain members of the community felt they had not been adequately compensated as part of the initial resettlement. Access to the land is critical for the development of the Mogalakwena North pit, as the area is needed for waste rock disposal as the pit progresses northwards.

During March 2013, it was noticed that certain individuals were trespassing on the property and had started erecting illegal structures. The Company instituted urgent litigation

**We strive to make our communities healthier, safer and more prosperous.**

proceedings in the North Gauteng High Court (Pretoria), seeking an interdict against the trespassers on the land and authorising the Company to remove the illegal structures which still remain on the property. A provisional interdict was granted by the Court against the trespassers and the Company will be requesting the Court to grant the final interdict during February 2014. In addition, criminal charges were also laid against a number of individuals who trespassed on the land and two individuals were arrested and convicted. The Langa Traditional Community is proceeding with the eviction proceedings against those other persons who are illegally occupying dwellings on the land.

#### Progress on resettlements

Amplats is involved in two resettlements in the planning phase: one at Twickenham Mine and the other at Mogalakwena Mine. Both involve resettling families who did not move as part of the original resettlement exercises.

At Twickenham Mine, seven families are likely to be voluntarily relocated in early 2014 and at Mogalakwena Mine relocation planning is under way for the relocation of seven families from Motlhotlo who did not previously

relocate. The land from which the remaining Motlhotlo residents are to be relocated is planned for use as a rock-dump for Mogalakwena Mine. Initially 64 of the original households elected not to relocate, but this number grew to 153 households eligible for relocation assistance. In terms of an agreement reached in 2012, these families have now agreed to the move. The resettlement of the remaining households will provide an additional rockdump area of some 700 hectares, which is required to prolong the life of the mine. See case study on page 56.

#### Community grievances

In 2013, 60 community complaints were submitted through formal procedures at our various operations. All were assessed and 37 of them were resolved. In addition, four grievances submitted but left unresolved in 2012 were resolved in 2013.

The main focus of community grievances were issues of procurement and employment opportunities. There were some environmental impact grievances regarding noise in the Rustenburg and Twickenham areas.

#### Sharing the benefits of mining

<b>Employment</b>	Generating income for employees and their families, and creating economic multipliers in local economies	49,816 people employed
<b>Employment benefits</b>	These include healthcare and housing support, training and development	R15,691 million paid in benefits
<b>Royalties and rent</b>	Paid to owners of surface and mineral rights	R304 million
<b>Taxes</b>	Paid at national and local levels	R5,835 million paid in taxes
<b>BEE asset ownership</b>	Benefits delivered through share value and dividends	Transaction to achieve 26%
<b>Preferential procurement</b>	A programme is in place to procure preferentially from HDSA suppliers	R850 million from HDSA suppliers in 2013
<b>Local economic development (LED)</b>	Aligned with SLPs	R107 million spent in 2013
<b>Community social investment</b>	Focused on community upliftment	R31 million in 2013



**Great effort has been made to engage with employees and to re-establish trust.**

## **EMPLOYEES ARE THE CORNERSTONE OF OUR BUSINESS**

At the end of 2013, the Company employed 49,816 people – 47,032 (94%) permanent employees and 2,784 (6%) contractors. In 2012, these figures were 55,118 people, made up of 50,873 (92%) permanent employees and 4,245 (8%) contractors. (See page 34 for a comprehensive discussion on the impacts of our restructuring process.) The staff turnover for the Company in 2013 was 11.64% including voluntary severance packages (VSPs) and 4.96% excluding VSPs. In total, there were only 256 new hires in South Africa and 195 new hires in Zimbabwe during the year.

Absenteeism rates have been high for a number of years and management has put in place a series of initiatives including improved attendance-keeping, discipline and corrective action.

Skills shortages within the mining industry continue to be a challenge. Anglo American Platinum Limited has a very good pipeline of skills, particularly at an entry level, from our graduate programmes as well as fast-tracking programmes. However, the ever-increasing skills gap is filled by young and inexperienced graduates. The demand for skills at managerial level particularly for HDSAs candidates and women continues to be a concern. This requires an integrated approach in recruitment, talent management and retention.

All employees are provided with the opportunity to obtain skills and competencies to advance along a predetermined career path, based on opportunity and suitability. To ensure the sustainability of our business, we have in place:

- 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 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; and
- action the training plan for employees in the lower-level categories.

## **Employee relations and communications**

Following the highly disruptive nature of employee relations in 2012, a great effort was made to engage with employees directly and re-establish trust with them.

To facilitate consultation and to foster sound employee relations, information will be shared between parties to the Employee Relations Recognition Agreement. The parties have agreed to establish operational unit and central participative forums to ensure there is effective trade union participation in developing sound relationships between management, trade unions and employees.

## **Training for the future**

The training and development of employees is important. Our People Development Way 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.

In 2013, human resources development expenditure was 4.7% of our total payroll (2012:5.4%). Each employee received an average of 79 hours of training during the year (2012: 84 hours).

Amplats runs numerous ongoing training initiatives for employees, the main aims of which are to support and build employees' competence in their current roles, and to prepare them for potential future roles.

## **Adult basic education and training**

Amplats continued to provide access to adult basic education and training (ABET) in 2013 to 1,320 employees, 87 contractor employees and 428 community members (2012: 360 employees, two contractor employees and 127 community members.) Through ABET, learners are able to undertake 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.

Classes are offered on a three-shift rotation so that employees who work shifts may attend. ABET learners are offered further development opportunities in line with their career development plans. ABET is provided on both a part-time and a full-time basis. Prior to admission at an ABET centre, prospective learners are subjected to placement assessment to determine the level at which they can register.

## ENSURING BENEFITS – PROJECT ALCHEMY TO EMPOWER BROADER COMMUNITIES



Amplats' Project Alchemy is a R3.5 billion community share-ownership scheme designed to promote long-term sustainable development in host communities and key labour-sending areas. The communities targeted by the project are communities that are not currently benefiting from the Company's extensive BEE programmes. The Project Alchemy initiative is thus different from, yet complementary to, our historical broad-based BEE initiatives.

Not only is Project Alchemy aimed at providing communities with real benefits in as transparent and inclusive a manner as possible, but it is also aimed at enabling the local communities – through appropriate representative structures – to undertake initiatives that will benefit them in the long term.

Project Alchemy's initial implementation is being undertaken in four mining areas, namely Tumela/Dishaba, Rustenburg, Mogalakwena and Twickenham. Good progress has been made in setting up the four development trusts for these areas. The Dikuno Tsa Sechaba Development Trust at Tumela/Dishaba has already been registered. Discussions regarding the Rustenburg Development Trust have been completed, and the trust will be registered in 2014 following the appointment of independent trustees. At Mogalakwena, where nominations for membership of the working group were finalised in 2013, engagement on the content of the trust deeds began in January 2014. At Twickenham, previously fractious relationships between the mine's management and the community

appear to be normalising, and engagement with the appropriate community structures will start in 2014.

Several community projects are at different stages of participation and implementation in the benefit areas, with more of them directed at the labour-sending areas at present. To date, three projects valued at some R1.6 million have been approved by the board of the Lefa La Rona Trust, the umbrella trust which the four development trusts answer to in terms of governance; and two projects valued at R6.2 million are under consideration by the board of the Zenzele Itereleng Trust, which is a not-for-profit organisation set up for the labour-sending areas and similar to the four development funds. Significantly, for the first time, the LLR trustees have motivated and obtained approval from Amplats for another 10 projects (valued at R30 million), to be funded from our corporate social investment funding stream.

An operations manager for the Lefa La Rona Trust has been appointed and will take office in February 2014. The development of a strategic plan for both the Lefa La Rona and the Zenzele Itereleng trusts is a key deliverable for the first half the year.

In 2014 we intend to build the capacity of the Dikuno Tsa Sechaba Development Trust at Tumela/Dishaba, and to appoint an administrator for the trust. We will also be appointing both Amplats and independent trustees for the Rustenburg Development Trust. Furthermore, we now have a plan in place to communicate the scope and benefits of Project Alchemy effectively, so that all stakeholders have a clear understanding of the processes and issues involved.

To ensure professional governance and quality execution, the appointment of the Project Development Implementation Unit has been finalised with Synergy Global Consulting. This will embed the capacity of the Alchemy trusts to identify, rate, initiate and track their projects.

The Alchemy Way has been incorporated into the Platinum Review as a way to 'integrate and engage with' communities and now forms part of the deliverables in Amplats' organisational transformation. Alchemy is thus not a project: it is a commitment by Anglo American Platinum Limited to ensure that communities are self-sufficient beyond the life of its mines.

It is our aim, therefore, that Alchemy will become a way of life and a way of thinking; and result in sustainable partnerships with people who make a big difference to our lives as a mining business.

**A total of 354 learners participated in various engineering training schemes during the year.**

The year under review was particularly challenging for ABET enrolments, because of the restructuring. Classes were plagued by absenteeism and high drop-out rates. Those who persisted with their classes did not perform as well as expected during their examinations.

#### Skills development

- **Safety training:** The safety on-boarding programme 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, was converted to computer-based training. This allows individuals access to the course through their personal computers.
- **Operational risk management process:** This training continued during the year, with around 5,250 people completing various programmes.
- **Occupational health and safety representatives:** The training of 3,648 occupational health and safety representatives is based on the requirements of the Mine Health and Safety Act.

- **Commitment to Zero Harm Initiative:** Training related to this initiative continued, and 221 employees were trained during the year. Since its inception in July 2010, 5,396 employees have been trained in the principles and practicalities of zero harm.
- **Visible felt leadership:** Numerous training sessions on the concept of visible felt leadership were held during the year, and 648 employees completed the course.
- **Skills development team:** The operational skills development team conducted a technical gap analysis on safety officers at each of the process operations and identified generic training gaps. Courses were scheduled from October 2012 to July 2013 to address the gaps identified.
- **Engineering Skills Training Centre:** The centre's safety system was aligned with the Anglo Safety Way in 2013.

#### Engineering learners

A total of 354 learners participated in various engineering training schemes during the year, 25% of whom were women and 86% HDSA candidates. A total of 196 learners

Our overall Company strategy as well as the transformation strategy will guide interventions to be put in place in order to address skills shortages. The interventions that are of priority are:

<b>Diversity</b>	<ul style="list-style-type: none"> <li>• Tapping into a diversity of talent through targeted recruitment and development campaigns for women in mining, HDSAs and people with disabilities</li> </ul>
<b>Recruitment</b>	<ul style="list-style-type: none"> <li>• We will consider internal and external sourcing strategies and prioritise them in terms of efficiency, quality and costs. Continuing to build our brand and employee value proposition is central to this approach</li> <li>• Employee referral programme</li> <li>• Using the alumni database to reconnect and bring back high performers (Talent Recall)</li> <li>• Integrated and enhanced onboarding programmes to prepare employees to become fully engaged, productive members of the organisation in the shortest time frame possible.</li> <li>• In addition to the above, a more integrated 'total solution' approach to process efficiency with strategic contribution from different stakeholders is essential</li> <li>• Looking to other sectors for skills and implementing development programmes to bridge the gaps</li> </ul>
<b>Talent management</b>	<ul style="list-style-type: none"> <li>• Identifying potential successors and ensuring that individual development plans are in place to prepare them for future roles</li> <li>• Using leadership development programmes to address leadership gaps</li> <li>• Optimising talent retention programmes</li> </ul>
<b>Development</b>	<ul style="list-style-type: none"> <li>• Optimising our graduate and fast tracking programmes</li> <li>• Implement policies and procedures that would make it easier for our employees to move between operation and business unit for development purpose</li> <li>• Developing talent obtained from other industries</li> <li>• Provide compelling career paths</li> <li>• Investing in frontline leadership development</li> </ul>

#### Employment statistics

	2013	2012	2011	2010	2009
Full-time employees	45,884	50,873	51,269	48,509	50,681
Labour hire	495	610	516	400	941
Contractors	2,151	3,635	5,721	5,113	13,073

A further 1,286 employees and contractors are employed at our Unki operations in Zimbabwe.



01 A follow up visit from the School of Mines.

02 Training at the underground classroom in Rustenburg.



02 Moreover, 1,511 learners participated in six specialised trades-related short courses in 2013.

#### New technology

Our engineering skills training centre has addressed new operational requirements by introducing additional machines, for example, the control rig. This new device will help trainees to develop the ability to find faults in and repair advanced instrumentation, and to set up and configure a process control system in line with client demand. Expansions are also under way to align our training centre with future requirements, focusing specifically on engineering skills in open-pit mining.

#### Fast-tracking programmes in engineering and mining

Fast-tracking programmes address business-critical skills shortages in engineering and mining, and at the same time help us to meet our Mining Charter targets. A rigorous recruitment process is undertaken for places in our five engineering development programmes (foreman training; measurement control and instrumentation training; planned-maintenance officer training; training towards Government Certificate of Competence; and project manager training) and our four mining development programmes (for shift supervisors; mine overseers; section managers; and mineral resource managers).

#### Developing our leaders

Our leadership development provides customised leadership development to various tiers of management. The aims of the programmes are to instil Amplats' values, provide the knowledge required to apply these values in everyday work tasks, and bring about sustained cultural change.

qualified during the year – 13% were women and 91% HDSA candidates.

The National Auto Electrician qualification was completed by 13 learners, seven of whom were assessed under Section 28. Six learners completed the Section 13 trade tests, with some 86% passing the test on first attempt (in contrast to the national average of 50%). Of the 273 who qualified, 169 were Amplats employees, 30 were members of communities and 74 were external clients.

Thirty-five National Stope Serviceman certificates were issued to successful students during the year. The Foreman Certificate, Medium Voltage Certification and Planned Maintenance schemes continued during the year.



## MOVING FORWARD – PROGRESS ON THE MOTLHOTLO RESETTLEMENT

Moving homes can be difficult, particularly when the move is from a place that has ancestral ties. We at Amplats are highly sensitive to this and seek to ensure that any resettlement we are party to takes into account the disparate needs and concerns of stakeholders, as well as global best practice. Not all resettlements are without challenges. And in these cases we need to ensure that we do the right things and that we do things right.

The care we take can be illustrated by the Motlhotlo Resettlement, near the town of Mokopane, where a number of households were helped to relocate to the new Armoede and Rooibokfontein villages in 2008, but where a small number of households chose to stay.

### Extensive consultation

Consultation with the community represented by the designated Mapela Traditional Authority started in 1998. A Relocation Steering Committee was elected by affected communities and, in a community resolution overseen by the Department of Land Affairs, the communities voted to relocate.

In essence, the 15 August 2012 resettlement agreement by the Motlhotlo community included three resettlement options to the households, namely:

- Relocation to a suitable agricultural farm;
- Relocation to the Armoede or Rooibokfontein villages; or
- Relocation to another place within a radius of 50 km of Mogalakwena.

Host farm options were selected in consultation with elected community leaders, and agreements were negotiated with and signed by the affected households.

The relocation agreement outlined the timeframes for the resettlement, relocation to be completed at the earliest convenience and the same stated as mid 2014, the maximum cost of the resettlement, being R65 million, allowances and compensation which includes a resettlements allowance, a settling-in allowance covering livelihood restoration due to the households as well as the responsibilities of the relevant parties.

Construction of the Armoede and Rooibokfontein villages started in 2005 and, by April 2008, 827 of 956 households had moved into their new homes. In 2007, however, a group of dissenting community members formed the Motlhotlo Development Committee (MDC) a committee to resist the move. In 2008, a splinter group of the MDC formed the Motlhotlo Relocation Resistance Committee

to represent 64 households, some 400 peoples who elected not to relocate. A government-facilitated task team formed by the Provincial Office of the Premier failed to find a solution.

Throughout this time, Amplats has continued to engage with and play an active role in the resettled villages of Armoede and Rooibokfontein. We are currently finalising business plans for the farms and the trusts which were allocated to the villages. Partnerships with the communities to assist in running their farms, Mooihoek and Hoogedoorens, are being considered.

The majority of the remaining households fall in categories of either pensioners or representing the youth, with the majority being unemployed. Service delivery to the area is limited as the Mogalakwena Municipality has directed their effort to the villages of Armoede and Rooibokfontein. Water delivery to the Motlhotlo villages is currently coordinated by Amplats.

### Resettlement action plan

The number of remaining households at Motlhotlo has grown from 64 to 153 since 2008, all of which were considered eligible for resettlement. In the end, 103 households selected to move to an agricultural farm purchased by Amplats; 50 households chose to relocate to Armoede and Rooibokfontein (subsequently rising to 68), the original host sites.

The farms purchased by Amplats will be donated to the Community Property Association once these have been fully established. We are working with the municipality on an application to have the land rezoned from 'agricultural' to 'township', and this is expected to be completed by end March 2014. Once the farm has been rezoned, house building will begin. It is expected that the construction and resettlement will take some three to four months once the rezoning has taken place and that the entire resettlement will be completed by end June 2014.

(Subsequent to the original election process three households have selected to move elsewhere within 50km of Mogalakwena Mine.)

### Livelihood restoration

The CPA is responsible for the livelihood restoration aspects of the resettlement for those relocating to the farm. A business plan has been developed to assist the CPA, and Amplats will provide support and assistance where necessary.

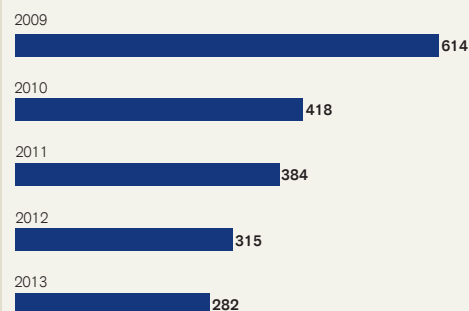
Two particular focus areas in the development of our managers and supervisors deserve mention, namely:

- Our efforts to enhance performance at the managerial and supervisory levels through internal and external development programmes. During 2013, 17 senior managers graduated from the programme for management excellence. Some 429 managers attended mentoring workshops. In addition to this, six senior managers completed the Anglo Management Programme and three senior managers completed the Leaders in Anglo American programme. A further five senior managers started the Anglo Management Programme and will complete this during 2014.
- Various development programmes to supervisory level performance. 1,280 supervisors attended during the year of 2013 focused on areas such as personal and professional mastery; introduction to supervision and generic supervision skills; change management; performance management; and employee relations and communication.

#### Developing our young professionals

The young professionals programme is intended to support our pipeline of professionals and future leaders, and to meet our employment equity targets. This it does by providing bursaries and graduate in-training programmes in specific fields (mechanical engineering, electrical engineering, mining engineering, rock engineering, geology, chemistry, metallurgy, mine surveying, ventilation and finance). The scheme also enables the Company to attract new recruits. Over the last eight years, the bursary scheme has provided 3,560 bursaries to assist the long-term supply of professional employees to the Company.

#### Number of bursars supported by the Company



In 2013 we provided bursaries for 282 people (315 in 2012). The number of bursars supported reflects Company human resource requirements. Of the 282 bursars, 82% were HDSAs (2012: 83%) and 30% were women (2012: 30%).

We do not sponsor bursaries in the fields of social sciences, particularly in the area of labour studies. However, we do have programmes to assist our technical people's knowledge of social issues. And we provide skills training in advance social management in a programme taught at the University of Cambridge and the University of Queensland, and a similar course at the University of Cape Town.

#### Transformation

Amplats' transformation programme aims to achieve a workforce that reflects the diversity of South Africa's population. In pursuit of this goal, the Company has been

#### Performance in 2013

Employee categories	% HDSA participation in training programmes
Professionally qualified and experienced specialists and mid-management	48
Semi-skilled and discretionary decision-makers	88
Senior management	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	72
Unskilled and defined decision-makers	96
Employee categories	Average number of hours of training per employee
Professionally qualified and experienced specialists and mid-management	57
Semi-skilled and discretionary decision-makers	79
Senior management	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	96
Unskilled and defined decision-makers	69

**Amplat's transformation programme aims to achieve a workforce that reflects the diversity of South Africa's population.**

striving to create, at all its operations, the type of workplace that makes transformation possible, and indeed encourages it. These endeavours are undertaken in the best interests of the Company and to comply with the requirements set out in the revised South African Mining Charter and the Employment Equity Act (EEA). While the EEA requires target-setting and reporting on progress, the Mining Charter requires HDSA representation of at least 40% among top, senior, middle and junior managers by 2014. Furthermore, the Mining Charter requires that the representation of women reflects the demographics of the economically active population. The category 'Women in mining' reflects the overall number of women in the Company. Women in core business (operational functions) are those appointed in the following divisions: mining; processing; safety, health and the environment; technical; and projects.

At the end of 2013, HDSAs represented 60% of those in management positions (Paterson D1 and higher) (2012: 58%), while women in mining represented 13.2% of our workforce (2012: 12.7%). A summary of our employment equity performance for the period ended 31 December 2013, as provided to the Department of Labour, appears on page 118.

#### ENGAGING WITH GOVERNMENT

Extensive engagement with government occurred in 2013 as it related to the portfolio review. Details of this are included on page 34.

Discussions were also held with government about proposed amendments to the Mineral and Petroleum

Resources Development Act, No 28 of 2002. The Company engaged on this issue through both Anglo American and the Chamber of Mines. Of concern is the draft provision that would give the Minister of Mineral Resources extensive discretion to determine the terms and conditions subject to which rights and permits may be granted, without guidance on how those powers should be exercised. This is a significant disincentive to investment. It may also give rise to potential Constitutional difficulties as it constitutes a delegation of legislative power to the Minister and does not comply with the guidance principle.

In this regard, a particularly troubling section is that which, to advance beneficiation, empowers the Minister to designate particular minerals as 'strategic minerals' and to determine the prices at which these minerals should be sold to beneficiating companies.

A further matter of concern is the section that would require ministerial consent for the disposal of any interest in an unlisted company and a controlling interest in a listed company. The terms of the right at the date of transfer may be amended, and more onerous conditions may be imposed by the Minister.

We are hopeful that engagement will lead to a mutually satisfactory outcome when the Amendment Bill becomes law.

Many of the current challenges faced by the industry were addressed in the Agreement for a Sustainable Mining Industry devised in consultation with the government, industry (through the Chamber of Mines) and labour in a process led by South Africa's Deputy President, Kgalema

#### Procurement progress performance in 2013

HDSA expenditure (R million)

	2013	%	2012	%	2011	%
Consumables	3,418	46	3,900	55.0	3,789	50.0
Services	3,361	46	4,347	53.4	4,029	21.0
Capital	1,706	40	2,615	51.7	2,467	46.2
HDSA empowered	7,003	82.5	8,467	41.2	7,789	35.6
HDSA owned	1,482	17.5	2,508	12.2	2,598	11.9
HDSA regional	3,310	23	3,433	16.7	3,340	15.3
HDSA local	2,644	18	2,771	13.5	2,449	11.4
HDSA total	8,485	59	10,975		10,387	
<b>Total discretionary procurement</b>	<b>19,309</b>		20,563		21,854	
<b>Total HDSA %</b>	<b>59</b>		53.4		47.5	
Internal target %	56		49.0		43.0	

Motlanthe. The agreement deals with issues of security and stability, regulation, housing and investor confidence, among other things.

## SECURING AND TRANSFORMING OUR SUPPLY CHAIN

Our efforts to secure and transform our supply chain form a significant part of our overall transformation objectives, and to ensure compliance with the Mining Charter. There are two main areas of interest:

- To ensure that we procure goods and services from BEE-compliant companies, and companies operating in and contributing to the communities in which we operate; and
- To ensure that the parties in our supply chain act in accordance with our values and standards.

### BEE progress through procurement

The unrest experienced at our mines in 2013 affected our expenditure.

By developing and supporting BEE vendors, particularly those located in close proximity to our operations, we have nonetheless made substantial progress in meeting our Mining Charter objectives and, in some cases, exceeding them.

In 2013, Amplats spent R19.3 billion on procurement (2012: R20.6 billion), of which R14.2 billion (2012: R11 billion) was with BEE-compliant companies. BEE expenditure is defined as procurement from those companies that have more than 25% ownership and are controlled by HDSA individuals and groups. The spend is not recognised unless accompanied by a BEE verification certificate from a South African National Accreditation Systems accredited rating agency. Our BEE expenditure thus represents 59% of our total discretionary procurement spend (2012:53.4%), against an internal target of 56%. Our performance against the Mining Charter targets are as follows: capital is 40% against a target of 30%, services 46% against a target of 60% and consumables 46% against a target of 40% for 2013.

Our focus in 2013 was in making a greater impact in creating procurement opportunities in the communities in close proximity to our operations, and in labour-sending areas. A database of local suppliers continued to be developed in collaboration with the different local business forums. These databases were classified according to the commodity review matrix to develop a strategic engagement and dedicated empowerment programme. A procurement steering group was formed,

where all different community members participate in local procurement strategy formulation and also give inputs into the supplier development strategy process.

Some suppliers were enrolled for the incubation training where these local suppliers are able to use skills acquired through the incubation system into their own businesses. These suppliers are tracked on a monthly basis and their progress reported quarterly.

Our biggest challenge is to empower local communities within a 5 and 10 km radius of our mines. Empowerment of local communities within the stipulated radius has proved to be very challenging:

- some communities demand 'special treatment' in the allocation of procurement opportunities based on localisation.
- some communities are reluctant to accept local status of companies that are willing to relocate to the closer proximity of the mines.

Suppliers have been engaged in a series of transformation sessions. Several options were given to suppliers including, but not limited to, ring fencing of opportunities, unbundling of contracts and partnering with local BEE companies.

This progress is evident: of our total BEE procurement in 2013, R3.3 billion (23%) was spent in the provinces where the procuring operations are located. A total of R2.6 billion (18%) was spent in areas that are less than 50 km from a procuring operation. (This is what we define as local procurement.)

### Enterprise development

We place a great deal of emphasis on enterprise development in the provinces and communities in which we operate, which is often a precursor for the transformation of our supply chain. Anglo American's enterprise development initiative – Anglo Zimele – of which we are part has over the past five years:

- provided R94.31 million in funding to emerging entrepreneurs;
- supported 1,020 new companies;
- supported in total 1,377 companies; and
- undertaken 1,020 loan transactions.

The businesses funded by Zimele since inception in 2008 have created employment for 3,818 people, and achieved a collective turnover of R3.5 billion.

Anglo American set up an entrepreneurship internship programme in 2012. Following the successful graduation



**We place a great deal of emphasis on enterprise development in the provinces and communities in which we operate.**

in March 2013 of five entrepreneurs from the first Entrepreneur Internship Programme, who collectively created more than 60 new jobs in their incubated companies during their 12 month internship, a selection was undertaken in late 2013 for a second programme to be run in 2014.

Thirty participants were drawn from 23 existing businesses and seven individual start-up entrepreneur applicants. The programme will continue to accelerate real and sustainable economic development. Entrepreneurs are given the opportunity to be exposed to Anglo American's business with a view to them starting a new local company or expanding an existing one, with an ultimate goal of them supplying goods or services back into our supply chain. The ability of the start-up or existing business to create a significant number of additional jobs in the next one to two years is an important criterion for selection.

#### **Minimising harm in our supply chain**

Influencing the suppliers and contractors so that they adhere to our safety principles and standards at all times is an important part of achieving our vision of Zero Harm. Supply Chain continues to engage its active and potential suppliers to adhere to safety standards.

We use supply chain scorecards and key performance indicators that all aligned with our operational safety standards to monitor contractor and supplier performance, and progress on adherence to the standards is discussed monthly by management. To ensure contractor and supplier compliance with all of our standards, we conduct sustainable development assessment audits on key on-site suppliers. Two separate sessions were held with over 200 suppliers where responsible sourcing concepts and requirements were highlighted. Issues of safety, environment, HIV/AIDS, labour rights and business integrity were shared with suppliers. Two audits were completed in 2013, and a further seven audits are scheduled to be completed early in 2014 (2012: 38).

Our Supply Chain department has revisited the tender process by bringing in a safety indicator as key adjudication

criterion. The tender evaluation matrix provides for full compliance to all safety requirements. A supplier is disqualified at tender evaluation if they are found to score less than the required minimum on safety aspects.

#### **ACTING WITH INTEGRITY**

##### **Upholding human rights**

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

The right of employees to freedom of association and to collective bargaining is entrenched in our Company's code of ethics, business principles and employee relations policy. Amplats recognises all trade unions with significant representation among its employees.

We do not tolerate the inhumane treatment of employees, including any form of forced labour, physical punishment or other abuse. We do not make use of child labour.

We promote diversity and do not tolerate discrimination. All forms of unfair discrimination and harassment are dealt with in terms of the Company's behavioural and/or grievance procedures. We have established an anonymous tip-off line for sexual harassment related reporting by affected employees, which is managed off-site. Assessment reports are submitted to the senior human resources manager at our corporate office. We hold that our business principles and sustainability policy guide our approach to human rights, and that there is no need for a separate policy. Nonetheless, we are considering implementing the United Nations Guiding Principles on Business and Human Rights, and will make the adjustments should this become necessary.

##### **Company security practices**

Amplats has implemented the Voluntary Principles on Security and Human Rights, in which Anglo American plc is a corporate participant.



01 Amplats employees marking up the drilling face at Dishaba Mine.

02 Women in mining committee members at Dishaba Mine, Anna Modisane, Tshireletso Makhutle, Lebo Mokwena, Mmabatho Monnahela and Nteseng Molefe.

All permanent protection services employees (a total of 2,726 employees) underwent either initial or refresher training on the voluntary principles on security and human rights in 2013.

A document named 'Guidelines for the management of incidents on mines' was compiled by management in November 2013, providing guidelines on the handling of crowd situations. These guidelines were drafted in



cooperation with the South African Police Services at the highest level, and have consequently been incorporated into the Company's crowd-management policies and procedures and are fully aligned to the voluntary principles.

The South African Human Rights Commission (SAHRC) has informed the Company that it will be conducting a series of hearings into the alleged human rights violations committed by mining companies in the Limpopo Province of South Africa. Management is participating in these hearings hosted by the SAHRC, who have indicated that they will release a report during the latter part of 2014. The Company continues to engage the SAHRC.

The Company also responded to the SAHRC following a request for information about an incident in 2012 where a number of employees had been forced by striking workers to strip naked in front of them. The union has been requested to take action against this criminal act.

## ADDRESSING HOUSING AND LIVING CONDITIONS – A COMPLEX LEGACY



New section of Seraleng Housing Project under construction.

Barrack-style hostel living was the standard form of accommodation for black mine workers – and other migrants employed in urban areas – in the apartheid era in South Africa. For the most part, these workers were not considered permanent, and signed on for work annually. Over time this workforce became more stable, however, and in the 1980s mining companies began to improve the quality of housing. Those efforts became a pillar of the South African Mining Charter in 2004, and with the revision of the charter in 2010, the provision of family housing units or single accommodation in hostels became the target.

To further enhance people's housing choices, during the 1990s companies acceded to union demands for an equivalent benefit in the form of a living-out allowance. This is a cash allowance that was roughly equivalent to the hostel board-and-lodging cost to company, and that was intended to enable those who chose to do so to exit the hostel system.

The unintended consequence of the living-out allowance was that many recipients chose to live in informal housing – in shacks – in residential areas adjacent to the platinum mines and either remit the money to their families in the labour-sending areas or use it in other ways. It is generally acknowledged by all that the quality of life in these settlements is poor.



Akhona Stokwe, Liyema Stokwe and Tharollo at their new house in the Seraleng Housing Project.

This is one factor contributing to the labour instability of 2012, including the Marikana tragedy. While mining companies, including Amplats, have long carried out housing programmes and projects, Marikana resulted in further attention on the issues.

Amplats has gone a substantial way towards meeting Mining Charter targets regarding single accommodation for employees housed in company-owned hostels. In most former hostels that figure is already 100%, against the 2013 target of 75%.

At Amplats, hostels accommodated just under 9,000 employees at the end of 2013. The more substantial challenge relates to the more than 26,000 employees in receipt of living-out allowances, many of whom live in informal settlements or back-yard accommodation in the villages around the mines. Currently, a living-out allowance amounts to around R1,840 per month, but it is known that most employees in receipt of this allowance spend a fraction of this on accommodation, with the balance used to supplement earnings.

This social challenge is being addressed at all levels of government. It was a focus of the Presidential Package agreed between the South African Government and the industry in late 2012, with Rustenburg being the top priority area for attention. Amplats has been actively involved in work related to this programme.

Realistically, however, it is a long-term challenge in South Africa and not unique to the mining industry. Its resolution will need to address the migrant labour system, employee indebtedness and access to affordable alternatives.

For employees in higher job categories, the Company owns and leases a total of 6,260 homes.

While home ownership may seem out of reach to many employees, Amplats believes that it is a viable option worthy of being pursued.

To date, 1,300 units have been built. Besides houses, the model has involved the provision of water supplies, sewerage, electrical reticulation, roads and stormwater systems.

About 1,000 of the units form part of the Seraleng project in Rustenburg in North West province, while the balance of 300 is located in Northam in Limpopo province. The Northam project was the second housing project to be delivered under this business model, and was launched by the Minister of Human Settlements in November 2011.

Amplats' Employer-assisted Housing Scheme was developed by the Company to promote and facilitate home ownership among all employees, and has become one of the most popular housing benefits at Amplats. The scheme assists qualifying employees to acquire home loans for a residential property in locations within close proximity to the mines and integrated into existing communities.

The Company purchases well-located residential land and installs bulk infrastructure at its own cost. Employees are allocated these stands to build their own

houses, through the acquisition of credit in the form of mortgage loans with commercial banks. Employees then qualify to apply for a home ownership allowance on a monthly basis from the Company, which helps employees pay off their mortgage loans.

The Employee Housing Project is designed to benefit employees, host communities, the municipality and the Company. It encourages employees to become home owners, enhances well-being and improves family co-existence; promotes harmony by integrating employees into broader communities; provides access to education and health facilities; creates wealth for employees and their families; improves the retention of skills; promotes loyalty; benefits host communities through improved sustainability; and improves economic activity during the construction period through skills development, job creation and supplier development.

Home-ownership programmes face challenges from a number of quarters. For example, banks are reluctant to grant home loans to people in lower-income groups. In recent times, retrenchments in the platinum sector have had a further negative impact on banks' appetite to grant loans to this sector.

Overall, while recognised as a major challenge and the focus of major spending by the Company, housing in the platinum belt is an issue requiring more and extensive engagement between government and the private sector.

Amplats is currently undertaking a thorough review of its accommodation strategy. Various targets, including the number of houses to be built by the Company are being revised.

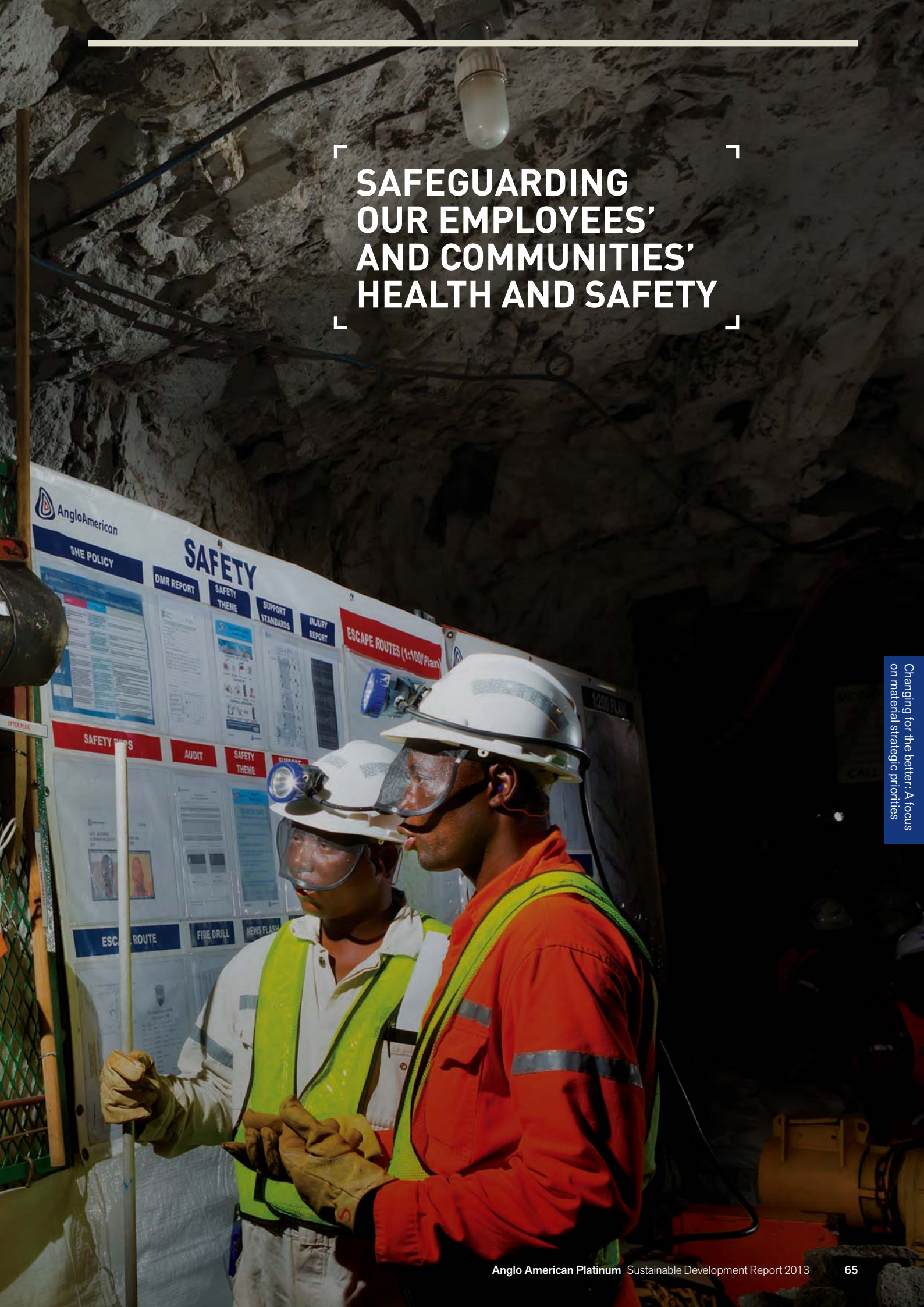






# SAFEGUARDING OUR EMPLOYEES' AND COMMUNITIES' HEALTH AND SAFETY

Changing for the better: A focus  
on material strategic priorities



# SAFEGUARDING OUR EMPLOYEES' AND COMMUNITIES' HEALTH AND SAFETY

Our safety performance over the past four years was intensively reviewed in 2013. Our strategy remains valid with all initiatives relating back to one of the four pillars of our safety strategy.

This strategy is based on four thrusts; management systems, people and behaviour, engineered solutions and wellness in the workplace.

## MANAGEMENT SYSTEMS

### Implementing systems to eliminate and mitigate risk

Our primary safety risks are falls-of-ground (FOGs) and transport. We continued with a systematic approach to address these risks during the year through our fall-of-ground management (FOGM) and our supplies, people and ore transport management (SPOTM) programmes. Our holistic approach aims to implement a systematic approach to managing our risks. All relevant incidents (such as uncontrolled falls-of-ground, derailments underground and orepass blockages) are reported, then investigated and analysed for trends or anomalies.

Our ABS-P classification system for ground conditions has proved to be effective in managing our FOG risk.

One of our aims for 2014 is to extend the ABS-P principle to other risks as well, in the form of a triggered action response programme (TARP). TARP permits a predefined response to various levels of risk. As the risk escalates, so too does the level of the response and the nature of the close-out mechanism to ensure that the risk has been addressed adequately.

### ABS-P to manage falls-of-ground risk

Our ABS-P classification system is based on a set of pre-defined ground conditions that have historically caused FOG fatalities. These conditions are clearly explained and pictorially depicted in training material and booklets that can be used underground. When these conditions are encountered, the teams have to follow a pre-defined response. Based on the conditions encountered, a panel is classified as either A (proceed as usual – existing controls are sufficient), B (proceed after additional support is installed, depending on the condition encountered), S (team to withdraw from the panel, not allowed to work there until the S-Team has recommended controls and declared the area safe). The B-Team and the S-Team consist of various specialists and senior managers. An S panel is declared 'P' when the recommended controls are implemented. This process is implemented at all our underground mines.

We believe that Zero Harm is achievable. Our safety strategy is based on four pillars:



## Progress and targets

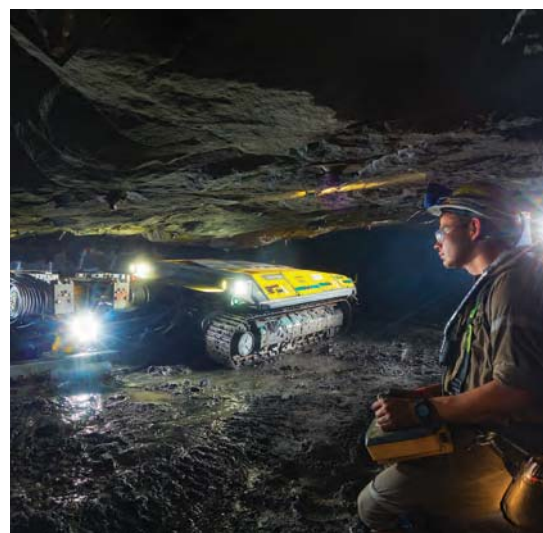
Our commitment	2013 targets	2013 performance	2014 targets
Any injury at work is unacceptable to us, and we will continue to pursue our policy of zero harm.	Zero fatalities	Six fatalities	Zero fatalities
	Continued reduction of injuries (20%)	Total number of injuries reduced from 1,330 to 1,131 – a decrease of 15%	Reduction of total recordable case frequency rate (TRCFR) to 1.80 per 200,000 hours
	Lost-time injury-frequency rate (LTIFR) of less than 1 per 200,000 hours	LTIFR of 1.046	LTIFR of 1.0
	Risk and change management (RCM*) score of 83%	RCM score of 86%	RCM score of 90%

RCM = Risk- and change-management assessments



01 Lucas Mathe and Lefa Sedumedi installing and inspecting canopy jacks to secure a brow at Tumela Mine.

02 Atlas XLP remote controlled drill rig being operated by Marius Mathee at Bathopele Mine.



### Baseline risk assessments

The reviews of our baseline risk assessments are complete, together with the associated skills development programme that empowers our operational safety practitioners to effectively manage the risks at their operations on an ongoing basis. A key focus area for 2014 is the enhancement of risk management. This will be an ongoing focus area for the next five years. We are gradually moving from a safety, health and environment (SHE) focus to a broader business approach.

We are geared to identifying sub-standard conditions on a continuous basis. High-risk conditions (called 'red' conditions) are monitored and reported on daily. We use a system of consistently ranking workplaces based on the risks observed in each workplace, using standardised definitions and checklists. Red is the highest risk ranking, and it requires that all work stop immediately and resume 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; work is not allowed to continue until the safety actions have all been closed out. The 10 workplaces with the highest risk-ranking – this is based on inspections – are identified and visited by management as part of visible felt leadership interactions across all our operations. The 10 highest risk workplaces are also reported on weekly at the executive level, and conditions and actions to be taken in response are discussed at that level. This has raised tremendous awareness across the Company; and has resulted in a much reduced response time to assist those operations that need help the most.

Our reporting is itself driving change. We are placing greater emphasis on leading indicators as a management tool. Leading indicators are those that are used to predict incidents, and using them is a more proactive approach

than relying on lagging indicators, or incidents that have already occurred. Leading indicators include high-potential incidents (HPIs), preventative actions and risk mitigation. The findings from our HPI investigations are analysed and controls are continually reviewed to improve their effectiveness. Lessons learnt are discussed and shared with the other operations at regular meetings, to ensure that we optimise the learning from these incidents.

The seven pre-defined leading indicators that we report monthly are safety leadership acts; the close-out of safety actions; risk management training; maintenance delivered to programme; HPI reporting; safety competence; and quality of risk management improvement.

We are progressing towards integrated reporting and analysis to ensure that we heed all contributing factors when investigating and implementing controls, rather than concentrate on discipline-specific information only.

### Leading indicators are a proactive means of improving safety

To improve our safety performance in a proactive manner, we have been encouraging the identification, reporting and monitoring of leading indicators:

- Safety leadership acts entail formal safety engagements with employees in the workplace, known as visible felt leadership; they follow a formalised process involving guidelines on formal positive engagement, as well as the capture of the outcomes of the engagement in the safety management system. In 2013 the percentage of safety leadership acts achieved was 110% (2012: 87.4%), against a target of more than 56,500 such engagements.
- During 2013, around 18,400 individuals completed risk management training, (66% against our target). This is



**We are placing greater emphasis on leading indicators to allow us to manage safety proactively.**

the leading indicator with the poorest performance, mainly as the result of shortages in operational staff following the freeze on filling vacancies during the Section 189 process. These shortages will be addressed from the beginning of 2014, and this initiative will be accelerated.

- Safety competence measures training delivered specifically to improve the safety competence of employees. We achieved compliance of 91.3% during the year (2012: 93.4%). The targeted number of competency training sessions for the year was 142,968 (2012: 136,203).
- The maintenance of equipment is integral to reaching our goal of zero harm, since the failure of equipment invariably introduces hazards into an environment. This parameter measures the number of critical maintenance actions scheduled versus the number of critical maintenances delivered. In 2013, maintenance delivered represented 85% of planned maintenance, against performance of 86% in 2012.
- Our safety management system is intended to identify risks and the underlying causes of incidents, and to implement controls to prevent those incidents from recurring. The aim is to move the controls up the hierarchy of controls. In 2013, 88% of new and changed controls were engineering controls, or higher than engineering on the hierarchy of controls (i.e. substitute or minimise the risk, or eliminate the risk.) (2012: 83%).
- The close-out of safety actions is monitored daily, the emphasis being on ensuring that actions are closed out within the defined time period. We achieved an average of 87% on this indicator in 2013, compared with 85% in 2012.
- High potential incidents are monitored and investigated in the same manner as incidents that have resulted in injuries. We use these lessons learnt to prevent similar incidents to happen again which might result in injuries or worse. We achieved 92% in 2013 for this parameter, an improvement from the 89% achieved in 2012.

## **PEOPLE AND BEHAVIOUR**

### **Focusing on people to change behaviour**

Our Zero Harm in Action project is aimed at influencing the behaviour of employees. The focus of the Zero Harm in Action programme is on creating a culture of compliance where all employees take ownership for their own safety and that of their colleagues, and where leadership demonstrably lives our values, using results from previous 360° and connectivity surveys.

An integral part of the Zero Harm in Action programme is the profiling of supervisors and managers, and the identification of development areas for each individual. Professional psychologists conduct the profiling and recommend interventions to help supervisory and managerial staff achieve optimal functioning.

Other areas of focus in the area of people and behaviour are the revitalisation of the process of aligning our values and our culture; and a continued emphasis on line ownership and accountability.

We introduced the 'ABC of Mining' programme at our School of Mines which exposes employees at all levels to the basics of mining. Every employee working underground will be retrained on this programme.

### **Engineering solutions**

The recommended controls from investigations should continually move up the hierarchy of control. To this extent, significant investment continues in engineering controls to manage our risks. In 2012, a locomotive management system was implemented at all our conventional underground mines. This system has resulted in a significant improvement in the number of transport-related accidents underground.

Other areas of necessary attention in the engineering solutions thrust are vehicle detection systems and person detection systems. The vehicle detection systems is a sensor that is installed in employees' cap lamps. When a vehicle approaches a warning is activated either audibly or visually by a flickering light. The person detection systems is a sensor and alarm installed in vehicles, which sounds an alarm when a pedestrian is in close proximity to the vehicle, thereby warning the driver/operator of a possible danger.

### **Promoting wellness in the workplace**

This thrust of our strategy encompasses a number of elements aimed at promoting employee wellness. The concept of wellness includes the right and responsibility of every employee to ensure that he or she is working in a safe environment, and has to withdraw from his or her work station should the area not be safe. Although challenges remain in terms of changing old mindsets, we are nevertheless seeing an increase in cases where crews withdraw for safety reasons. Through constant communication and education, we are working to change outdated attitudes and to make each person responsible for his or her safety.

### **Emergency response**

Our emergency response times align with those of world best practice: we are able to respond to 90% of emergency calls within 20 minutes of the call or less. An extension of this project involves training selected underground employees as paramedics who specialise in underground mining emergencies. The aim is to have this training recognised by the Health Professions Council of South Africa. Furthermore, competitions in first aid are being revived at the operations to ensure that employees are able to react appropriately in the case of medical emergencies.

## BEYOND BEHAVIOUR-BASED SAFETY – THE INTERNAL LOCUS OF CONTROL

The mining industry has, for a number of years, sought to introduce behaviour-based safety programmes over and above the safety-related systems that are entrenched within legislation, regulation and Company- and mine-based approaches. The rationale is clear: in-depth analysis has revealed that most accidents are precipitated by some form of human error. This is not to say that human error is the only cause of such incidents, but it is true that it is often part of a chain of events that triggers an accident with potentially devastating consequences.

An approach to address this human component of safety was developed at Tumela Mine and is being progressively rolled out across the Group as part of Amplats' Zero Harm in Action initiative – see page 68. This particular component is aimed at developing the 'safety conscious worker' – an individual with a well-developed internal locus of control who avoids engaging in risky behaviour and remains calm, focused and attentive during times of increased pressure.

An individual's locus – or place – of control determines whether that individual believes that he or she can control events or the environment around them. Clearly, those employees who take personal responsibility and demonstrate an internal locus of control will be more effective in bringing about safety improvements. Research conducted at Tumela Mine revealed that 63% of operators were not prepared to take personal responsibility for accidents, clearly a worrying occurrence.

A key feature of the initiative has been the development of a unique assessment tool that comprises a number of different assessments that together make up the 'safe, profitable platinum index' within a specific safety climate for each individual. The safe, profitable platinum index itself is an index that is derived from assessments in three key areas: values, connectivity and risk management, all existing within a specific safety climate.

The safety climate is an important factor in our ability to build and maintain a safe workplace, and is a leading

indicator of safety outcomes. To create an effective safety climate, we need to focus on people, and the drivers of their behaviour.

As illustrated in the diagram below, the safe, profitable platinum index identifies an individual's:

- own values;
- association with and application of the Company values;
- ability to communicate and connect with colleagues and subordinates; and
- appetite for risk.

### About safety consciousness

Safety consciousness as a concept encompasses three key attitudinal measures that have broad implications and relevance for preventing industrial accidents. These are:

- the safety locus of control;
- risk avoidance; and
- stress tolerance.

Safety consciousness revolves around values, attitudes and beliefs that underlie the individual's awareness of safety hazards and his or her ability to handle potentially dangerous situations effectively. A fundamental assumption is that certain individuals have a greater probability of being involved in a workplace accident than others, and that these individuals differ not just in safe work behaviours but also in the values, attitudes and beliefs that manifest those behaviours.

Inputs into these assessments are provided by the employee, his or her superior and his or her direct subordinates. Direct feedback is given to the individual and a detailed and specific individual development charter is then put in place to close the identified gaps. Where development is required, the individual is given training or participates in individual coaching sessions or growth groups specifically in those areas where he or she needs it.

INDIVIDUAL COACHING SESSIONS	GROWTH GROUPS	SKILLS DEVELOPMENT
<ul style="list-style-type: none"> <li>• Create climate of trust and openness</li> <li>• Focus on self awareness and self development</li> </ul>	Stimulate intra and interpersonal awareness through experiential learning in the here and now	<ul style="list-style-type: none"> <li>• Problem solving and decision making</li> <li>• Communication skills</li> <li>• Stress management</li> <li>• Visible felt leadership and coaching</li> <li>• Managing change</li> <li>• Leadership style</li> </ul>

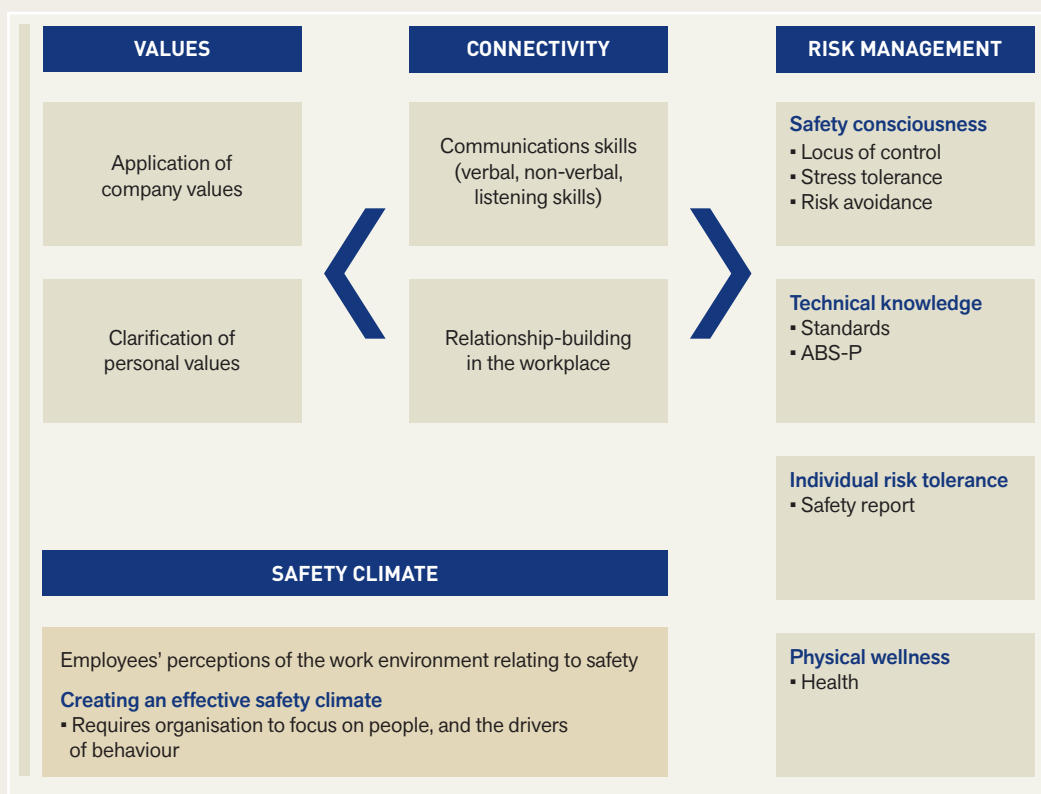
In some instances, where an individual has been found to have a combination of an unacceptably high tolerance for risk, a high external locus of control and low knowledge of standards, that individual has been removed from the normal workplace and placed in a low-risk environment until the 'gaps' are closed.

At Tumela Mine, the focus has been on supervisory and management staff, with tests undertaken on employees from the shift supervisor to the general manager. The test is also being incorporated into our recruitment and talent management processes to ensure that the

appropriate people enter the Company in the first place.

Initial results have indicated some success with the SPPI as an organisational development intervention that assists employees in developing their self-insight, goal setting, communication skills, interpersonal awareness and personal risk-management behaviour.

While some employees who were identified as having particular shortcomings initially expressed reluctance to participate in the process, these issues have most often been quickly resolved as the personal value of the interventions becomes evident.



**It is with deep regret that we report the deaths of six colleagues in work-related accidents in 2013.**

### Fatigue management

Fatigue management was a key area of concern during 2013. We are investigating fatigue as a contributing factor to safety incidents, and we are implementing policies and procedures to manage employees who are fatigued correctly and effectively. Our approach entails a formalised process: firstly to educate people on fatigue and its possible negative consequences; secondly to address how we respond to fatigued staff; and thirdly to make use of technology that monitors the drivers of fatigue.

### SAFETY PERFORMANCE 2013

We recognise that although we have seen improvement in our safety performance, we still have a long way to go.

It is with deep regret that we report six work-related fatalities in 2013. It is even more disappointing that four of these fatalities were due to fall-of-ground.

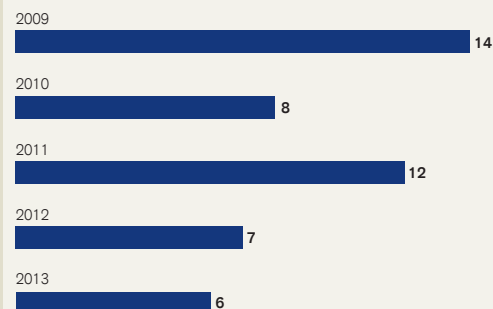
When one of our employees die in a work-related incident, we assist the next of kin during the traumatic time. This includes assistance with the process of claiming from insurance and providing financial advice to the beneficiary. We also employ a member of the family to ensure that there is continued income for the family.

All fatal incidents and a number of high potential incidents are independently investigated to identify their underlying causes, so as to prevent their reoccurrence.

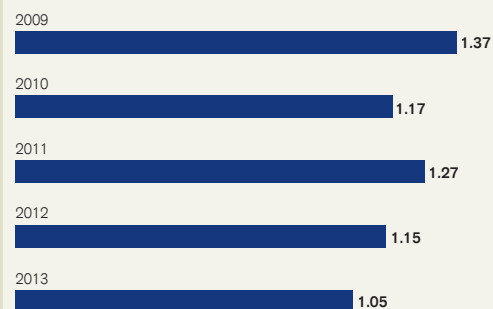
The number of days lost owing to lost-time injuries was 29,370 in 2013, 15% lower than the figure in 2012 (34,381).

In 2013, the DMR issued a total of 70 Section 54 instructions and 52 Section 55 instructions at Amplats' operations. The DMR may issue such instructions under the provisions of the Mine Health and Safety Act. Although the 70 Section 54 stoppages were more than 52 in 2012, it is still a significant improvement on the 81 stoppages in 2011.

### Number of fatalities



### LTIFR



### IN MEMORIAM

We report with sadness the details of those people who lost their lives at work in 2013.

Name (age)	Mine	Occupation	Nature of accident
Mr Limeth Matlapeng Lekoba (45)	Khuseleka Mine, Khuseleka 1 Shaft	Stope timber	Fall-of-ground
Mr Mashabela Phuku (31)	Bathopele Mine, East Shaft	Team leader	Fall-of-ground
Mr Tsembele Joseph Mashele (45)	Bathopele Mine, East Shaft	Rock drill operator	Fall-of-ground
Mr Eddie Moremi (50)	Tumela Mine, 15 East Shaft	Stope team supervisor	Fall-of-ground
Mr Zamunyaka Dingani (53)	Siphumelele Mine	Wire, mesh & lacing assistant	Fatal injuries as a result of falling
Mr Absalum Thabang Raphapule (25)	Union Mine, Richard Shaft	Learner fitter	Fatal injuries due to moving machinery



**Several operations achieved their best ever safety performances in 2013.**

Several operations achieved their best ever safety performances in 2013, such as Dishaba Mine (4 million fatality-free shifts), Twickenham Mine (2 222 days fatality-free, and 114 days LTI free), Central Services (8 million fatality-free shifts) and Thembelani Mine (2.5 million fatality-free shifts). Khomanani Mine achieved first place in the 'Best in Safety Class' for Platinum Mines

at the annual Minesafe Conference. The award recognises safety improvement in South African mines. The Process operations also performed well, with Mogalakwena South Concentrator currently 575 days without an LTI, and Rustenburg Concentrators were 13 months LTI free at year end.

## IMPROVING PRODUCTIVITY AND SAFETY – THE MEIZMAR STOPE-HOLE DIRECTOR

Drilling is one of the more challenging tasks undertaken in any deep-level underground mine, and drilling errors can cause serious injuries and fatalities. It is at the stope face that employees are most often exposed to FOG risks and noisy and dusty environments. Minimising the time and effort spent by drillers at the face is thus an important safety and health consideration. Moreover, reducing the number of drilling errors at the stope saves costs and gives the Company a competitive edge.

Making a substantial contribution in this regard is the Meizmar stope-hole director. The equipment – which features an anchor, a telescopic jack, a new type of anflex (explosive) loader and a lance – was introduced to improve the drilling discipline and deliver better face advance. It does this by ensuring the correct position burden (or load), spacing and direction of the holes being drilled, resulting in a substantial decrease in drilling time.

The Meizmar director ensures that sufficient air is directed at the drill holes to de-sludge them properly and optimise the explosive. It also contains energy in the rock face through its tamping ability.

These measures eliminate the need for rock drill assistants at the face, allowing them to increase their skills base in other areas.

Amplats' 'hole-in-the-face' project was started at Khuseleka Mine in July 2013, as one of several business-improvement initiatives. Crews were trained on surface, at a mock stope.



Chris Griffiths (CEO) demonstrating the new hole director system to rock drill operators and unions at a mock set-up in Rustenburg.

In addition to reducing FOG-related injuries, the director has other benefits. These include smooth hanging wall conditions; the optimum fragmentation of the ore blasted; a low blast-out rate for sticks of explosive; an optimised stopping width; and a virtually clean top 10 metres of panel after the blast.

In view of its many advantages, Amplats plans to roll out the Meizmar hole director to six more mines by the end of March 2014.

Number and impact of instructions issued by the DMR

	2013	2012	2011	2010
Section 54	70	52	81	36
Section 55	52	35	45	11
Production days affected	217	101	298	76
Equivalent refined ounces of platinum lost	45,981	17,051	138,215	51,179

**Our wellness programme recognises the relationship between diseases, workplace exposure, fatigue and injuries.**

## HEALTH

Health is an essential component of employee well-being and contributes to a safe and productive workplace. We focus not only on compliance with regulation, but also on:

- pro-actively preventing exposure to hazards that could result in occupational illness;
- the early diagnosis and management of occupational diseases; and
- addressing the diseases prevalent among our workforce and ensuring that these are effectively managed.

Our wellness programme recognises the relationship between diseases, workplace exposure, fatigue and injuries. Our health systems are geared to identify and manage this relationship, and to record and report on outcomes. There are five key areas of intervention, shown below.

## Regulatory framework

The key regulatory provisions that govern health and safety in the mining industry are covered under the Mine Health and Safety Act. Proposed amendments to the Act are currently being discussed in tripartite forums and a draft Mine Health and Safety Act Amendment Bill 2013 has been circulated to all tripartite stakeholders, namely employer groups, labour and the government. Amplats is participating in this process and all comments relating to the amendment bill have been channelled through the Chamber of Mines to consolidate the inputs from members. Once finalised, these comments will be forwarded to the DMR prior to the finalisation of the bill.

The main public health challenges facing the Company and our employees are HIV/AIDS and tuberculosis (TB), typically associated with developing countries, as well as diabetes and hypertension – which together constitute a



## Progress and targets

Our commitment	2013 targets	2013 performance	2014 targets
Any illness caused by or associated with our working environments or work is unacceptable to us. We will continue to pursue our goal of zero harm. Where appropriate and feasible, we will also address public health issues among employees.	No new cases of NIHL as defined by Anglo American for reporting purposes	68 new cases of NIHL as defined by Anglo American for reporting purposes	10% reduction of NIHL as defined by Anglo American for reporting purposes
	Reduction of all noise at source to below 110 dB(A) by 2013	All but five pieces of equipment silenced to below 111 dB(A)	Reduction of all noise at source to below 110 dB(A)
	Maintaining level of 90% for voluntary counselling and testing (VCT)	VCT level of 72%	VCT levels of 90%
	Keep all employees requiring it on the anti-retroviral (ART) programme	60% of employees requiring ART remained on programme	Increase wellness uptake and ART uptake by 20%

Changing for the better: A focus on material strategic priorities

**Noise-induced hearing loss remains the most significant occupational health risk at Amplats.**

significant growing burden of disease and are associated with obesity and more sedentary lifestyles. The occupational health condition of primary concern remains the possibility of NIHL, although there are other specific conditions related to our processing environments.

While Amplats provides comprehensive healthcare services in the form of a staff model health maintenance organisation, this delivery is increasingly being challenged as employees demand access to open medical schemes. The latter frequently have restricted benefits and limited access to care. Furthermore, a recent position adopted by the Health Professions Council of South Africa (HPCSA) could jeopardise the continuation of services by the Company, and this is currently being discussed individually as well as collectively (through the Chamber of Mines and other professional societies) with the HPCSA. (In October 2012, the HPCSA issued a media release declaring the direct employment of health professionals undesirable; as it stands this will have an impact on the continued employment of health professionals by the Company.) In our opinion, the demise of mine-based medical services would be detrimental not only to the health of employees, but also to their dependants and the communities surrounding the mines.

The predominantly dual (public and private) system of compensation for employees who sustain occupational injuries or develop occupational diseases has been in existence for several decades, and is very specific to the mining industry. An industry-funded body, the Rand Mutual Assurance Company, provides privately administered compensation. There is consensus among stakeholders that current compensation systems could be improved, and we have recently participated in a review initiated by the DoH.

The government is in the process of introducing healthcare reforms aimed at improving access to appropriate and efficient health services for all citizens. Mining healthcare services fill a specific space to ensure healthcare for all and serve as a model of cost-effective healthcare.

**Medical surveillance and monitoring programmes to promote health and manage disease**

Risk-based medical surveillance and monitoring programmes for occupational exposure are undertaken at all operations, where comprehensive medical care facilities are available to employees and contractors.

The information systems and databases related to our occupational healthcare services enable the close monitoring and flagging of medical risks associated with chronic disease treatment non-compliance.

Initiated in 2013, chronic disease monitoring will be stepped up further in 2014 as it has become clear that most deaths associated with TB and final medical

separations from the Company are the result of non-compliance with available treatment and support.

**Occupational health performance**

There are three significant occupational health risks present at our operations, namely:

- High levels of noise which can – through prolonged exposure – result in NIHL.
- Ergonomic stressors caused by vibration, the manual handling of equipment and sedentary tasks (such as those performed by machine operators in confined spaces and other tasks carried out in stope areas where the working height may be below one metre).
- Airborne pollutants that can have a negative impact on health.

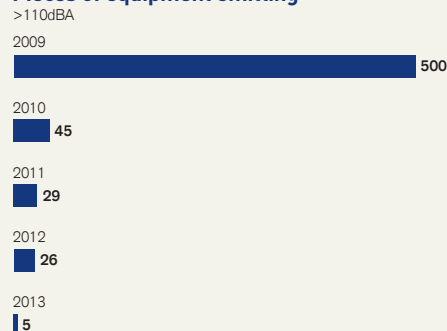
**NIHL**

Based on both our occupational hygiene risk assessments and medical surveillance results, NIHL remains the most significant occupational health risk at Amplats. Much effort is expended on mitigating this risk at Company level, at the Anglo American level (working in close collaboration with other business units) and at an industry level.

Our focus remains on controlling the noise at source, that is, on reducing the sound pressure levels of noise-emitting equipment to below 110 dB(A). A total of 2,063 pieces of equipment were identified as requiring silencing in 2007: by the end of 2013 only five pieces remained a challenge. These remaining pieces are specialised drills that are in the process of being silenced together with a compressor unit and a sandblasting operation, and it is expected that the entire silencing process will be completed during 2014. (This figure excludes the almost 9,500 rock drills that were silenced to below the 110 dB(A) limit prior to this time period.)

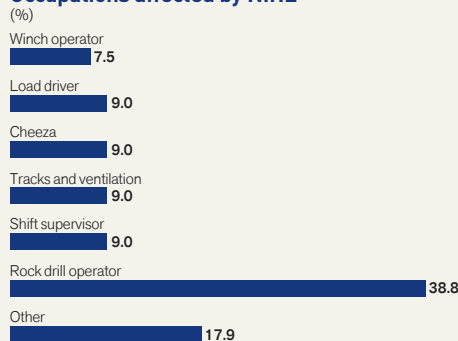
Given the long latency period of this occupational disease – hearing loss occurs progressively over an extended period of time and may be exacerbated by age,

**Pieces of equipment emitting**



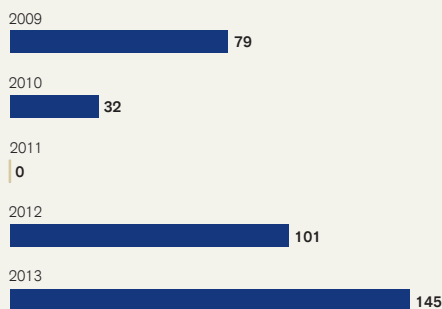
**Given the long latency period of NIHL it is too early to evaluate the impact of our risk management interventions.**

#### Occupations affected by NIHL



#### NIHL

(cases submitted for compensation)



medication and other personal circumstances – it is too early to evaluate the impact of the recent risk-management interventions. Nonetheless, further administrative controls, including the rotation of employees exposed to noise, are being investigated.

Other initiatives introduced to combat the incidence of NIHL include:

- Further (second-generation) silencing of rockdrills to around 105 dB(A) in a collaborative approach together with rock drill suppliers. Rockdrill shops equipped with noise-monitoring equipment are being installed on surface, allowing for individualised testing and record-keeping, and proactively preventing the use of rock drills that do not comply with maximum sound level limits.
- Providing customised hearing protection devices to all employees identified as being exposed to high risk (i.e. personal noise-exposure levels of more than 95 dB(A)), and to those identified as having a hearing loss of more than 7.5% from their hearing baseline).
- Providing personal noise dosimeters fitted into hard

hats to all employees identified as having hearing-loss shifts greater than 5% from their baseline. This allows for the daily personalised monitoring of noise exposure, which can be linked to the effectiveness of the engineering controls of the equipment in use.

Regrettably, the Mine Health and Safety Council's goal of no new cases of NIHL post-2008 was not achieved, because of the magnitude of the challenge in the inherently noisy environment that our employees are exposed to underground. Approximately 33,000 employees are still exposed to noise above the occupational exposure limit of 85 dB(A). While the frontline equipment provided to our employees consists of approved hearing-protection devices that afford protection to below the legislated limit. Extensive training is done on the wearing thereof, but non-compliant behaviour remains a challenge.

#### Ergonomic stressors

The quantification of ergonomic risks includes the assessment of sedentary work and manual handling tasks, and high-risk occupations are targeted for appropriate engineering and/or administrative controls to minimise or mitigate the risk.

A number of measures are in place, including engineering controls; administrative and work practice controls; and personal protective equipment:

- Engineering controls involve the implementation of physical change to the workplace, which eliminates or reduces the hazard of the job or task. It may include using devices to lift and reposition heavy objects to limit force exertion; reducing the weight of a load for the same purpose; repositioning a work table to eliminate a long or excessive reach; enabling neutral postures for certain kinds of work; and redesigning tools to enable neutral postures.
- Administrative and work practice controls entail the establishment of efficient processes or procedures. This may mean defining which loads must be lifted by a minimum of two people to limit force exertion; establishing systems so workers are rotated away from tasks to minimise the duration of continual exertion, repetitive motions and awkward postures; designing a job-rotation system in which employees rotate between jobs that use different muscle groups; and the proper use and maintenance of pneumatic and power tools.
- Personal protective equipment refers to the use of protection to reduce exposure to ergonomics-related risk factors. This includes the use of padding to reduce direct contact with hard, sharp or vibrating surfaces; and wearing well-fitting thermal gloves to resist cold conditions while retaining the ability to grasp items easily.



**Exposure to soluble nickel at Base Metals Refinery has been greatly reduced through the introduction of leading edge technology.**

**Preventing exposure to airborne pollutants**

Employees who exhibit symptoms of sensitivity to platinum, called platinosis, are removed from exposure to the metal to limit and prevent irreversible complications. Platinosis is an allergic reaction to soluble salts of platinum. Symptoms may include asthma, dermatitis, dyspnoea, conjunctivitis and rhinopharyngitis. Respiratory effects may not be totally reversed or eradicated on removal from exposure and affected employees are thus redeployed to low-risk areas for the remainder of their work life.

Exposure to soluble nickel in the metallurgical processes at the RBMR has been greatly reduced – to below the legal exposure limit of  $0.1 \text{ mg/m}^3$  – through the introduction of leading edge technology. Extraction cell hoods in the tank houses improve aerosol capture that limits exposure to the metal and acid mist.

Occupational exposure to airborne dust is not a significant health hazard at our mining operations. Ongoing occupational hygiene dust-monitoring results reflect that occupational exposures to airborne dust in our mining operations are at levels below the set occupational exposure limits for platinum mine dust ( $3.0 \text{ mg/m}^3$ ) and respirable silica ( $0.1 \text{ mg/m}^3$ ).

There is currently no occupational exposure limit in place for diesel particulate matter in South Africa, although we conduct risk assessments and institute appropriate mitigation measures. Where no local regulations exist, international best practice is followed.

**Airborne dust not a significant hazard**

Unlike the conditions encountered in other hard rock underground mining, the nature of our ore deposits, which includes the absence of silica, and high humidity in the underground environment mean that airborne dust is not a significant risk at our operations.

Nonetheless, our efforts to reduce dust levels continue, and include:

- dust suppression on operations and equipment (e.g. water sprays, dust filters and cyclones);
- sound ventilation principles, designs, standards and practices;
- comprehensive watering-down procedures and wet-drilling methods;
- low-velocity ventilation over conveyor belts ( $< 3.0 \text{ m/s}$ ); and
- re-entry periods (calculated on the basis that no exposure to any significant airborne pollutant associated with blasting will occur).

Control initiatives are thus limited to specific areas and generally focus on engineering controls, respiratory protection, the ongoing measurement of occupational exposure and, where indicated, medical surveillance.

**Diesel particulate matter – a new area of focus**

The recent (June 2012) reclassification of diesel particulate matter as carcinogenic to humans (a Group 1 carcinogen) by the International Agency for Research on Cancer has necessitated the adoption of the phased-in approach recommended by the Mining Occupational Health Advisory Committee (MOHAC). MOHAC is a committee established by the Mine Health and Safety Council to advise the council on:

- policy matters relating to health in the mining industry in South Africa;
- standards, systems and procedures for the assessment, avoidance, elimination, control and minimisation of health risks in the country's mines;
- regulation on any aspect of health;
- health research programmes; and
- the collection, processing and distribution of health data in the mining industry.

We have developed a comprehensive diesel emissions strategy in response to the threat of diesel particulate matter and the recommendations of the committee, and this strategy is being implemented currently. The monitoring of personal exposure has begun at our trackless mining operations. The results we obtain will be used as a baseline against proposed new limits.

Initial results have indicated moderate exposure above international occupational exposure limits, with concentrations being the highest in work areas situated at the back-end of return airways. As an initial control, our Rustenburg and Union mines have introduced the use of low-sulphur fuel. The results of this intervention are being assessed.

**Rehabilitation and functional assessment tests**

The use of physical work capacity and functional work capacity tests forms an important part of assessing employees' work capacity and their ability to undertake physical work without undue risk. This battery of tests remains an important adjunct assessment tool designed to rate work potential within the overall context of 'fitness for work'. The physical work capacity ratings are more predictive of physical limitations, whereas the functional work capacity ratings are designed to assess 'self-pacing' capabilities. The physical work capacity and functional work capacity data provides valuable information on individuals' fitness profiles, and can be used for goal-setting during the rehabilitation of injured employees. It is also possible to use the data at a collective level to profile the physical capacity of a workforce, and thereby help improve our management of worker fatigue.

**Medical incapacity**

The focus on acute and vocational rehabilitation through the implementation of rehabilitation and functional

01 Installation of the New Fume Hood system.

02 Jeffrey Segoe (Process Supervisor), wearing a gas exposure monitor apparatus for the duration of his shift at Waterval Smelter.

03 Noise desimeters on camp lamp.



assessment (RFA), physiotherapy, wellness and other health programmes is designed to optimise the return to work of all affected employees after illness or injury. Those employees who are unable to fully recover from their injuries or diseases are referred for medical boarding.

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 work capacity and functional work capacity assessments are conducted to determine which tasks an employee will be able to perform. In 2013, 405 employees were referred for medical incapacity reviews. A classification of the applications by disease type shows

that most applications were associated with chronic and degenerative diseases (67%), followed by infectious diseases (10%). Of the 310 employees, 231 (75%) were successfully placed in alternative positions.

In total 16% of the applications were related to occupational illness or injury. Of these, 80% were the result of injuries on duty and 20% were related to occupational disease. Of the 306 affected individuals, 76% were successfully placed in alternative positions. This high rate of successful placement can be attributed to the availability of a rehabilitation programme and, specifically, to the use of the PWC and FWC assessments.

### Health performance

Based on our internal criteria for reporting NIHL which are themselves based on the measure of the average threshold decibel (dB) loss determined by the International Council on Mining and Metals – 68 cases of NIHL were reported in 2013 compared to 46 cases in 2012. In total, around 75% of new cases involved employees working either at the stope or at development-end faces. The number of reported cases continues to fluctuate, which can be explained by the variability in susceptibility to hearing deterioration and the length of service of different cohorts.

**Our mobile clinics provide primary healthcare services to informal settlements near our mines.**

The South African compensation system for hearing impairment is based on the percentage loss of hearing experienced by the individual (more than 10% hearing loss from baseline.) In 2013, 145 employee dossiers were submitted to the Rand Mutual Assurance for compensation for NIHL, compared to 101 cases in 2012. The increase in cases submitted is as a result of the large number of exit medicals carried out on those employees who opted for voluntary severance packages in 2013.

Exposures to platinum soluble salts at the Precious Metals Refinery have been well below occupational exposure limit. We have recorded a significant decline in the number of cases of platinosis in recent years. In 2013, two cases of platinum salts exposure were recorded, compared with four cases in 2012. There were also two cases of occupational dermatitis reported in 2013.

An instrument technician was diagnosed with lung cancer at our Amplats Converting Process operation in the year under review. In line with legislation, his case was decreed to be occupation-related even though he had spent approximately 98% of his time at work in an office/server room.

## **WELLNESS BEYOND THE WORKPLACE**

### **Public health**

Our mobile clinics, providing primary healthcare services to informal settlements near our mines, treated some 16,875 patients. Our biggest concerns remain mother and child care and immunisation. Of the Company's three mobile clinics, one is run by LifeLine on our behalf, and provides voluntary counselling and testing (VCT) for HIV and TB. The other two mobile clinics, managed as partnerships between the DoH and our own Platinum Health, provide primary healthcare. An additional mobile clinic has been donated to the DoH for its own use by Amplats.

In 2013 we committed R1.5 million towards a feasibility study on the establishment of a clinic in Seraleng. The clinic would provide healthcare services to people living in houses built by Amplats; and to residents of government-built houses in the area. This initiative will further enhance maternal and child care services in these communities.

Together with public health services, sound nutrition is an essential foundation of a healthy and productive workforce. Proper nutrition can have a positive impact on the safety-related performance of employees, and features prominently in fatigue-management and employee-wellness programmes. Amplats meets the nutritional requirements of all employees who live in the single accommodation villages provided by the Company.

With the burden of non-communicable diseases (hypertension, diabetes and associated cardiac diseases) increasing rapidly among our workforce, an important priority is to influence diet and nutrition for the effective prevention of non-communicable disease. The increase in the incidence and prevalence of non-communicable diseases in our workforce is attributed to an ageing population, sedentary lifestyles and unhealthy diets.

One of the key responsibilities of communicable disease control is the investigation and management of outbreaks. In 2013, a number of suspect diarrhoeal cases were reported and investigated, all of which were linked back to poor food safety practices practised by service providers. Our public health department, in conjunction with our supply chain and our community engagement departments, has developed an electronic management system and governance procedures for the selection and approval of community-based suppliers. We also consult with a registered dietician to assist with the nutritional verification of all the meals we provide.

Over and above nutrition and accommodation, the main focus of our public health programme is employee well-being through environmental health practices. This includes, among other things, programmes to ensure the provision of adequate sanitation; and communicable disease prevention and control through the monitoring of water quality, and education and awareness programmes.

### **Addressing HIV/AIDS**

We recognise that HIV/AIDS has serious medical, social and economic implications – for employees, their families, their communities, and the organisation as a whole. HIV/AIDS is managed as an integrated response along a continuum of care (from prevention through to care and support). Our approach considers socio-economic circumstances, which remain a major co-factor in the successful prevention and treatment of this pandemic.

We estimate that approximately 20% of our employees are HIV-positive. This estimate is based on an anonymous and unlinked HIV-prevalence survey conducted by the School of Public Health at the University of the Witwatersrand in 2007.

We offer comprehensive health services for HIV/AIDS care and HIV prevention to all employees because we recognise that universal access to comprehensive health services is needed in order to reduce HIV-related morbidity and mortality in a meaningful way. In addition, we offer VCT free of charge to all our contractors.

**HIV/AIDS is managed as an integrated response along a continuum of care, from prevention through to care and support.**

Our approach to HIV/AIDS encompasses the following:

- A targeted, culturally appropriate information, education and communications strategy (primarily through peer education and support media).
- Strengthening the capacity of the health system, NGOs and organisational structures to maximise the effectiveness of programme implementation.
- The care and support of infected employees, including access to good nutrition, psychosocial support and treatment to promote better quality of life and limit the need for hospital care.
- Programmes to reduce stigma and discrimination by providing information that builds confidence in our ability to protect ourselves against infection and the impact of AIDS.
- A monitoring and evaluation framework that outlines processes, outcomes and impact indicators together with mechanisms to measure and report on these.
- Stakeholder engagement with unions, associations, management and employees and, externally, with the government, NGOs and traditional leaders.
- Support for community projects such as the provision of home-based care by NGOs and the services of traditional health practitioners.

**Preventative care**

Testing for HIV is the basis of responsible behaviour and HIV prevention. Knowing one's status can assist in preventing further infection, as well as ensuring early access to HIV treatment, care and support, all of which may result in a better prognosis for the patient.

If 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 those contractors requiring ART are referred to public health facilities. Currently all contractors have access to care and treatment for TB at our health facilities, and the Company aims to extend this benefit to cover HIV-related care and treatment for all long-term contractors in 2014.

In line with best clinical practice, all HIV positive mothers employed at Amplats receive ART to reduce the risk of transmitting HIV to their unborn babies. In 2013, 80 HIV-positive mothers were enrolled on the programme. Babies born to these mothers were followed up at six weeks and all were found to be HIV negative.

Post-exposure prophylaxis is available to rape victims, to individuals who have been accidentally exposed to HIV, and to healthcare workers in cases of needle-stick injuries or other accidental exposure to possibly contaminated bodily fluids.

Peer education remains an integral part of employee training and education. Over 1,900 peer educators have been trained to sector education and training authority standards in the last few years, allowing us to implement a system of reporting, supervision, mentoring and coaching. These peer educators are also central in spreading the message about the effectiveness of ART, and in educating employees about the benefits of living a healthy lifestyle. The peer educators are provided with teaching materials and the counselling is conducted by our medical staff.

**Curative care**

ART is provided free of charge to employees on the HIV disease-management programme for whom the therapy is medically indicated. ART is provided to all HIV-infected employees with a CD4 count of 350 or less and/or with advanced HIV disease (stage 3 and stage 4). The early initiation of ART is associated with better immune reconstitution, low morbidity and low mortality. Non-adherence to treatment regimens remains a challenge for the programme. Around 55% of employees who have been on ART for six months or longer demonstrate viral suppression (VL < 50) and this is indicative of adherence to treatment. We are exploring mechanisms to incentivise employees in an endeavour to drive behavioural changes and healthy lifestyle changes, and these will be implemented in 2014.

Employees on treatment experience a noticeable improvement in their health based on their increasing CD4 counts and reduced viral loads.

Our HIV/AIDS strategy is based on the three pillars of healthcare:





**The number of job terminations related to HIV infection continues to decline, owing to employees access to ART.**

### Rehabilitative and palliative care

Committees dealing with medically affected employees are in place at all operations, and this has resulted in a significant number of medically affected employees being placed in alternative jobs. The committees comprise occupational and medical practitioners, and human resources and labour representatives.

The number of job terminations related to HIV infection is continuing to decline, owing to employees' access to ART. Employees who leave their jobs while on treatment for any chronic condition are supplied with three months' worth of treatment and referred to the nearest health facility to ensure continuity of care.

### Infectious TB

TB remains the most common opportunistic infection for people living with HIV/AIDS in sub-Saharan Africa, and is the leading cause of morbidity and mortality in HIV positive employees. Given this relationship with HIV, and the fact that TB is considered an occupational illness in certain circumstances, active TB screening forms part of our annual medical examination. Amplats provides comprehensive treatment to those who are infected.

Initial data on the impact of our ART programme shows a decrease in the risk of TB among employees on ART, reflecting the efficacy of the therapy.

### Increased focus on TB

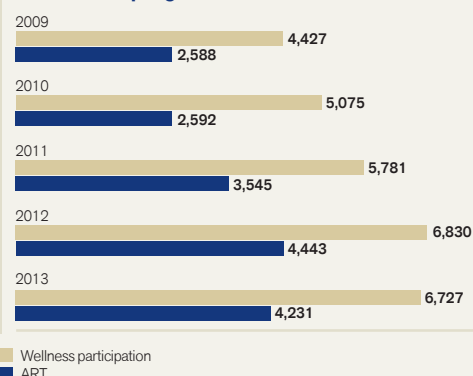
We aim to eliminate all deaths resulting from TB.

While our TB incidence and mortality rates for 2013 are comparable to the rates in 2012, the figures remain highly concerning. We have advanced environmental control measures in place in all areas where there is a high density of people, especially TB medical wards. This greatly reduces the risk to healthcare and other workers.

All employee deaths related to TB in 2013 were assessed in order to ascertain the cause of death and develop key learning opportunities. In all cases, except one, the individuals were HIV-infected with a mean CD4 count of 72 (the range featured readings of between 3 and 266). Only half of the people who died had been on ART, with 38% of them having defaulted on their ART programme. The other 50% were not on ART owing to personal reasons (traditional and religious beliefs, and the stigma associated with HIV).

Of the total number of people who died, 69% had other AIDS-related co-morbidities (opportunistic infections, multi-organ failure and malignancies), which had further increased their risk of mortality. These findings further reinforce the fact that TB morbidity and mortality can only

### Number of employees participating in wellness programmes and ART



be reduced through the effective treatment of HIV.

In 2012, the Chamber of Mines initiated an industry-wide review of TB prevention and treatment programmes. We have been participating in it so as to find ways of improving the performance outcomes of our TB programme and enhancing the quality of TB management at all our operations. Amplats' TB programme is fully compliant with the national TB-control programme of the DoH and the DMR guidance note for the control of TB on the mines. In 2013, internal TB reviews were conducted in an endeavour to further improve the processes and outcomes of our TB programme.

### Our performance in 2013 – HIV/AIDS and TB HIV/AIDS

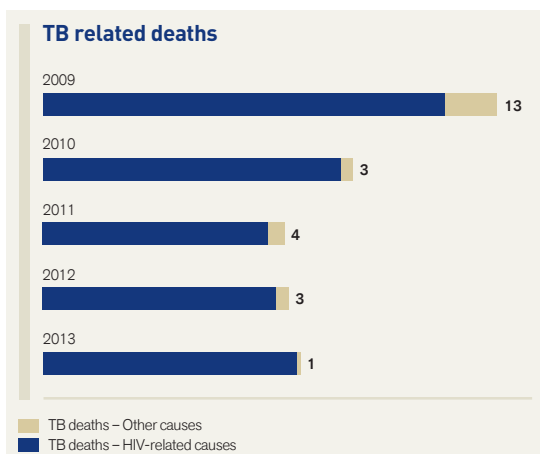
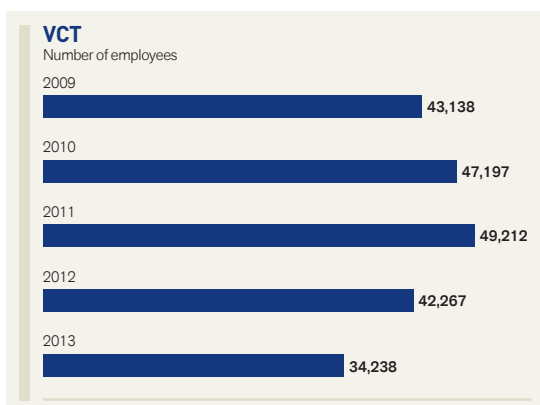
Some 34,000 employees (72% of our total workforce in South Africa) were tested for HIV through our initiatives in 2013. In addition, 28,000 contractors were tested.

Despite all our programmes, 319 employees were newly diagnosed with HIV in 2013. This represents an incidence of 0.7% per annum. (In 2012, 329 employees were newly diagnosed with HIV.)

At the end of December 2013, there were 6,727 employees enrolled in our HIV disease-management programme (2012: 6,830). In total, the Company provided ART to 4,231 employees in 2013 (2012: 4,443). The decline is the result of employees who left employment in the last quarter of 2013.

### TB

During 2013, 671 employees with new TB infections were treated (2012: 635). The incidence of TB in 2013 was 1,405 per 100,000 employees, compared with a TB



incidence rate of 1,308 per 100,000 employees in 2012. There were 63 TB-related deaths in 2013, 62 of which were HIV-related. (In 2012 there were 61 deaths from TB, 58 of them HIV-related.)

In 2013, five cases of extensively drug-resistant (XDR) TB were diagnosed at our operations, compared with one case in 2012. In addition, 25 cases of multidrug-resistant (MDR) TB were diagnosed in 2013 (2012: 27 cases).

#### External review of our emergency care services

Amplats invited an independent expert to audit the work of our health service's emergency care division in 2013. The division's work includes prevention; access to care; pre-hospital care; care in the emergency room; definitive care; rehabilitation; and continuous quality improvement. The outcome of the audit was overwhelmingly positive.

EMT team from Tumela Mine helping a community member.







# ENSURING ACCESS TO AFFORDABLE INFRASTRUCTURE AND NATURAL RESOURCES, AND MINIMISING OUR FOOTPRINT

We recognise the value and scarcity of our country's natural resources and associated public infrastructure, particularly energy and water.

We will minimise and optimise our use of them, and at the same time seek to negotiate fair and secure access so as to sustain our business now and in the future.

We acknowledge our operations' environmental footprint and the impact we have on our neighbours, and will work to minimise and reduce them both.

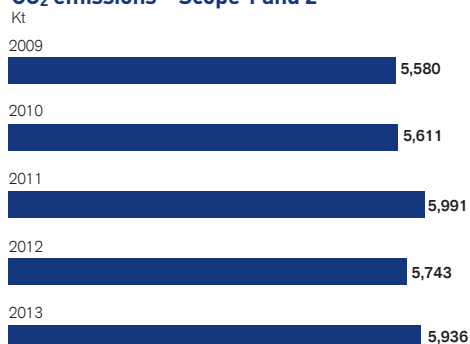
All our operations are  
**ISO14001-compliant**  
and certified

**4% decrease**  
In new water used

## CDP SOUTH AFRICA

Anglo American Platinum received two gold certificates for achieving 99% (2012: 96%) for our disclosure in respect of the Carbon Disclosure Project's (CDP's) annual survey of the top 100 companies and an A- in the Performance Band on the JSE 100 Climate Disclosure Leadership Index.

## CO<sub>2</sub> emissions – Scope 1 and 2



## Energy consumption



**Main**  
The Hackney Shaft at  
Twickenham Mine.





Changing for the better: A focus on material strategic priorities



# ACCESS TO AFFORDABLE INFRASTRUCTURE AND NATURAL RESOURCES

## ENVIRONMENTAL MANAGEMENT

The effective and responsible management of our natural environment will limit our impact and liabilities, will help secure our regulatory and social licences to operate and, in some cases, will deliver long-term benefits to stakeholders and the public at large.

Compliance with environmental legislation and regulation is regarded as an absolute minimum. We aim to do better; and in our approach we are supported by the guidance contained within the Anglo Environmental Way.

### Environmental management programmes and systems

All our managed and non-managed operations have environmental management programmes that have been approved by the DMR or where amendments are under way so as to win approval. These environmental management programmes are legally binding, and we track and report our performance against them on an ongoing basis.

All managed operations have an environmental management system in place that is compliant with the ISO 14001:2004 standard. In 2013, 24 operations were recertified by Bureau Veritas (BV) South Africa as being in compliance with this standard. As a result of different operational combinations, BV issued Amplats with a total of 16 certificates. A significant reduction was shown in the non-conformances raised year on year: only four major non-conformances and 70 minor non-conformances against our management systems were raised by the BV auditors in 2013 (2012: 54 and 115 respectively). All non-conformances were closed out by the end of 2013.

The largest proportion of non-conformances (45%) related to the operational control element of the standard, which covers housekeeping and non-adherence to standards. While the rollout of the planned awareness programme was hampered by the structural changes undertaken during the year, efforts to improve awareness levels through the Zero Harm in Action programme started.

Four of our joint ventures – Bokoni Platinum Mine, BRPM, Kroondal Platinum Mine and the Mototolo Concentrator – are ISO 14001 certified. Two of our joint venture operations (Modikwa and Pandora) are not certified, although Modikwa initiated an ISO 14001 review and implementation process in 2013 and will be aiming for

certification in 2014. ISO 14001 certification is not an Amplats requirement of JV partners.

The successful combined ISO 14001 certification audit for the Mogalakwena Mine complex was a particular highlight of the year. The successful integration of three previous EMS areas resulted in cost and resource savings. No major non-conformances were reported, and only seven minor ones were found. The Mogalakwena team was credited with 10 commendations.

### Fines and sanctions

No fines or non-monetary sanctions were imposed by the authorities for non-compliance with environmental regulations, licences or permits on any of our managed operations in South Africa or Zimbabwe in 2013.

### Carbon Disclosure Project (CDP) South Africa

Amplats received two gold certificates for achieving 99% (2012: 96%) for our disclosure in respect of the CDP's annual survey of the top 100 companies; and an A- in the performance band on the 100 Climate Disclosure Leadership Index of the JSE Limited.

### Approach to management

As part of Amplats' 2013 Platinum Review, the Company's environmental structure has been changing, from a mining-process-based structure to an integrated safety, health and environment (SHE) structure within specific geographical areas (also called 'functional centres'). Environmental management is now represented at Amplats' executive level and additional resources have been allocated to the discipline. Land-management positions have been incorporated into the environmental structures across the Group, underscoring the increasing importance we place on land stewardship and biodiversity.

The conservation and demand management of water and energy are particular priorities for Amplats, not only to minimise our environmental impacts – and thereby contribute towards retaining our legal and social licences to operate – but also as important components of our cost base. Amplats is considered to be an intensive user of energy, which is drawn largely from South Africa's coal-based national grid. Water is also an essential component of mining and process operations, with most of our operations located in water-scarce areas. Responsible water-source management, combined with the water-use hierarchy of at-source reduction, re-use and recycling, is an increasingly important component of our water-use strategy.

## Progress and targets

Our commitment	2013 targets	2013 performance	2014 targets
As a minimum, ensuring compliance with all applicable South African environmental legislation, while seeking to go beyond compliance.	All SO <sub>2</sub> emissions to be below permitted levels: Waterval Smelter target of 20 tpd; Polokwane Smelter target of 25 tpd; Mortimer Smelter target of 24 tpd.	Annual averages: Waterval Smelter: 14.88 tpd; Polokwane Smelter: 20.15 tpd; Mortimer Smelter 17.31 tpd.	All SO <sub>2</sub> emissions to be below permitted levels: Waterval Smelter target of 20 tpd; Polokwane Smelter target of 25 tpd; Mortimer Smelter target of 24 tpd.
	Maintain ISO14001 certification.	All operations retain certification.	Maintain ISO14001 certification.
	All operations to have approved integrated water use licences.	Amandelbult IWUL is undergoing review, and approval by Department of Water Affairs (DWA) is awaited.	All operations to have approved IWULs.
Secure energy supply in the face of uncertainty over Eskom's ability to guarantee an uninterrupted supply. Consider the Company's impact on climate change and the impact of climate change on the Company.	Reduce energy consumption per unit of production by 15%, against a 2005 baseline, by 2015.	2.6% (24.9 PJ) above target of 24.3 PJ.	Reduce energy consumption by 7%, against a 2010 baseline, by 2015.
	Reduce CO <sub>2</sub> emissions by 10% per unit of production, against a 2005 baseline, by 2015.	1.6% (5,936 kt) over target of 5,842 kt.	Reduce CO <sub>2</sub> emissions by 10% per unit of production, against a 2010 baseline, by 2015.
Maintain the security of water for the continuation of the business, and ensure optimal use of water.	Reduce water consumption to 33.1 million cubic metres.	Total water consumption was 33.4 Mm <sup>3</sup> (31.6 Mm <sup>3</sup> consumed excludes Khuseleka and Khomanani which amounts to 1.8 Mm <sup>3</sup> ).	Water consumption of 36.8 million cubic metres.
	Limit increase in water intensity to 18.7 m <sup>3</sup> per ounce of platinum group metals (PGMs) and gold. (This is on the back of lower PGM production.)	42% (10.7m <sup>3</sup> per ounce of PGMs and gold). Below 2013 target of 18.7 m <sup>3</sup> per ounce of PGMs and gold.	Limit increase in water intensity to 10.7 m <sup>3</sup> per ounce of PGMs and gold.
	Start water-balance reporting that is aligned with Anglo American parameters and water-target tracking.	Implemented aligned water balance and water parameters reporting.	No future target. Maintain and approve where required.

**Responsible water-source management is an increasingly important component of our water-use strategy.**

**Risk management and legal compliance**

From a risk perspective, legal compliance and community complaints remain among the primary environmental risks we manage. Community complaints relate largely to the visible impacts of mining – e.g. air-borne dust from tailings dams, incidents of discharges of water and the visibility of waste-rock dumps and tailings dams. We address these risks in a holistic way through our risk management programme and through continuous stakeholder engagement.

To comply with legislation, we ensure that all new projects apply for all the necessary licences and permits and obtain approval before any construction is initiated. New or changed legislation can also lead to the application of new or revised permits or licences. Several permits and applications were made in 2013, as shown in the table below.

A particular challenge in recent years has been the delays and difficulties experienced in the approval of integrated water-use licence applications, environmental impact assessments and environmental management programmes by the authorities. All operations, except the Amandelbult Mine, have integrated water-use licence in place. Amandelbult resubmitted its application in 2011 to the DWA after the initial application – made in 2005 – was misplaced by the department.

Impending legislation that is being considered or has been considered by the Company includes:

- National Environmental Management Air Quality Act (NEMAQA) Section 21 amendments: NEMAQA has undergone several changes in the past five years. Of significance to Amplats are the minimum emission standards stated in the amendments. Following a

**Permit/licence applications in 2013**

Mortimer Smelter variation application	A provisional air emission licence (PAEL) was issued in 2011 for smelting-related activities, but the PAEL was not aligned with national emission standards. A variation application was submitted to the Bojanala District Municipality in September 2013, and approval is expected in the first quarter of 2014.
Postponement application for Mortimer and Polokwane smelters	A 'postponement application' for compliance with the 2015 Minimum Emission Standards in terms of Section 21 of the National Environmental Management: Air Quality Act (NEMAQA), No 39 of 2004, as amended, has been made in respect of SO <sub>2</sub> . Approval of the application is expected before the end of the first quarter of 2014. An independent environmental assessment specialist has been appointed to assist in the air specialist study for the project.
Amended integrated water-use licences for Rustenburg mines and Union Mine	Several substantive errors exist in the Integrated Water Use Licence for the Rustenburg mining area and Union Mine. The DWA was consulted and the required amendments to the Integrated Water Use Licence were submitted to the DWA on 18 July 2012 for Rustenburg and on 17 July 2013 for Union. A request for exemption from compliance with Integrated Water Use Licence audits and other deliverables until the Integrated Water Use Licence have been amended was also submitted to the DWA. The exemption request was denied by the department and the Integrated Water Use Licence compliance audits were conducted during 2013. Feedback on the amendments are awaited.
Tar-pit remediation in Rustenburg	Two simultaneous applications for environmental authorisations were submitted 1) to decommission the tar dams as per the environmental impact assessment regulations of the National Environmental Management Act (NEMA) and 2) to remediate the contaminated soil based on the National Environmental Management: Waste Act (NEMWA), No 59 of 2008. A Record of Decision was received to decommission the tar dams in August 2013. However, the remediation of the underlying contaminated soil is on hold until the waste management licence is approved by the authorities.
Western Limb Distribution Centre	A basic assessment in terms of the environmental impact assessment regulations of NEMA was undertaken for listed activities associated with the planned construction of this centre at the Rustenburg operations. Environmental authorisation to proceed with the construction was granted in November 2013 by the Department of Economic Development, Environment, Conservation and Tourism in the Provincial Government of North West.
Decommissioning of the Frank Concentrator and associated infrastructure	An assessment was undertaken for the planned decommissioning of this concentrator at the Rustenburg operations. Environmental authorisation to proceed with the decommissioning was granted in August 2013 by the Department of Economic Development, Environment, Conservation and Tourism in the North West Provincial Government.
National waste information registration on the South African Waste Information System	National waste information regulations came into effect on 1 January 2013. Their purpose is to regulate the collection of data and information to fulfil the objectives of the national waste-management system. Those of our operations that qualified to register as waste generators did so by the deadline of 31 March 2013.

01 Outlet river beyond De Hoop Dam wall.

02 Local Community members busy cleaning up the Mhlosane River near the Mogalakwena North Concentrator - supervised by David Monyamane (Senior Supervisor).



01

lengthy engagement process with national, provincial and local authorities, we have successfully reduced most of the risks to our affected smelters and refineries.

- **National Environmental Management Waste Act (NEMWA):** This act has introduced an improved system for the licensing of waste-management activities; the management of polluted or contaminated land; reporting to the waste-information system; the development of integrated waste-management plans; and the development of the national waste-management strategy. Our operations are assessing these regulations to understand revised system's legal requirements and implications.

Another potential legal risk is associated with repeat environmental incidents that might lead to legal action or environmental fines.

#### Incidents and incident reporting

We manage the reporting, review and rehabilitation of environmental impacts related to incidents and sub-standard acts and conditions according to a well-established incident and non-conformity procedure. The Anglo American Group's Incident Procedure, released in December 2013, will form the basis for incident management in future.

In our five-level environmental incident classification system, we classify all incidents in accordance with the actual severity of their impact and in line with all the other mines in the Anglo American Group:

- **Level 1:** an unplanned or unwanted event that results in a minor impact.
- **Lever 2:** an unplanned or unwanted event that results in a low impact and is capable of being cleaned up by the Company's own internal personnel.



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- **Level 3:** an unplanned or unwanted event that results in a medium impact. These incidents may call for external assistance in their cleaning up.
- **Level 4:** termed a 'significant incident', this is an unplanned or unwanted event that results in a high impact and calls for extensive clean-up operations requiring external help and resources.
- **Level 5:** termed a 'significant incident', this is an unplanned or unwanted event that results in a major impact, resulting in incidents whose clean-up requires considerable external assistance.

Our procedure requires that an event should be treated as a potential Level 3, 4 or 5 incident as soon as it is assessed as having a potential 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



**Most Level 1 and 2 incidents in 2013 were the result of inadequate management of hydro-carbon products.**

by extensive engagement with the authorities, confirms the final significance and classification of the incident. All incidents are closed out after a thorough investigation process.

No Level 4 or 5 incidents were recorded in 2013. For the first time in five years, we reported a confirmed Level 3 incident – see below for details.

**Mogalakwena spillage**

A spillage occurred at Mogalakwena Mine's Blinkwater tailings dam on 25 June 2013, which affected the Mhlosane River for approximately 2.5 km within the mine boundary and 2.5 km outside the mine boundary. The tailings dam wall started seeping from the base during the late evening of 24 June owing to void tunnelling or leaks commonly known as 'rat-holing' through the retaining wall. The seepage flowed along the tailings dam, past the paddocks, into the western cut-off drain and, eventually, into the Mhlosane River. In line with our environmental incident procedure, we informed and engaged with the authorities and local communities regarding the incident. Immediate action was taken to stop the spillage, reduce the incident's impact and start with the cleaning-up process. Following numerous investigations, a number of engineering and administrative controls have been implemented to prevent a similar incident from occurring.

Pleasingly, our emergency response and incident reporting procedures were shown to be well entrenched and clearly understood.

By the end of the reporting period most of the river had been cleaned and most of the rehabilitation work had been completed. The clean-up operation and subsequent rehabilitation have improved the condition of the river in many ways and have also highlighted the many practical measures that can be used in an incident of this nature. These learnings have been shared with regulators and other Anglo American business units.

Since June 2013, a team of approximately 160 people, including local labour and professionals, has been cleaning the river using a number of different methods; 22,000 m<sup>2</sup> of tailings have been removed at a cost of about R24 million.

**Level 1 and 2 incidents and sub-standard conditions**

The number of Level 1 incidents reported in 2013 increased from 442 in 2012 to 549 in 2013 (an additional 41 incidents were reported as Level 2). However, the reporting of sub-standard acts and conditions decreased from 2,880 in 2012 to 2,092 in 2013. The fact that the incidents increased and the conditions decreased indicates that insufficient attention was being paid to the identification and awareness of sub-standard acts and conditions at the operations. This will receive attention during the Zero Harm in Action programme planned for 2014.

The largest proportion (38%) of Level 1 and Level 2 incidents reported in 2013 resulted from the inadequate management of hydrocarbon products (such as diesel, oil and grease), which contaminated soil. This was followed by improper dust and air-quality management (23%) and discharges and contamination (20%). Sub-standard acts and conditions related mainly to the inadequate management of hydrocarbon products (50%), inadequate waste management (21%) and leaks, discharges and contamination (15%).

All reported incidents and sub-standard conditions generate a response. Trends are tracked to ensure that the root causes of incidents are addressed to prevent their reoccurrence and that the impacted areas are rehabilitated. Given that hydrocarbon-related incidents and sub-standard conditions contributed some 45% of all reported events in 2013, these areas will continue to receive attention.

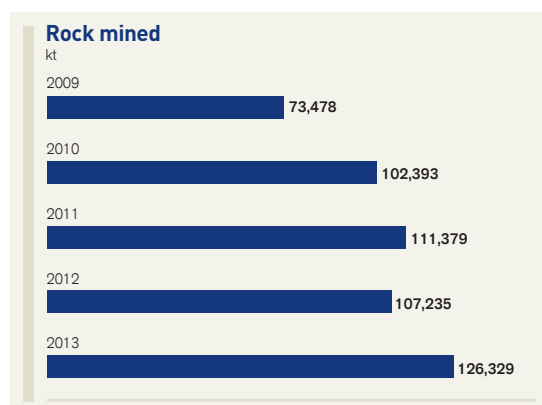
**Recognition of environmental excellence**

Towards the end of each year all operations have the opportunity, at the last business unit environmental meeting, to make a presentation in order to be considered for the Dung Beetle environmental trophy in recognition of environmental excellence.

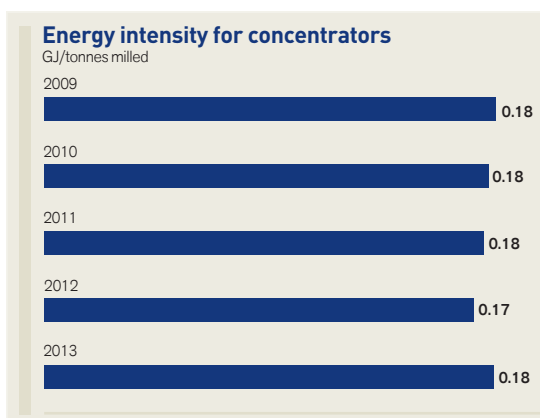
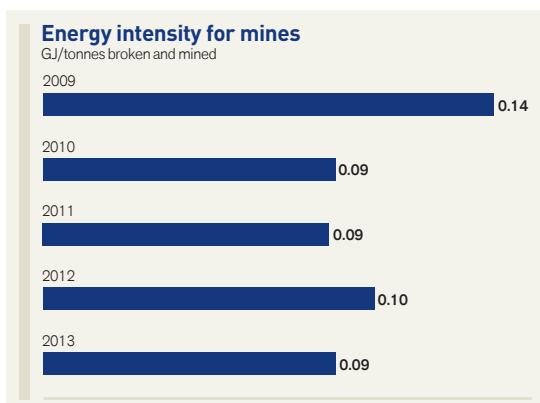
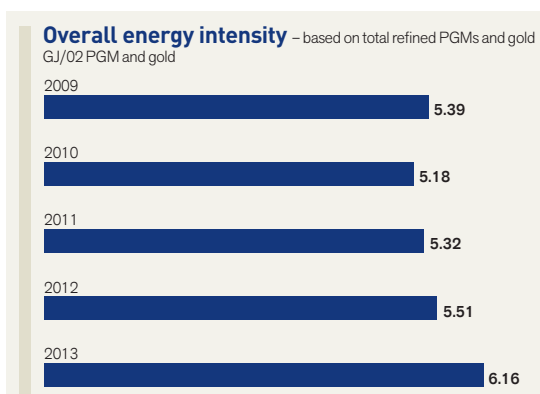
In 2013, under the leadership of the environmental managers, six presentations were made. The top three achievers selected by the environmental team members present at the meeting were as follows:

1. The Der Brochen project team for exploration rehabilitation.
2. Union Mine for general environmental improvements.
3. The Rustenburg concentrators for their water treatment project.

The winning team demonstrated an excellent example of environmental rehabilitation during the exploration phase



**Mining and processing are energy intensive, and energy makes up a significant portion of our utility costs.**



at the Der Brochen Project. Its presentation served as motivation for other operations to focus on rehabilitation in order to minimise any harm done to the environment.

## RESPONSIBLE USE OF MATERIALS

Our most important natural resource is the rock we mine. In total, 126 Mt of rock were broken at our managed operations in 2013, an increase of 17.8% on the 107 Mt

broken in 2012. This increase is mainly the result of higher production at Mogalakwena Mine. There was also a marginal increase in tonnes of ore milled, from 35 Mt in 2012 to 36 Mt in 2013.

The associated process materials we use in our mining are liquid fuels, coal, grease and lubricants. Higher production contributed to an increase of 17.1% in the use of liquid fuels such as diesel, petrol and paraffin. Year-on-year lubricating and hydraulic fuels showed a significant increase to 26.7 Ml, as a result of bulk purchases by Tumela Mine and Dishaba Mine. Other materials, grease which decreased marginally by 1.8%. Liquified petroleum gas (LPG) which decreased by 22.9%, mainly as a result of the exclusion of the welding gases oxygen and acetylene, which were previously incorrectly reported as LPG.

Other key materials used include wood (for underground support), chemicals and packaging.

## ENERGY AND CLIMATE CHANGE

Mining and processing are energy-intensive, and energy makes up a significant portion of our utility cost (91% in 2013) and 11% of our operating cost base in 2015. Climate change and energy management and optimisation are closely related. More than 90% of our greenhouse gas (GHG) emissions are indirect, and attributable to our consumption of the electricity generated by Eskom's coal-fired power stations.

Our energy and climate change strategy is aligned with that of Anglo American, and encompasses carbon and energy efficiency, standards and targets.

### Seeking security of supply

Seeking security of energy supply in the short, medium and long terms, and ensuring uninterrupted supply, are important objectives of our energy-management programme. The energy supply situation in South Africa deteriorated further during the year under review. While the state-owned electricity utility, Eskom, is planning to add new capacity to the national grid, all three new power stations under construction (Medupi, Kusile and Ingula) are behind schedule, and no power is expected to be delivered to the national grid from these facilities during 2014.

Our second most important source of energy, namely diesel, is also of concern in terms of its cost and supply. South Africa's domestic refining capacity is constrained, and the country has become a net importer of diesel fuel, with the attendant supply and cost risks this brings.

Reducing and optimising our use of electricity and diesel are an important aspect of our efforts to secure supply. This is supported through constant engagement with Eskom to secure supply.

**The total direct energy consumption for our managed operations increased by 5.3%.**

### Optimising energy consumption, reducing emissions

The Energy Efficiency Accord of the Department of Mineral Resources' target of a voluntary 10% reduction in CO<sub>2</sub> emissions and a 15% reduction in energy consumption per unit of production by 2015, with 2005 as the baseline, has been discontinued in favour of an energy pledge to commit to saving energy. This is an intensity target which must not be confused with the current absolute energy reduction target which is against a business-as-usual plan. The business-as-usual plan model takes into account changes in operation, new plant, plant closure, ramp up stages, increasing strip ratios, deeper mines, ore grade deterioration, longer haul roads etc, which the intensity model does not cater for.

The intensity model is directly dependent on the energy used and the mined material which has no bearing on the product output if new pits, ramps, cuts are being opened with no product output. Furthermore, project saving initiatives cannot be reconciled with an intensity change, and thus no meaningful performance reporting on energy can be derived.

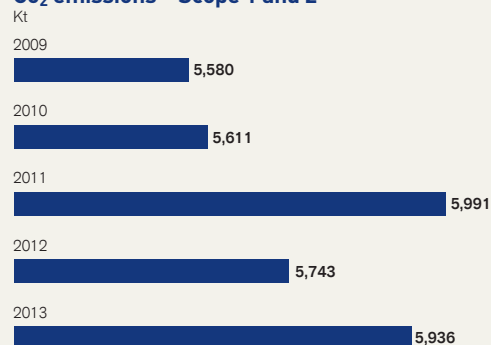
Intensity models however are still used in the analysis and development of the business-as-usual plan in correlations of energy and what drives its use. Intensity models are also used on individual pieces of equipment for performance monitoring or benchmarking against another, and can be used to monitor a plant's performance to its own historical performance to assess the success of efficiency interventions.

In summary, an intensity model means, that over time, more energy is needed on a mine to produce the same ounce of product and hence intensities have a naturally increasing phenomenon.

In 2013 our energy consumption pattern remained largely unchanged in terms of the energy mix, although actual consumption, at 24.94 PJ, was 2.25% higher than in 2012.

The diagram below illustrates the Company's energy footprint, including the split per energy source, business area and key energy users.

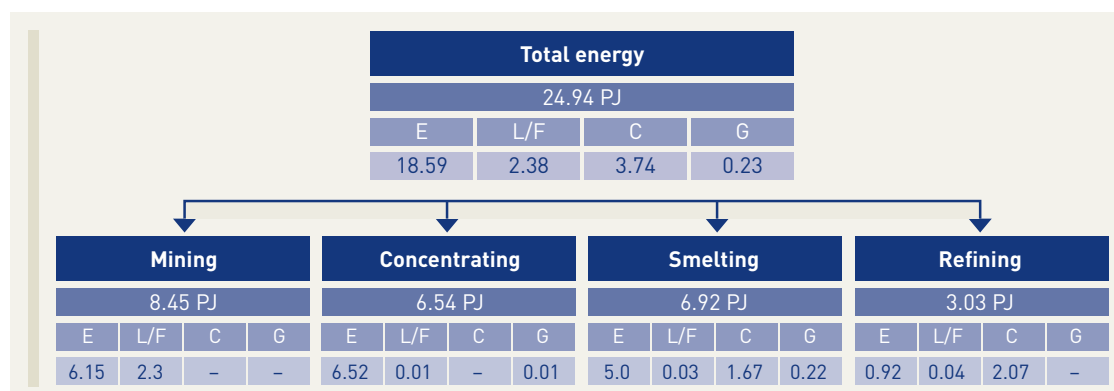
### CO<sub>2</sub> emissions – Scope 1 and 2



### Energy consumption



In comparison with 2012 more energy was consumed in 2013 by the concentrator, smelter and refinery operations, while the energy consumption of the mines decreased marginally year-on-year. The net effect was that the 2013 annual energy consumption for the process operations is 5.3% above target, while mining is 4.3% below target. To ensure greater focus on energy reduction initiatives, R30 million has been committed from the Platinum



**We have plans to achieve a further reduction in emissions through the pursuit of emission-free energy.**

Review for energy reduction and energy efficiency improvement projects, focusing on electrical energy. Initiatives that will further reduce energy consumption are under detailed investigation through Siemens (as an Eskom Energy Services Company); while the implementation of specific rapid results initiatives is also starting to deliver benefits.

The total direct energy consumption for our managed operations increased by 5.3%, from 6.0 PJ in 2012 to 6.3 PJ in 2013. Direct consumption by primary energy sources include petrol, diesel, paraffin, coal, light fuel oil and LPG. Although less LPG gas was reported, significantly more liquid fuels (17.1%) and paraffin (25.5%) were consumed. Coal consumption increased marginally by 1%. These direct energy sources account for 25% of the Company's total energy use.

The total indirect energy consumption (electricity from Eskom) for our managed operations increased by 1.3%, from 18.3 PJ in 2012 to 18.6 PJ in 2013.

The intent remains to achieve our planned 7% reduction in energy by the end of 2015. Based on the carbon emission factor per kWh of 1.05 kg CO<sub>2</sub>/kWh for South Africa, the 7% reduction in attributable emissions will also be attained. However, a further 3% reduction in emissions can only be realised by using emission-free energy. Our plans to achieve this include:

- Commissioning a 4 MW waste-heat recovery power generation plant for the Amplats Converting Process. This entails capturing the heat previously rejected through fin-fan coolers, and using an organic Rankine cycle power plant to recover the energy. Delivery of this project is expected by mid-2014 at no cost to the Company as the contractor, acts as an independent power producer to Eskom.
- The use of biodiesel to replace as much as 5% of our diesel usage. Biodiesel can be sourced from used cooking oil or from the farming of *Moringa oleifera* plants and two projects are currently under consideration for funding by Anglo Zimele.

- The installation of photovoltaic power plants. The cost of these plants has fallen significantly during the past year, to the point where photovoltaic is becoming a viable alternative to Eskom power (albeit on a small scale). Photovoltaic power plants with a combined capacity of 30 MW are being considered for possible installation in the course of 2014.

### Climate-change strategy

Our climate-change strategy aims to attain the maximum possible economically sustainable energy and carbon savings, both in the business and in our use of products. We recognise that climate change is a long-term consideration and that reducing our emissions will lead to several positive outcomes. It will reduce our exposure to emerging carbon policies and increases in energy costs; improve our ability to influence the development of effective government policy; increase our access to opportunities in our markets; and ensure greater resilience to the physical impacts of regional climate change.

We monitor our CO<sub>2</sub> emissions to determine our carbon footprint and to identify areas where we can improve our scope 1 and 2 CO<sub>2</sub> emissions. Our scope 3 emissions for 2013 were 1,259,667 tCO<sub>2</sub>. This accounts for 15% of total CO<sub>2</sub> emissions in 2013.

The difference from the 2012 Scope 3 emissions is due to the fact that the transmission and distribution losses were double-accounted in 2012.

### Identifying risks and opportunities related to climate-change

Climate-change and energy are key issues for Amplats. Oversight of our strategy and performance is a function of the Board's S&SD Committee.

We use an integrated risk methodology to assess risk. This methodology requires that all key risks in every part of the business, including operational and sustainable development risks, be included in a structured framework and subjected to systematic process management. Eight

### Emissions in 2013

#### Scope 1 CO<sub>2</sub> emissions (tCO<sub>2</sub>)

Coal for heating and energy	362,807.51
Coal for metallurgical processes	4,416.4
Diesel	173,335.79
Petrol	1,124.88
LPG/liquid fossil-fuel gases	14,326.63
Paraffin	1,761.49
Total fossil fuels	557,772.71

#### Scope 2 CO<sub>2</sub> emissions (tCO<sub>2</sub>)

Electricity purchased	5,377,758.51
Total scope 1 and 2	5,935,531.22



**Almost all of our operations are located in water-stressed or water-scarce regions.**

of our 11 significant- and high-risk headline risk areas are directly or indirectly related to climate change. Strategies are in place, and internal risk owners have been appointed, to address performance in each risk area and report on performance quarterly.

In terms of assessing opportunities related to climate-change, we evaluate the opportunities that global sustainability-related issues afford the Company on an annual basis. These processes assign tasks to be implemented by executive management, and clearly define actions and parameters against which to monitor process. Risks and opportunities are assessed in both a top-down and a bottom-up approach.

Opportunities relating to climate change are identified by Amplats' Marketing Department and then infused into the business strategy in order to capitalise on all opportunities. In future, both our suppliers and our customers will be seeking alternative energy sources to lower their carbon profiles. We need to be able to respond to reductions or increases in volume in certain products.

**Carbon tax as a competitive advantage?**

The South African fiscus is proposing to implement a carbon tax, set initially at R120/tCO<sub>2</sub>. Our opportunities lie in developing renewable energy projects and carbon off-set projects to minimise the impact of the proposed tax rate. Among those identified are improved rehabilitation practices that increase the soil and plant carbon stock above the baseline, and the establishment of forests on mine-owned land not subject to rehabilitation. If these projects could be developed at cost-effective prices, they could assist in mitigating our carbon-tax liability. Reaching this goal would also help us to improve our environmental and sustainability performances. Amplats spent more than R3 million on energy studies across the Group, and this research has identified opportunities to the value of R700 million in savings. We also implemented energy-efficiency projects to the value of R117.1 million in 2013. To improve our energy performance Amplats continues to invest in energy-efficiency projects – starting with those that can be implemented quickly – while pursuing a longer-term strategy to procure energy sources that are less carbon-intensive. We are examining biomass and solar-energy power sources, and two projects are currently under consideration for funding by Anglo Zimele to supply B5 biodiesel to our operations.

**MANAGING WATER**

Almost all our operations are located in water-stressed or water-scarce regions. A water-stressed area is defined as an area having less than 1,000 m<sup>3</sup> of water per person per year. We require large quantities of water to mine, concentrate, smelt and refine our base and precious metals, and for domestic use. The situation is further exacerbated by poorly developed water-related infrastructure for mining

and for the communities in the regions in which we operate, and by competition from other industries and communities for the same water resources. Should we have a negative impact on the water resources where we operate, this could result in material impacts on the environment, downstream ecosystems and peoples' food security and, consequently, on our social licence to operate. Further, if our access to water were to be compromised, this would have a material impact on our business.

**Water strategy**

Our water strategy and policy aim to demonstrate leadership in water management within the areas in which we operate, and is premised on our being a responsible water steward. For us, this means maximising the use of water resources and avoiding long-term net harm. A key feature of our water strategy is our drive towards zero potable water use in our process operations (excluding domestic-use demand).

Our water management strategy is being implemented in stages over a 10-year period, to 2020. In it we commit to:

- making our operations water-resilient;
- investing in water-treatment and other relevant technology innovation;
- building water infrastructure for the mutual benefit of stakeholders; and
- pro-actively partnering with key stakeholders.

In implementing this strategy, we are:

- developing new water resources and securing alternative water resources for mutual benefit;
- identifying and securing post-consumer domestic effluent for use as industrial-grade water;
- using water resources efficiently by adopting our waste-hierarchy principles of 'reduce, reuse and recycle';
- achieving our water targets; and
- protecting water-quality resources and managing water quality at our operations.

**Water security**

Currently, we have secured sufficient water to ensure the continuation of our business. Our water-supply strategy takes into consideration 20-year water-supply scenarios, based on our current life-of-mine estimates. We use our water-efficiency target tool (WETT) to forecast the projected business-as-usual water demand of individual operations and the Company as a whole; and to maintain a register of water-conservation projects. First introduced in 2011, WETT was fully implemented in 2013, with specific targets set per operation.

We have initiated a bulk-water programme and infrastructural plan to manage, maintain and protect the water supply for our operations and – where possible – for

01 Vhonani Mamphideni (Plant Operator) and Karabo Palane (Plant Operator) at the Twickenham Mine Waste Water Treatment Plant.

02 Cattle watering hole in local community installed by Twickenham Mine.

03 Rustenburg rehabilitation of Open cast pits – Khusaleka Pit 4.



the communities around us. This involved an assessment of our long-term water operating plan against available water supplies, and resulted in our bulk-water strategy to develop new water sources and augment current water supplies with post-consumer treated wastewater.

### Water supply and consumption

Potable water, sourced from water utilities such as Rand Water, Magalies Water, Lepelle Northern Water and the Rustenburg Municipality, is used for both primary and non-primary activities. Potable water usage decreased by 7% to 17.1 million m<sup>3</sup> in 2013, from 18.4 million m<sup>3</sup> during 2012. This was achieved largely through the use of treated sewage water at the Rustenburg operations. It remains our aim to use no potable water at all in our operations. In the meantime, in no instances do our abstractions account for more than 5% of the average annual yield of these water sources.

The use of non-potable water increased by 12% to 1.5 million m<sup>3</sup> during 2013, compared with 1.3 million m<sup>3</sup> during 2012. Non-potable water is sourced from the pipeline of the Lebalelo Water Users' Association, which abstracts water from the open pit to the concentrators for re-use. This optimises water use on-site.

Waste water – or treated sewage effluent sourced from municipal sewage plants – decreased by 12% to 8 million m<sup>3</sup> during 2013 (2012: 9.1 million m<sup>3</sup>). The main reason for this reduced usage is a pipeline we installed at Mogalakwena from the open pit to the concentrators for re-use. This optimises water use on-site.

Groundwater includes water from boreholes, as well as fissure water ingress from underground operations where this can be measured or estimated. Groundwater use increased by 44% to 6.37 million m<sup>3</sup> in 2013 (2012:



4.4 million m<sup>3</sup>). An increase in groundwater used was reported by Unki Platinum Mine for the development of housing infrastructure.

The use of surface water increased by 0.3%, to 1.506 million m<sup>3</sup> in 2013 (2012: 1.502 million m<sup>3</sup>). This increase was mostly the consequence of an increased use of surface water (water abstracted from the open pits) at the Mogalakwena Mine. The increase in the use of surface water at Mogalakwena Mine complements the decrease in wastewater use observed.

An important potential source of water is the rainfall harvested at operations, which in 2013 increased by 62%, from 34 thousand m<sup>3</sup> in 2012 to 55 thousand m<sup>3</sup> owing to the high rainfall observed at Mogalakwena (813 mm in 2013 compared with 671 mm in 2012). We continue to

**Using recycled water is an important component of our overall water management strategy.**

focus on allowing 'clean water' to by-pass the operation and enter the natural environment, and on separating this from 'dirty water'. Our operations are at different stages of implementing and upgrading stormwater-management plans and systems in line with regulations on the use of water in mining.

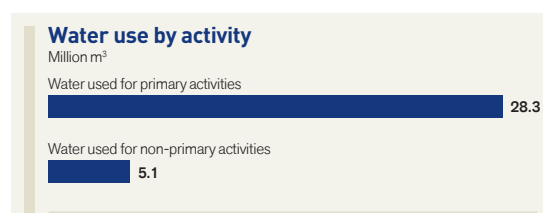
No known water sources or related ecosystems (such as Ramsar-listed wetlands) or habitats are significantly affected by our withdrawal and use of water.

Recycled water is an important component of our overall water-management strategy, which includes optimising our use of recycled water and improving our water-monitoring and water-measuring initiatives. Water recycled from internal sewage plants, tailings return-water dams, mine service water and other internal water sources, such as pollution-control and storm-water dams, is not included in water used for primary or non-primary activities. Total recycled water use decreased by 6.6% to 50.2 million m<sup>3</sup> in 2013 (2012: 53.7 million m<sup>3</sup>); the ratio of recycled to new water consumed was 1.45. Emphasis remains on optimising the use of recycled water and improving water monitoring and measuring initiatives.

Total new water used for primary and non-primary activities decreased by 4% to 33.41 million m<sup>3</sup> during 2013 (2012: 34.91 million m<sup>3</sup>). The downward trend contributed to the overall reduction of 17% in total new water consumption against the 2009 baseline. The primary factors contributing to water use reduction was the successful implementation of a water-conservation project at the Rustenburg operations and the fact that three shafts at the Rustenburg mines were placed on care and maintenance.

Water used for primary activities decreased by 1.5%, to 28.3 million m<sup>3</sup>, while water used for non-primary activities decreased by 17%, to 5.1 million m<sup>3</sup>.

Water used for primary activities represents total new or make-up water entering an operation and used for the operation's primary activities. Water used for non-primary activities is total new or make-up water entering an operation and used for its non-primary activities. Non-primary activities are those activities which the operation engages in that are not required for the production of our products.



The reduction in water for primary activities highlights the success of the implementation of our water-conservation and water-demand management programmes. The reduction in water for non-primary activities is a result of the restructuring of operations and a reduction in water use by accommodation villages.

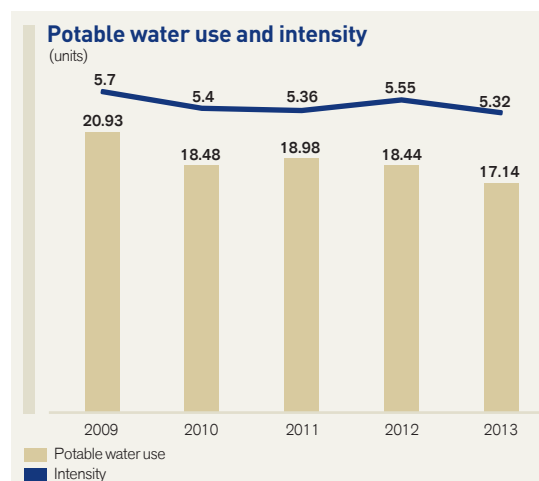
Our revised water-intensity target for 2013 was 18.7 m<sup>3</sup> per refined ounce of PGMs and gold from managed operations, and was calculated using a projected production of 2.9 Moz of PGMs and gold from these operations. The 2013 water target was revised in October 2012.

Our new water target for 2014 is 36.8 million m<sup>3</sup>, while our water consumption intensity target represents an increase to 11.7 m<sup>3</sup>/ounce PGMs and gold, influenced by our revised production forecast.

The new water consumption and intensity trends for our mining and smelting operations showed a decrease in water consumption and intensity from 2012. The decrease in intensity was influenced both by, lower water use and by the increase in production from these two areas of the business.

The concentrator operations, our biggest consumer of water, showed a marginal increase in water consumption, but a decrease in intensity as a result of increased production per tonnes milled.

Water consumption and intensity from our smallest consumer, the refining operations, showed a marginal increase in both water consumption and intensity. The lower production of PGMs as a result. Also the RBMR is currently ramping up production and problems were experienced with the D-Section at RBMR which has reduced the operations' ability to recycle water, hence the increase in water use by the refiners.



## BIODIVERSITY BULK WATER SUPPLY PROGRAMME

South Africa is largely a semi-arid country. Its water resources are increasingly under pressure, with demand rising progressively in line with rapid urbanisation and the growing needs of the nation's mining, minerals processing, agricultural and manufacturing industries. Water, then, has to be harvested and used with care, and shared equitably. This understanding determines our Company's approach to this precious commodity and to its infrastructure.

Our interventions form part of the overall phased strategy of developing the Olifants River catchment area – a strategy that encompasses a range of stakeholders. Our interventions are integrated with each other and with the needs of all those in the Olifants River catchment area. And they are designed not just to help deliver our own bulk-water needs, but also to help supply the needs of our communities.

Our continuing co-ordinating role has been to help bring together interested parties. These are the mines represented on the Olifants River Joint Water Forum, the Lebelelo Water Users' Association and the government and civil society, represented by the National Treasury and the DWA.

Largest among the projects in these overarching ventures has been construction of the almost-completed De Hoop dam on the Steelpoort River, a tributary of the Olifants River, to supply water to mines and communities on the northern and eastern limbs of the Bushveld Complex.

Constructing a dam is one thing. Making use of it is another. Though the dam's construction is virtually complete, water storage will only start in 2015 when the remaining people living in the dam basin have relocated, an operation being managed by the DWA. When this part of the programme has been completed, it will be time to finalise the construction of a pipeline and related infrastructure to carry water from the dam to the town of Steelpoort.

In the third quarter of 2013, through the JWF and in conjunction with the Mogalakwena Municipality (our Mogalakwena Mine's neighbouring community), the LWUA submitted plans to the DWA for a pipeline to carry water 25 km from the Flag Boshielo dam to Mogalakwena. We and the other mining companies involved have agreed in principle to fund 58% of the social component of the water infrastructure. That represents a contribution of R1.1 billion to the project's overall cost of R4.6 billion, and will reduce the government's exposure to the project by R770 million.

There are also projects further afield, on the Highveld coalfields, where collieries generate water but on occasion render it unusable by humans. Amplats has promoted a scoping study of the Upper Olifants River reclaimed water scheme, and has helped to develop the



De Hoop Dam with water level of 42%.

study through the Joint Water Forum and the Lebelelo Water Users' Association.

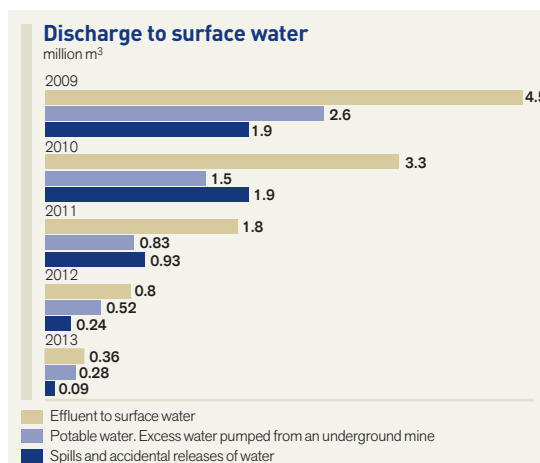
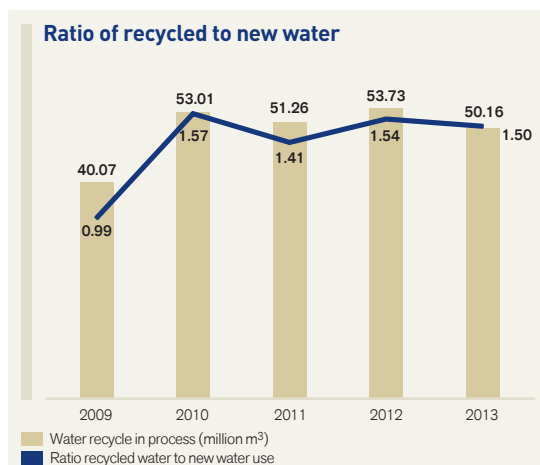
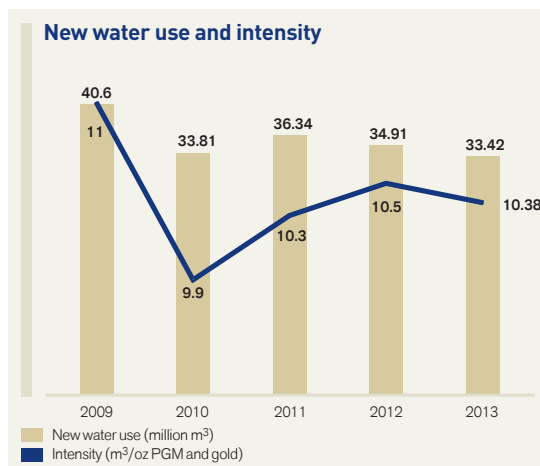
The project is a long-term one, but it envisages mine water being cleaned and essentially rendered potable on the coalfields before discharge into the upper reaches of the Olifants River. This is an innovative project that would draw together mines, local and district municipalities and the DWA to develop and manage mine water as a sustainable and viable resource. Our sister mines in the Anglo American Thermal Coal division have already initiated water-retreatment projects that offer a basis for more extensive interventions.

We, of course, do not need to use valuable potable water in our production processes and, a decade ago, agreed with the Rustenburg Municipality and its Rustenburg Water Services Trust to investigate the modalities of taking treated sewage effluent for use in our plants.

During the past year the project was scoped, and we have suggested to Rustenburg Water Services Trust that sewage water be processed using a dissolved air flotation plant delivering to a reservoir and associated reticulation system. It is an example of cooperation between mine and community, with the project due to start in 2015 with capital and operating costs being shared with the two parties to the agreement. The result is that more potable water will become available to the residents of Rustenburg while Amplats will enjoy operating savings by using water that, while not potable, is acceptable for our operational needs.

These different water projects may not be capable of being developed simultaneously overnight. But, together, they show how everyone's interests can be protected and their needs attended to through co-operative, incremental and integrated interventions.





In order to provide water to the operations and adjacent communities, Amplats is involved in the planning and construction of dams and pipelines. Unfortunately, these projects can also potentially influence land use and relationships with communities. For example, when the Richmond dam in the Klein Dwars River on the farms Richmond and St George was proposed to provide water to the Der Brochen and Richmond mining areas, the project had to be cancelled because the community had a successful land claim on the St George farm. (The dam was planned to inundate a portion of the St George farm.) The Company offered the community compensation for the land however, in return the community demanded a substantial portion of the mine, and the parties could not agree on a purchase value.

The dam project has therefore been replaced with the extension of the Lebalelo Water Users' Association pipeline bringing water from the Olifants River.

#### Water discharges

Water and waste-water discharges are managed through the environmental management system, which is directed by business-unit level non-conformity and incident-control procedures.

Total excess water discharged decreased by 52%, from 0.77 million m³ in 2012 to 0.36 million m³ in 2013. The average discharge for 2013 was 1ML/d (compared with 2 ML/d in 2012). Our water-management programmes and, in particular, the implementation of our integrated water- and waste-management plans at several operations contributed to this improvement.

Discharges to a receiving water resource occurred from Dishaba Mine, the Mogalakwena Concentrator, RBMR and Twickenham Mine:

- The discharge from Dishaba Mine into the Crocodile River is authorised, and is undertaken to manage excess water ingress. The mine is looking at measures to reduce groundwater ingress and is exploring opportunities to re-use excess water.
- While still in its development phases, Twickenham Mine has a positive water balance that is, it produces more water than it uses. Ad hoc releases of excess water occur and the regulators have been informed. The mine is implementing a water-treatment solution to manage the excess.
- Spills at the concentrator and refinery are caused mainly by high rainfall or accidental discharges from other operations. These were reported as incidents and investigated and managed through our environmental management system.



## REDUCING EMISSIONS

Air quality and air emissions are integral to our environmental management activities and permitting processes, and are governed by national and local legislation as well as by national and international conventions. The primary emissions that are monitored and reported on by Amplats are GHGs, SO<sub>2</sub>, particulates and dust.

We do not report on ozone-depleting compounds or persistent organic pollutants as these are not used or are not material at our operations.

### New legislation

South Africa has published the Listed Activities and Minimum Emission Standards identified in terms of section 21 of the National Environmental Management: Air Quality Act, which was updated in November 2013. These regulations include compliance time frames for listed activities that apply to our smelting and refining operations, and to which they must comply by 2015 and 2020.

As indicated on page 86, our Mortimer and Polokwane smelters have submitted 'postponement applications' to defer the 2015 deadline by which they must comply. SO<sub>2</sub>-abatement equipment needs to be installed at the Mortimer and Polokwane smelters by 2020. Amplats did not seek postponement of the 2020 Minimum Emission Standards for SO<sub>2</sub>; instead it sought postponement only for the 2015 SO<sub>2</sub> limits to be given adequate time to

implement technologies capable of achieving compliance with the 2020 emission limits. We have conducted technical studies to identify suitable SO<sub>2</sub> abatement technology for two smelters. Owing to the novelty of the technology in the pyro-metallurgical plants and to the size of this project, it is not be possible to have identified and installed technologies to meet the compliance date of 1 April 2015. Our Waterval Smelter, which already has the equipment installed, and is able to meet the more stringent emissions limits.

Further, 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 (SO<sub>2</sub>, nitrogen dioxide, particulate matter, ozone, benzene and carbon monoxide).

The Waterberg-Bojanala Priority Area, in which our Rustenburg, Northam and Mokopane operations are located, was designated and launched in July 2012, in Limpopo. A priority area is a defined geographical area within which ambient air quality standards are being, or may be, exceeded, causing health and environmental impacts; and which requires specific air-quality management to improve the ambient air quality.

### Air-quality monitoring

Sources of ambient air emissions from our operations include industrial gases, particulate matter and total dust fallout. At the same time, other sources of pollution around our operations also contribute to ambient air pollution. They

**The primary emissions that are monitored are greenhouse gases, sulphur dioxide, particulates and dust.**

**Overview of dust fallout exceedances from 2009 to 2013**

Operation	2009	2010	2011	2012	2013
Rustenburg	25	11	8	13	6
Union	0	0	0	0	0
Amandelbult	0	0	0	2	1
Mototolo	0	1	1	4	5
Mogalakwena	32	4	1	2	0
Twickenham	14	7	6	12	2
Polokwane	0	0	0	0	0

include crushing activities, the construction of public roads, vehicle emissions, veld fires, light industries and domestic coal burning. These various sources mean that the level and accuracy of our air-quality monitoring is crucial.

We conduct ambient air real-time monitoring around the Mortimer, Polokwane and Waterval smelters, specifically to measure the potential impact of SO<sub>2</sub> and particulate matter (PM<sub>10</sub>). Dust fallout monitoring is carried out around our concentrating and mining operations.

### SO<sub>2</sub> emissions

SO<sub>2</sub> emissions are generated by our Mortimer, Polokwane and Waterval smelters, with very small contributions from our refineries.

Total SO<sub>2</sub> emissions (stack and fugitives) for the refineries and smelters were 19.15 kt in 2013, which is lower than the 22.52 kt emitted during 2012. The decrease is attributed mainly to calculated constant emission averages against the internal targets for all three smelters.

The SO<sub>2</sub> emissions for the smelters during 2013 were as follows:

Name	Emission limits (t/d)	2013 Average (t/d)
Mortimer	24	17.31
Polokwane	25	20.15
Waterval	20	14.88

However, SO<sub>2</sub> emissions from the Waterval complex still showed exceedances during March, July and August. This was mostly because the tower plant was not operational for seven days in July and 13 days in August owing to full intermediate storage tanks, resulting in a significant increase of SO<sub>2</sub>.

Annual SO<sub>2</sub> average concentrations for nearly all stations are all well below the 50µg/m<sup>3</sup> standard which is consistent with results obtained in previous years, with the exception of Bergsig and Wonderkop stations, which had low data coverage for 2013 owing to a lightning strike and vandalism.

There were five exceedances of the national SO<sub>2</sub> daily standard (125µg/m<sup>3</sup>) measured across all stations

between January and December 2013. Three of these were recorded at the Mfidikwe station and one each at Brakspruit and Paardekraal. The wind direction was generally south-westerly to north-westerly during the Mfidikwe exceedances suggesting the likely source of SO<sub>2</sub> is from the Waterval Smelter complex. Similarly for Paardekraal, the south-easterly wind suggests that SO<sub>2</sub> was emanating from the Waterval Smelter complex. However the south westerly source at Brakspruit eliminates the Waterval Smelter as the source of SO<sub>2</sub>. These developments represent an increase compared with the last few years when no exceedances of the daily standard were reported. The SO<sub>2</sub> hourly standard (350µg/m<sup>3</sup>) was exceeded on 87 occasions, again with the majority of these exceedances recorded at the Mfidikwe station. This indicates an increase relative to 2012 readings, but is still consistent with results obtained over the past three to four years.

### PM<sub>10</sub> emissions

Average PM<sub>10</sub> concentrations are consistent with annual averages reported in previous years. A total of 23 exceedances of the PM<sub>10</sub> daily standard (120µg/m<sup>3</sup>) were measured across three stations. These include Klipfontein, Paardekraal and Wonderkop. The exceedances are attributed to the dust sources surrounding these stations with the most likely sources being the Klipfontein tailings facility, the Paardekraal tailings facility, unpaved roads and high wind speeds carrying dust from various other sources in the area. This represents an increase against 2012 results, but is consistent with (or even lower than) annual figures for 2011 (42 exceedances) and 2010 (180 exceedances). Three stations (Klipfontein, Mfidikwe and Paardekraal) exceeded the annual average standard (50µg/m<sup>3</sup>) of the Department of Environment Affairs and Tourism and are also likely to be responsible for the daily standard exceedances.

### Dust fallout

New national dust control regulations were published on 01 November 2013. We conduct dust fallout sampling in line with these regulations, according to the ASTM D1739 standard test method. While this method is rudimentary, it

**We conduct dust fall-out sampling in line with the new dust control regulation published in November 2013.**

is useful in the study of long-term trends of particulate matter that may settle. Dust fallout buckets are used and samples are analysed by external laboratories. The gravimetric results are compared with the dust fallout standards in respect of national regulations for residential and non-residential areas. The trend of dust fallout results from 2009 to 2013 for all our managed operations showed a decrease in dust fallout exceedances, except for the Mototolo Concentrator, which has remained at four exceedances since 2012.

Dust fallout is measured as part of the Environmental Management Programme Report as required by the MPRDA. Measurement is normally implemented as and when construction activities are initiated. Other localised sources of dust affecting dust fallout results include transport activities on unpaved roads, re-mining activities at tailings storage facilities; increased activities near crushers for waste-rock crushing; and high wind speeds, as experienced in 2013. Dust suppression measures are implemented and maintained at all our sites, specifically those with a high dust potential.

The dust fallout system at Rustenburg was audited in 2012 by an independent consultant, and the recommendations for improving the system will be implemented in 2014. They include additional dust fallout buckets and the relocation of existing dust buckets that are no longer representative of the dust impacts in an area.

#### Real-time air-quality monitoring

Amplats has three real-time ambient monitoring networks located in Rustenburg, Polokwane and Northam. The Rustenburg air-quality-monitoring network comprises eight stationary ambient monitoring stations, the Polokwane Smelter has six such stations, and the Mortimer Smelter has four (three new stations were commissioned in November 2013). Comprehensive data sets are available for all ambient monitoring stations.

The data sets for the Rustenburg stations are shown on page 100 by way of example.

#### Complaints

A total of 10 environmental complaints were reported in 2013, which is the same as the number of complaints in 2012. The nature of the complaints was as follows:

- The RBMR received two complaints about visible emissions from its scrubber stack. The scrubber was shut down from 16 to 18 July 2013 for maintenance, and no further complaints were received.
- The Waterval Smelter Complex recorded a complaint of a gas present at the underground shaft of Bathopele Mine. Following environmental and occupational hygiene monitoring and investigation, it became apparent that

the smelter was not the source of the gas. Instead, the gas was traced to an underground dam that had been dosed with a neutralising agent.

- A complaint was received on 6 September 2013 from the Anglo American on Amplats train crew relating to gas inhalation from the Waterval Smelter plant area. After investigations it was found that there was a possibility that fugitive gas emissions could have emanated from the ACP and been carried by the wind blowing in a southerly direction. However, this could not be proved conclusively as stack monitoring was within the legal limits and hygiene monitoring results indicated no over-exposure. ACP committed to continuous maintenance and monitoring for emissions from the plant and to inform the train driver's foreman during upset plant conditions. No further complaints were received.
- On 30 August 2013, community members complained about dust from the Paardekraal tailings dam, caused by unusually high wind speeds of 1 m/sec. A meeting was held with members of the community to explain the dust suppression measures undertaken at the dam. Those attending were satisfied with the feedback received.
- Unki Mine received complaints for the reporting period. A complaint was received on 22 April 2013 and two complaints were received on 26 June 2013. The April complaint related to illegal rubble waste dumped in the area of the community and Unki Mine subsequently cleaned up the area, even though it was not the source of the illegal dumping. The waste was taken to a registered dumping site. The second complaint was received from community members that claimed that Unki was not rehabilitating gravel borrow pits. Unki Mine investigated and acknowledged that there were some old disused borrow pits which needed rehabilitation. Rehabilitation of the borrow pits is now under way. The third complaint was a claim that non-collection of refuse by Unki from the litter bins at the Boterekwa pass had increased pollution along sides of the road. The issues have been handed over to roads authority that is responsible for the area.
- Low rainfall during the previous two seasons caused the water level in the Bierspruit dam to dry up and this resulted in the death of fish: the community complained about the odour. Union Mine collected and buried the dead fish in the dam. Approximately 3,000 fish that had survived were relocated to nearby dams.

#### RESPONSIBLE LAND MANAGEMENT AND CLOSURE

##### Land management

Amplats owns and manages large tracts of land, particularly in South Africa. At the end of 2013, it owned and managed some 27,902 ha of land. The total Company-managed land amounted to 43,305 ha (2012: 54,690 ha), 9,337 ha



**A total of 10 environmental complaints were received in 2013, all of which were addressed.**

(2012: 14,530 ha) of which was actually used for mining and related activities. The total amount of land taken up by tailings storage facilities was 2,152 ha (2012: 2,444 ha) and by waste rock dumps 931 ha (2012: 933 ha). Tailings storage facilities and waste rock dumps areas declined owing to re-mining and crushing activities.

In line with Anglo American's renewed focus on demonstrating our active stewardship of the land, the freshwater systems and the biodiversity with which we interact, Amplats created four land-manager positions in its environmental department following the restructuring process of 2013. This will allow more emphasis on land management and biodiversity issues:

- Two detailed studies have been carried out to determine the best option for the joint management in future of the Mooihoek and De Hoogedoorns farms. These two farms form part of the relocation agreement with the Mothlotlo communities (see 56 on page 59). With the help of independent consultants, Mogalakwena Mine has done work on determining the best option for the sustainable use of these properties by the communities.
- At Mogalakwena Mine, community awareness of biodiversity is being promoted via the environmental education facility at Groenfontein, where adults and children receive environmental training.
- At Twickenham Mine, an erosion-prevention and control programme has been implemented with the assistance of local communities in communal areas and in collaboration with the Department of Agriculture.

The area is very prone to erosion owing to its over-utilisation and the highly erodible nature of its soils. This extensive project will protect the land and, ultimately, the biodiversity of the area.

- At the Der Brochen Project, a detailed and well-managed rehabilitation programme related to exploration roads and sites ensures that ecologically sensitive areas are restored as soon as possible. The Der Brochen team won the Amplats' internal environmental award for its rehabilitation work in 2013.

### Biodiversity

To ensure that we identify, mitigate or manage significant impacts on biodiversity associated with our activities, we have compiled and implemented biodiversity action plans for all operations identified as having a moderate-to-high biodiversity risk. Only three of 13 sites (23%) have been identified as having a medium biodiversity risk – Mogalakwena Mine, the Der Brochen Project and Twickenham Mine. Further studies still have to be conducted at Unki Platinum Mine in Zimbabwe before its full biodiversity risk can be determined. In addition to biodiversity action plans, all sites are guided in the management of biodiversity by their environmental impact assessments, environmental management programmes and integrated waste and water management programmes.

Fauna and Flora International, an international NGO, undertakes regular reviews of biodiversity risk for Amplats' operations. This external professional guidance allows our

### Rustenburg ambient air quality monitoring statistics for the annual period 1 January to 31 December 2013

Station name	SO <sub>2</sub> data capture (%)	Number of exceedances SANS SO <sub>2</sub> 10-min average (>500 µg/m <sup>3</sup> )	Number of exceedances National SO <sub>2</sub> hourly average (>350 µg/m <sup>3</sup> )	Number of exceedances National SO <sub>2</sub> daily average (>125 µg/m <sup>3</sup> )	SO <sub>2</sub> average (µg/m <sup>3</sup> )	PM <sub>10</sub> data capture (%)	Number of exceedances of national PM <sub>10</sub> daily average (>120 µg/m <sup>3</sup> )	PM <sub>10</sub> average (µg/m <sup>3</sup> )
Bergsig <sup>a</sup>	77.1	4	1	0	- *	29.6	0	- *
Brakspruit	90.7	89	4	1	13.5	75.4	0	29.5
Hex	75.7	31	4	0	14.8	76.7	0	36.9
Klipfontein	70.9	24	6	0	18.2	43.1	13	63.3
Mfidikwe	91.5	201	42	4	25.5	86.5	1	53.3
Paardekraal	82.3	48	15	1	23.9	75.6	8	63.0
Waterval	91.3	81	14	0	21.3	43.5	0	41.3
Wonderkop <sup>b</sup>	90.1	2	1	0	- *	68.5	4	- *
TOTAL		480	87	6			26	

<sup>a</sup> Annual averages have not been calculated as there is insufficient data to be considered representative of the period under review (Jan - Oct 2013).

<sup>a</sup> The Bergsig station was struck by lightning during December 2012 and only recommissioned during October 2013. Data capture and exceedance values pertain to the remainder of the period only.

<sup>b</sup> The Wonderkop station was vandalised on 25 January 2013 and recommissioned on 21 October 2013. No data is available between these dates.

01 Haul Truck at the Mogalakwena Pit.

02 Hydraulic Shovel and Pit Viper Drill rigs the Mogalakwena Pit.



01



02 Mogalakwena Mine has also had some impact on the biodiversity of the area where it is situated, following the expansion of the Blinkwater tailings dam and the waste-rock dumps on the eastern side of the Mogalakwena North Pit. The impact at the Blinkwater site has been minimal owing to the historical impact of over-utilisation and over-grazing. The impact of the waste-rock dumps was also minimal in 2013, as the building of the dumps has only recently started, in an area heavily degraded previously.

### Rehabilitation

Our mining operations are primarily underground operations, with the most significant surface disturbances being tailings storage facilities and waste rock dumps, as well as roads and infrastructure. Where possible, land is rehabilitated concurrently with agreed land-use specifications.

Khuseleka Mine in Rustenburg conducts open-pit mining and rehabilitation at six open pits, in line with its approved environmental management programme. In 2012, mining began on pits 4, 3 and 1. Pit 4 was backfilled with waste rock in 2013, when the topsoil was placed. Pits 3 and 1 have been backfilled with waste rock, and the placement of topsoil is progressing. The rehabilitated pits will be monitored regularly.

The rehabilitation of tailings storage facilities and waste rock dumps is an ongoing process, and progress has been as follows:

- All tailings storage facilities have concurrent rehabilitation plans in place that include re-vegetation, dust management and water management. These plans are reviewed every year, based on the monitoring of rehabilitation progress.

operations to gain a better understanding of biodiversity risk and to manage the risk.

In order to support Unki Platinum Mine with the compilation of their biodiversity action plan, a review was done for the first time by Fauna and Flora International in 2013. Unki's major challenge is to develop a comprehensive biodiversity baseline. In 2013, the areas most affected have been those used for a huge expansion of the housing project (now several hundred hectares in size), which has destroyed woodland habitat; and the tailings dam, which has undergone considerable expansion that has affected sections of grassland and woodland. This impact is irreversible, but may be mitigated to a degree by the rehabilitation methods that will be employed.

**Where possible land is rehabilitated concurrently with agreed land-use specifications.**

- All the waste rock dumps have come under rehabilitation focus. The waste rock at the Rustenburg, Amandelbult and Union operations forms the basis of small-scale crushing projects that reduce the waste rock footprints at these operations, resulting in reduced closure liability.

### Closure planning

Our Mine-closure Toolbox requires that we have preliminary closure plans in place for all our operations. It actively promotes the notion that a conceptual closure plan and adequate provisioning are sufficient until the facility is much closer to closure. Detailed closure plans are required between five and 10 years before closure. In line with these requirements and, given that most of our operations have lives in excess of 20 years, Amplats has preliminary closure plans in place for the Rustenburg, Mogalakwena, and Amandelbult operations. The preliminary plans for Twickenham Mine will be developed in 2014. The status of all our operations will be reviewed against the latest business plans going forward, to ensure that detailed closure plans are compiled for operations that enter the time frame of five to 10 years.

Under the MPRDA, the closure liability of mining operations must be assessed on an annual basis, and financial provisions must be reviewed and made in consultation with a competent person. At Amplats, we use a standardised reclamation-cost estimator 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.

Each operation uses this model to estimate the total expenditure required for the final rehabilitation and remediation of its operations, on an annual basis and in line with the commitments of approved environmental management and closure objectives. All our rehabilitation liabilities, based on current assets and impacts, were updated in the year under review. At the end of 2013, the total undiscounted rehabilitation liability for all our operations was estimated to be R3,153 million.

We place a great deal of 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 environmental management programme commitments can be offset against annual closure provisions.

The Platinum Producers Environmental Trust Fund was established for managed operations in order 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-mine, to a

maximum of 30 years. The total amount in all the environmental rehabilitation trusts at year end was R816 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.

### MANAGING WASTE

Our vision for waste management is to continue on a journey not to dispose of any waste at landfill sites by 2020. Although the elimination of waste in its entirety will not be feasible, through the systematic application of the waste hierarchy it may be possible to reach a point where recovery, re-use and recycling and alternative disposal technologies overtake landfills as the preferred method of disposal.

Our strategy adopts an integrated approach to waste management, using the waste hierarchy contained in the National Environmental Management: Waste Act (NEMWA) of 2008 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;
- adhering to waste-permitting requirements and standards;
- waste minimisation, reuse, recycling and target setting;
- internal and external reporting; and
- responsible waste disposal and treatment.

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 re-use and recycling of waste streams.

Our waste-management objective is to stabilise the quantity of waste disposed to landfill and then to reduce this volume by increasing our re-use and recycling of waste and only disposing as a last resort. Initially Amplats set itself a target of reducing waste sent to landfill by 15% by 2014 (using 2008 as a base). We showed a huge improvement against this target by achieving a 45% (22,080 tonnes) reduction in waste sent to landfill in 2012, compared with the 2008 baseline of 39,812 tonnes. However, we continued to send to landfill a substantial quantity of waste in 2012. Havomg set ourselves the challenge of 'zero waste to landfill' by 2020. Based on a revised methodology, this goal translates into a further reduction for 2013, in waste sent to landfill – resulting in a reduced figure of 19.4 kt.

**Our strategy adopts an integrated approach to waste management.**

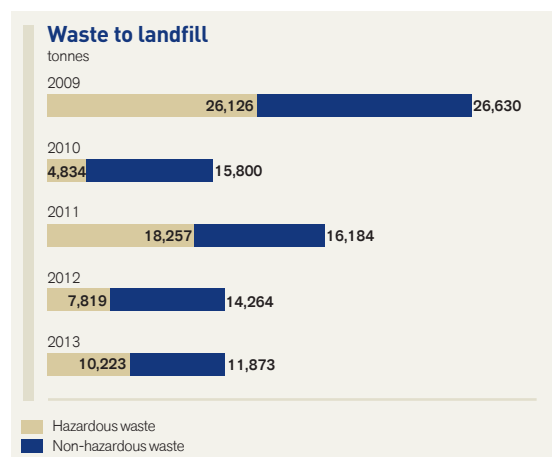
As a result of the disposal of dam cleanings at RBMR to a hazardous landfill site (an exception to normal practice) and an extensive clean-up of waste from surface areas at Amandelbult, the waste-to-landfill target was exceeded by 13.8% (22.1 kt sent to landfill).

From the above, it becomes clear that the emphasis in 2014 must be on hazardous waste. We will also set targets and report hazardous and non-hazardous waste separately in future. In order to treat hazardous waste (hydrocarbon-polluted soil), a bio-remediation project will commence in 2014 at Mogalakwena Mine with the objective of reducing hazardous waste to landfill.

**ENGAGING WITH OUR SUPPLY CHAIN AND STAKEHOLDERS**

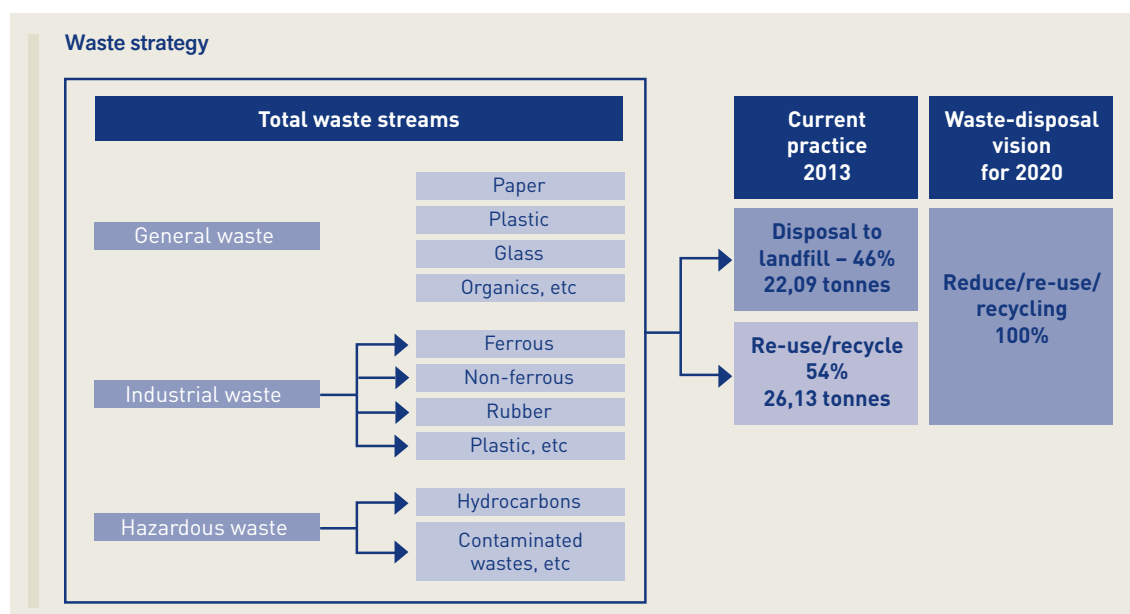
In all our sourcing activities, we encourage suppliers to ensure that they have the minimum possible impact on the environment. Our supply chain function actively engages with the end-users of services (especially where contractors operate an on-mine facility), to ensure that all work is done with total respect for the environment, including all its various aspects.

Our supplier-on-boarding questionnaires require suppliers to provide information that can be used to assess their compliance with our environmental requirements. This requirement is also factored into the evaluation criteria when tenders are evaluated for contract opportunities within Amplats.



To date, not a single supplier to Amplats has had to be removed from site for causing a negative environmental impact. This can be attributed to active contractor management by our supply chain, which adopts a co-ordinated and collaborative approach in its dealings with its end-users.

Moreover, no recorded environmental grievances had to be processed by supply chain in the period from January to December 2013.







# COMPLYING WITH LEGISLATION, REGULATION, VOLUNTARY CODES AND SOCIAL COMPACTS







We will comply with legislation and regulation, including minerals, social, environmental and labour legislation.

But we will do more than comply – we will embrace voluntary codes and social compacts, ensuring real and meaningful transformation and sustainable development. We acknowledge our obligation to earn our social licence to operate.

We will proactively engage with government on mineral policy and proposed legislation amendments to ensure our stated strategy and objectives are not compromised.

## More than 26%

of attributable production owned by BEE entities, including our employee share ownership programme

Anglo American Platinum, via Anglo American plc, is bound by a number of international codes:

- ICMM 10 principles for sustainable development and comply accordingly.
- UN Guiding Principles on Business and Human Rights
- UN Global Compact
- Voluntary Principles on Security and Human Rights
- Extractive Industries Transparency Initiative

**Main**  
Safety information board  
at Polokwane Smelter.

**ICMM**  
International Council  
on Mining & Metals



**VOLUNTARY  
PRINCIPLES**  
ON SECURITY & HUMAN RIGHTS

**EITI** Extractive  
Industries  
Transparency  
Initiative



United Nations Global Compact

# COMPLIANCE AND VOLUNTARY CODES

## VOLUNTARY CODES AND GUIDELINES

Amplats, via Anglo American plc, is bound by a number of international codes, as follows:

- Anglo American is a founding member of the ICMM. As a business unit of the Group, we have adopted and comply with the ICMM's 10 principles for sustainable development.
- The UN Guiding Principles on Business and Human Rights aspects are incorporated into our policies and management systems through the SEAT process. However we are aware that they need to be methodically and more fully implemented.
- Anglo American plc is a member company of the UNGC. As one of Anglo American plc's business units, we have adopted the compact's principles and comply with them.
- Voluntary Principles on Security and Human Rights – Anglo American is a member company and we as a business unit adopt the principles and comply accordingly. All protection service employees and contractors whose activities involve the protection of assets, are trained by an independent service provider and this included training of the local SAPS. The training specifically deals with the VPs, use of force, crowd control and escalation of force.
- Anglo American plc has supported the Extractive Industries Transparency Initiative (EITI), which was launched at the World Summit on Sustainability in Johannesburg in 2002 to combat corruption. See page 40 for our disclosure on payments to the government.

## LAW, REGULATION, COMPLIANCE AND FINES

All rights required in South Africa in terms of the MPRDA, have been granted. In certain cases registration is still pending, and in some of these the execution process, too, is pending.

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 HDSA ownership of 26% by 2014.

The Company did not receive any significant financial or non-financial fines or sanctions during the year. A settlement reached in relation to certain previously unresolved historical tax matters with the South African Revenue Service is discussed in our integrated report.

## MPRDA amendments

Proposed amendments to the MPRDA tabled in 2013 have been the subject of intensive engagement between the South African Government and the industry, including by Amplats through Anglo American plc. A summary of the Company's position is included on page 13.

## Mining Charter compliance

In advancement of BEE, the Company has entered into a number of disposal transactions and joint ventures. We have established an employee share-ownership scheme and various community trusts as part of Amplats' major transaction relating to community economic empowerment. The result of these transactions was the transfer, to HDSAs, 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.

## Progress and targets

Our commitment	2013 targets	2013 performance	2014 targets
We will achieve and retain all our mining rights and our environmental and other permits.	Apply and comply with voluntary codes and guidelines, namely the principles of the International Council on Mining and Metals (ICMM), UN Guiding Principles, UN Global Compact and Voluntary Principles on Security and Human Rights	Reviews conducted during 2013 showed Company policies and management systems aligned with these codes.	Apply and comply with voluntary codes and guidelines, namely ICMM principles, UN Guiding Principles, UNGC and Voluntary Principles on Security and Human Rights
	Continue to comply with Mining Charter and to submit appropriate reports to the DMR) on an annual basis	See Mining Charter compliance table on page 112.	



## VOLUNTARY COMPLIANCE PRINCIPLES



The importance of appropriate responses by security forces, both public and private, was brought to the fore in South Africa through the events of Marikana in August 2012. Notwithstanding that tragedy, there is no doubt that incidents characterised by inappropriate responses have become less common in this country since the introduction of the Voluntary Principles on Security and Human Rights, which were first published in 2000. Anglo American is a signatory to the principles and its business units, including Amplats, are expected to comply with all of them.

The Voluntary Principles on Security and Human Rights are 'designed to guide extractive sector companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights'. They involve, among other things, ensuring that security operatives, whether public or private, have received appropriate training in this area. Along with 18 fuel and mining companies and seven non-governmental organisations, eight governments are signatories to the principles – the US, the UK, Norway, the Netherlands, Canada, Switzerland, Colombia and Australia.

Amplats has in place a management system to govern implementation of the Voluntary Principles on Security and Human Rights. This seeks, through various means, to monitor and control the risks covered by the VPSHRs. Included are a comprehensive assessment of the human rights risks associated with security; engagement with public and private security service providers and communities close to the Company's operations; the human rights related screening and training of public and private security forces; and the development of systems for reporting and investigating allegations of abuses of human rights.

In order to assess the effectiveness of its implementation of the Voluntary Principles on Security and Human Rights,

Amplats last year commissioned an analysis by International Alert (IA), one of the NGO signatories to the principles. Among IA's positive findings were the effectiveness of the management system, the existence of the risk-assessment structure and the significant training efforts taking place within the Company's protection services. However, certain gaps were identified, with IA highlighting the absence of a broader human rights framework within Amplats. IA also concluded that the Company's risk assessments needed to assess VP-related issues explicitly; that existing grievance mechanisms needed to be able to capture VP-related grievances; and that relevant functions outside the Company's protection services needed to receive training too.

In respect of the broader human rights framework, IA recommended the implementation by Amplats of the United Nations Guiding Principles on Business and Human Rights (UNGPs), which also provide guidance on grievance mechanisms. Known as the 'protect, respect and remedy' framework and adopted by the UN Human Rights Council in 2011, the UNGPs are the first set of global guidelines on business and human rights. They are based on three key aspects:

- Governments must protect their citizens against human rights abuses by third parties, by implementing relevant policies and regulations.
- Companies must be required to respect human rights.
- Victims need effective legal remedies to redress wrongs through judicial and non-judicial means.

In summary, therefore, we strongly believe that we can protect our employees and assets without compromising human rights or fundamental freedoms.



- 01 Caption to come  
caption to come
- 02 Safety Day visit at  
Tumela Mine.
- 03 Women working at 18th  
Level safety area at  
Dishaba Mine.



The Company continues to meet all its obligations in terms of the Mining Charter. The table on page 112 provides a summary of its performance against the charter. It also shows where to obtain more information regarding particular sections of the new charter scorecard.

Though there were no substantive new BEE ownership transactions in 2013, Amplats concluded agreements for the revised restructure, recapitalisation and refinancing of BEE partners, Atlatsa and the Bokoni group of companies. The transaction relates to the Bokoni Platinum Mine joint venture. Details of this refinancing are included in the *Integrated Report* on page 100.

### Housing and accommodation

Although housing and accommodation have always been a feature of the Mining Charter, following the events of 2012, including the Marikana tragedy, there is an enhanced focus on housing issues in the mining sector. This is especially the case in the platinum sector, where the challenges appear to be particularly intense.

The 'Presidential Package' agreed in October 2012 between the government and the industry reflects this new focus. Although Amplats has had an advanced housing programme in place for some time, it is nevertheless having to review its strategies in the light of those developments.

The Company has allocated R1.14 billion for housing provision. (For more information, see the case study on page 62.)

The Company owns 4,884 houses and leases an additional 1,208 houses (a total of 6,092 units). These are allocated to employees in the higher job categories.

The Seraleng housing project was awarded first place in the North West Province Finance Linked Subsidy Programme project provincial awards for 2013. Our Northam project also achieved first place in these awards in Limpopo province. Subsequent to this, the Northam project was runner-up for the Govan Mbeki Human Settlement Award nationally.

### Political donations

The Company made no contributions to political parties in 2013. It would be contrary to Company policy to do so.

### Bribery and corruption

Amplats does not tolerate any form of corruption. The risk posed by corruption is considered – along with many

## Empowerment transaction timeline

<b>Aug 2000</b>	Sale of 17.5% in Northam to Mvelaphanda Resources, with the facilitation of an additional 5%.
<b>Aug 2001</b>	Formation of Modikwa 50:50 joint venture with ARM Mining Consortium, an HDSA empowerment company.
<b>Aug 2002</b>	Establishment in July 2002 of 50:50 unincorporated joint venture with Royal Bafokeng Nation, over the BRPM <sup>1</sup> and the Styldrift project area.
<b>Feb 2003</b>	Formation in Aug 2002, with Lonmin plc, of Pandora Joint Venture, in which empowerment partners the Bapo Ba-Mogale community and Mvelaphanda Resources each hold a 7.5% stake.
<b>Dec 2005</b>	Disposal in October 2005 of rights to Elandsfontein 440 JQ, to Eland Platinum Mines, of which the Ngazana Consortium holds 26%.
<b>July 2006</b>	Development of a chromite recovery plant at the Union Mine with Siyanda Chrome Investments, an HDSA company.
<b>Nov 2006</b>	Transaction in December 2006 with the Bakgatla Ba-Kgafela (BBK), the traditional community at Union Mine, giving the BBK a 15% stake in Union Mine, a 26% stake in the Magazynskraal project and a 55% stake in the Rooderand project.
<b>Sep 2007</b>	<ul style="list-style-type: none"> <li>Announcement of sale of an effective 51% interest in Bokoni Platinum Mine and a 1% stake in the Ga-Phasha, Boikgantsho and Kwanda Joint Venture projects respectively to Anooraq Resources Corporation (now Atlatsa Resources Corporation).<sup>2</sup></li> <li>Disposal of the Group's 50% interest in the Booyendal project and of its 22.4% interest in Northam to Mvelaphanda Resources.<sup>3</sup></li> <li>Establishment of an employee share-ownership plan (ESOP) that effectively owns 1.5% of Amplats and that will benefit all permanent employees not already participating in any other Company share scheme.</li> </ul>
<b>Dec 2008</b>	Swapping of a 37% interest in the Western Bushveld Joint Venture for a 26.6% equity interest in Wesizwe Platinum Limited.
<b>Feb 2011</b>	Announcement of Project Alchemy, the Group's R3.5 billion community-empowerment transaction.

<sup>1</sup> In December 2009, BRPM was restructured with Royal Bafokeng Platinum Limited (RBPlat) acquiring a 67% interest and operational control in BRPM on 4 January 2010. RBPlat listed on the JSE Limited in Nov 2010. The Group currently holds a 12.6% equity interest in RBPlat, in addition to the 33% direct interest in BRPM.

<sup>2</sup> Anooraq (now Atlatsa Resources Corporation) now owns and controls an effective 51% of Bokoni, Ga-Phasha, Boikgantsho and Kwanda, giving them control over the third largest PGM resource base in South Africa.

<sup>3</sup> Following this, Mvelaphanda Resources injected the Booyendal project into Northam in return for Northam shares, resulting in Mvelaphanda acquiring majority control of Northam. This transaction gave Mvelaphanda Resources control over the fifth largest PGM resource base in South Africa.

### Anglo American Platinum employee housing project: current and planned

#### Legend

Buffer distance	Housing development status
○ 10 km	■ Active projects
○ 20 km	■ Planned projects

- 1 Thabazimbi extension 18 and 22 (3 Erven)
- 2 Northam extension 6 and 17 (1 Erven)
- 3 Northam extension 8, 12 and 13
- 4 Mokopane extension 14
- 5 Seraleng extension
- 6 East-end Housing development (1 Erven)
- 7 Bokamoso community project



#### 1 Thabazimbi extension 18 and 22 (3 erven)

Number of housing units: **89**  
To serve: **Union, Dishaba and Tumela mines**

#### 2 Northam extension 6 and 17 (1 erven)

Number of housing units: **310 (Ext 6) 680 (Ext 17)**  
To serve: **Union, Dishaba and Tumela mines**

#### 3 Northam extension 8, 12 and 13

Number of housing units: **188 (Ext 8) 2,675 (Ext 12/13)**  
To serve: **Union, Dishaba and Tumela mines**

#### 4 Mokopane extension 14

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

#### 5 Seraleng extension

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

#### 6 East-end housing development (1 erven)

Number of housing units: **208**  
To serve: **Rustenburg mines**

#### 7 Bokamoso community project

Number of housing units: **4,000**  
To serve: **Rustenburg mines**





01



02

01 Tumela One Shaft.

02 Waterval Smelter Complex – Rustenburg.

other forms of risk – as part of our intensive risk-assessment process. Internal audit procedures consider the risk of corruption in all the processes they review; and also assess the efficiency of the controls that are in place to mitigate this risk. If these controls are deemed insufficient, this is reported on and accompanied by 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 that 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, in our dealings either with public officials or with suppliers and customers. We are committed to operate at the same

high standard of integrity wherever we work. As a long-term investor, we consider ourselves obliged to contribute 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 also 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. Details of breaches of our business principles are included on page 40.

# MINING CHARTER SCORECARD

Description	Measure	2013 progress against target	Compliance target
<b>Reporting</b>			
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
<b>Ownership</b>			
Minimum target for effective HDSA ownership	Meaningful economic participation	In advancement of BEE, the Company has entered into a number of disposal transactions and joint ventures. We have established an employee share-ownership scheme and various community trusts as part of Amplats' major transaction relating to community economic empowerment. The result of these transactions was the transfer, to HDSAs, 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	26%
	Full shareholder rights	Good progress to achieving 2014 target	26%
<b>Housing and living conditions</b>			
Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	100% 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
<b>Procurement and enterprise development</b>			
Procurement spent from BEE entity	Capital goods	40%	30%
	Services	46%	60%
	Consumable goods	46%	40%
Multinational suppliers' contribution to the social fund	Annual spend on procurement from multinational suppliers	Work on this programme is under way. Suppliers have been identified and classified and a strategy is being developed	0.5% of procurement value
<b>Employment equity</b>			
Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (Board) level	40%	40%
	Senior management (Exco)	40.4%	40%
	Middle management	59.3%	40%
	Junior management	67.2%	40%
	Core skills	83.3%	40%

Description	Measure	2013 progress against target	Compliance target
<b>Sustainable development and growth</b>			
Improvement of the industry's environmental management	Implementation of approved environmental management programmes	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%
<b>Beneficiation</b>			
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 the implementation of its beneficiation strategy. The offset guidelines have not been finalised by the DMR and therefore the Group cannot calculate what offsets it qualifies for. Furthermore, the DMR has released its beneficiation strategy with no reference to baseline levels or targets.	Section 26 of the MPRDA (percentage above baseline)
<b>Human resource development</b>			
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; and environmental conservation and rehabilitation	Human resources development expenditure as percentage of total annual payroll (excluding mandatory skills development levy)	4.7% achieved	4.5%
<b>Mine community development</b>			
Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Projects in communities close to our operations implemented to the value of R204 million	Up-to-date project implementation

## ECONOMIC INDICATORS

as at 31 December 2013

## ANGLO AMERICAN PLATINUM LIMITED

	2013	2012	2011	2010	2009
<b>Total workforce<sup>1</sup></b>					
Full-time employees	<b>45,884</b>	50,873	52,152	48,807	50,681
Contractors <sup>2</sup>	<b>2,646</b>	4,245	6,237	5,513	14,014
<b>Total capitalisation, as at 31 December, R millions</b>					
Debt	<b>12,618</b>	12,665	5,958	6,645	22,794
Equity	<b>50,008</b>	50,100	56,743	55,018	32,633
<b>Total assets, as at 31 December, R millions</b>	<b>89,027</b>	85,947	87,280	83,801	75,821
Property, plant and equipment	<b>43,298</b>	43,946	44,499	37,438	35,283
Capital work-in-progress	<b>9,810</b>	9,149	12,940	17,065	18,074
Investment in associates	<b>6,816</b>	6,653	6,870	7,339	3,301
Investments held by environmental trusts	<b>732</b>	642	662	569	78
Other financial assets	<b>3,422</b>	4,204	3,931	2,904	941
Other non-current assets	<b>54</b>	58	69	93	101
Inventories	<b>19,668</b>	15,937	12,525	12,558	11,292
Trade and other receivables	<b>3,624</b>	2,708	3,066	2,988	2,891
Other assets	<b>441</b>	472	419	305	328
Other current financial assets	<b>–</b>	4	3	8	–
Cash and cash equivalents	<b>1,162</b>	2,174	2,296	2,534	3,532
<b>Refined production</b>					
Platinum 000 oz	<b>2,380</b>	2,379	2,530	2,570	2,452
Palladium 000 oz	<b>1,381</b>	1,396	1,431	1,449	1,361
Rhodium 000 oz	<b>295</b>	311	338	329	350
Gold 000 oz	<b>100</b>	105	105	81	91
Nickel tonnes	<b>17</b>	18	20	19	20
Copper tonnes	<b>8</b>	11	13	11	11
<b>Gross revenue, R millions</b>	<b>52,822</b>	43,148	51,484	46,352	36,947
North America	<b>2,030</b>	2,023	4,189	3,438	2,692
Asia	<b>15,010</b>	12,716	18,322	15,068	10,470
Europe	<b>26,540</b>	20,164	18,884	19,564	18,025
Africa	<b>5,584</b>	6,381	8,215	7,783	5,645
Other	<b>3,658</b>	1,864	1,874	499	115
<b>Total cash operating costs, R millions</b>	<b>41,555</b>	37,482	34,976	32,447	29,573
Limpopo	<b>15,763</b>	12,858	12,180	10,234	8,609
Mpumalanga	<b>1,820</b>	1,599	1,425	1,302	1,096
North West	<b>22,958</b>	21,382	20,550	20,245	19,254
Non-South Africa	<b>1,014</b>	1,643	821	666	614
<b>Value added, R millions</b>	<b>25,377</b>	14,928	25,066	26,648	20,977
To salaries, wages and other benefits, net of tax	<b>14,122</b>	11,511	10,651	9,649	8,712
Taxation	<b>5,996</b>	3,831	3,742	1,985	2,687
To providers of capital	<b>956</b>	1,250	3,821	966	1,998
Reinvested in the Company	<b>4,303</b>	(1,664)	6,852	14,048	7,580

<sup>1</sup> Workforce numbers based as at 31 December 2013.<sup>2</sup> By definition part-time employees are contractors.<sup>3</sup> A further 1,286 employees and contractors are employed at our Unki operations in Zimbabwe.



## DIRECT VALUE ADDED TO SOUTH AFRICA

	2013	2012	2011
<b>Employees</b>			
<b>Total payroll and benefits paid in South Africa (Rm)</b>			
Gauteng	1,367	1,373	1,283
Limpopo	5,891	4,847	4,463
North West	8,147	6,441	5,968
Mpumalanga	286	224	190
<b>Total</b>	<b>15,691</b>	12,885	11,904
Wages <sup>1</sup>	12,755	10,972	10,241
Pension	1,047	924	839
Other benefits	513	391	272
Share-based payments	502	572	498
Redundancy payments	874	26	54
<b>Total</b>	<b>15,691</b>	12,885	11,904
<b>Donations in South Africa (Rm)</b>			
Health	—	2.9	2.5
Education and youth projects	15.6	27.1	37.5
Environment	0.1	1.0	—
General community development (including infrastructural projects)	107.2	138.1	99.1
Arts, culture and heritage	—	—	1.0
Housing	—	—	—
Other	71.0	30.4	22.6
Chairman's Fund contribution	10.0	15.0	23.8
<b>Total</b>	<b>203.9</b>	214.5	186.5
<b>Non-core infrastructure development<sup>2</sup> (Rm)</b>			
<sup>1</sup> Anglo American Platinum Limited is an equal-opportunity employer and, to this end, remunerates its employees competitively irrespective of race and gender.			
<sup>2</sup> This is in infrastructure built outside main business activities, such as schools, hospitals and roads.			
<b>Private sector</b>			
<b>Suppliers</b>			
<b>Costs of goods, materials and services purchased (Rm)</b>			
Total	27,636	27,636	28,135
Of which sourced in South Africa	26,297	25,954	26,767

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

## SAFETY INDICATORS

for the year ended 31 December 2013

Operations	Number of fatalities					Fatal-injury-frequency rate (FIFR)				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Bathopele Mine	2	0	2	0	1	0.08	0	0.084	0	0.044
Khomanani Mine	0	1	2	0	0	0	0.028	0.050	0	0
Thembelani Mine	0	0	2	0	1	0	0	0.044	0	0
Khuseleka Mine	1	2	0	0	2	0.02	0.040	0	0	0.024
Siphumelele Mine	1	0	0	2	3	0.03	0	0	0.05	0.047
Central Services <sup>1</sup>	0	0	0	0	0	0	0	0	0	0
Tumela Mine	1	0	1	2	0	0.01	0	0.010	0.02	0
Dishaba Mine	0	0	1	2	0	0	0	0.017	0.03	0
Union Mine	1	2	2	1	2	0.01	0.030	0.029	0.01	0.020
Mogalakwena Mine	0	1	0	0	0	0	0.061	0	0	0
Unki Platinum Mine	0	0	1	—	—	0	0	0.091	—	—
Rustenburg Concentrators	0	1	0	1	0	0	0.163	0	0.13	0
Amandelbult Concentrators	0	0	0	0	0	0	0	0	0	0
Union Concentrators	0	0	0	0	0	0	0	0	0	0
Mogalakwena Concentrators	0	0	0	0	0	0	0	0	0	0
Unki Concentrator	0	0	0	0	0	0	0	0	0	0
Mototolo Concentrator	0	0	0	0	—	0	0	0	0	—
Polokwane Smelter	0	0	0	0	0	0	0	0	0	0
Waterval Smelter	0	0	0	0	1	0	0	0	0	0.052
Mortimer Smelter	0	0	0	0	0	0	0	0	0	0
Rustenburg Base Metal Refiners	0	0	1	0	0	0	0	0.050	0	0
Precious Metals Refiners	0	0	0	0	0	0	0	0	0	0
Western Limb Tailings Retreatment	0	0	0	0	0	0	0	0	0	0
Greenfield projects	0	0	0	0	2	0	0	0	0	0.031
<b>Total/aggregate<sup>2</sup></b>	<b>6</b>	<b>7</b>	<b>12</b>	<b>8</b>	<b>14</b>	<b>0.010</b>	<b>0.011</b>	<b>0.018</b>	<b>0.012</b>	<b>0.016</b>

<sup>1</sup> Central Services for 2010 includes all services departments. Previous years' data is only Rustenburg Services; all other data is included with the mine.<sup>2</sup> 2009 includes one fatality at BRPM Concentrator and one at Bokoni Platinum Mine.

Operations	Lost-time injury-frequency rate (LTIFR)					TRCFR <sup>2</sup>			
	2013	2012	2011	2010	2009	2013	2012	2011	2010
Bathopele Mine	<b>0.98</b>	0.79	0.84	1.09	0.49	<b>3.09</b>	3.12	2.90	2.26
Khomanani Mine	<b>1.46</b>	1.32	1.49	1.35	2.03	<b>1.94</b>	2.13	5.04	1.73
Thembelani Mine	<b>1.86</b>	2.41	2.04	1.53	1.60	<b>2.47</b>	3.13	3.89	2.17
Khuseleka Mine	<b>1.38</b>	2.02	1.65	1.43	1.84	<b>1.57</b>	3.52	15.163	2.08
Siphumelele Mine	<b>2.00</b>	2.49	2.61	2.02	2.21	<b>2.37</b>	3.05	5.91	3.10
Central Services <sup>1</sup>	<b>0.55</b>	0.40	0.44	0.39	0.30	<b>0.80</b>	0.82	1.05	0.87
Tumela Mine	<b>1.24</b>	1.56	1.60	1.77	1.89	<b>1.65</b>	1.85	2.09	2.64
Dishaba Mine	<b>1.11</b>	0.90	1.94	2.03	2.58	<b>1.67</b>	1.73	2.24	2.83
Union Mine	<b>1.26</b>	1.12	1.31	1.16	1.21	<b>3.76</b>	2.09	5.82	1.91
Mogalakwena Mine	<b>0.83</b>	0.67	0.49	0.40	0.06	<b>2.13</b>	2.33	2.25	3.08
Unki Platinum Mine	<b>0.11</b>	0.12	0.18	—	—	<b>0.85</b>	1.04	2.28	—
Rustenburg Concentrators	<b>0.75</b>	0.16	0.00	0.26	0	<b>1.24</b>	1.30	1.03	0.78
Amandelbult Concentrators	<b>0.64</b>	1.57	0.10	0.26	0.40	<b>0.93</b>	2.69	1.30	1.49
Union Concentrators	<b>0.45</b>	0.55	0.34	0.12	0.57	<b>1.01</b>	0.69	0.90	0.47
Mogalakwena Concentrators	<b>1.32</b>	0.13	0.17	0.43	0.33	<b>0.92</b>	1.01	1.71	2.39
Unki Concentrator	<b>0</b>	0.38	0.00	0	0	<b>1.46</b>	1.88	1.79	—
Mototolo Concentrator	<b>0</b>	0	0.66	0.61	—	<b>0</b>	0.37	2.30	1.22
Polokwane Smelter	<b>0.20</b>	0.37	0.64	1.08	0.97	<b>0.61</b>	1.30	1.37	2.34
Waterval Smelter	<b>0.79</b>	0.57	0.57	0.57	0.52	<b>1.14</b>	1.14	1.72	1.76
Mortimer Smelter	<b>0.39</b>	0.80	0.00	—	0.87	<b>0.78</b>	1.19	0.58	0.59
Rustenburg Base Metal Refiners	<b>0.58</b>	0.71	0.74	0.50	0.68	<b>0.93</b>	1.20	2.31	2.04
Precious Metals Refiners	<b>0.39</b>	0.48	0.70	0.22	0.10	<b>1.41</b>	1.58	3.02	1.66
Western Limb Tailings Retreatment	<b>0.77</b>	0.27	0.86	0.67	0.31	<b>1.03</b>	1.07	1.14	1.66
Greenfield projects	<b>0.43</b>	0.48	0.56	0.44	0.51	<b>1.34</b>	3.20	1.53	1.61
<b>Total/aggregate<sup>2</sup></b>	<b>1.05</b>	1.15	1.27	1.17	1.37	<b>1.82</b>	2.13	4.09	2.08

<sup>1</sup> Central Services for 2010 includes all services departments. Previous years' data is only Rustenburg Services; all other data is included with the mine.

<sup>2</sup> 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.

# HUMAN RESOURCES INDICATORS

for the year ended 31 December 2013

## EMPLOYMENT STATISTICS

	2013	2012	2011	2010	2009
<b>Breakdown of South African workforce, numbers<sup>1,2</sup></b>					
Gauteng	417	532	559	488	557
Limpopo	24,577	24,645	24,654	23,416	23,235
North West	20,762	25,555	25,913	24,463	26,744
Mpumalanga	128	141	143	142	145
<b>Total own employees</b>	<b>45,884</b>	50,873	51,269	48,509	50,681
<b>Contracting staff<sup>2</sup></b>					
Labour hire	495	610	516	400	941
Contractors	2,151	3,635	5,721	5,113	13,073
<b>Total contracting staff</b>	<b>2,646</b>	4,245	6,237	5,513	14,014
<b>Employment creation in provinces, numbers</b>					
Gauteng	(115)	(27)	71	(69)	(161)
Limpopo	(68)	(9)	1,238	181	(4,767)
North West	(4,793)	(358)	1,450	(2,281)	(2,489)
Mpumalanga	(13)	(2)	1	(3)	13
<b>Total own employees</b>	<b>(4,989)</b>	(396)	2,760	(2,172)	(7,404)
Labour turnover in South Africa, percentage (including voluntary separation packages)					
Gauteng	0.2	0.12	6.12	11.99	14.88
Limpopo	4.09	2.39	6.70	9.17	8.84
North West	7.09	0.02	7.13	8.96	12.06
Mpumalanga	0.13	3.05	1.86	9.68	3.35

<sup>1</sup> Workforce numbers based as at 31 December 2013.<sup>2</sup> Workforce breakdown numbers reviewed against published Group statistics.<sup>3</sup> A further 1,286 employees are employed at our Unki operations in Zimbabwe.

## BREAKDOWN OF EMPLOYMENT EQUITY PER OCCUPATIONAL LEVEL

(2012 employment equity statistics submitted to the Department of Labour in 2013)

Occupational levels	Male				Female				Foreign nationals		TOTAL
	African	Coloured	Asian	White	African	Coloured	Asian	White	Male	Female	
Top management	1	0	1	2	1	0	0	0	3	0	8
Senior management	77	5	19	191	12	0	7	17	5	0	333
Professionally qualified and experienced specialists and mid-management	719	23	21	883	220	13	26	181	31	4	2,121
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3,621	45	8	1,651	770	9	14	360	346	5	6,829
Semi-skilled and discretionary decision-making	27,673	34	1	181	2,721	9	2	81	5,229	2	35,933
Unskilled and defined decision-making	2,857	6	0	38	1,220	0	0	0	146	2	4,269
<b>Total permanent employees</b>	<b>34,948</b>	<b>113</b>	<b>50</b>	<b>2,946</b>	<b>4,944</b>	<b>31</b>	<b>49</b>	<b>639</b>	<b>5,760</b>	<b>13</b>	<b>49,493</b>
Temporary employees	15	0	0	12	13	0	0	6	2	0	48
<b>Grand Total</b>	<b>34,963</b>	<b>113</b>	<b>50</b>	<b>2,958</b>	<b>4,957</b>	<b>31</b>	<b>49</b>	<b>645</b>	<b>5,762</b>	<b>13</b>	<b>49,541</b>

Note: All numbers are for the period March 2012 to February 2013.



## TURNOVER PER REGION

Region	2013 excluding VSPs		2013 including VSPs		2012 excluding VSPs		2012 including VSPs	
	Total	%	Total	%	Total	%	Total	%
Gauteng	52	0.10	119	0.2	46	0,09	61	0,12
Limpopo	1,071	2.26	2,056	4.09	1,131	2,22	1,220	2,39
Mpumalanga	54	0.11	60	0.13	9	0,02	9	0,02
North West	1,118	2.36	3,349	7.09	1,457	2,83	1,572	3,05
Zimbabwe	67	0.13	67	0.13				
<b>Grand total %</b>	<b>2,362</b>	<b>4.96</b>	<b>5,651</b>	<b>11.64</b>	<b>2,643</b>	<b>5,16</b>	<b>2,862</b>	<b>5,58</b>

## TURNOVER by gender and age in 2013

	Age group					
	20 – 30	31 – 40	41 – 50	51 – 60	61 – 72	Total
Turnover excluding VSPs						
Women	0.12	0.29	0.09	0.04	0.01	0.55
Men	0.71	1.50	0.73	1.27	0.20	4.41
Total	0.83	1.79	0.82	1.31	0.21	4.96
Turnover including VSPs						
Female %	0.18	0.52	0.18	0.12	0.01	1.01
Male %	1.01	2.66	1.83	4.93	0.20	10.63
Grand total %	1.19	3.18	2.01	5.05	0.21	11.64

## TRAINING

Type of training	Black		Coloured		Asian		White		Total HDSA trained	Total trained
	Males	Females	Males	Females	Males	Females	Males	Females		
Graduates	103	48	2	1	3	4	47	10	171	218
Bursars	141	56	2	1	4	8	51	19	231	282
Leaderships (Engineering)	297	99	8	0	1	0	59	4	409	468
Leaderships (Mining)	68	18	0	0	0	0	3	0	83	89

## MEMBERSHIP OF RECOGNISED UNIONS AND ASSOCIATIONS

as at 31 December 2013	2013	2012	2011	2010	2009
AMCU	26,916				
National Union of Mineworkers (NUM)	9,560	30,043	29,937	28,538	28,173
United Association of South Africa (UASA)	5,077	7,230	6,905	5,098	4,806
National Union of Metalworkers of South Africa (NUMSA)	465	777	247	859	1,172
<b>Total</b>	<b>42,018</b>	<b>38,050</b>	<b>39,100</b>	<b>34,495</b>	<b>34,151</b>
Total percentage of workforce represented, excluding management	94	81	79	76	73.8

## AVERAGE TRAINING HOURS

	Average training hours per employee
Professionally qualified and experienced specialists and mid-management	57
Semi-skilled and discretionary decision-makers	79
Senior management	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	96
Unskilled and defined decision-makers	69
Total per employee	79

## ABSENTEEISM

	Absenteeism owing to work- related injuries %	Total %
Gauteng	0,00%	7,33%
Limpopo	0,20%	21,63%
Mpumalanga	0,11%	16,21%
North West	0,21%	20,16%

## ENVIRONMENTAL INDICATORS

for the year ended 31 December 2013

	2013	2012	2011	2010	2009
<b>MATERIALS</b>			Kilotonnes		
Rock broken – managed operations (100%)	126,329	107,235	111,379	102,393	73,478 <sup>1</sup>
Ore milled – managed operations (100%)	36,120	35,431	36,547	37,530	37,604
Accumulated low-grade stockpiles	33,364	24,634	19,626	16,273	16,631
Coal	140.3	138.9	140.0	125.25	127.5
Liquid petroleum gas (LPG)	4.81	6.23	4.48	5.16	4.40
Grease	0.38	0.39	0.54	0.87	0.88
			Megalitres		
Fuels	65.15	55.63	59.68	52.31	40.01
Lubricating and hydraulic oils	26.75 <sup>2</sup>	6.92	7.91 <sup>3</sup>	14.21	12.25
<b>ENERGY</b>			Terajoules		
Energy from electricity purchased	18,594	18,362	19,049	18,556	18,550
Energy from processes and fossil fuels	6,348	6,031	6,119	5,600	5,151
Total energy consumed	24,942	24,392	25,168	24,156	23,701
<b>WATER</b>			Megalitres		
Total new water use	33,412	34,911	36,340	33,817	40,600
Water used for primary activities	28,311	28,755	31,248	28,874	34,151
Water used for non-primary activities	5,101	6,156	5,092	4,943	6,449
Potable water from an external source	17,138	18,437	18,983	18,483	20,925
Non-potable water from an external source	1,484	1,326	924	935	999
Waste or second-class water used	8,034	9,142	10,638	10,673	11,171
Surface water used	1,507	1,502	1,535	—	— <sup>4</sup>
Groundwater used	6,372	4,407	4,323	3,636	4,970
Water recycled in processes	50,159	53,731	51,260	53,014	40,074 <sup>5</sup>
<b>LAND</b>			Hectares		
Land under Group charge for current mining activities	117,382 <sup>6</sup>	91,827 <sup>7</sup>	54,640	39,049 <sup>8</sup>	51,330
Land utilised for current mining and related activities	9,337	14,530	14,791	14,186	14,723
Total tailings dam area	2,152	2,444	2,848	2,555	3,127
Total waste rock dump area	931	933	790	772	844
All land owned (new parameter from 2007)	27,902	43,212	40,136	40,136	45,855
<b>EMISSIONS</b>			Kilotonnes		
GHG emissions, CO <sub>2</sub> equivalent (Scope 1 and 2 only)	5,936	5,743	5,991	5,611	5,580
From electricity purchased	5,378	5,210	5,450	5,154	5,153
Internally generated	558	533	541	457	427
Nitrous oxides	NM <sup>9</sup>	NM	NM	NM	NM
Sulfur dioxide	19.15	20.08	18.77	17.65	15.34
Particulates (point sources)	0.19	0.43	0.42	0.46	0.45
<b>DISCHARGE</b>			Megalitres		
Discharge to surface water	363	765	1,761	3,327	4,456
			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

	2013	2012	2011	2010	2009
<b>WASTE</b>					
<b>Mineral waste accumulated in:</b>			Kilotonnes		
Tailings dams (active and inactive)	849,895	893,600	810,639	869,616	839,142
Rock dumps	898,074	840,266	752,349	715,437	692,799
Slag dumps	4,975	3,985	3,047	5,054	5,162
<b>Non-mineral waste generated:</b>					
Hazardous to landfill	10.22	7.82	18.26	4.83	5.5
Hazardous incinerated	0.01	3.71	0.80	0.01	0.03
Non-hazardous to landfill	11.87	14.26	16.18	15.80	26.63
Non-hazardous incinerated	—	—	—	—	—
<b>ENVIRONMENTAL INCIDENTS AND COMPLAINTS</b>			Number		
Level 1 and 2	590	476	309	477	3,442
Level 3	1	—	—	—	1
Level 4 and 5	—	—	—	—	—
Formal complaints	10	10	20	16	8
Substandard acts and conditions <sup>10</sup>	2,092	1,175	976	875	—
<b>PRODUCTS</b>			Ounces		
Total refined PGMs and gold <sup>11</sup>	4,047,672	4,423,639	4,726,682	4,660,176	4,395,394

<sup>1</sup> Large decrease owing to reduced mining at Mogalakwena. Surface stockpiles were processed in 2009. Rock broken at Bokoni only included until 30 June 2009.

<sup>2</sup> Increases as a result of bulk purchases.

<sup>3</sup> Number lower owing to overstated figures in previous years. Data for 2007, 2008 and half of 2009 includes Bokoni Platinum Mine and BRPM.

<sup>4</sup> Water reassigned to groundwater rainfall according to latest water-model definitions.

<sup>5</sup> Increase attributed primarily to better internal measurements of the overall water balance.

<sup>6</sup> Land parameters were reviewed and restated.

<sup>7</sup> Increase owing to revised definition that includes privately owned land above mining right.

<sup>8</sup> Reduction is the result of the exclusion of BRPM and Bokoni JVs.

<sup>9</sup> Not measured.

<sup>10</sup> Substandard acts and conditions reported in 2010.

<sup>11</sup> Excludes toll refining from Anglo American Platinum Limited marketing.

# OUR APPROACH TO ASSURANCE

Anglo American Platinum believes in timeous, accurate and transparent reporting, and we support third party verification of our systems and data.

## ASSURANCE AND APPROVALS

This year the sustainable development report was confirmed by our S&SD committee, the SET Committee and the Audit and Risk Committee; external auditors; and an independent viewpoint was sought from our sustainability review panel.

### Internal assurance

The Audit and Risk Committee plays an oversight role in reviewing reporting on sustainability and overseeing the third-party assurance process. They consider findings and recommendations of the S&SD Committee, external auditors, senior management and internal auditors to consider their findings, and to make appropriate enquiries of.

The review assessed the validity, accuracy and completeness of the relevant GRI indicators in the group-level reporting, together with various data transfer and integrity checks.

This *Sustainability Report* was approved by the board of directors on 31 January 2014.

### External assurance and independent review

PwC provided the external assurance of our sustainability report. Data indicators are selected for assurance by external audit teams on the basis of their assessment of the issues and indicators that are most significant to the sustainability performance of the business, as well as the material issues identified by the group.

In 2013, the scope of our external assurance also covered compliance with the key standards against which we report – the Global Reporting Initiative's (GRI's) G4 guidelines, the Sustainable Development Framework of the International Council on Mining and Metals (ICMM) and the United Nations Global Compact Index (UNGC).

## Independent review

In order to enhance transparent third external scrutiny of our reporting, we requested four independent experts to review our sustainability report while still in its draft form.

Members of the panel were selected on the basis of their knowledge of our industry, our sector and sustainability issues and reporting. They reviewed a draft of the contents of the printed report.

Panel members were asked to bear in mind that Amplats is committed to a certain level of disclosure, by virtue of its membership of the ICMM, and has committed to reporting in line with the GRI G4 guidelines at the 'core' level of disclosure. None of the panel members are employed by the company, though two had done some consultancy work for Amplats.

Amplats did not interact directly with the panel members although we were party to their selection. All evaluation and feedback was undertaken through an intermediary to preserve confidentiality and to encourage an open and robust exchange.

The panel members were asked to review our report on the basis of the following:

- Whether the report addresses the issues that they think are most material to Amplats's primary stakeholders, namely its investors, our employees, our communities and government?
- Whether the report presents information in a balanced way?
- Which issues you think require more detailed coverage and which issues do you think require less coverage?

In addition to the issues raised below, panelists suggested numerous textual changes, many of which were accepted and, we believe, have improved the readability of the report.



The primary areas of feedback were as follows:

#### Issue 1: Performance against objectives

The section on 'Performance against objectives' provided an extremely useful snapshot and a good handle on issues. It would be helpful to have a brief annotation in cases where performance fell short of targets to explain why. And it would be useful to include data going back a few years to illustrate trends.

We decided to cross-refer to the pages in the report where this information is available.

#### Issue 2: The CEOs letter

The CEO's letter deals effectively with safety. It should do equally effectively with health, community, human rights and other key sustainability matters.

We acknowledge a particular emphasis on safety matters due to its prioritisation. We also believe that the restructuring and its impact are dealt with in some detail, as well as labour relations. As such we believe that our most material issues are appropriately dealt with. Nonetheless, we will bear this comment in mind for possible greater balance in future years.

#### Issue 3: Project Alchemy

The description of Alchemy could do more to show its innovative features – that they are community trusts and Amplats is one stakeholder in the trust (funding through dividends), and that over time the trusts will function completely independently of Amplats.

Further information added as recommended.

#### Issue 4: Five capitals

The chart of the five capitals needs to capture positives as well as negatives.

Additional capitals factors supplied and inserted.

It is a pity that the solutions to the dilemmas raised are scattered all over the report, instead of following directly after the diagram.

As the entire report focuses on these capitals distribution of detail around the report is inevitable.

#### Issue 5: Labour relations situation

Why is the labour relations situation not considered to be a material issue?

Labour relations recognised as one of the most significant factors in the reporting period, as is evidenced by content throughout the report. This point has been made more explicit in the initial summary.

#### Issue 6: Restructuring

The report needs to address the implications of the restructuring on the future of Rustenburg. Is this issue signaling a radical change to Rustenburg's economic future? If so, what are the mining companies, government, local municipality, community organisations doing to address this?

Comment noted. Additional information has been added on the implications for the company. It would be premature to offer an analysis at this stage on the implications for the town. We will seek to provide greater clarity in the year ahead.

#### Issue 7: Stakeholder engagement

The table on stakeholder engagement should be made more brief and simplified.

We have reviewed this to ensure it is useful to a range of direct stakeholders. Detailed information is provided on our website.

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**Issue 8: Activities and projects**

In a number of areas, activities and projects are only addressed in terms of amounts spent (or other inputs) rather than also in terms of impacts.

We agree that absence of impact analyses is a weakness of our work. Programmes are being put in place to assess impacts rather than merely spend on such projects. These are not available at this stage.

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**Issue 9: Absenteeism**

Absenteeism is a huge issue in the industry. Surely it should feature more prominently than at present?

We agree the wisdom of adding additional information and have done so.

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**Issue 10: Human rights**

Human rights are not sufficiently addressed. While human right policy is referred to, the report does not answer the questions of 'which were our key human rights risks and challenges for 2013, what did stakeholders have to say about it, what did we do to address these and what do we learn from this'? This leaves the stakeholder thinking that Amplats lacks an understanding of how to implement the UN Guiding Principles on Business and Human Rights.

Agree we need to better understand UNGP implementation, and to ensure we do not claim adherence at this stage. Relevant passages have been amended. More work will need to be done on this in the year ahead.

Information on the following human rights issues would be useful:

- Assessing the incidence of forced or child labour in the supply chain/
- Are there any challenges with racism in the work force?
- What are the trends in respect of sexual harassment?
- What will determine whether implementing the UNGPs will 'become necessary'?
- Company security practices – more information would be required. What does it mean that the VPs have been implemented? Is it not an ongoing process to ensure that security forces act with respect for human rights e.g. in the use of force? How is this measured and performance tracked?
- Re SAHRC – more information is required – what happened, what is the background, learning?
- Crowd- management mentions SAPS. More information required on engagement with the SAPS.
- Community grievances, what do the numbers reveal and what does it mean that they were solved?

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Amplats extends its gratitude to the panel members for their considered and frank comments.

# INDEPENDENT ASSURER'S REPORT

## TO THE DIRECTORS OF ANGLO AMERICAN PLATINUM LIMITED

We have been engaged by the directors of Anglo American Platinum Limited (the Company) to perform an independent assurance engagement in respect of Selected Identified Sustainable Development Information reported in the Company's Sustainable Development Report for the year ended 31 December 2013 (the Report). This report is produced in accordance with the terms of our contract with the Company dated 27 August 2013.

### 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 (page 116)
- Total work-related fatal injuries (page 116)
- Lost-time injury-frequency rate (LTIFR) (page 117)
- Total recordable case frequency rate (TRCFR) (page 117)
- Number of new cases of noise induced hearing loss (NIHL) reported (page 77)
- CO<sub>2</sub> emissions in kilotonnes (Scope 1) (page 91)
- CO<sub>2</sub> emissions kilotonnes (Scope 2) (page 91)
- CO<sub>2</sub> emissions in kilotonnes (Scope 3) (page 91)
- Number of level 2, 3, 4 and 5 environmental incidents reported (page 88)
- Total energy used in terajoules (page 120)

#### Limited assurance

The following identified sustainable development information in the Report was selected for an expression of limited assurance:

- Total water use by source in megalitres (page 120)
- Total hazardous and non-hazardous waste to legal landfill in kilotonnes (page 121)
- Total SO<sub>2</sub> from processes in kilotonnes (page 120)
- Company managed land in hectares (page 99)
- Number of employees receiving anti-retroviral treatment (ART) (page 80)
- Total amount spent on corporate social investment (CED) projects in ZAR (page 7)
- Total number of new employee hires and employee turnover by region (page 52, 119)
- Number of security personnel who have received formal training in the organisations human rights policies or procedures during the reporting period (page 61)
- Employment Equity per the Mining Charter requirements (page 112)
- Specific statements from two case studies as set out below:
  - Negotiating a complex labour relations climate and upholding the right to freedom of association (page 41):
    - ♦ Amcu became a signatory to the Employee Relations Recognition agreement (ERRA) signed in February 2013.
    - ♦ The process for union representation and recognition required for admission to the operational Participative Forum and to the Central Participative Forums.
    - ♦ The process for union representation required for admission to the Central Collective Bargaining Forum.
  - Ensuring benefits – Project Alchemy to empower broader communities (page 53):
    - ♦ Registration of the Dikuno Tsa Sechaba development trust at Tumela and Dishaba.
    - ♦ Approval of three projects (valued at around R1.6 million) by the Lefa La Rona Board, consideration of two projects (valued at R 6.2 million) by the Zenzele Itereleng Board and approval from Anglo American Platinum for ten projects (valued at R30 million) to be funded from the CED funding stream.

- ♦ Appointment of Synergy Global Consulting to ensure professional governance and quality execution.

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, nor have we performed work in respect of future projections and targets. Our work has not included an examination of the derivation of the conversion factors used to derive non-financial information, which are based on information and factors derived by third parties, nor did it include an examination of any other third party information. 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 the Company's reporting policies set out on page 128 of the Report, and the Global Reporting Initiative's (GRI) guidelines, collectively referred to as the 'Reporting Criteria', and for the development of the reporting policies. 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 Selected 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 assurance procedures, on whether anything has come to our attention to indicate that the Selected 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 2013, based on our assurance engagement. We consent to the inclusion of this report in the Report to assist the Company members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report from an appropriately qualified organisation in connections 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 Selected Identified Sustainable Development Information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the Selected 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 conclusion in respect of the Selected Identified Sustainable Development Information.

Our work consisted of:

- reviewing processes that the Company has in place for determining material Selected 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; and
- reviewing the consistency between the Selected Identified Sustainable Development Information and related statements in the Company's Report.

A limited assurance engagement is substantially 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 the Company's 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**

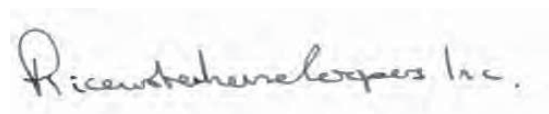
Based on the results of our procedures, in our opinion, the Selected Identified Sustainable Development Information for Reasonable Assurance for the year ended 31 December 2013, is stated, in all material respects, in accordance with the Reporting Criteria.

##### **Limited assurance**

Based on the results of our procedures nothing has come to our attention that causes us to believe that the Selected Identified Sustainable Development Information for Limited Assurance for the year ended 31 December 2013, is not stated, in all material respects, in accordance with the Reporting Criteria.

##### **Other matters**

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



##### **PricewaterhouseCoopers Inc.**

Director: Jayne Mammatt  
Registered Auditor

Johannesburg  
24 February 2014

# GLOSSARY

**ABET:** Adult basic education and training, aimed at improving literacy levels and providing adult learners with nationally recognised qualifications.

**ACP:** Amplats Converting Process, a pyrometallurgical process used at the Waterval Smelter Complex in Rustenburg.

**Aids:** Acquired Immune Deficiency Syndrome, a disease of the immune system caused by HIV infection.

**AMCU:** Association of Mineworkers and Construction Union.

**Amplats:** Anglo American Platinum Limited.

**Anglo Zimele:** Anglo American's enterprise development initiative.

**ART:** Anti-retroviral therapy, used to mitigate the effects of Aids.

**Aspect:** Element of an organisation's activities, products or services that can interact with the environment.

**Base metal:** A common metal that is not considered precious, e.g. copper, tin or zinc.

**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'.

**BRPM:** Bafokeng-Rasimone Platinum Mine.

**CCMA:** Commission for Conciliation, Mediation and Arbitration.

**CDP:** Carbon Disclosure Project. An independent not-for-profit organisation which acts as an intermediary between shareholders and corporations on all climate-change-related issues, providing primary climate-change data from the world's largest corporations to the global marketplace.

**CED:** Community Engagement Department.

**CEO:** Chief executive officer.

**CO<sub>2</sub>:** Carbon dioxide.

**Company-managed land:** An area of land under the direct management of the Company and includes 'Company-owned land', land managed/mined on behalf of third parties, land leased from third parties, company land leased to third

parties, land under servitude, land set aside for biodiversity offsets etc., As at the end of the reporting period. The parameter excludes 'privately-owned land above company mineral/mining rights' areas and undeveloped projects/prospects where the land does not yet fall under the direct management or ownership of the Company. This also excludes prospecting licences and claims.

**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).

**CPI:** Consumer price index.

**CSI:** Corporate Social Investment.

**Cu:** Copper.

**DMR:** Department of Mineral Resources.

**DWA:** Department of Water Affairs, South Africa.

**EBIT:** Earnings before interest and tax.

**ECL-MLTS:** The Eastern and Central Limb Mine Land Transport Strategy.

**EIA:** Environmental impact assessment.

**EITI:** Extractive Industries Transparency Initiative.

**Equivalent refined platinum:** Mine production and purchases of metal in concentrate converted to equivalent refined platinum production using Amplats' standard smelting and refining recoveries.

**Employee turnover rate:** Calculated from the total number of employees who left the Company during the reporting period.

**EMP:** Environmental management programme.

**EMS:** Environmental management system.

**Energy use:** Sum of energy from electricity purchased, total energy from fossil fuels and total energy from renewable fuels.

**ERRA:** Employee Relations Recognition Agreement.

**ESOP:** Employee Share Ownership Plan.

**Exco:** Executive Committee.

**FIFR:** Is the rate of fatality 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.

**GHG:** Greenhouse gas. Greenhouse gases comprise the following, as outlined in the Kyoto Protocol to the United Nations Framework Convention on Climate Change (1998): Carbon dioxide; Methane; Nitrous oxide; Hydrofluorocarbons; Perfluorocarbons; Sulphur hexafluoride. Means gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and reemit infrared radiation.

**GJ:** Gigajoule (109 joules).

**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 quality of all types of grease used in all types of equipment during the reporting period.

**Greenhouse gas emissions, CO<sub>2</sub> equivalent:** Quantity of CO<sub>2</sub> from electricity purchased and internally generated. Conversion factors used are as recommended by the Intergovernmental Panel on Climate Change. Gases include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>, and other CO<sub>2</sub> equivalents.

**GRI:** Global Reporting Initiative. This was established in 1997 with the mission of designing globally applicable guidelines for the preparation of enterprise-level sustainable development reports.

**ha:** Hectares.

**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.

**HIV/AIDS:** Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome.

**ICMM:** International Council on Mining and Metals.

**IDP:** Individual 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.

**IFC:** International Finance Corporation.

**ILO:** International Labour Organisation. The specialised UN agency that seeks to promote social justice and internationally recognised human and labour rights. It was founded in 1919.

**ISO:** International Standard for Organisation. Published in 1996 by the International Organisation for 14001 Environmental Standardisation, it specifies the actual requirements for an environmental management system.

**ISO 14000:** An EMS standard published by the ISO. See EMS above.

**IUCN Red Data List:** An inventory of the global conservation status of plant and animal species developed by the International Union for the Conservation of Nature and Natural Resources.

**JSE:** JSE Limited, the Johannesburg Stock 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.

**JWF:** Joint Water Forum.

**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 the country. Corporate governance in South Africa 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 should apply or explain. The Global Reporting Initiative (see entry above) is referenced in this code.

**Kt:** Kilotonne.

**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 its direct management. It also excludes prospecting rights.

**LED:** Local economic development.

**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 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:** This is termed a 'significant incident' and refers to an unplanned or unwanted event that results in major impact, defined as: having a long term 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 investigation protocols. Reporting to authorities is done in terms of the National Water Act and the National Environmental Management Act.

**Level 5 incident:** This 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 habitats; 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.

**LPG:** Liquid Petroleum Gas.

**LRA:** Labour Relations Act No 66 of 1995.

**LTi:** Lost-time injury resulting in the injured person being unable to attend/return to work to perform the full duties of his/her regular work, as per advice of a suitably qualified medical professional, on the next calendar day after the injury.

**LTIFR:** Lost-time injury-frequency rate. The number of lost-time injuries (see above) per 200,000 hours worked.

**LWUA:** Lebalelo Water Users' Association.

**m<sup>3</sup>:** Cubic metres.

**mg/Nm<sup>3</sup>/hour:** Milligrams per cubic metres per hour under normal conditions, where normal conditions are defined as a temperature of 20.0°C and pressure of 1.01 bar.

**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.

**ML:** Million litres.

**Moz:** Million ounces.

**MPRDA:** Mineral and Petroleum Resources Development Act No 28 of 2002.

**Mt:** Million tonnes.

**NWS:** National Waste Strategy.

**NEMA:** National Environmental Management Act No107 of 1998.

**NEMWA:** National Environmental Management: Waste Act No 59 of 2008.

**NEMAQA:** National Environmental Management: Air Quality Act No 39 of 2004.

**NGO:** Non-governmental organisation.

**Ni:** Nickel.

**NIHL:** Noise-induced hearing loss.

**NRF:** National Research Foundation.

**NOx emissions:** Emissions of nitrogen oxides from diesel engines.

**NUM:** National Union of Mineworkers.

**NUMSA:** National Union of Metalworkers of South Africa.

**OECD:** Organisation for Economic Co-operation and Development.

**OHSAS 18001:** Occupational Health and Safety Assessment Series (providing specifications for occupational health and safety management systems).

**Ore:** Rock from which metal or minerals can be extracted at a financial profit.

**Oz:** Ounce.

**Ozone-depleting compounds (ODCs):** Quantity of the 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.

**PAEL:** Provisional air emission licence.

**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 PM10. "Small" particles are under 2.5 micrometres in size and are called PM. They cause more severe health effects. Amplats' data on particulates refers to the mass of particulates released to atmosphere from point sources during the reporting period.



**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:** Petajoule (1,015 joules).

**Platinosis:** An allergy-like reaction to exposure to soluble salts of platinum.

**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.

**Pt oz:** Equivalent refined platinum ounce(s). Equivalent ounces are mined ounces expressed as refined ounces.

**RBMR:** Rustenburg Base Metal Refiners.

**RFA:** Rehabilitation and functional assessment.

**S&SD Committee:** Amplats' Safety & Sustainable Development Committee.

**SANS:** South African National Standards.

**SAPS:** South African Police Services.

**Scope 1 and 2 emissions:** Total CO<sub>2</sub> emissions from electricity purchased and fossil fuels.

**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.

**SET:** Social, Ethics & Transformation Committee.

**SHE:** Safety, health and environment.

**SIMP:** Social impact mitigation plan.

**SLPs:** Social and labour plans aimed at promoting employment and advancement of the social and economic welfare of all South Africans, while ensuring economic growth and socio-economic development. Stipulated in the MPRDA (see above).

**SO<sub>2</sub> emissions:** Mass of SO<sub>2</sub> released to atmosphere from point sources and fugitive emissions during the reporting period.

**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.

**TARP:** Triggered Action Response Programme.

**TB:** Pulmonary tuberculosis refers to tuberculosis of the respiratory organs of individuals, which is confirmed by positive sputa microscopy or culture for mycobacterium tuberculosis.

**Tonne:** Unless otherwise defined, this refers to a metric tonne (1,000kg).

**Total water use for non-primary activities:** Total new or make up water entering the operation and used for non-primary activities such as recreational facilities.

**tpm:** Tonnes per month.

**TRCFR:** The sum of the number of medical treatment cases plus lost-time injuries plus fatal injuries per 200,000 hours worked.

**UNGC:** The United Nations Global Compact is a "strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption".

**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. In this definition every reference to 'work' includes overtime work, whether it is voluntary or compulsory.

**VCT:** Voluntary counselling and testing, a programme aimed at encouraging individuals to establish their HIV status.

**VPSHR:** The Voluntary Principles on Security and Human Rights.

**VSP:** Voluntary severance package.

**Water used for primary activities:** Total new or make-up water entering an 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.)

**UASA:** United Association of South Africa.

## GRI CONTENT INDEX

Amplats has adopted the Global Reporting Initiative's G4 (GRI G4) guidelines, including GRI's Mining and Metals Sector Supplement (MMSS), as the basis for this report, and has reported 'in accordance' with the Core option. This report has been externally assured by PwC – see the independent assurer's report on page 125.

	Page	External assurance (Yes/No and page number)
<b>GENERAL STANDARD DISCLOSURES</b>		
<b>Strategy and analysis</b>		
G4-1 – Statement from most senior decision maker	12 to 15	
G4-2 – Description of key impacts, risks and opportunities	23 to 25 and throughout this report	
<b>Organisational profile</b>		
G4-3 – Organisation's name	IFC	
G4-4 – Primary brands products and services	4 -5	
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G4-7 – Nature of ownership and legal form	2	
G4-8 – Markets served including geographical breakdown, sectors served, and types of customers and beneficiaries	4 and 33	
G4-9 – Scale of the organisation including number of employees, number of operations, net sales, total capitalisation and quality of product or service provided	3, 7, 114	
G4-10 – Total number of employees by employment contract and gender, total number of permanent employees by employment type and gender, total workforce by employees and supervised workers and by gender, total workforce by region and gender, and significant variations in employment numbers	34 – 38, 52, 55, 118 and 119 54 and 118	
G4-11 – Percentage of total employees covered by collective bargaining agreements	5, 41 and 42	
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<b>Commitments to external initiatives</b>		
G4-14 – Whether and how the precautionary approach or principle is addressed	8	
G4-15 – Subscriptions to any externally developed economic, environmental and social charters, principles, or initiatives to which the organisation subscribes or endorses	67, 105 – 106	
G4-16 – Memberships of associations and national or international advocacy organisations	10 and 61	
<b>Identified material aspects and boundaries</b>		
G4-17 – Entities included in the organisations consolidated financial statements or equivalent documents, as well as entities not covered in the report	2 –3	
G4-18 – Process for defining the report content and the aspect boundaries	10 and 23	
G4-19 – Material aspects identified in the process for defining report content	24	
G4-20 – Aspect boundaries for each material aspect within the organisation	Throughout this report	
G4-21 – Aspect boundaries for each material aspect outside the organisation	Throughout this report	
G4-22 – Explanation of any restatements of information provided in previous reports, and the reasons for such restatements	4	
G4-23 – Significant changes from previous reporting periods in the scope and aspect boundaries	None 4	
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G4-24 – List of stakeholder groups engaged by the organisation	27	
G4-25 – Basis for identification and selection of stakeholders	26	
G4-26 – Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	28	
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<b>Report profile</b>		

	Page	External assurance (Yes/No and page number)
G4-28 – Reporting period (e.g. fiscal or calendar year)	4	
G4-29 – Date of most recent report	4	
G4-30 – Reporting cycle (annual, biennial etc.)	2012 4 Annual	
G4-31 – Contact point for questions regarding the report or its contents	148	
<b>GRI content index</b>		
G4-32 – 'In accordance' option the organisation has chosen	10	
G4-33 – Organisation's policy and current practice with regards to seeking external assurance for the report	122 – 124	
<b>GOVERNANCE</b>		
<b>Governance structure and composition</b>		
G4-34 – Governance structure of the organisation, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts	Integrated Report 2013: 36 to 48	
G4-35 – Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	9	
G4-36 – Indicate whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	9 and Integrated Report 2013: 51	
G4-37 – Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	28 and Integrated Report 2013: 49	
G4-38 – Composition of highest governance bodies and its committees (not required for core)	Integrated Report 2013: 40 to 43	
G4-39 – Indicate whether the chair of the highest governance body is also an executive officer	Integrated Report 2013: 40 to 43	
G4-40 – Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting governance body members	Integrated Report 2013: 46 to 49	
G4-41 – Processes for the highest governance body to ensure conflicts of interests are avoided and managed	Integrated Report 2013: 49	
<b>Highest governance body's role in setting purpose, values and strategy</b>		
G4-44 – Process for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	Integrated Report 2013: 49	
<b>Highest governance body's role in risk management</b>		
G4-45 – Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Including the highest governance body's role in the implementation of due diligence processes	Integrated Report 2013: 51, 67 and 71	
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<b>Highest governance body's role in sustainability reporting</b>		
G4-48 – Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered	Integrated Report: 46 to 51	
<b>Highest governance body's role in evaluating economic, environmental and social performance</b>		
G4-50 – Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	24, 28 and 29	
<b>Remuneration and incentives</b>		

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G4-51 – Remuneration policies for the highest governance body and senior executives. Performance criteria in the remuneration policy relating to the highest governance body's and senior executives' economic, environmental and social objectives	Integrated Report: 51, 52	
G4-52 – The process for determining remuneration	Integrated Report: 52	
G4-53 – Indicate how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals	Integrated Report: 52	
G4-54 – Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Integrated Report: 52	
G4-55 – Ratio of percentage increase in annual total compensation for the organisation's highest- paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Integrated Report: 52	
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G4-56 – Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	1, 18, 19, 61 and throughout this report	

**SPECIFIC STANDARD DISCLOSURES**

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G4-EC6 – Proportion of senior management hired from the local community as significant locations of operations	46, 114		
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G4-EC8 – Significant indirect economic impacts, including the extent of impacts	40 – 44, 47 – 59		
<b>Procurement practices</b>			
G4-EC9 – Proportion of spending on local suppliers at significant locations of operation	7, 60		7
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<b>Materials</b>			
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G4-EN9 – Water sources significantly affected by withdrawal of water	92 – 97		
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Material aspects: DMA and indicators	Page	Omissions	External assurance (Yes/No and page number)
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G4-EN13 – Habitats protected or restored	[link to website]		
G4-EN14 – Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	[link to website]		
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G4-EN15 – Direct greenhouse gas (GHG) emissions (scope 1)	90 – 100		91
G4-EN16 – Energy indirect greenhouse gas (GHG) emissions (scope 2)	90 – 100		91
G4-EN17 – Other indirect greenhouse gas (GHG) emissions (scope 3)	90 – 100		91
G4-EN18 – Greenhouse gas (GHG) emissions intensity	90 – 100		
G4-EN19 – Reduction of greenhouse gas (GHG) emissions	90 – 100		
G4-EN20 – Emissions of ozone-depleting substances (ODS)	90 – 100		
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G4-EN22 – Total water discharge by quality and destination	96 – 97		121
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MM3 – Total amounts of overburden, rock, tailings, and sludges and their associated risks	121		
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G4-LA1 – Total number and rates of new employee hires and employee turnover by age group, gender and region	48 – 57 118 – 119	Gender and age data	52, 119
<b>Labour/management relations</b>	14, 48 – 52		
MM4 – Number of strikes and lock-outs exceeding one week's duration, by country	14, 48 – 115		

Material aspects: DMA and indicators	Page	Omissions	External assurance (Yes/No and page number)
<b>Occupational health and safety</b>			
G4-LA6 – Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	66 - 80, 71, 78, 116 – 119		116 – 117
G4-LA7 – Workers with high incidence or high risk of diseases related to their occupation	74 – 77		77
<b>Training and education</b>			
G4-LA9 – Average hours of training per year employee by gender, and by employee category	48 – 57, 55 – 57 and 119		
G4-LA10 – Programme for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	55 – 57		
G4-LA11 – Percentage of employees receiving regular performance and career development reviews, by gender and by employment category	48 – 54	Gender and employment category data	
<b>Supplier assessment for labour practices</b>			
G4-LA14 – Percentage of new suppliers that were screened using labour practice	61		
G4-LA15 – Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	61		
G4-LA16 – Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	48 – 52		
<b>HUMAN RIGHTS</b>			
<b>Non-discrimination</b>			
G4-HR3 – Total number of incidents of discrimination and corrective actions taken	61		
<b>Freedom of association and collective bargaining</b>			
G4-HR4 – Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	41, 61		41
<b>Child labour</b>			
G4-HR5 – Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	61		
<b>Forced or compulsory labour</b>			
G4-HR6 – Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	61		
<b>Security practices</b>			
G4-HR7 – Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	61		61
<b>Assessment</b>			
G4-HR9 – Total number and percentage of operations that have been subject to human rights reviews or impact assessments	105 – 106		

Material aspects: DMA and indicators	Page	Omissions	External assurance (Yes/No and page number)
<b>SOCIETY</b>			
<b>Local communities</b>			
G4-SO1 – Percentage of operations with implemented local community engagement, impact assessments, and development programmes	46 – 59		53
G4-SO2 – Operations with significant actual and potential negative impacts on local communities	46 – 59		
<b>Resettlement</b>			
MM9 – Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	51 - 59		
<b>Closure planning</b>			
MM10 – Number and percentage of operations with closure plans	101 – 102		
<b>Anti-corruption</b>			
G4-SO3 – Total number and percentage of operations assessed for risk related to corruption and the significant risks identified	106		
<b>Public policy</b>			
G4-SO6 – Total value of political contributions by country and recipient/beneficiary	106		
<b>Compliance</b>			
G4-SO8 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	105 – 106		
<b>Grievance mechanisms for impacts on society</b>			
G4-SO11 – Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	51		

# ICMM PRINCIPLES

## PRINCIPLE 1

### **Implement and maintain ethical business practices and sound systems of corporate governance**

Amplats has developed and implemented the 'Our Policy Statement' which places focus on sustainable development through the conduct of business in accordance with ethical and good governance standards.

The Business Standards make it clear that Amplats does not tolerate any form of corruption or bribery. The risks posed by corruption are considered as part of the risk assessments process, which is reviewed and assesses the controls in place to mitigate risks. Management is responsible for the operation of those controls intended to minimise the risk of corruption.

Amplats proactively engages with government on mineral policy and proposed legislation amendments to ensure that both strategy and objectives are not compromised. It also with communities and local government to facilitate and participate in socio-economic development, to ensure sustainable communities and economies post mining.

The GRI performance indicators relevant to this principle are G4-SO3, G4-SO4 and G4-SO5.

- Comply with or exceed the requirements of host-country laws and regulations
- Work with governments, industry and other stakeholders to achieve appropriate and effective public policy, laws, regulations and procedures that facilitate the mining, minerals and metals sectors' contribution to sustainable development within national sustainable development strategies.

## PRINCIPLE 2

### **Integrate sustainable development considerations within the corporate decision-making process**

As the majority shareholder of Amplats, Anglo American plc defines the 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. Amplats' vision, principles, policies, frameworks and management systems reflect these mandatory requirements.

Amplats' Sustainable Development, Supply Chain and Procurement departments aim to improve the economic circumstances and welfare of communities closer to our operations or in the labour-sending areas.

Suppliers are encouraged to ensure minimum impact on the environment. Supply Chain actively engages with end-users of services to ensure that all work is done with total respect for the environment.

All Amplats' employees are provided with the opportunity to obtain skills and competencies to advance along a predetermined career path, based on opportunity and suitability. To ensure the sustainability of our business, there are various opportunities in place.

The GRI performance indicators relevant to this principle are G4-SO1, G4-LA9, G4-LA10 and G4-LA11.

- Implement good practice and innovate to improve social, environmental and economic performance while enhancing shareholder value.
- Support public policies and practices that foster open and competitive markets.

## PRINCIPLE 3

### **Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities**

Amplats does not tolerate the inhumane treatment of employees, including through any form of forced labour, physical punishment or other abuse. We do not make use of child labour.

Amplats promotes diversity and does not tolerate discrimination. All forms of unfair discrimination and harassment are dealt with in terms of the Company's behavioural and/or grievance procedures.

The GRI performance indicators relevant to this principle are G4-HR3, G4-HR4, G4-HR7, G4-HR9, G4-HR10, G4-HR11 and G4-HR12:

- Ensure fair remuneration and work conditions for all employees and not use forced, compulsory or child labour.
- Provide for the constructive engagement of employees on matters of mutual concern.
- Ensure that all relevant staff, including security personnel, are provided with appropriate cultural and human-rights training and guidance.
- Minimise involuntary resettlement, and compensate fairly for adverse effects on the community where it cannot be avoided.
- Respect the culture and heritage of local communities, including those of indigenous peoples.

## PRINCIPLE 4

### **Implement risk-management strategies based on valid data and sound science**

Amplats has focused on the various risks, opportunities and stakeholder engagement process in terms of materiality. We aim to ensure regular and ongoing engagement with a broad range of stakeholders who affect our business and whom our business affects, with the appropriate relationships and mechanisms in place to resolve conflict amicably.



The risk-management process is dynamic and seeks to exploit opportunities and minimise, mitigate or manage risk to an acceptable level. This is an ongoing process that includes risk-based internal audits, the compilation of risk registers and associated action plans. Our risk management process is audited by Anglo Business Assurance Services on an annual basis.

The GRI performance indicators relevant to this principle are G4-EC2, G4-EN14 and MM3.

- Inform potentially affected parties of significant risks from mining, minerals and metals operations and of the measures that will be taken to manage the potential risks effectively.
- Develop, maintain and test effective emergency response procedures in collaboration with potentially affected parties.

#### PRINCIPLE 5

##### Seek the continual improvement of our health and safety performance

Amplats has implemented management systems which are focused on the goal of Zero Harm. Through continual improvement in safety at all levels of our operations, there can be a positive impact on the health and safety of employees, contractors and communities.

Amplats' focus is not only on compliance with regulation, but is also on proactively preventing exposure to hazards that could result in occupational illness, diseases, as well as addressing the diseases prevalent among our workforce and ensuring that these are effectively managed. Our wellness programme recognises the relationship between diseases, workplace exposures, fatigue and injuries, and our health systems are geared to identify and manage this relationship, and to record and report on outcomes.

Each operation has its own safety, health and environment policy in place, as well as agreements with organised labour in respect of safety and health, training and development and employment equity, among other aspects. Amplats trains occupational health and safety representatives as per the MHSA requirements.

The GRI performance indicators relevant to this principle are G4-LA6, G4-LA7 and G4-LA8.

- Implement regular health surveillance and risk-based monitoring of employees.
- Rehabilitate and reintegrate employees into operations following illness or injury, where feasible.

#### PRINCIPLE 6

##### Seek the continual improvement of our environmental performance

All Amplats-managed operations have environmental management systems (EMSs) in place that are compliant with the ISO 14001:2004 standard, and are focused on continual improvement to prevent adverse environmental impacts.

Rehabilitation of disturbed land is an ongoing process at Amplats. All the waste-rock dumps have come under rehabilitation focus; the reduction of waste-rock footprints helps to reduce closure liability.

Under the MPRDA, the closure liability of mining operations must be assessed on an annual basis, and financial provision for this must be reviewed and made in consultation with a competent person. Amplats uses a standardised reclamation cost estimator model for each managed operations to assist with the annual update of the operations' closure liability estimates. This model was introduced primarily to standardise the approach to closure costing, but also to make updating easier and less costly.

Our mining operations are mostly underground operations, with the most significant surface disturbances being tailings storage facilities and waste rock dumps, as well as roads and infrastructure. Where possible, land is rehabilitated concurrently to agreed land-use specifications.

The GRI performance indicator relevant to this principle is MM1.

- Provide for the safe storage and disposal of residual wastes and process residues.
- Design and plan all operations so that adequate resources are available to meet the closure requirements of all operations.

#### PRINCIPLE 7

##### Contribute to conservation of biodiversity and integrated approaches to land-use planning

Amplats recognises and respects legally designated protected areas. It has compiled and implemented biodiversity action plans, and all sites are guided in the management of biodiversity by their environmental impact assessment, environmental management programmes and integrated water and waste management plan.

The GRI performance indicators relevant to this principle are EN11, EN12, EN13, and MM2.

- Support the development and implementation of scientifically sound, inclusive and transparent procedures for integrated approaches to land use planning, biodiversity, conservation and mining.

**PRINCIPLE 8****Facilitate and encourage responsible design, use, re-use, recycling and disposal of our products**

The effects of metals and minerals on human health and the environment at Amplats are:

- High levels of noise, which can – through prolonged exposure – result in NIHL.
- Ergonomic stressors, caused by vibration, manual handling of equipment and sedentary tasks.
- Airborne pollutants that have a negative impact on health.
- Platinosis – symptoms of sensitivity to platinum.

Amplats' 'Our Policy Statement' guarantees that the Company contributes to sustainable development by ensuring efficiency and innovation in the use of resources, in order to reduce the Company's footprint.

The GRI performance indicators relevant to this principle are G4–LA6 and G4–LA7.

- Conduct or support research and innovation that promote the use of products and technologies that are safe and efficient in their use of energy, natural resources and other materials.
- Develop and promote the concept of integrated materials management throughout the metals and minerals value chain.
- Provide regulators and other stakeholders with scientifically sound data and analysis regarding our products and operations as a basis for regulatory decisions.
- Support the development of scientifically sound policies, regulations, product standards and material choice decisions to encourage the safe use of mineral and metal products.

**PRINCIPLE 9****Contribute to the social, economic and institutional development of the communities in which we operate**

Amplats has a detailed schedule for stakeholder engagement, in which primary issues are discussed and responded to.

Amplats has developed partnerships with government. It acknowledges that many challenges remain, and that well-considered overall strategies need to be developed in partnership with government at various levels and with peer companies. Various projects have been implemented through partnerships with government.

The GRI performance indicators relevant to this principle are EC1 and SO1.

- Ensure that appropriate systems are in place for ongoing interaction with affected parties, making certain that minorities and other marginalised groups have equitable and culturally appropriate means of engagement.
- Contribute to community development from project development through closure in collaboration with host communities and their representatives.
- Enhance social and economic development by seeking opportunities to address poverty.

**PRINCIPLE 10**

Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.

The S&SD Committee and the SET Committee provide policy direction and guidance, and monitor safety, health, environmental and social performance. This process is part of the implementation of the Company's sustainability principles.

Stakeholder engagement is one of the critical areas of performance for Amplats. The Company's aim is to guarantee regular and ongoing engagement with a broad range of stakeholders who affect our business and are affected by it, with the appropriate relationships and mechanisms in place to resolve conflict amicably.

The GRI performance indicators relevant to this principle are G4–26, and G4–27.

- Provide information that is timely, accurate and relevant.

# UNGC INDEX

Criterion	Section reference	Specifics in need of attention (highlighted areas not clearly included so far)
<b>Strategy, governance and engagement</b>		
<b>Criterion 1</b> The Communication on Progress describes key aspects of the Company's high-level sustainability strategy in line with Global Compact principles.	Our approach to reporting and our transition to G4 (page 10) Letter from the CEO (page 12) Safety & Sustainability Committee and Social Ethics & Transformation Committee report (page 16) Risk management and sustainability (page 25) Identifying and engaging with our stakeholders (page 26) Incentivising performance (page 33) Incidents and incident reporting (page 87)	<ul style="list-style-type: none"> <li>• Suggested topics (best practice):</li> <li>• Impact of broader sustainability trends on the long-term prospects and financial performance of the organisation.</li> <li>• Major sustainability risks and opportunities in the near-to-medium term (three to five years).</li> <li>• How broader sustainability trends impact the organisation, in terms of both risks and opportunities.</li> <li>• Social and environmental impact of the organisation's activities.</li> <li>• Major positive and negative impacts on the Company's operating environment and stakeholders.</li> <li>• Overall strategy to manage sustainability impacts, risks and opportunities in the near-to-medium term (three to five years).</li> <li>• Major successes and failures during the reporting period.</li> </ul>
<b>Criterion 2</b> The Communication on Progress describes effective decision-making processes and systems of governance for corporate sustainability.	Guide to reporting (page 2) Incentivising performance (page 33) Complying with legislation, regulation, voluntary codes and social compacts (page 104) Voluntary codes and guidelines (page 106) The Board (page 40 of the Integrated Report 2013)	<ul style="list-style-type: none"> <li>• Involvement and accountability of management (C-suite) in developing corporate sustainability strategy in line with Global Compact principles and overseeing its implementation.</li> <li>• Corporate governance structure (Board of Directors or equivalent) and its role in overseeing the long-term corporate sustainability strategy and implementing it in line with Global Compact principles.</li> <li>• Goals and incentive schemes for management (C-suite) to promote sustainability strategy in line with Global Compact principles.</li> </ul>
<b>Criterion 3</b> The Communication on Progress describes engagement with all important stakeholders.	Identifying our material issues (page 23) Identifying and engaging with our stakeholders (page 26) Human rights (page 61) Voluntary codes and guidelines (page 106)	<ul style="list-style-type: none"> <li>• Regular stakeholder consultations in the area of human rights, labour, the environment and anti-corruption.</li> <li>• List of stakeholder groups engaged with by the organisation.</li> <li>• Process for stakeholder identification and engagement.</li> <li>• Outcome of stakeholder involvement.</li> <li>• Process of incorporating stakeholder input into corporate strategy and business decision-making.</li> </ul>
<b>UN goals and issues</b>		
<b>Criterion 4</b> The Communication on Progress describes actions taken in support of broader UN goals and issues	Adding value – our business model (page 4) Letter from the CEO (page 12) Sustainability strategy (page 18) Adding value – Performance in 2013 (page 42) Building healthier, stronger communities (page 50) Engineering learners (page 54) Transformation (page 57) Addressing HIV/AIDS (page 78) Public health (page 78)	<ul style="list-style-type: none"> <li>• Adoption or modification of business strategy and operating procedures to maximise contribution to UN goals and issues.</li> <li>• Development of products, services and business models that contribute to UN goals and issues.</li> <li>• Social investments and philanthropic contributions that tie in with the organisation's core competencies, operating context and sustainability strategy.</li> <li>• Public advocacy on the importance of one or more UN goals and issues.</li> <li>• Partnership projects and collective actions in support of UN goals and issues.</li> </ul>

Criterion	Section reference	Specifics in need of attention (highlighted areas not clearly included so far)
<b>Human rights implementation</b>		
<b>Criterion 5</b> The Communication on Progress describes robust commitments, strategies and policies in the area of human rights.	Strategy in action (page 19) Human rights (page 61) Voluntary codes and guidelines (page 106) Case study 9: Voluntary compliance principles (page 107)	<ul style="list-style-type: none"> <li>• Commitment to comply with all applicable laws and respect internationally recognised human rights (e.g. the Universal Declaration of Human Rights), wherever the company operates.</li> <li>• The Guiding Principles suggest that this should include a commitment to treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever the Company operates.</li> <li>• Statement of policy expressing commitment to respect and support human rights approved at the most senior level of the Company.</li> <li>• Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services.</li> <li>• Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties.</li> </ul>
<b>Criterion 6</b> The Communication on Progress describes effective management systems to integrate the human rights principles.	Strategy into action (page 19) Human rights (page 61) Voluntary codes and guidelines (page 106) Case study 9: Voluntary compliance principles (page 197)	<ul style="list-style-type: none"> <li>• Ongoing due diligence process that includes an assessment of actual and potential human rights impacts.</li> <li>• The Guiding Principles suggest that the assessment should:               <ul style="list-style-type: none"> <li>– Include impacts the business enterprise may be involved in through its own activities and as a result of its business relationships;</li> <li>– Involve meaningful consultation with potentially affected groups and other relevant stakeholders;</li> <li>– Be ongoing and evolving, adapted to size and complexity; and</li> <li>– Be included in risk management systems.</li> </ul> </li> <li>• The Guiding Principles also suggest that risks should not be limited to the risks to the Company itself (material) but should also include risks to right-holders. Finally the Guiding Principles suggest that findings from impact assessments should be integrated across relevant internal functions and processes.</li> <li>• Internal awareness-raising and training on human rights for management and employees.</li> <li>• Operational-level grievance mechanisms for those potentially impacted by the Company's activities.</li> <li>• Allocation of responsibilities and accountability for addressing human-rights impacts.</li> <li>• Internal decision-making, budget and oversight for effective responses to human-rights impacts.</li> <li>• Processes to provide for or co-operate in the remediation of adverse human rights impacts that the Company has caused or contributed to.</li> </ul>
<b>Criterion 7</b> The Communication on Progress describes effective monitoring and evaluation mechanisms for human rights integration.	Engaging with our stakeholders (page 26) Human rights (page 61)	<ul style="list-style-type: none"> <li>• System to monitor the effectiveness of human rights policies and implementation, including in the supply chain.</li> <li>• Monitoring drawing internal and external feedback, including that of affected stakeholders.</li> <li>• Leadership review of monitoring and improvement results.</li> <li>• Process to deal with incidents.</li> </ul>



Criterion	Section reference	Specifics in need of attention (highlighted areas not clearly included so far)
<b>Criterion 8</b> The Communication on Progress describes key outcomes of human rights integration.	Payments to and from the South African government (page 40)	<ul style="list-style-type: none"> <li>• Outcomes of due diligence process.</li> <li>• External and formal reporting of operations or operating contexts that pose risks of severe human-rights impacts.</li> <li>• The Guiding Principles suggest that communications should: <ul style="list-style-type: none"> <li>– Be of a form and frequency that reflect an enterprise's human-rights impacts and are accessible to its intended audiences;</li> <li>– Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human-rights impact involved;</li> <li>– In turn not pose risks to affected stakeholders or personnel or to legitimate requirements of commercial confidentiality.</li> </ul> </li> <li>• Disclosure of main incidents involving the Company.</li> <li>• The Global Compact Office acknowledges that providing such details may be counterproductive for various reasons related to the protection of human rights, and that confidentiality may, at times, be more effective in righting human-rights abuses.</li> <li>• Outcomes of processes to remediate of adverse human-rights impacts.</li> </ul>

#### Labour principles implementation

<b>Criterion 9</b> The Communication on Progress describes robust commitments, strategies and policies in the area of labour.	Letter from the CEO (page 12) Incentivising performance (page 33) Case study: Negotiating a complex labour relations climate and upholding the right to freedom of association (page 41) Labour relations – a critical business issue (page 42) Voluntary codes and guidelines (page 106)	<ul style="list-style-type: none"> <li>• Reference to relevant international conventions and other international instruments (e.g. the ILO Core Conventions).</li> <li>• While the 10 Global Compact principles are based on international conventions, organisations are encouraged to reference these documents explicitly in order to demonstrate detailed understanding of the Global Compact principles' underlying meaning.</li> <li>• Reflection on the relevance of the labour principles for the Company.</li> <li>• In making that determination, the Company should reflect upon (1) it has potentially significant labour-related social and economic impacts and (2) whether such impact could substantively influence the assessments and decisions of the organisation's stakeholders.</li> <li>• Written Company policy on labour (e.g. in code of conduct)</li> <li>• Inclusion of minimum labour standards in contracts with suppliers and other relevant business partners.</li> <li>• Specific commitments and goals for specified years.</li> </ul>
<b>Criterion 10</b> The Communication on Progress describes effective management systems to integrate the labour principles	Global guidance, local accountability (page 8) Letter from the CEO (page 12) Risk management and sustainability (page 25) Incentivising performance (page 33) Employees are the cornerstone of our business (page 52) Social impact mitigation plan (case study: Voluntary compliance principles (page 107)	<ul style="list-style-type: none"> <li>• Risk and impact assessments in the area of labour.</li> <li>• Allocation of responsibilities and accountability within the organisation.</li> <li>• Internal awareness-raising and training on the labour principles for management and employees.</li> <li>• Grievance mechanisms, communication channels and other procedures (e.g. whistle-blower mechanisms) for reporting concerns or seeking advice.</li> </ul>

Criterion	Section reference	Specifics in need of attention (highlighted areas not clearly included so far)
<b>Criterion 11</b> The Communication on Progress describes effective monitoring and evaluation mechanisms for labour principles integration.	Minimising harm in our supply chain (page 60) Leading indicators are a proactive means of improving safety (page 68)	<ul style="list-style-type: none"> <li>• System to track and measure performance based on standardised performance metrics.</li> <li>• Audits or other steps to monitor and improve the labour performance of companies in the supply chain.</li> <li>• Leadership review of monitoring and improvement results.</li> <li>• Process to deal with incidents.</li> </ul>
<b>Criterion 12</b> The Communication on Progress describes key outcomes of the integration of labour principles.	Human rights (page 61)	<ul style="list-style-type: none"> <li>• Outcome of due diligence and follow-up efforts to uphold freedom of association and the right to collective bargaining.</li> <li>• Outcome of due diligence and follow-up efforts to eliminate forced labour.</li> <li>• Outcome of due diligence and follow-up efforts to abolish child labour.</li> <li>• Outcome of due diligence and follow-up efforts to eliminate discrimination.</li> <li>• Disclosure of main incidents involving the Company.</li> </ul>
<b>Environmental stewardship implementation</b>		
<b>Criterion 13</b> The Communication on Progress describes robust commitments, strategies and policies in the area of environmental stewardship.	Progress and targets (page 85) Risk management and legal compliance (page 86) Water supply and consumption (page 92) New legislation (page 97) Biodiversity (page 100) Engaging with our supply chain and stakeholders (page 103)	<ul style="list-style-type: none"> <li>• Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development).</li> <li>• While the 10 Global Compact principles are based on international conventions, organisations are encouraged to reference these documents explicitly detailed understanding of the underlying meaning of the Global Compact principles<sup>1</sup>.</li> <li>• Reflection on the relevance of environmental stewardship for the Company.</li> <li>• In making that determination, the Company should consider:               <ul style="list-style-type: none"> <li>• it has potentially significant environmental impacts; and</li> <li>• whether such impact could substantively influence the assessments and decisions of the organisation's stakeholders.</li> </ul> </li> <li>• Written Company policy on environmental stewardship.</li> <li>• Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners.</li> <li>• Specific commitments and goals for specified years.</li> </ul>
<b>Criterion 14</b> The Communication on Progress describes effective management systems to integrate the environmental principles.	Risk management and legal compliance (page 86) Incidents and incident reporting (page 87) Biodiversity (page 100)	<ul style="list-style-type: none"> <li>• Environmental risk and impact assessments.</li> <li>• Assessments of the lifecycle impact of products, ensuring environmentally sound end-of-life management policies.</li> <li>• Allocation of responsibilities and accountability within the organisation.</li> <li>• Internal awareness-raising and training on environmental stewardship for management and other employees.</li> <li>• Grievance mechanisms, communication channels and other procedures (e.g. whistle-blower mechanisms) for reporting concerns or seeking advice regarding environmental impacts.</li> </ul>
<b>Criterion 15</b> The Communication on Progress describes effective monitoring and evaluation mechanisms for environmental stewardship.	Letter from the CEO (page 12) Incidents and incident reporting (page 87) Environmental management programmes and systems (page 84) Engaging with our supply chain and stakeholders (page 103)	<ul style="list-style-type: none"> <li>• System to track and measure performance based on standardised performance metrics.</li> <li>• Leadership review of monitoring and improvement results.</li> <li>• Process to deal with incidents.</li> <li>• Audits or other steps to monitor and improve the environmental performance of companies in the supply chain.</li> </ul>

Criterion	Section reference	Specifics in need of attention (highlighted areas not clearly included so far)
<b>Criterion 16</b> The Communication on Progress describes key outcomes of the integration of environmental principles.	Incident and incident reporting (page 87) Responsible use of materials (page 89) Energy and climate change (page 89) Emissions in 2013 (page 91) Reducing emissions (page 96) Managing waste (page 102)	<ul style="list-style-type: none"> <li>Indicators on uses of materials and energy.</li> <li>Indicators on emissions, effluents and waste.</li> <li>Indicators on the Company's initiatives to promote greater environmental responsibility.</li> <li>Indicators on the development and diffusion of environmentally friendly technologies.</li> <li>Disclosure of main incidents involving the Company.</li> </ul>
<b>Anti-corruption implementation</b>		
<b>Criterion 17</b> The Communication on Progress describes robust commitments, strategies or policies in the area of anti-corruption.	Bribery and corruption (page 108)	<ul style="list-style-type: none"> <li>Publicly stated formal policy of zero tolerance of corruption (D1).</li> <li>Commitment to being in compliance with all relevant anti-corruption laws, including the implementation of procedures to learn about and know the law and monitor changes in it (B2).</li> <li>Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2).</li> <li>Carrying out risk assessment on potential areas of corruption (D3).</li> <li>Detailed policies for high-risk areas of corruption (D4).</li> <li>Policy on anti-corruption regarding business partners (D5).</li> </ul>
<b>Criterion 18</b> The Communication on Progress describes effective management systems to integrate the anti-corruption principle.	Bribery and corruption (page 108)	<ul style="list-style-type: none"> <li>Support by the organisation's leadership for anti-corruption stance and measures (B4).</li> <li>Human Resources procedures supporting the anti-corruption commitment or policy, including communication with and the training of all employees (B5 + D8).</li> <li>Internal checks and balances to ensure consistency with the anti-corruption commitment (B6).</li> <li>Actions taken to encourage business partners to implement commitment against corruption (D6).</li> <li>Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7).</li> <li>Communications (whistle-blowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9).</li> <li>Internal accounting and auditing procedures related to anti-corruption commitment (D10).</li> </ul>
<b>Criterion 19</b> The Communication on Progress describes effective monitoring and evaluation mechanisms for the integration of anti-corruption.	Bribery and corruption (page 108)	<ul style="list-style-type: none"> <li>Leadership review of monitoring and improvement results (D12).</li> <li>Process to deal with incidents (D13).</li> <li>Public legal cases regarding corruption (D14).</li> <li>Use of independent external assurance of anti-corruption programmes.</li> </ul>
<b>Criterion 20</b> The Communication on Progress describes key outcomes of the integration of anti-corruption principle.	Bribery and corruption (page 108)	<ul style="list-style-type: none"> <li>Outcomes of assessments of potential areas of corruption, where appropriate (D3).</li> <li>Outcomes of mechanisms for reporting concerns or seeking advice (D9).</li> <li>Indicators human resources procedures supporting the anti-corruption commitment or policy.</li> <li>Disclosure of main incidents involving the Company.</li> </ul>

Criterion	Section reference	Specifics in need of attention (highlighted areas not clearly included so far)
<b>Value chain implementation</b>		
<b>Criterion 21</b> The Communication on Progress describes implementation of the Global Compact principles in the value chain.	Adding value – our business model in perspective (page 4) Progress and targets (page 44) Securing and transforming our supply chain (page 88) Engaging with our supply chain and stakeholders (page 103)	<ul style="list-style-type: none"> <li>• Analysis of sustainability risk, opportunity and impact in the value chain, both upstream and downstream.</li> <li>• Policy on value chain, including a policy for suppliers and subcontractors.</li> <li>• Communication of policies and expectations to suppliers and other business partners.</li> <li>• Monitoring and assurance mechanisms (e.g. audits/screenings) for compliance in the value chain.</li> <li>• Awareness-raising, training and other types of capacity-building with suppliers and other business partners.</li> </ul>
<b>Transparency and verification</b>		
<b>Criterion 22</b> The Communication on Progress provides information on the Company's profile and context of operation.	Report scope and boundaries (page 2) Adding value – our business model (page 4) Performance against objectives (page 6) Board committees and their roles (page 8) Letter from the CEO (page 12) Portfolio review (page 34)	<ul style="list-style-type: none"> <li>• Legal structure, including any group structure and ownership.</li> <li>• Countries where the organisation operates, with either major operations or operations that are specifically relevant to sustainability.</li> <li>• Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).</li> <li>• Primary brands, products, and/or services.</li> <li>• Direct and indirect economic value generated for various stakeholders (employees, owners, government, lenders, etc.).</li> </ul>
<b>Criterion 23</b> The Communication on Progress incorporates high standards of transparency and disclosure.	Guide to our reporting (page 2) Performance against objectives (page 6) Our approach to assurance (page 122) Assurance worked performed (page 126) GRI Index (page 132)	<ul style="list-style-type: none"> <li>• Communication on Progress uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.</li> <li>• Communication on Progress qualifies for Level B or higher of the GRI application levels.</li> <li>• Communication on Progress includes comparisons of key performance indicators for the previous two to three years.</li> <li>• Board, where permissible, approves Communication on Progress and other formal reporting on corporate sustainability.</li> <li>• Relevant sustainability information from Communication on Progress is included in annual financial report and filings.</li> </ul>
<b>Criterion 24</b> The Communication on Progress is independently verified by a credible third party.	Independent assurance statement (page 125) GRI Index (page 132) Our approach to assurance (pages 122 – 124)	<ul style="list-style-type: none"> <li>• Accuracy of information in COP is verified against assurance standard (e.g. AA 1000, ISAE 3000).</li> <li>• Accuracy of information in COP is verified by independent auditors (e.g. accounting firm).</li> <li>• Content of Communication on Progress is independently verified against content standards (e.g. GRI check).</li> <li>• Communication on Progress is reviewed by a multi-stakeholder panel or by peers (e.g. Global Compact local network).</li> </ul>



# SUSTAINABLE DEVELOPMENT REPORT FEEDBACK FORM 2013

Please let us have your views of this report

☐ Format

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☐ Content

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☐ Insufficient detail

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☐ Too much detail

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☐ Other comments

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Name

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Organisation

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Address

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☐ Government/regulator ☐ Academic ☐ Investor/shareholder ☐ NGO ☐ Other

Data protection: as a result of completing this form, your name and address may be added to or updated on our central database, which is accessible by our offices worldwide and by our associated companies. The information we collect will be used to help us improve the format and content of reports. We may also use this information to send you business communications in the future.

If you would prefer not to receive such communications, please tick here ☐

Thank you.

Fax or post your feedback to Stephen Bullock, sustainable development manager +27 (11) 373 6646, or PO Box 62179, Marshalltown 2107, or fill in your comments online at [www.angloplatinum.com](http://www.angloplatinum.com).

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## Anglo American Platinum Limited

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