ANGLO AMERICAN PLATINUM LIMITED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

AngloAmerican

Real Mining. Real People. Real Difference.

PURPOSE: RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

Amid ongoing challenges in the global mining industry, Anglo American Platinum (Amplats) has proven its resilience and ability to manage change through a focused strategy that is unlocking our full potential and positioning our group for a sustainable future. At the same time, we understand that our future is inextricably linked to the wellbeing of all our stakeholders. Our strategic focus is on value – and we are intent on creating that value across our capitals as we re-imagine our industry and our world.

BUILDING ON DECADES OF LEADERSHIP

In this time of rapid, powerful change, the world belongs to those who can redefine it and – in mining – today's pioneers are tomorrow's winners. As part of the Anglo American plc group, our innovation-led approach to sustainable mining is encapsulated in FutureSmart Mining™, which applies innovative thinking and technological advances to address mining's major challenges.

Refers to other pages in this report.

SUPPORTING DOCUMENTATION ON THE WEBSITE

Annual financial statements (AFS)
Ore Reserves and Mineral Resources report
Integrated report
Notice of Annual General Meeting

www.angloamericanplatinum.com/investors/annual-reporting/2019

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ADMINISTRATION

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Executive directors
C Griffith (chief executive officer)
C Miller (finance director)

Independent non-executive directors
RMW Dunne (British)
NP Mageza
NT Moholi
D Naidoo
JM Vice

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S Pearce (Australian)
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Anonymous whistleblower facility

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www.yourvoice.angloamerican.com

Human resources-related queries

Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

Bursaries, email: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers

ABOUT THIS REPORT

This report expands on the environmental, social and governance (ESG) performance summarised in the 2019 integrated report of Anglo American Platinum Limited (Amplats or the company) and should be read with that report on www.angloamericanplatinum.com/investors/annual-reporting/2019. It has been renamed to more accurately reflect its content, but follows on from the supplementary report of 2018.

Our suite of reports is aimed at a broad range of stakeholders for a fuller view of our activities in the past year and progress against sustainability-related goals. Where relevant, readers are referred to more information in another report. This facilitates an informed assessment of the value Amplats creates in society and of its long-term sustainability. With longer-term comparatives, readers should note that corporate activity over the past five years will skew year-on-year comparisons.

As with the integrated report, content has been guided by the following frameworks and grouped under our pillars of value:

- International <IR> Framework of the International Integrated Reporting Council
- South African Companies Act 71 2008, as amended (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance for South Africa 2016 (King IV)
- GRI Standards 2016 guidelines (index on page 147)
- Anglo American plc group safety and sustainable development (S&SD) indicators, definitions and guidance notes for non-financial indicators. These are available on request.

Assurance

- Financial and several non-financial aspects of our 2019 suite of reports are independently assured. The external assurer's report on specific non-financial indicators is on page 144.

We welcome your feedback on this report which should be addressed to cosec.platinum@angloamerican.com.

KEY SUSTAINABILITY INDICATORS

0
fatalities
2018: 2

78% of management comprises historically disadvantaged South Africans
2018: 78%

20.08 million GJ
energy used
2018: 20 million GJ

17% improvement in total recordable case frequency rate
2018: 34%

4.4Mt
GHG emissions, CO_2 equivalent
2018: 4.1Mt

0 level 4 and 5
environmental incidents – target achieved
2018: 0

R14.4 billion
preferential procurement

25.1Mm³ total water withdrawal
2018: 24.4Mm³

R240.5 million
corporate social investment*
2018: R264.26 million

* *Excluding overheads and including Unki.*

ESG highlights

Amplats has demonstrated leading ESG performance in 2019, with our strong management of environmental, social and governance issues reflected in several global rankings by leading agencies:

- **Sustainalytics** ranked Amplats as a global leader out of 55 peers in the precious metals sector. This includes our leading position on social and environmental issues and average performance on governance issues. Our ESG-related disclosure follows best practice, with strong oversight at board and executive levels signalling strong accountability to investors and the public.
- **FTSE Russell** ranked Amplats as the ESG leader among the top 5 platinum and precious metal peers. We received the highest ratings for overall ESG (4.8), environmental (4.7), social (4.7) and governance (5.0) and maintained our membership in the FTSE4Good Index series.
- **FTSE/JSE Responsible Investment Index:** we remained a constituent of the top 30 in this index.
- Amplats was ranked among the **Vigeo Eiris** best emerging-market performers for its leading ESG performance.
- **Admitted to Bloomberg Gender-Equality Index** in 2019.

SUSTAINALYTICS — *Global leader out of 55 peers in the precious metals sector*

vigeo eiris BEST EM PERFORMERS — *Maintained inclusion in emerging markets universe*

FTSE4Good — *Ranked as global leader among the top 5 peers*

Bloomberg Gender-Equality Index

PROMISES, COMMITMENTS AND PROGRESS

In our last report, we responded in detail to a Bench Marks Foundation study (Policy Gap 13: Coping with unsustainability (2)) on our sustainable development reports from 2003 to 2015 that asserted Amplats had failed to deliver on promises made in those reports. Below, we summarise our progress in 2019, demonstrating that we remain committed to both delivering on promises and continual improvement in line with our vision of re-imaging mining to improve people's lives.

Promises, commitments and progress	Level of progress
Promises and commitments **Supplementary report:** Given the scale of change in our group (workforce, metrics and reporting standards), we did not provide comprehensive targets for 2018. *Progress* We provide comprehensive targets for our business. Refer to page 22 in the integrated report.	●
Promises and commitments **Developing our sustainability strategy:** We will develop an Amplats sustainability strategy aligned to the group strategy while considering our context and external environment. *Progress* The sustainability strategy was introduced in 2018 and re-named as the Sustainable Mining Plan. Refer to pages 12 to 18 for further details.	●
Promises and commitments **Managing HIV/Aids and TB:** In 2019, 97% (21,587) of employees knew their status. We will continue to focus on the level of participation and, as part of regular reviews, seek to identify and remove any barriers to participation. *Progress* ◥ We intensified our HIV campaigns in 2019, in order to improve testing; which resulted in achieving the first two UN 90:90:90 targets for HIV ◥ The TB incidence rate remains low at 328 per 100,000 employees ◥ We completed health and wellness baseline assessments across our operations in 2019, to achieve SDG 3 health outcomes	●
Promises and commitments **HIV and TB prevention and 90:90:90 (wellness):** We are committed to innovative HIV and TB prevention initiatives and to the 90:90:90 target. *Progress* ◥ After adopting test-and-treat guidelines, uptake of ART increased to 91% from 90% in 2018. 91% of all known HIV-positive employees are on ART ◥ In 2019, the TB rate is low at 328 per 100,000 ◥ To better understand the interplay of risk factors, we commissioned a research study on the social determinants of HIV. Once completed, the results will complement the health baseline assessments linked to the sustainable mining plans ◥ For clinical programmes, continuous monitoring and evaluation tracks progress against targets. Detailed analysis to fully understand the nature of the problem and the context showed that, despite well-entrenched HIV and TB programmes, our inability to proactively identify and follow-up on HIV-positive employees and the lack of integrated clinical pathways were major constraints to managing these diseases. As this intervention covered all our business units, the analysis extended beyond clinical parameters to a site-by-site review of healthcare arrangements – including medical insurance cover and the unique features of various healthcare settings (for example, the Eastern Limb region is remote, with few facilities falling under medical aid networks, so this requires managed-care processes and interventions).	●

Promises, commitments and progress	Level of progress
Promises and commitments **Nkululeko financial wellness programme:** This was initiated in 2014 to enable our workforce to take ownership of their financial wellbeing and address high levels of over-indebtedness that affected their mental wellness. The programme was relaunched in 2018, moving the focus to empower our workforce to know and understand their financial status and take ownership of improving their financial wellness. This step-change, which has been most successful, included: ◥ Aggressive audits to uncover unscrupulous lenders targeting our employees ◥ Issuing clearance certificates for employees who completed their debt counselling or paid off their rescheduled amounts ◥ Interventions to save employees from having their assets repossessed – houses, vehicles – through available debt-relief solutions ◥ Providing skills development through a partnership with Capitec to assist employees in understanding their financial status and available options to assist them in being financially fit ◥ Reducing the debt:income ratio of employees by a further 5% and facilitate the intrinsic transformation to wealth creation. ***Progress*** ◥ 8,863 employees attended financial awareness and skills development workshops: – 5,832 attended induction – 155 completed cadet training – In partnership with Capitec, 2,876 attended skills development training ◥ 4,836 employees signed up for the overall programme ◥ Signed up 750 employees for the debt-rehabilitation programme ◥ 67 employees received debt clearance certificates through the debt-rehabilitation programme ◥ 129 employees signed up for debt counselling and 11 for debt rescheduling in 2019 ◥ As part of our interventions to save employees from having their assets repossessed, through the debt-relief programme, 50 employees' vehicles and 16 mortgage bonds were saved ◥ In 2015, at inception of the programme, our indebted employees' debt:income ratio was 54%. By the end of 2019, this had improved by 24%, and unsecured debt improved from 96% to 85% ◥ Freed cash flow to indebted employees improved from a monthly average of R12,363 to R6,600, a saving of R6,763. The next contracting period for the Nkululeko financial wellness programme from 2020 to 2024 is being finalised, and we are looking for another step-change towards realising our purpose – to improve people's lives in a sustainable way that will not only reach our employees but touch the lives of our contractor and service-provider employees and their families.	●

● Fully achieved
● Partially achieved

PROMISES, COMMITMENTS AND PROGRESS CONTINUED

Promises, commitments and progress	Level of progress
Promises and commitments **Using water responsibly:** We will continue to reduce our fresh-water consumption and incrementally improve water efficiency. *Progress* ◥ Site plans include provision for water security, water-use efficiency, tailings water recovery projects and a mine dewatering strategy, stormwater management and discharge management, complemented by a monitoring programme ◥ We have implemented an integrated water plan (conservation and demand management) to mitigate related security risks. This includes shifting further to non-potable process water; investing in water-treatment and relevant technology innovation to improve operational water efficiencies; constructing on-site storage at Mogalakwena, Amandelbult and Rustenburg; rolling out the regional water strategy development for Limpopo; and ensuring strategic alignment, partnership and technical support to local and regional water authorities ◥ We are increasingly reducing fresh-water consumption at our operations, and partner in several regional bulk-water resource and water-efficiency initiatives ◥ Total water withdrawal intensity was 1.00 against a target of 1.17 m^3/tonne ◥ Potable water-use intensity from an external source was 0.30 m^3/tonne, 23% improvement since 2015	
Promises and commitments **Transformation:** Amplats is committed to providing equal opportunities to all employees, particularly historically disadvantaged groups. *Progress* By end of 2019, 78% of our managers were HDSAs (2018: 78%), exceeding the prior South African mining charter requirements for 40% and 88% for core and critical skills, against the current mining charter target of 60%. At the end of 2019, women made up 24% of management and 19% of the workforce (2018: 24% and 18% respectively).	
Promises and commitments **Meaningful engagement:** We are committed to working with our stakeholders to understand their legitimate needs and concerns, and integrate these into our business to create an organisation that is sustainable and shares the value generated. All our operations have functioning community engagement forums, leadership forums or task teams (in the case of Mogalakwena), nominated and elected by communities and meeting at least quarterly. We have also established business forums in our communities, which engage with the mines on business issues and opportunities. We continually monitor the quality or our engagement, structures and communication channels in place, especially at community level, to ensure these are effective. *Progress* Our engagements with communities in 2019 are detailed on pages 120 and 31 of the integrated report.	

Promises, commitments and progress	Level of progress
Promises and commitments **Social licence to operate:** We are committed to delivering on these value levers to increase levels of trust and improve our standing in host communities. Our social licence to operate depends on our ability to ensure our stakeholders participate in the economic benefits we generate, and that our activities leave our host governments and communities with a firm foundation for a sustainable future. The fact that we are a major mining company raises particular expectations. Through our core activities, we employ people, pay taxes to governments and procure from host communities – a significant total contribution to the South African and Zimbabwean economies. In South Africa, Amplats invested R231.2 million (2018: R271 million) in community developments. *Progress* In 2019, Amplats contributed R619 million to total social investment in South Africa, including R9.3 million to corporate social investment in Zimbabwe. See page 117 of this report for details.	●
Promises and commitments **Mining charter scorecard:** Although finalisation of the revised charter was long delayed, Amplats remains committed to its principles and continues to report against it. *Progress* Amplats will report against the new charter in FY20. Please refer to page 127.	●
Promises and commitments **Environmental stewardship:** We are committed to minimising our impact on the natural world by integrating environmental considerations through research, planning and responsible management. *Progress* ◥ We have outlined initiatives under the sustainable mining plan for 2030 on water, climate change and biodiversity performance (page 14) ◥ Many of the technological innovations we will apply to achieve a step-change in our water and energy performance are at different stages of development. The journey is underpinned by best-practice policies, performance standards and business processes, investing in internal capacity, capability and technological innovation, as well as partnerships and collaboration with stakeholders ◥ Amplats also outperformed its peers in the FTSE/JSE Responsibilities Investment Index Series, achieving 4.5 out of 5 for our environmental performance, and 4.8 out of 5 as an overall ESG score ◥ Amplats was ranked global leader by Sustainalytics out of 55 global peers in the precious metals sector.	● ◐ ● ●

● Fully achieved

◐ Partially achieved

PROMISES, COMMITMENTS AND PROGRESS CONTINUED

Promises, commitments and progress	Level of progress
Promises and commitments **Managing air quality:** Rustenburg Platinum Mines Limited remains committed to comply with the 2020 minimum emission standards.	
Progress Our subsidiary, Rustenburg Platinum Mines Limited (RPM), was granted a postponement on complying with the 2015 limit for its Mortimer and Polokwane smelters. In 2018, RPM started constructing an abatement project at Polokwane smelter, which will use innovative technology to capture SO_2 gas from the furnace and convert it to sulphuric acid. With a capital investment of R2.5 billion, the technology will ultimately reduce SO_2 emissions by an estimated 96% to comply with more stringent limits. The project progressed well in 2019 (77% complete), with full completion expected in August 2020. Once construction and commissioning has been completed and the project proven effective, construction of a similar project will begin at Mortimer smelter.	●
In March 2019, we submitted applications for all three smelters to postpone the timeframe for compliance with stipulated 2020 emission limits. We requested the postponement for Waterval to enable us to evaluate the impact of future high-sulphur concentrate. In November 2019, the requested limits and dates were approved.	●

● Fully achieved

● Partially achieved

OUR MATERIAL ISSUES

Our strategic objectives may be affected by matters that substantively affect our ability to create value over the short, medium and long term. Our success will be measured by how well we manage these issues while retaining our focus on longer-term goals.

Socio-political/people

Material issues and related matters	Impact	Mitigating actions	Read more
Social licence to operate ◥ Community unrest ◥ BEE procurement ◥ Labour unrest ◥ Stakeholder engagement ◥ Human rights assessment and management ◥ Employee housing and debt relief	Developing trust as a corporate leader, providing ethical value chains and improved accountability to the communities we work with. To expand local employment opportunities, increase tax revenues, and meet growing community demands for improved infrastructure and greater environmental protection, government continues to put pressure on the mining industry. Accordingly, there is a growing need to achieve measurable social outcomes and build sound relationships around operations. Engaging with stakeholders is key to implementing our business strategy. Failing to do so jeopardises our social licence to operate and could reduce opportunities in the market. Amplats aspires to be a global leader in sustainable mining and aims to positively influence areas where the industry may be lagging in terms of sustainability. This will have benefits for society and should, in turn, spur growth in the PGM market.	There is a growing need to achieve measurable social outcomes and build sound relationships around our operations. Effective stakeholder engagement, which has been conducted in 2019, is therefore key to implementing our business strategy. Please refer to the communities section for further information on how Amplats maintains its social licence to operate.	Communities section, ESG report

OUR MATERIAL ISSUES CONTINUED

Our established materiality process (page 34 of the integrated report) aims to ensure that societal, environmental and economic issues that present risks and opportunities to Amplats are identified, while considering issues of salient concern to external stakeholders.

Financial

Material issues and related matters	Impact	Mitigating actions	Read more
Deliver maximum potential of operating assets ◥ Failure to make investment ◥ Mogalakwena expansion ◥ Amandelbult modernisation	The portfolio has been reshaped; we now aim to extract further value through the sustainable delivery of our strategy, with the largest contributor to unlocking value being the drive to extract the full potential from operations through people and innovation. With a simplified mining asset portfolio, we will achieve our strategic goals, primarily through technology initiatives and investing in our core portfolio. Failing to make efficient and value-creating investments on time and within budget would jeopardise the sustainability of our business.	Our business model and strategy outline the pillars of value creation for our stakeholders.	Business model page 16, strategy page 20

Safety and health

Material issues and related matters	Impact	Mitigating actions	Read more
Improving health and safety ◥ Employee and community safety ◥ Employee health and wellbeing ◥ Fire risk and explosives management ◥ Reducing airborne pollutants and inhalable hazards ◥ Tailings storage facility integrity	Injury and absentee rates are generally linked to trends in morale and productivity. Our goal is zero harm, supported by targeted initiatives that should result in fewer health and safety incidents.	By amending the wording of this material issue in 2019 from 'health and safety' to 'improving health and safety', we emphasise our commitment to improving the health and safety of employees and communities. This includes the focus on employee wellbeing in 2019.	Health and safety sections, ESG report

Financial/socio-political

Material issues and related matters	Impact	Mitigating actions	Read more
Market conditions ◥ Future demand and supply of PGMs ◥ Macro-economic uncertainty ◥ PGM prices ◥ Growing the market for PGMs ◥ Fuel cell technology	One of the key factors in ensuring the long-term sustainability of the PGM industry is demand for these metals. Changing global economic conditions affect markets and, in turn, our position in those markets. Future demand for PGMs is at risk from slower growth in combustion engine manufacturing, technological developments in battery vehicles, suppressed jewellery sales, as well as Amplats' dependency on market segments such as autocatalyst and diesel vehicles. Market development is therefore a long-standing strategic priority, and latent demand across jewellery, investment and industrial segments presents a large and growing opportunity.	Market development is undertaken globally through a mix of marketing initiatives in existing or near-term demand segments such as jewellery through Platinum Guild International (PGI); investment through the World Platinum Investment Council (WPIC); and targeted market development in longer-term growth areas such as fuel cells, hydrogen and clean energy, in part through our new venture-capital vehicle, AP Ventures. Global policy advocacy and South African beneficiation objectives form part of broader market development activities.	Market development section

Socio-political/financial

Material issues and related matters	Impact	Mitigating actions	Read more
Socio-political environment ◥ Regulatory compliance risk ◥ Lack of municipal capacity and service delivery ◥ Unreliable power supply ◥ Mining charter and MPRDA ◥ Enhanced community expectation ◥ Land access and resettlement ◥ Unemployment and job losses	Changes in the socio-political and regulatory environment (eg mining charter 2018, MPRDA amendments, failing to deliver on social and labour plans, changes to land and water legislation) can impact our business through increased compliance requirements and costs. Socio-political instability can also affect business operations as it impacts investor sentiment. Therefore, one of the main ways in which government can support a stable and productive mining sector that will benefit the South African economy is by working with industry to grow investor and customer confidence.	Government urgently needs to collaborate with the mining industry to grow investor and customer confidence. This can be achieved by addressing key issues including: unreliable power supply, unemployment and job losses, as well as a lack of municipal capacity and service delivery (added to material issues in 2019). Please refer to the government section under stakeholders which highlights engagements on key matters.	Stakeholders

OUR MATERIAL ISSUES CONTINUED

Socio-political/people

Material issues and related matters	Impact	Mitigating actions	Read more
Create thriving communities ◥ Local procurement and supplier development ◥ Local economic development ◥ Alchemy community empowerment initiative ◥ Planning for local economic activity and social sustainability post life of mine	Building thriving communities with better health, education and levels of employment. Our vision is for economically diverse and sustainable communities with a future beyond mining, through mining. This will require companies to leverage digital infrastructure, create new education models, improve communication, develop suppliers, or deliver other services.	To build thriving communities, we have listened carefully to their expressed needs. We are playing our part as a responsible corporate citizen through a range of initiatives, including: Alchemy, local economic development, local procurement and supplier development (included as material topics in 2019).	Community development in ESG report

People

Material issues and related matters	Impact	Mitigating actions	Read more
Ethical leadership and culture ◥ Improved NGO and religious leader cooperation ◥ Fraud and corruption ◥ Contravening business and ethical principles	The contravention of business and ethical principles, especially fraud and corruption, remains a serious concern. Fuelled by the economic downturn, exposure to corrupt practices and unethical leadership within society heightens the risk to Amplats. Given that mining companies face regional and global scrutiny, complying with formal ethical standards of conduct is non-negotiable.	Mandatory training conducted on the group code of conduct.	Governance report, ethics management
Inclusion and diversity ◥ Gender-based violence ◥ Gender equity ◥ Talent and development	An inclusive and diverse environment is promoted at Amplats, where every colleague is valued and respected for who they are and given the opportunity to fulfil their potential.	Gender equity supports employment equity by creating an environment where women have equitable access to resources and opportunities.	People section, ESG report

Production/cost

Material issues and related matters	Impact	Mitigating actions	Read more
Technology and innovation ◥ Mechanisation and modernisation ◥ Beneficiation and recycling of PGMs ◥ Using data insights to drive value ◥ Re-envisioning talent management in the digital age	Modernisation of the PGM industry in South Africa is crucial to our global competitiveness and sustainability. We are working towards a future that, through collaborative partnerships between stakeholders, will shape an industry that is safer, more sustainable and efficient, and better harmonised with the needs of communities and of society as a whole. Accordingly, it has become critical that the future of work and the employee of the future be looked at holistically, but also with the Amplats lens.	With the introduction of new mining technologies at Amplats, new and different skill sets are required for our people. It is therefore critical that the future of work is assessed in tandem with the employee of the future. We are addressing this through a step-change in our approach and innovative initiatives.	Technology and innovation page 21, the future of work page 105 of the ESG report

Environment

Material issues and related matters	Impact	Mitigating actions	Read more
Maintain a healthy environment ◥ Energy management ◥ Climate change (carbon tax) ◥ Water infrastructure and management ◥ Emissions reduction and renewable energy ◥ Zero waste to landfill ◥ Biodiversity stewardship ◥ Circular economy waste to resource ◥ Mine closure and rehabilitation	The growing scarcity of non-renewable natural resources is arguably the greatest risk to corporate sustainability in modern history. Our goal is to support our long-term sustainability by effectively managing resources, reducing our impact on the environment and communities, and complying with legal requirements.	Amplats is committed to creating waterless, carbon-neutral mines and delivering positive biodiversity outcomes with social co-benefits, which implies full implementation of the impact-mitigation hierarchy, including avoidance, minimisation, restoration and offset measures. In line with this approach, our zero-waste-to-landfill initiative has become increasingly significant.	Environment section, ESG report

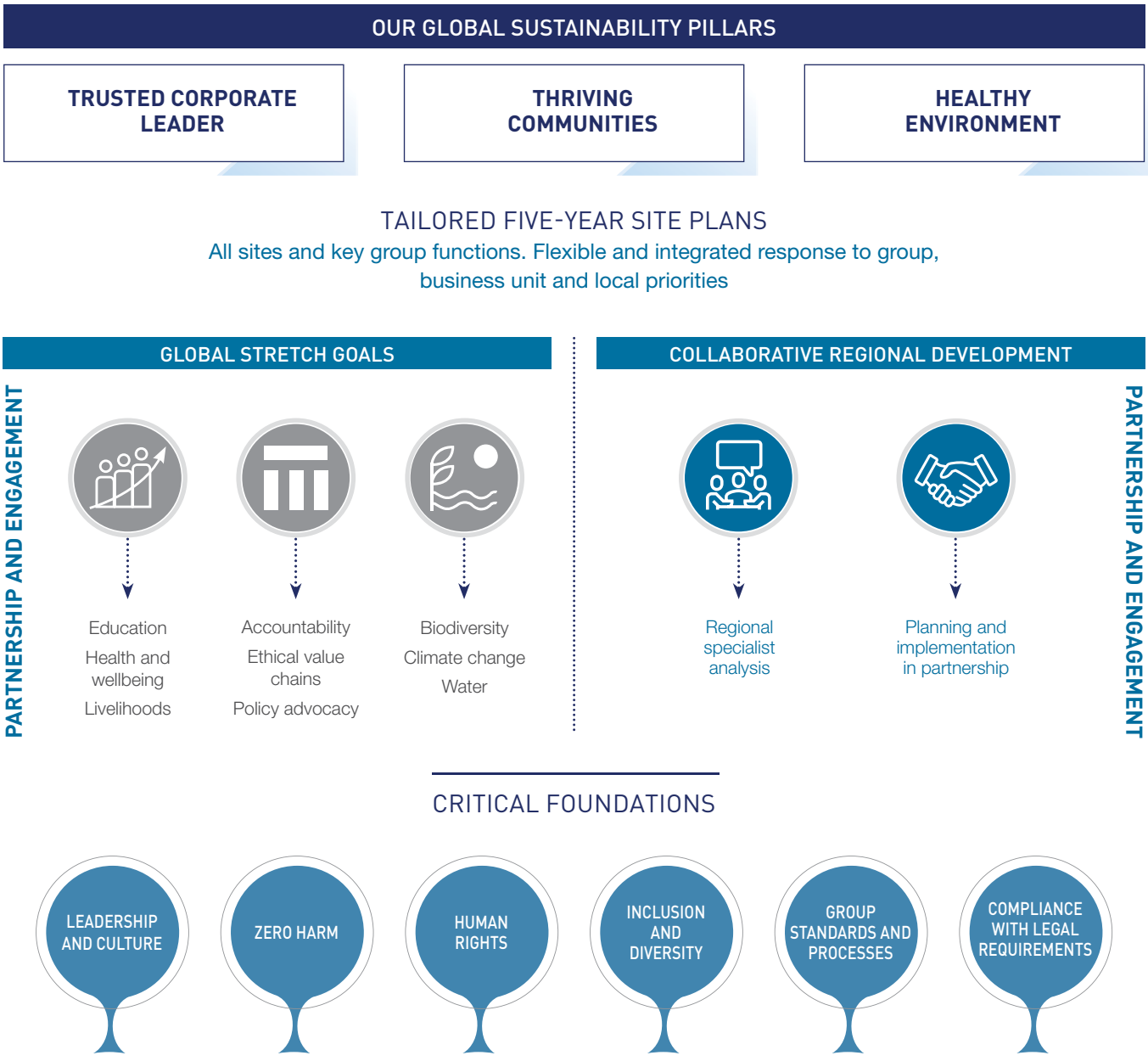
Identifying, evaluating and prioritising material risks

◥ Sustainability reporting is built on the materiality assessment process. Our well-established materiality process identifies societal, environmental and economic issues that present risks and opportunities and impact value creation. We follow a four-step process in our materiality assessment framework, aligned with the AA 1000 AccountAbility principles (2018)
◥ Internal materiality: desktop assessment
◥ External materiality: interviews with selected stakeholders
◥ Materiality workshop
◥ Review and approval of key material issues by exco and board.

THE SUSTAINABLE MINING PLAN

The Anglo American sustainability strategy was officially launched in March 2018, outlining a series of stretch goals across three major areas of sustainability – the environment, community development, and driving greater trust and transparency across the mining industry – to be delivered between 2018 and 2030.

Anglo American has applied its FutureSmart Mining approach in developing this strategy, which includes a robust consultation process with employees and an array of external stakeholders, in line with the United Nations' Sustainable Development Goals (SDGs).

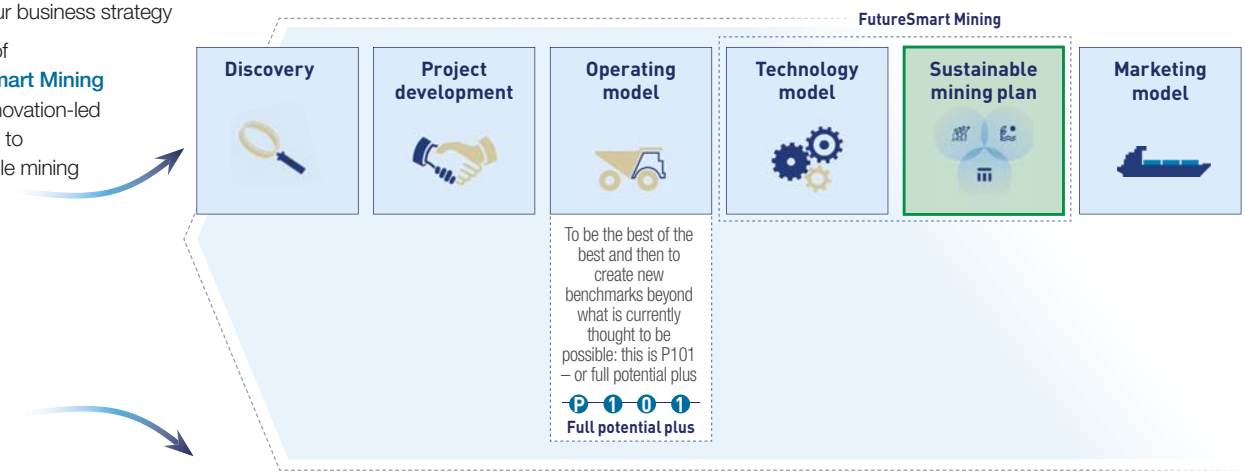


Sustainable mining plan

Global strategy with local response

The sustainable mining plan is at the core of our business strategy

It is part of **FutureSmart Mining** … our innovation-led approach to sustainable mining



The modern mine
Transforming hard rock mining

The waterless mine
Towards water-free processing

The intelligent mine
A smart, connected, learning mine

The concentrated mine
A mine that delivers more metal and minerals, and less waste

Driven by our purpose, re-imagining mining to improve people's lives, our transformational sustainability approach has broadened our focus from individual projects to an overriding and overarching ambition, by embedding sustainability into our business processes and operational plans, and then measuring our performance against that ambition.

As a commercial business, Amplats is responsible for creating value. That responsibility extends equally to the business of sustainability. To further enhance our value proposition and understand our broader societal contribution, we mapped our 2018 societal contributions to the United Nations Sustainable Development Goals (UN SDGs) (pages 17 and 18) to gauge our impact on the global call for a 'better and more sustainable future for all'. While this provided a limited view of our contribution to natural, social, human and manufactured capital, as embodied by the SDGs, we were able to reflect on current activities and future opportunities in the context of our operations and our products.

THE SUSTAINABLE MINING PLAN CONTINUED

SUSTAINABLE MINING PLAN – STRETCH GOALS – BUSINESS LEVEL

TRUSTED CORPORATE LEADER

Local accountability

- Local stakeholder groups convened at all operations, except for Eastern Limb
- 4 national dialogues held, with the focus on Anglo American's alignment with and contribution to UN Sustainable Development Goals.

THRIVING COMMUNITIES

Community health/ wellbeing

- Baseline studies completed for all Amplats operations. Outcomes shared with all sites
- Strategies for each operation will be developed in 2020 in line with key milestones/ targets.

HEALTHY ENVIRONMENT

Biodiversity

- Biodiversity framework and tools being developed (including self-assessment against standard, overlay and value assessments, management programme guideline, net positive impact methodology and indicators).

5-year sustainability plan roll-out

- 5-year plans completed for Unki, Mogalakwena and Amandelbult
- Twickenham and Mototolo scheduled for 2020

Collaborative regional development work

Team focusing on:

- Aligning accountabilities and governance for project delivery
- Align input and outcomes with stakeholders on site, at Amplats and group level
- 4 pilot projects.

Mine certification

- Unki Mine has completed IRMA third-party audit in November.
- Amandelbult and Mogalakwena have completed self-assessment.
- Responsible platinum and palladium standard: desktop readiness audit to identify key documents, process and procedures required for a third-party audit completed in 2019. Certification audit scheduled for Q1 2020

Livelihoods

- Two workshops to develop a strategy and implementation plan for meeting 2025 and 2030 targets completed in September and October. Work under way to fill information gaps on baseline, definitions and identified strategic drivers.

Energy and climate change

- Deep-dive assessment/ review completed for Mogalakwena Mine. Implementation of identified projects planned
- Amplats on track to meet energy savings target
- Progress made with business-unit carbon-intensity target, although lagging on 2020 savings against business-as-usual target.

Responsible sourcing

- Group procurement is currently rolling out the responsible sourcing standard and guidelines at all sites

Education

- Anglo American schools programme under way at all sites
- A review of expected outcomes of planned interventions and initiatives will ascertain the likelihood of meeting 2025 and 2030 goals

Water

- The water team is defining water metrics and targets, with results expected in 2020.

Case study:
RE-IMAGINING SOCIO-ECONOMIC DEVELOPMENT IN LIMPOPO

Context

The collaborative regional development (CRD) platform is a voluntary collaboration between the Limpopo government (office of the premier), private sector (Anglo American and Exxaro), non-governmental organisations (World Vision South Africa), and research organisations (CSIR) to drive socio-economic change in Limpopo, one of the poorest regions in South Africa. The Limpopo CRD platform, known in South Africa as the Impact Catalyst, was launched in October 2019. This partnership is underpinned by a consortium agreement between parties and memorandum of understanding to formalise the relationship with provincial government.

2016

- Completed detailed special analysis potential economic opportunities
- Gained interest and attention of relevant partners for development
- Included government structures and continue to engage these

2017

- Began to build political will in the national and provincial governments for more effective collaboration
- Invested in four showcase initiatives for collective impact

2018

- Completed three feasibility studies
- Designed appropriate business and operating model and backbone organisation
- Successfully obtained third-party funding:
  - Fund first three years of backbone organisation (R23 million)
  - Support game farm initiative (R10 million)

2019

- Launched Impact Catalyst (backbone organisation)
- Gained interest from additional partners
- Obtained proof of concept by implementing first project (COPC)
- Built a pipeline of 20+ projects
- Integrated CRD into internal processes, including SLPs and sustainable mining plan

Key milestones

Completed
In progress
Not actioned/delayed

March 2019

- Establish backbone organisation and official launch
- Secure additional third-party funding
- Implement 2 – 3 initiatives

All responsibilities completed

- Integrated game
- Community ICT access
- Community health
- Agro-processing
- Supplier development

Jul 2019

Official launches

- Sign MoU/consortium agreement
- Launch indaba
- Interest from additional partners and onboarding

Sept 2019

Institutional arrangements in place

- Register legal entity
- Appoint backbone manager
- Appoint other human resources
- Acquire additional funding

Dec 2019

Proof of concept: 2 – 3 initiatives implemented

Candidates:

- Game farm
- Health pilot
- Additional ICT sites
- SQ quick-win
- Agro-processing

Status

Despite initial challenges, the Impact Catalyst is now finally starting to see visible progress. Overall, good progress has been made in the establishment and operation of the backbone organisation, and the necessary organisational and institutional arrangements are in place. Funding for both its operations and initiatives was also secured in 2019.

We have now achieved proof-of-concept by implementing the first projects (an integrated game project at Mooihoek, which also seeks to resolve legacy resettlement issues, and community-oriented primary care, (COPC)). Project management can be streamlined further and the partnership needs to refocus on opportunities with the greatest overall impact.

Launch and partnerships

Following the formal launch of the Impact Catalyst in Limpopo, many enquiries were made by interested parties and potential partners. Several organisations are now being reviewed for inclusion in the partnership and the consulting engineers, Aurecon, have formally joined the Impact Catalyst. Partners like this will strengthen project delivery by adding capacities such as engineering and facility design, provide project-management capacity and support the development of strategic plans for the province.

THE SUSTAINABLE MINING PLAN CONTINUED

Funding

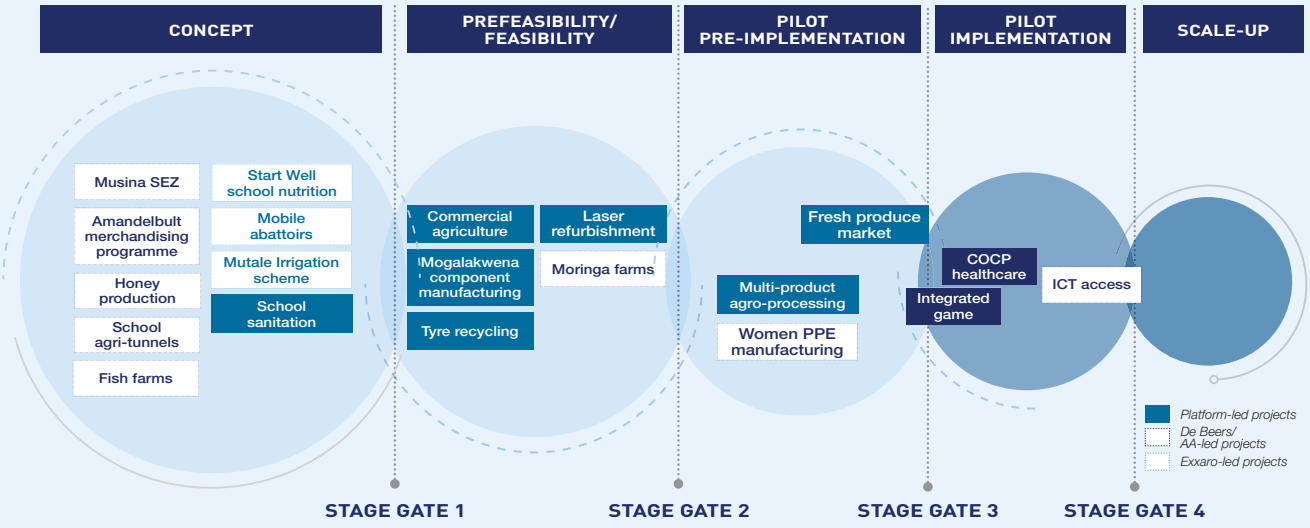
To date, R57 million in third-party funding has been secured, including R10 million for the Armoede Community Trust to support integrated game farm work at Mooihoek. For the backbone, the CSIR approved additional feasibility and backbone funding (R2 million in direct funding plus office space and full-time human resources), and Exxaro confirmed a R10 million contribution to the partnership.

Initiatives

We are currently working on some 20 initiatives in various stages of development, shown below. A number of these are now included in operation-specific sustainable mining plans, supported by cross-functional teams (and operational budgets), while others will be included in site-specific SLPs to be developed in 2020.

In addition, in 2019, we conducted several business unit-led workshops to understand the gap between targets in our sustainable mining plans and initiatives under way. To give scale to the enormity of the challenges, by 2030, the required number of jobs supported for platinum operations alone is estimated at 100,000. The conclusion from these discussions was that we will need to think radically differently about initiatives required to achieve these targets. We are working to integrate collaborative regional development and Zimele processes (page 124) to enhance delivery against the ambitious livelihood goals in Limpopo and beyond.

Pipeline of potential projects



Key challenges

In the third quarter of 2019, we enlisted specialist services for an indepth review of the current programme and priorities, to accelerate delivery and improve programme efficiency and effectiveness.

Next steps

Priority focus areas in 2020 are concentrated on backbone operations:

- Support development of the Limpopo provincial economic strategy (and district plans)
- Select and onboard potential new partners
- Appoint additional resources, including full-time programme and funding managers
- Develop a monitoring and evaluation framework, funding strategy and register the legal entity.

Our contributions to the UN Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs) are a set of global goals adopted by 193 member states in 2015. They articulate a vision for a transformed world in 2030 by addressing 17 goals and 169 targets that span economic, social, environmental and partnership categories. The goals provide a framework of shared action for people, planet and prosperity to be implemented by all countries and all stakeholders, acting in collaborative partnership.

Four years into the 15-year ambition for SDGs, the high-level political forum on sustainable development in mid-2018 highlighted growing momentum, but a need for accelerated action. Business therefore has a key role to play and is becoming more engaged. The SDGs can be used as a lens to report on performance, which provides a common language for the responsible investment community to understand cross-sectoral organisational impacts.

Amplats already makes significant contributions to the SDGs and is well positioned to play a greater role in South Africa attaining these goals. Before beginning the process of aligning our business to the SDGs through our sustainable mining plan, we had already established solid foundations on which to build as we move towards 2030.

The SDGs informed development of our sustainable mining plan (launched in 2018) which sets a vision for 2030 with clear targets that will re-imagine mining to improve people's lives.

In 2017 and 2018, we also began mapping our activities in our South African business units to the SDGs to ascertain how our current activities support these goals. This business-as-usual footprint revealed how we are already making significant investments in SDGs through a portfolio of workplace, operations, community and supply-chain activities. Our SDG roadmap thus assesses our SDG footprint while implementing our sustainable mining plan in the context of an ongoing stakeholder accountability dialogue.

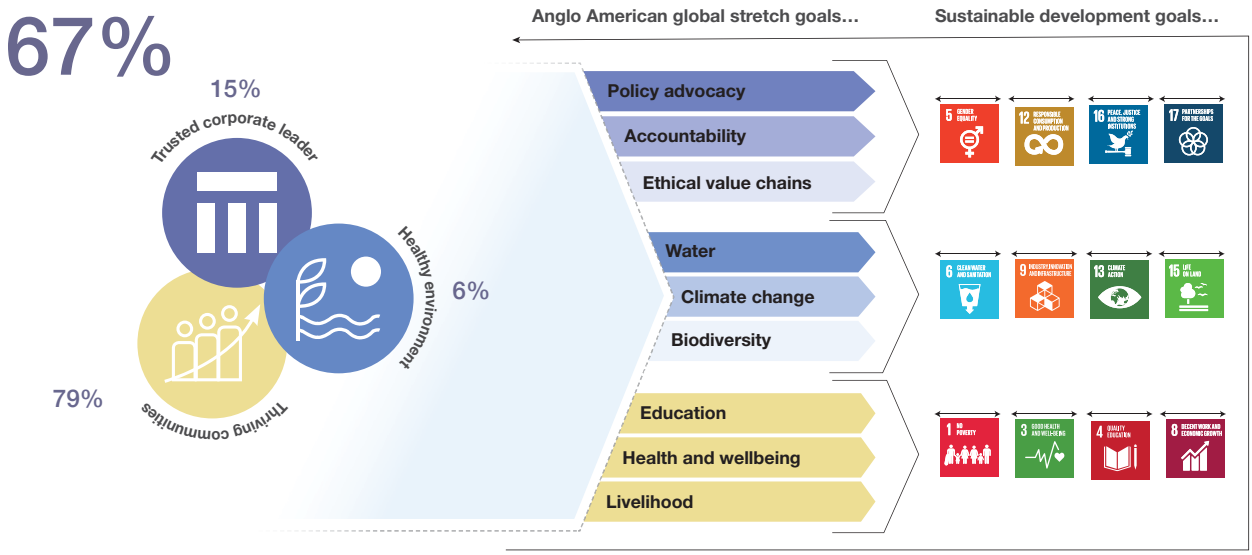
Amplats 2018 SDG mapping

Our 2018 footprint is a business-as-usual view, where the SDGs had an impact on investment decisions or activities. The baseline assessment indicates that 67% of our 2017 financial contributions are linked to 12 of the 17 SDGs. The largest financial contribution is to SDG8 (decent work and economic growth), followed by SDG10 (reduced inequalities), SDG1 (no poverty) and SDG5 (gender equality). The results are consistent with organisational initiatives focused on job creation. The current baseline assessment focuses on financial contributions for activities in 2018.

In implementing our sustainable mining plan, 12 SDGs are brought into focus (overleaf).

THE SUSTAINABLE MINING PLAN CONTINUED

MAPPING OUR SUSTAINABILITY STRATEGY TO UN SDGs



SDG accountability dialogues

This is an Anglo American SA initiative to establish an ongoing multi-stakeholder two-way accountability dialogue in South Africa that uses SDGs as a benchmark and reference for external accountability at a national level.

The second annual SDG accountability dialogue was held in November 2019, with some 60 external and 30 internal stakeholders. Since launching the dialogue series in 2018, we have successfully established a leadership position in the eyes of key stakeholders for mapping our activities to SDGs as well as integrating these global goals into a strategic framework, namely the sustainable mining plan.

Case study:

IRMA
Initiative for Responsible Mining Assurance

Anglo American leads the way on IRMA standard for responsible mining

In September 2019, our Unki Mine in Zimbabwe was the first mine in the world to publicly commit to an independent audit against the Initiative for Responsible Mining Assurance's (IRMA) standard for responsible mining.

This standard has been developed over ten years through public consultation with over 100 individuals and organisations, including mining companies, customers and the ultimate downstream users of mined products, NGOs, labour unions, and communities.

Unki completed an initial self-assessment ahead of the independent on-site audit. It performed well against the 26 areas covered by the standard, including working conditions, human rights, community and stakeholder engagement, environmental impact, and planning and financing reclamation and closure.

IRMA is a voluntary certification system meant to complement strong laws and government oversight. It is also the world's first global definition of what constitutes leading practice in social and environmental responsibility for large-scale mining operations, emulating certification programmes in fair-trade agriculture, responsible forestry and sustainable fisheries.

The IRMA self-assessment tool has given us a valuable opportunity to measure our performance at Unki against international best practice on a range of environmental and societal factors.

Unki is the first of many group operations to be measured against the IRMA standard, in line with the commitment in our sustainable mining plan to have all our operations assessed against credible responsible mining standards by 2025. Unki will go through the certification audit in the first half of 2020. This is an important initiative for Amplats, as our customers and end consumers who rely on our metals and minerals rightly expect the highest standards of ethical production.

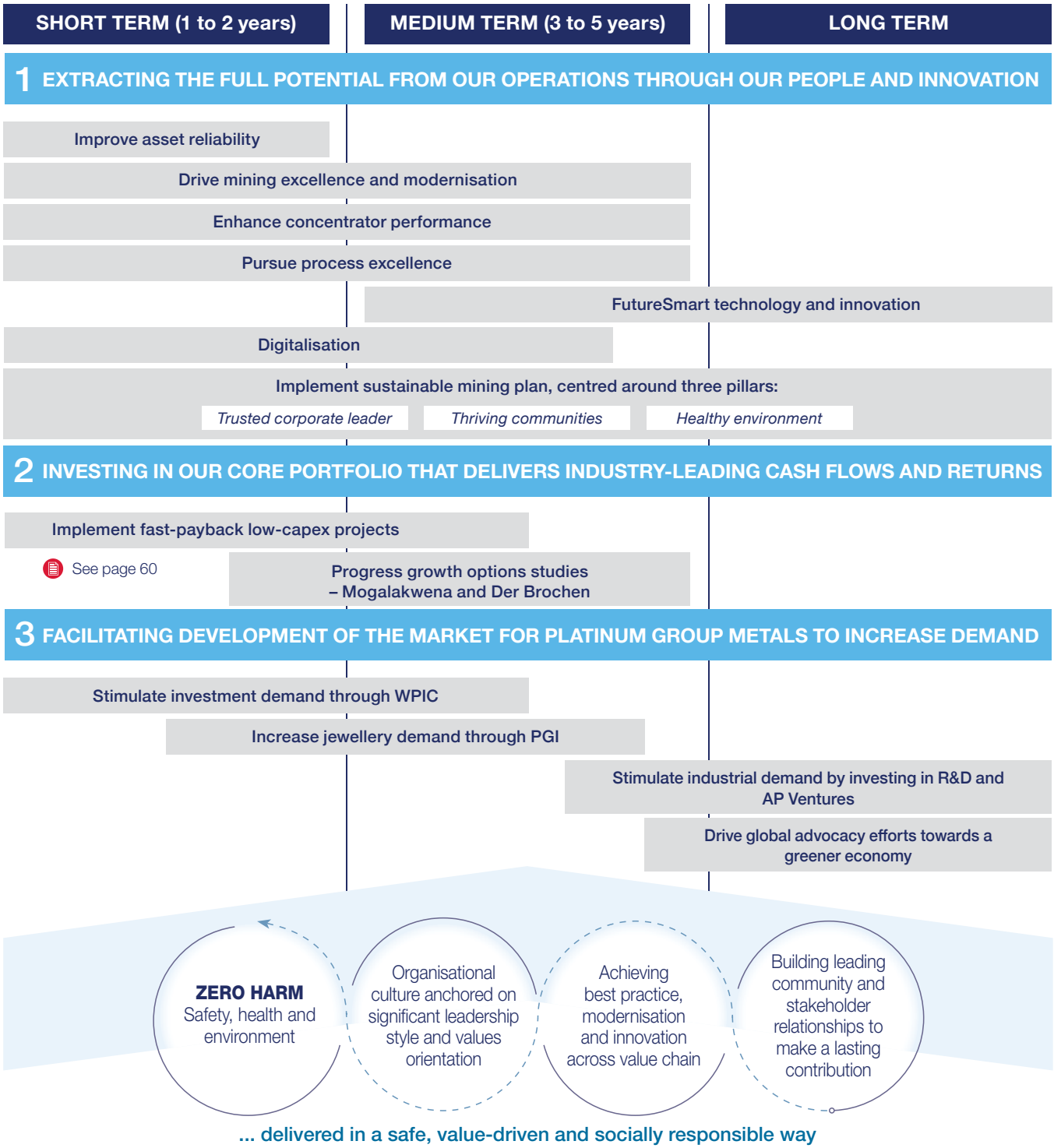
OUR STRATEGY

OUR PURPOSE – RE-IMAGINING MINING TO IMPROVE PEOPLE'S LIVES

By re-imagining mining, we unlock the potential of our precious metals and people to create a positive impact on people's lives and the environment.

With the portfolio successfully reshaped, we are now in pursuit of further opportunities to extract value from our core portfolio. Through our people and innovation our strategy seeks to extract the full potential from our operations identified from P101 and FutureSmart™ initiatives.

Our strategic priorities



PILLAR: ENVIRONMENTAL VALUE

ENVIRONMENT

Minimise harm to the environment

ENVIRONMENT

Amplats' approach to sustainability sets out our commitment to demonstrating leadership in environmental stewardship. Mining must play its part to address the environmental challenges of a carbon-constrained world and society's wider expectations of us as enablers of change, while we continue to meet the ever-growing demand for our products. Anglo American's FutureSmart Mining programme is designed to tackle many of these challenges, both environmental and social. It is a new way of thinking that will transform the nature of mining – how we discover, mine, process, move and market our products – and how our stakeholders experience our business, in line with our purpose to re-imagine mining to improve people's lives.

In the transition to a low-carbon economy, PGMs are critical to enable associated technologies. In delivering these products, we are committed to materially reducing our environmental footprint over the next decade. This will lead to fundamental changes in how we mine and process our products.

Our ultimate vision is to maintain a healthy environment by creating waterless, carbon-neutral mines that deliver net positive biodiversity and conservation outcomes.

ENVIRONMENTAL MANAGEMENT

HIGHLIGHTS

- Zero level 4 – 5 environmental incidents
- 35% year-on-year decrease in the number of substandard acts and conditions recorded
- Complied with NEMA regulation on submitting external legal audits of environmental authorisations by 7 December 2019 and web-based publication within seven days

LOWLIGHTS/CHALLENGES

- One level 3 (moderate) environmental incident: an overflow of effluent from the Unki Mine pollution control dam discoloured river water
- Full compliance with all audit findings not yet achieved

FOCUS FOR 2020 AND BEYOND

- Maintain zero level 4 – 5 environmental incidents
- Track compliance with all applicable legal audit findings of environmental authorisations for mining/process activities, water and air
- Build capacity in the environmental team and embed improved reporting and effective dashboard management of priority environmental issues

Case study:

FUTURESMART MINING: RE-IMAGINING THE FUTURE OF MINING

FutureSmart Mining is Anglo American's innovation-led pathway to sustainable mining. We are looking well beyond our own industry to re-imagine the future of mining, using open-innovation principles and partnerships to find solutions that will materially improve efficiencies and our competitive positions. As part of FutureSmart Mining, we are investing significantly in the following initiatives:

- Digitalisation: **the intelligent mine** that leverages, for example, advanced process control and Internet of Things, as well as artificial intelligence
- **Concentrate the mine**: designed to provide a step-change increase in an operation's metal output, reducing energy and water consumption through more efficient processing techniques
- The **waterless mine**: focused on innovative ways to separate and transport waste, evaporation measurement, dry-tailings disposal and non-aqueous processing
- The **modern mine**: aiming to achieve a step-change in mining efficiency by developing and implementing new technologies, automation and processes.

ENVIRONMENT CONTINUED

OUR MANAGEMENT APPROACH

The Anglo American FutureSmart Mining approach to sustainability sets out meaningful targets for our water, climate change and biodiversity performance (reviewed below). We are building the foundations that will guide our progress towards achieving these targets. While we have made significant progress in areas such as water and energy efficiency, realising our long-term environmental management goals will require considerable further focus and investment. This journey is underpinned by best-practice policies, performance standards and business processes; investment in internal capacity, capability and technological innovation; and partnerships and collaboration with stakeholders. We track and ensure compliance with our policies and performance standards, which are available on request.

Sustainable mining plan environmental stretch goals towards 2030

Water

2030 goal: 50% reduction in abstraction of freshwater from water-scarce regions

2020: 20% reduction in abstraction (2015 baseline), 75% reuse (2015 baseline), water intensity <1 (use less water per unit milled)

Climate change

2030: Achieve a 30% net reduction in greenhouse gas emissions, and a 30% improvement in energy efficiency (against 2016 baseline)

2020: Achieve existing energy and carbon-management targets (included in management's long-term incentives)

Biodiversity

2030 goal: Deliver net positive impact on biodiversity across Anglo American

2020 goal: Net positive impact methodology, biodiversity value assessments and site-specific indicators in place at all high-risk sites

EFFECTIVE RISK MANAGEMENT

SHE policy: The Amplats environmental policy supports long-term sustainability of the business through effective management of resources, reduced impact on the environment and communities, as well as compliance to legal requirements. It focuses on the following value levers: water, climate change and energy, land stewardship, rehabilitation, waste and emissions. The policy is aligned with our safety, health and environmental (SHE) policy under the overarching Anglo American SHE policy. They are reviewed annually and updated if required.

SHE way: The Anglo American SHE way details our internal policy requirements for SHE in a single management system. The SHE way was rolled out across our operations in 2018 and guides our integrated approach to achieving zero harm. It is designed as a platform to enable operations to comply with and, in some cases exceed, ISO 14001:2015 requirements of an environmental management system. We set 2019 targets for each operation across the SHE performance areas and track and monitor progress against defined plans.

In 2019, we conducted a SHE way gap analysis at all our operations, which shows that Amplats operations have achieved 96% compliance to SHE way requirements for 2019:

- In 2019, SHE way requirements were extended to all non-core operations, activities, care-and-maintenance operations
- An ISO gap analysis on our SHE management system was introduced in the fourth quarter for all operations. We also identified gaps and opportunities between the various ISO SHE management system requirements and the SHE way, and the progress by each operation in implementing the SHE way.

ORM: We made progress in integrating the way we manage environmental risk into the Anglo American operational risk management (ORM) process and operating model. This year we used Smartsheet software to develop a framework that uses the operating model to manage and support delivery of our environmental strategy. Implementation of the Smartsheet platform is enabling more effective and aligned systems to support more efficient and accurate reporting that includes tracking the status of permits and audits. We aim to have implemented stable ORM processes by the end of 2020 and ensure effective dashboard management of priority environmental issues across our operations. ORM implementation, particularly for our most significant environmental risks, forms part of performance-based remuneration for senior executives, along with a target to reduce significant environmental incidents.

Environmental management systems: RMBR and PMR, which are responsible for product delivery and compliance to external requirements, have environmental management systems (EMS) certified against the ISO 14001:2015 standard. EMS (environmental management system) compliance with the standard is assessed annually by an independent certification body and continued certification has been confirmed for both operations. All other operations' EMSs are aligned with the ISO 14001:2004 standard and are on track to be certified against the new standard by 2020. Gap assessments against ISO 14001:2015 have been performed at all these operations, aiming for stage 1 and 2 certification audits in 2020. This does not apply to our joint ventures or project partners.

LICENCE AND PERMITTING CONDITIONS

Our licence to operate relates directly to environmental permits and authorisations under relevant sections of the:

- Mineral and Petroleum Resources Development Act (MPRDA) – environmental management programme report
- National Environmental Management Act (NEMA) – environmental impact assessments (EIAs), basic assessments, waste licence and air emission licence
- National Water Act (NWA) – water-use licence (WUL).

A dedicated team coordinates permitting and stakeholder engagements (during permit acquisition, administration, execution and verification), integrates project-permitting schedules, integrates reporting on permit compliance and risk, and monitors implementation of permit conditions.

Given that environmental permitting is a key success factor for the business, and that delay in acquiring environmental permits (or failing to comply with related conditions) can have financial, operational and reputational costs, Anglo American implements an industry-leading cross-cutting permitting practice. The minimum permitting requirements (MPR) programme was established in 2014 to support operations in timeously obtaining the right permits and complying with the conditions of existing permits.

Meeting the MPR is part of the critical foundations of our approach to sustainability; it helps identify areas within permitting that are subject to risks and provides guidance to achieve sound permitting practice. All our operations are reviewed against the MPR annually. Plans are implemented to address gaps and progress is monitored to ensure continuous improvement to desired performance levels. In 2019, all Amplats operations achieved their target and some exceeded their target. The overall business unit score was 2.9, exceeding the target of 2.4, while Unki was the best performer, scoring 4. MPR best practice is a score of 5.

Water-use licences

All managed operations have water-use licences (WULs). Internal and external WUL audits are conducted annually in line with regulatory requirements. Groundwater contamination and related non-compliance with WUL limits are a key risk for the business. We address identified non-compliances through remedial action, with clear accountabilities:

- WULs approved in 2019: Mototolo Mine (26 April), Amandelbult 15E and 62E (25 May), and Amandelbult chrome recovery plant (26 June)
- Current WUL applications submitted and pending approval by the Department of Water and Sanitation (DWS):
  - Twickenham proposed development (renewal of existing licence)
  - Der Brochen amendment
  - Amandelbult Haakdoorndrift opencast
  - Amandelbult fine chrome recovery plant
  - Retained Rustenburg process operations amendments
  - Mogalakwena complex.

Other licence and permitting developments

Applications for environmental authorisations for Mogalakwena complex expansion options study and Der Brochen expansion project were submitted to the authorities in December 2019 for approval in 2020.

Applications to postpone timeframes for compliance with 2020 SO_2 emission limits were approved by the Department of Environmental Affairs and Forestry (DEFF) for Polokwane, Mortimer and Waterval complex smelters.

To support our licence to operate, our operations continually engage the authorities on relevant legislation to obtain or renew the necessary permits or environmental authorisations and address any challenges.

Amplats has quarterly liaison meetings with the director: licensing and regional managers of DWS. These engagements help build and maintain constructive relationships, and address concerns raised by both parties.

COMPLIANCE

All operations work towards full compliance with legal commitments (as per approved environmental authorisations) by continuously managing commitments through action plans and tracking progress against findings from internal reviews/audits. All reviewed findings are discussed with senior management at each operation and key findings are regularly reported to our exco and operations committee.

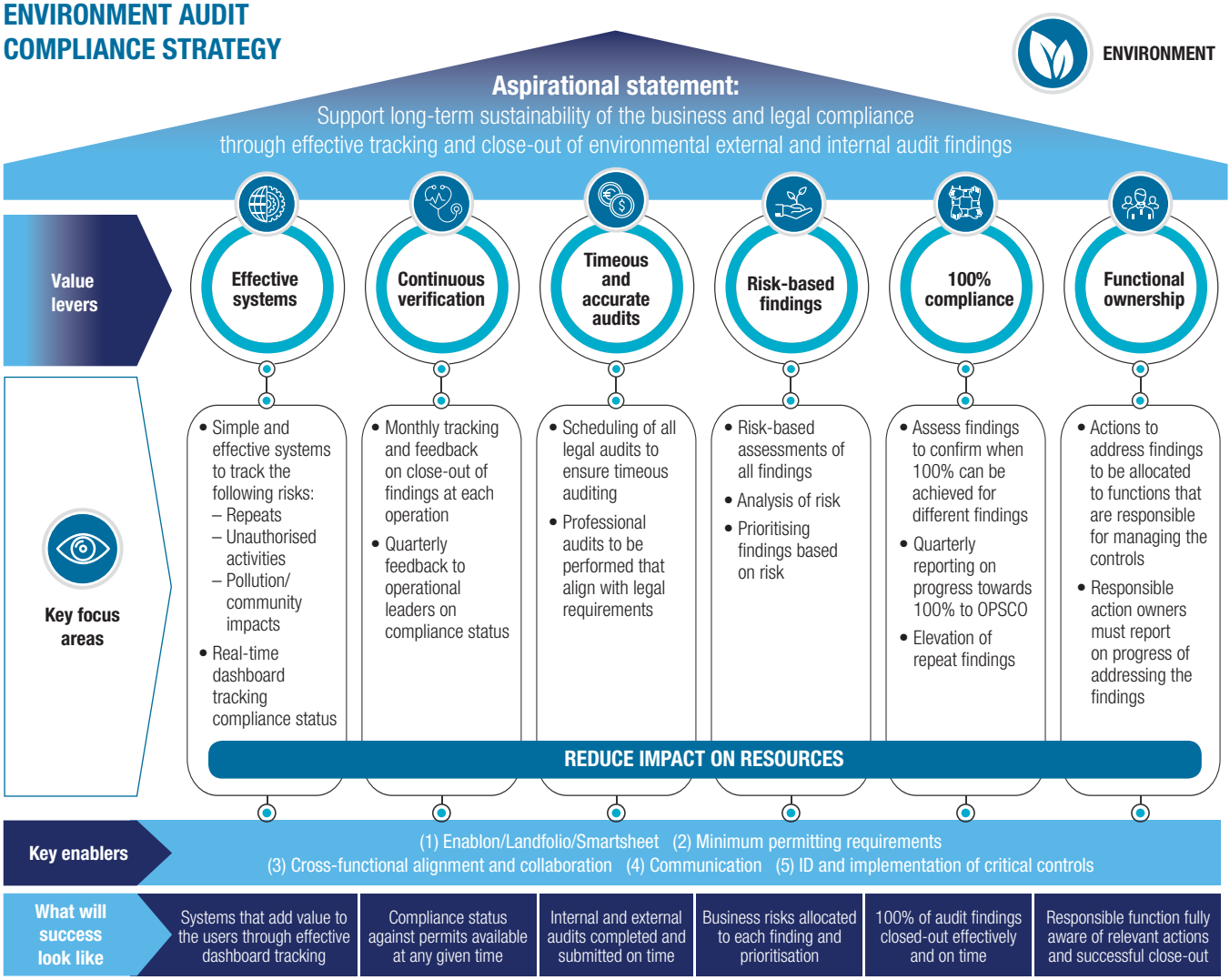
Each Amplats operation and joint venture (JV) in South Africa is required to conduct annual or biannual external audits against their WULs in terms of the National Water Act, environmental management programme reports (EMPR); regulation 55 of the Minerals Act; and environmental impact assessments (EIA) in terms of regulation 34 of the National Environmental Management Act.

These audits are conducted by an environmental assessment practitioner and a formal audit report is issued to the operation in line with the format required by legislation.

We have developed a strategy (illustrated below) to increase levels of compliance with permit conditions by addressing findings identified during the external environmental audits for WULs, EMPRs and internal audits for air emission licences (AEL).

ENVIRONMENT CONTINUED

ENVIRONMENT AUDIT COMPLIANCE STRATEGY



Audit performance

All 2018 audit findings have been captured in our information management system called Enablon and specific reports generated to reflect:

- Percentage of findings versus solved
- Finding classification report
- Risk to the business report
- Finding description report
- Commitment dates for open findings
- Open findings past commitment dates
- Findings solved per quarter.

Progress against audit findings are reported to operations monthly and exco quarterly.

The 2019 status of prior year audit findings for WULs and EMPRs is shown below:

WUL (2018 AUDIT FINDINGS)

- Total findings: 216
- Total conditions: 987
- Percentage compliance: 78

PROCESS: Findings for

- Flow metres
- Exceed water limits
- Erosion
- Contribution to pollution

MINING: Findings for

- Stormwater infrastructure
- Erosion
- Exceed water limits
- Administrative changes to WUL
- Flow metres

EMPR/EIA (2018 AUDIT FINDINGS)

- Total findings: 178
- Total conditions: 3,519
- Percentage compliance: 95

PROCESS: Findings for

- Stockpile-related
- Stormwater control/infrastructure
- Stakeholder engagement (internal and external)
- Noise monitoring
- Soil monitoring

MINING: Findings for

- Invasive species management/ biodiversity action plan
- Licence amendment
- Stormwater control/infrastructure
- Maintenance issues
- Drainage facilities cleaning

All external EMPR/EIA and WUL audits for 2019 are in the process of being added to Enablon to ensure all findings are addressed and remedial actions tracked continuously.

Audits under regulation 34 of the Environmental Impact Assessment Regulations

Amplats is committed to adhering to the legislative amendments of the EIA Regulations enacted on 7 April 2017. Compliance with these regulations requires environmental authorisation (EA) holders to:

- Conduct EA and related environmental management programme/environmental management plan compliance audits in line with regulation 34
- Notify interested and affected parties of the submission of all regulation 34 audit reports to competent authorities
- Make these audit reports available to anyone on request
- Place these audit reports on a publicly accessible website.

As a result, 26 external legal audit reports on our environmental authorisations (EMPR/EA audits) were published online in December 2019. The 2019 audit reports can be downloaded from our website: **https://www.angloamericanplatinum.com/sustainability/environmental-compliance-audits**

From the 26 audit reports (2019 Reg 34 audits), 3,261 conditions were audited. As a result we found 2,470 (76% of conditions) compliant conditions, as well as conditions that were either partial non-compliant (249) (8% of total conditions) or non-compliant (362) (11% of total conditions) that need to be addressed. The balance of the conditions relate to observations/conditions to be noted/undetermined.

Based on the 2019 audit findings, each operation will adhere to the following process:

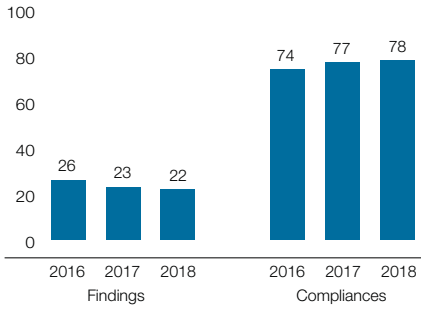
- Take action to ensure that all non-compliances are addressed as a matter of priority
- Engage with relevant authorities on any non-compliances raised that are no longer relevant to specific operational activities
- Where non-compliances have been identified that require government intervention with permit approvals, licences and other authorisations or the amendment of an EA and/or EMPR, each operation will engage the relevant authorities as a priority to ensure that relevant government departments are aware of the non-compliances and agreements can be reached on the formal application processes to be initiated to close out non-compliance findings.

Fines and directives

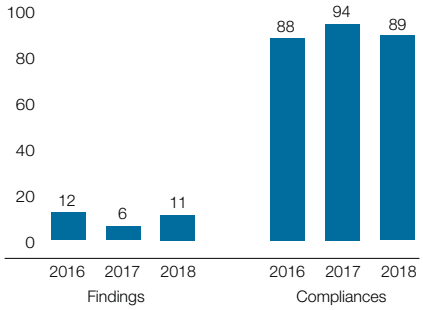
In 2019, no confirmed fines or directives for non-compliance with environmental regulations, licences or permits were imposed by authorities on any of our managed operations in South Africa or Zimbabwe. However, Unki (Zimbabwe) reported that an order and potential USD1,000 fine was issued in September 2018 for the pollution control dam (PCD) sludge temporary holding pad before disposal in the tailings storage facility. An appeal has been submitted to the authority, with a response still pending.

Progressive improvement of compliance with audit findings is evident since 2016:

WUL TRENDS FOR MANAGED OPERATIONS
(%)



EMPR/EIA TRENDS FOR MANAGED OPERATIONS
(%)



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ENVIRONMENTAL INCIDENTS

Reporting, investigating and sharing lessons learned from environmental incidents or substandard acts and conditions reported are essential in improving our environmental performance across the business.

Over the last two years, we have rolled out digital tablets to report incidents and environmental inspections. This technology has improved the efficiency of our reporting by reducing time spent capturing incidents and findings, and eliminates paperwork.

ENVIRONMENT CONTINUED

We adhere to the Anglo American approach to reporting five levels of environmental incident severity according to actual and/or potential consequences for the receiving environment.

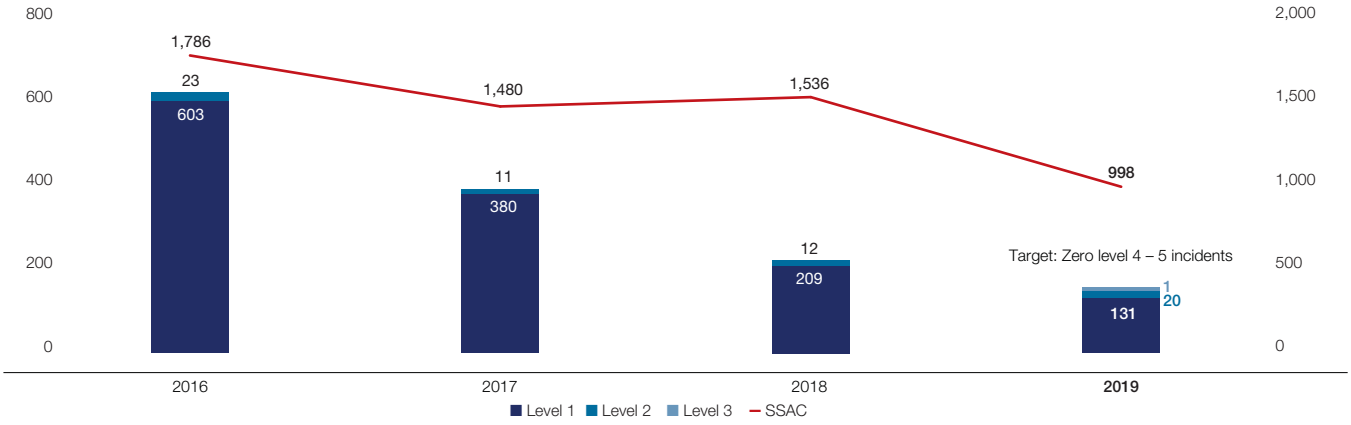
The classification criteria were updated in 2018 and became more exact. Level 3 – 5 incidents (ranging from moderate to major) are featured in the chief executive's report to the board and disclosed publicly. Any incident that could have resulted in more serious impacts is recorded as an environmental high-potential incident.

In 2019, we recorded one level 3 (moderate impact) environmental incident – the first since 2013. This related to an overflow of effluent from the Unki Mine pollution control dam into Mtebekwana River, which discoloured the river water (refer page 27). This was classified as a high-potential incident with a reasonable worst-case potential consequence rating of level 4 (major).

The better-defined classification process introduced in 2018 has contributed to an increase in level 2 incidents reported this year: 22 compared to 12 last year, with two classified as high-potential incidents.

A 36% decrease in the number of substandard acts and conditions recorded this year and corresponding 32% decrease in number of environmental incidents recorded (see trend analysis below) indicates more effective risk monitoring and management.

ENVIRONMENTAL INCIDENTS AND SUBSTANDARD ACTS AND CONDITIONS (SSAC)



Trend analysis of level 1 and 2 incidents shows that 81% of incidents affected land and/or open water, predominantly through hydrocarbon spills and pipe leakages (2018: 89%).

In 2019, we recorded 12 complaints/ grievances classified as having an environmental impact (2018: eight). Nine were community complaints at our managed operations about activities that cause gas emissions or excessive dust, and one similar complaint at our Bokoni JV operation. Three complaints related to mine impact on water resources. Each complaint was investigated, feedback given to the complainants and remedial action taken where required.

Case study:

LEVEL 3 ENVIRONMENTAL INCIDENT: OVERFLOW OF EFFLUENT FROM THE UNKI MINE POLLUTION CONTROL DAM

At our Unki Mine in Zimbabwe, the pollution control dam overflowed on 21 March 2019 due to excessive rain. Mine management was alerted immediately and the social performance manager alerted the community to the incident. We reported the overflow to the Environmental Management Agency (EMA) and took immediate action to mitigate the impact. We sealed off the spillway to prevent further overflows, stopped other sources of inflow into the dam, introduced aluminium sulphate to coagulate and settle the solids in river water to reduce further spread, and introduced borehole water to dilute the spill plume. We collected samples of the effluent at the spillway and Chironde Bridge for laboratory analysis. We placed a guard to monitor the water-level rise in the dam for risk of further potential overflow.

The required remediation was minor and proved effective. The incident resulted in a low-toxicity pollutant, initially measurable up to 3.1km away from the discharge point. The impact was fully contained within four days. Potential accumulation was monitored through sampling and analysis of the results which showed there was no accumulation in river water. There were no reports or evidence of visible negative impact on any aquatic life during and after the event.

The mine conducted internal investigations to identify root causes of the incident and institute mechanisms to prevent a repeat. These included lowering the warning level of the overflow sensor, reconfigured warning system to emit audible emergency warning when levels are exceeded, and automating the system to activate the dewatering pump.

The community uses boreholes in the village for drinking water as river water is not potable. To ensure clean drinking water is available to the community next to the river, Unki Mine engaged with the community and District Development Fund to resuscitate boreholes in the village that had broken down.

ENVIRONMENT CONTINUED

ENVIRONMENTAL EXPENDITURE AND PROVISIONS

Environmental expenditure for our managed operations in 2019 was:

- R24.3 million for waste disposal, emissions treatment and remediation (2018: R19.5 million)
- R57.9 million for preventing pollution and environmental management (2018: R48.5 million).

Total environmental expenditure of R82.2 million was R14 million higher than 2018, reflecting increased costs for expenditure on waste treatment/disposal and personnel (travelling, education, training). This excludes the costs of non-product output as defined in the International Federation of Accountants' guidance document on environmental management accounting.

Expenditure for environmental-related programmes and projects is tracked on our SAP system at operational and corporate levels.

EXTERNAL RECOGNITION

Amplats is considered a leader on ESG issues compared to its industry peers.

We were pleased to retain our Prime rating in the metals and mining sector of the ISS-Oekom Corporate Responsibility Review for 2019, scoring 1 (the lowest risk score) out of 10 for our environmental performance.

Amplats was ranked by Sustainalytics as a global leader out of 55 peers in the precious metals sector in 2019. This stems from the company's leading position on social and environmental issues and average performance on governance issues. Our ESG-related disclosure follows best practice, signalling strong accountability to investors and the public due to strong oversight at board and executive levels, as well as ESG management integrated into core business strategy.

Amplats was ranked by FTSE Russell as ESG leader among the top five peers in the platinum and precious metals sector in 2019. We received the highest ratings for overall ESG (4.8), environmental (4.7), social (4.7) and governance (5.0). We also remained a constituent in the FTSE/JSE Responsible Investment Top 30 Index in 2019. Vigeo Eiris confirmed our inclusion in the best emerging-markets performers ranking for 2019, as a result of leading ESG performance.

RESPONSIBLE SUPPLY CHAIN MANAGEMENT – ENVIRONMENTAL STEWARDSHIP

Anglo American's supply-chain function is a key facilitator in achieving our sustainability strategy. Our vision is to be part of a value chain that reinforces positive human rights and sustainability outcomes. Accordingly, the supply chain team has prioritised several breakthrough outcomes supporting an ambitious plan to innovate supply responsibly.

Our approach to responsible sourcing helps prioritise ethical decision-making when buying goods and services, allowing us to work closer with suppliers to partner in identifying and addressing sustainability issues.

The Anglo American responsible sourcing standard for suppliers, available on our global websites, details our expectations of existing or prospective suppliers under five pillars, including a requirement to demonstrate how they protect the environment. Under each pillar, the standard defines minimum expectations and highlights best-practice and aspirational sustainability ambitions for suppliers to work towards.

We expect all suppliers to comply with applicable environmental legislation and set out requirements to support suppliers in limiting their environmental harm. These include risk assessments, monitoring emissions (eg greenhouse gas and air quality), responsible use of water and other resources such as energy. Where possible, we encourage suppliers to integrate circular-economy principles in supplying goods and services to the group.

We have aligned the standard closely with our group-wide sustainable mining plan, best-practice external guidance and policies, including our SHE policy. Our standard is available in multiple languages and supported by a frequently-asked questions document for suppliers.

All suppliers to Anglo American must also meet our requirements, such as responsible sourcing. We ask suppliers to agree to these contractual requirements during registration.

Suppliers will be required to complete and regularly update a self-assessment questionnaire, which will become a mandatory requirement for future sourcing. The questionnaire defines key question sets, which enables suppliers to better understand customer sustainability requirements and their own practices. To maintain transparency around this requirement, and support prospective suppliers to better understand customer expectations, the questionnaire is also posted on our website.

On a sample basis, 'high-risk' suppliers may be required to provide evidence of previous responsible-sourcing assessments, or to conduct a new, third-party assessment. We expect suppliers to develop corrective plans to address any identified gaps in meeting our requirements as well as plans to address risk. Suppliers are also expected to cascade the standard throughout their supply chains (including their agents, intermediaries, contractors and suppliers).

To focus our efforts and identify suppliers with higher potential for sustainability risk, we use a risk heat map and nomination approach. The risk heat map has been in use since 2018 and considers potential risk to people, the environment or society due to the type of goods or services supplied.

Our engagement with suppliers indicates that most high-spend suppliers understand potential responsible sourcing risk and environmental impact, and typically have established processes to identify and manage these risks. In 2019, no major adverse environmental issues were recorded.

Small and medium-sized suppliers, which are a large percentage of our supply base, traditionally have greater difficulty in demonstrating procedures and practices linked to core environmental requirements. We have intensified our efforts to support these businesses to meet our standards through a bespoke responsible sourcing training programmes, targeting 74 suppliers for training and self-assessment in 2019.

WATER

HIGHLIGHTS

- Total water withdrawal intensity was 1.00 against a target of 1.17m³/tonne
- Potable water-use intensity from external was 0.30m³/tonne for the year, a 23% improvement since 2015
- Increasingly reducing freshwater consumption at our operations, and partner in several regional bulk-water resource and water-efficiency initiatives
- Groundwater liabilities included for all managed mining operations' closure liabilities. The groundwater liabilities for all managed process operations will be finalised in H1 2020
- Improving the way we define, account and report our water use

LOWLIGHTS/CHALLENGES

- Water shortage is a principal risk as all our sites are in water-scarce areas
- One level 3 (moderate) incident:
  - An overflow of effluent from Unki Mine pollution control dam discoloured river water

FOCUS FOR 2020 AND BEYOND

- Reduce our freshwater consumption and incrementally improve water efficiency
- Risk-based approach: Develop site-specific water management plans to address operational water management priorities and risks (page 31)
- The main focus remains on site-wide and regional water balances, supported by the water information and management system (WIMS) programme to optimise recycling/reuse at our operations. This will be supported by projects to manage stormwater, improve mine dewatering, adequate sizing of water storage infrastructure to contain, manage and recycle water, correct measurements of water withdrawals and use, reducing total dissolved solids, sulphate and organics for sites using effluent and looking at alternate sources of water for those sites dependent on potable water

Water is a vital resource for our operations and host communities. For Amplats, water shortage is a principal risk as all our sites are in water-scarce areas. To address our water risks, we are managing current water use holistically, while developing and applying innovative management approaches and technologies. In tandem, taking a catchment-based approach to water management enables us to play a key role in defining and realising opportunities for contributing to regional water conservation.

This approach provides a solid foundation as we work towards meeting our ambitious sustainability targets. As part of FutureSmart Mining, our ultimate vision is to develop the waterless mine – one that uses no external freshwater beyond ramp-up.

Water: a critical issue

Amplats relies heavily on water as an input to mining and processing activities. Responsible management of this resource is critical, given concerns on its security and quality, as well as strict regulation and scrutiny by authorities. Pressure on shared freshwater resources is exacerbated by growing climate impacts, competition between users and potential for conflict.

South Africa's water supply is predicted to reach a crisis point by 2030, and large-scale public-private partnerships will play a vital role in the future of water in this country. Mining is one of the few industries that can use water of lower quality, ie not suitable for human consumption, which allows us to apply creative approaches to water reuse and recycling.

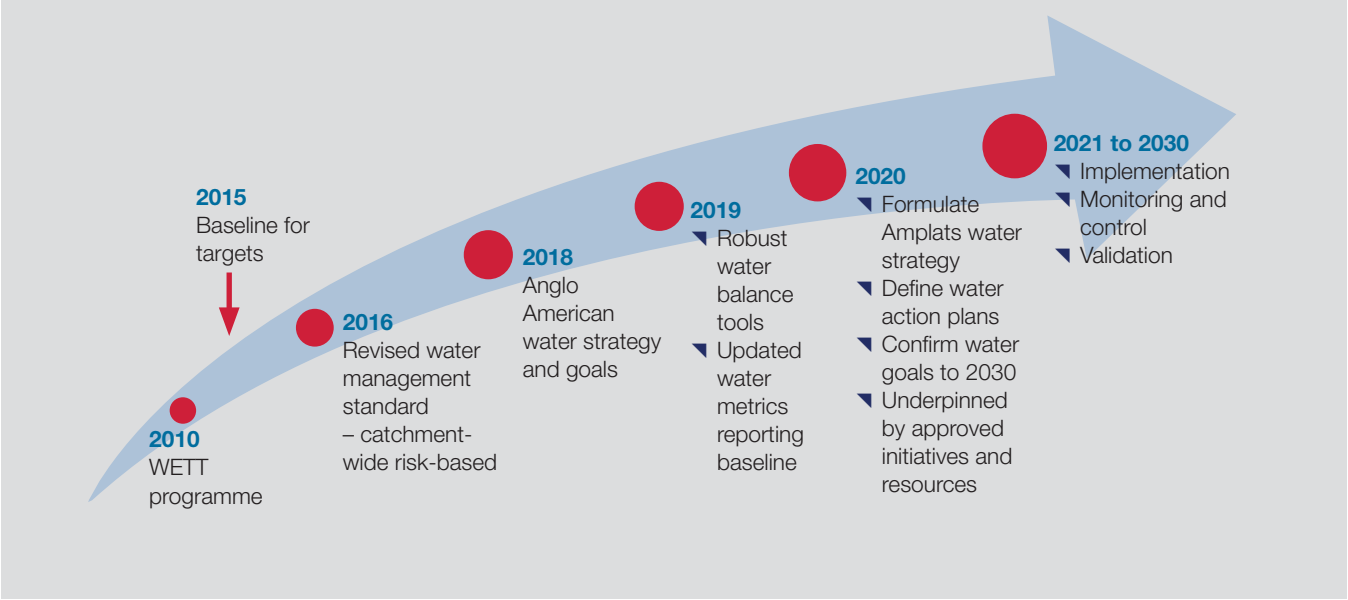
ANGLO AMERICAN SUSTAINABLE MINING PLAN 2030 TARGETS

Our vision is to operate waterless mines. Amplats has set 2030 goals against a 2015 baseline:

- Our vision is to substantially reduce our freshwater use in water-scarce regions
- Move towards zero potable water use in process operations
- Ensure our operations are water-resilient by 2020
- Invest in water treatment and other relevant technology innovation
- Build water-related infrastructure for the mutual benefit of the company and our communities
- Proactively partner with key stakeholders in public-private partnerships.

ENVIRONMENT CONTINUED

Amplats water management journey



KEY WATER STRATEGY ACHIEVEMENTS AND DEVELOPMENTS IN PROGRESS

Redesign processes and technology to be water-efficient and only use recycled water	Consume only minimal clean water and use others' waste water; help develop new sources of clean, potable water	Through water, create sustainable development opportunities for stakeholders
2002: Reverse osmosis plant at Dishaba Mine	**2002:** 6Mℓ/d Mokopane effluent secured for Mogalakwena Mine	**2014:** PEGAC (Premier's employment growth advisory council) – Amplats co-chairs integrated infrastructure working group
2015: Dissolved air flotation plant supplying Rustenburg process operations	**2004:** 14Mℓ/d Polokwane effluent secured for Mogalakwena Mine	**In progress:** Limpopo regional water resource development project
2018: Electrocoagulation water treatment system at Amandelbult and Baobab concentrator	**2004:** Olifants River water resources development project (ORWRDP) initiated as phase 1 De Hoop Dam completed with water for mutual benefit of communities and industry	**In progress:** ORWRDP phase 2 for mutual benefit of communities and industry
Under investigation: Evaporation-loss reduction from open water bodies	**2006:** 15Mℓ/d Rustenburg effluent secured for mines and process plants	**Under investigation:** UG pyroxenite aquifer development at Twickenham Mine
Under investigation: Paste and dry stack tailings	**2013:** 6Mℓ/d additional Polokwane effluent secured for Mogalakwena Mine	
	2018: Hall Core Mapela project to supply groundwater to communities around Mogalakwena Mine	

MANAGEMENT APPROACH

Since 2010, Amplats has been improving its water management as part of Anglo American's group-wide initiative (key steps on page 30). Our major shareholder significantly revised its approach to water management in 2016 by introducing a new group water management standard and reporting requirements. The standard takes a risk-based approach to water management, in line with global best practice and ICMM reporting guidelines. A cornerstone of the standard is implementing operational and regional water balances to inform our approach to managing regional (catchment-wide) water risks, in partnership with regional stakeholders.

The group water management standard underpins our strategy and defines the minimum requirements to ensure sustainable water management. It addresses all aspects of water management, including supply and security, water for operations, hydrology and hydrogeology, mine dewatering, water collection, storage, uses and discharge, closure, post-closure, water quality and potential environmental impacts, including sustainable and socially responsible water use, for sites and projects. Site plans include provision for water security, water-use efficiency, tailings water-recovery projects and a mine dewatering strategy, stormwater management and discharge management, complemented by a monitoring programme.

The standard has transformed the way we capture and process information about our water risks and use. We summarise our progress in implementing it over the last two years as well as key steps going forward:

- In 2018, we completed regional water assessments, following the ICMM regional balance approach, for all our sites
- By end-2019, we had dedicated water specialist managers as custodians of the water management standard at every site and overall for Amplats
- Over the last two years, we have completed detailed self-assessments and gap analyses for all our operations against the standard, with results included in our CEO's scorecard. In 2020, all gaps identified will be fully addressed and follow-up annual self-assessments conducted according to a schedule
- Amplats' water strategy and operational water management plans and associated targets for 2030 will be finalised and developed by the second and fourth quarters of 2020, respectively. The fit-for-purpose water action plans will focus on operational expenditure and sustaining capital on the highest priorities
- At 75% of our sites, we have completed **dynamic water balances** (60% in 2018) and we expect all sites to have developed dynamic water balances by the end of 2020. These balances provide a more accurate and detailed understanding of ICMM-defined water withdrawal, discharge and use, which underpins the effective assessment and evaluation of site-specific water risks under various rainfall forecasts. They are used to identify operational water management priorities and examine different scenarios, with the aim of setting realistic operational water management targets to reduce freshwater withdrawal
- We have completed a **regional Limpopo water balance** which has assisted in quantifying the catchment water assurance, shortfall and demand over time for all water users in the catchment. We compiled heat maps to indicate shortfalls in storage reservoirs (with and without interventions over time) and we considered bridging options to meet water demand in the study catchment. The regional catchment analysis also included an analysis of climate-change impact on the regional water balance. We plan to complete a regional water balance to support Mogalakwena Mine in future
- **Hydrogeological models** have been established at 80% of our sites and will be finalised for all applicable sites where groundwater features in the first half of 2020. Modelling water-balance and hydrogeological scenarios significantly improves our ability to predict and quantify life-of-asset risks and identify required infrastructure modifications. Mine dewatering strategies are being developed for two sites. Dewatering forms part of the operational site water balance and water security
- **Aligning freshwater definitions and water reporting** is a key building block in setting actions to achieve the sustainable mining plan's water targets. The Anglo American **water information management system (WIMS)** provides a real-time data analytics platform to manage capturing, quality control, accounting and reporting of water data. It translates water balances into accounting water balances and uses ICMM definitions to report data consistently for each site every month. The WIMS system has been piloted at the Polokwane smelter, Twickenham and Mogalakwena mines, and will be rolled out to all our sites in 2020
- **Groundwater liabilities** have been included for all managed mining operations' closure liabilities. The groundwater liabilities for all managed process operations will be finalised in the first half of 2020
- **Water intensity performance:** We are planning to improve our water intensity performance to best-in-class for our mines as well as beneficiation plants. We are continuously improving our internal reporting to better inform management of water flows and status reuse. This will allow us to track our internal performance in water recycling and reuse, and compare it to the industry, while identifying areas of improvement.

The baseline water management understanding will continuously be improved as we finalise existing and future initiatives. The current baseline understanding is acceptable for life-of-asset planning (LOAP) and for developing an updated Amplats water management strategy.

By the end of 2020, we expect all operations to have detailed, dynamic operational water balances and hydrogeological models, supported by regional water balances linked to regional climatic data and the WIMS database. This will enable a more consistent baseline of water-management data with which to determine targets, KPIs, scenarios and site-specific strategic water plans.

Until 2020, we will report water performance under the definitions we used in 2015. In 2020 we will re-baseline all data and introduce improved ICMM-aligned definitions, to measure progress against our 2030 goals.

ENVIRONMENT CONTINUED

All new Amplats capital projects follow our investment criteria by stage for water management, as part of the Anglo American investment development model, which includes water-management targets and specifies requirements for infrastructure and technology to meet those targets.

We assess water-related risks each year as part of our enterprise risk management framework. This includes operational risks from limited water supplies, and social risks from competition with other water stakeholders, which are embedded in the LOAP process for all operations.

Water in our operations

Our main water-management activities include:

- Abstraction, conveyance treatment and recirculation
- Monitoring and implementing water balances
- Dewatering to access ore reserves
- Ore processing
- Mineral residue deposition and discharge control
- Smelting
- Beneficiation of metals
- Cooling
- Transportation and dust suppression
- Stormwater management and flood protection
- Diversion of freshwater
- Storage for recycled water and freshwater supply.

We also provide access to fully functioning water, sanitation and hygiene (WASH) services at all our mining operations and hostels as a basic human right.

Investment

Since 2017, Anglo American has spent USD4 million (R58.8 million) on water initiatives at Amplats, including investments in reporting, computerised water reporting and management systems (SCADA), developing water balances and hydrogeological models, and dewatering strategies. We have set aside an additional USD5.5 million for water-related initiatives in 2020 and a further USD20 million for the period 2020 to 2023.

Compliance

Refer to pages 23 to 26 for compliance with environmental regulations, licences or permits for managed operations in South Africa or Zimbabwe.

The Department of Water and Sanitation (DWS) published a report on mining companies' compliance with the conditions of their water-use licences (WULs). The report, which was submitted to parliament, contained outdated information and Amplats engaged with the department to ensure accurate information is available. We responded to media enquiries with detailed responses to highlight numerous actions that are planned or under way to improve compliance levels at all operations.

Amplats has a standing monthly meeting with DWS to discuss and resolve any issues arising from water-use licence compliance. These meetings have been helpful in tracking the status on any licence applications submitted to the regulator.

No water source, ecosystem (eg Ramsar-listed wetland) or habitat was materially affected by our extraction and use of water. In 2019, we recorded one level 3 (moderate impact) environmental incident – the first since 2013. This related to an overflow of effluent from the Unki Mine pollution control dam into Mtebekwana River, which discoloured the river water (refer page 27). This was classified as a high-potential incident with a reasonable worst-case potential consequence rating of level 4 (major).

We are working to eliminate these incidents completely by improving maintenance, desilting storage dams, introducing operational controls and increasing water recycling.

RESPONDING TO WATER RISKS

Water security

All our sites operate in areas of high water stress, defined as catchments where available water resources are over-used. Our approach to risk considers four levels: low, moderate, significant and high. Our company water-risk profile is moderate to significant at this stage, based on risk-based criteria in our water management standard.

Our climate-data review and predictive modelling indicate that increasing weather volatility – including highly variable and interchangeable periods of droughts and floods – is likely to exacerbate water stress and vulnerabilities at our operations and communities in which we operate, notably in the Limpopo region.

We are implementing an ongoing integrated water plan (conservation and demand management) to mitigate related security risks. This includes a focus on shifting further to non-potable process water; investing in water-treatment and relevant technology innovation to improve operational water efficiencies; constructing on-site storage at Mogalakwena, Amandelbult and Rustenburg; rolling out the regional water strategy development for Limpopo; and ensuring strategic alignment, partnership and technical support to local and regional water authorities.

Partnering and engaging with stakeholders on water security

Water security is a particular risk for our operations in Limpopo, especially during prolonged drought and rising community and municipal demand. We are increasingly reducing freshwater consumption at our operations, and partner in several regional bulk-water resource and water-efficiency initiatives. This is part of a collaborative water strategy for Limpopo, launched in 2017, in partnership with government, regional water providers and other mining houses. While the province is expected to be severely water-stressed between 2022 and 2025, studies have identified several opportunities for source-water options to augment regional water supply.

In 2019, the focus was on enhancing the partnerships between government and industry to better understand the status of water sources in the province. This will inform the development of bulk-water infrastructure improvements to supply the Olifants River catchment by implementing the Limpopo water resources study project, funded and undertaken by Anglo American. This work supports the understanding and planning initiatives by DWS on water resources.

We are particularly active in the Olifants River water forum and Lebalelo pipeline in sourcing water into the Northern and Eastern Limb platinum operations and communities. This includes collaborating with 30 organisations to provide bulk-water services to mines and communities in the area. Used (grey) water is also sourced for Northern Limb operations through partnerships with the Polokwane and Mokopane municipalities.

We meet with municipalities, water boards and water-user associations to review issues affecting supply. In Rustenburg, Mogalakwena and Lebalelo, these engagements are ongoing and assist in improving the management of water-supply infrastructure and resources in the municipal areas. Through the Olifants River joint water forum, we are instrumental in advising and soliciting feedback to government on the needs of the mining sector and the communities where the mines operate on water issues.

We have partnered with Polokwane municipality in upgrading the wastewater treatment works. The 6 megalitres/day (Mℓ/d) expansion module of the plant has been completed. The upgrade has enabled us to increase our total effluent allocation from the Polokwane waste-water plant to 20Mℓ/day. To fully use the allocation from this plant, we have initiated a pipeline upgrade project from Polokwane to Mogalakwena. This is expected to be completed in 2021.

In Polokwane, we are working with the brewer, SAInBev, and the Strategic Water Partners Network to fix water leaks that led to over half the potable water supply being lost.

We are completing a feasibility study of the Mokopane effluent pipeline to improve its reliability. The project aims to improve reliability of supply to the mine through the pipeline, and ensure accessibility for maintenance, by rerouting it to avoid built-up areas and private housing backyards.

We are also improving water security at Mogalakwena by providing adequate storage facilities in the form of a buffer dam. This project is planned for 2023.

In 2018, we initiated the Hall Core Water Mapela (HCWM) project to provide water to communities in Mapela. Amplats funds the supply of 3.5Mℓ of potable water daily to over 100,000 people in the 42 villages around Mogalakwena complex. The initiative is a successful partnership between Hall Core, Mapela communities and Mogalakwena local municipality.

In response to stakeholder concerns in the media about municipal water-supply challenges to Twickenham Mine communities, although water supply falls under the jurisdiction of municipalities, Amplats is investigating options to replicate the HCWM project in Twickenham's host communities.

Although Twickenham is on care and maintenance, it is still being actively managed from a water point of view. In 2019, funds were spent on maintaining the 16Mℓ raw-water dam and bulk-supply pipeline. Additionally, infrastructure has been installed between the dam and shafts to ensure efficient excess water management in the care and maintenance phase. We have refurbished the Lebalelo pipeline supplying Twickenham mine in areas where it was exposed by erosion to ensure safety of the infrastructure.

At Unki in Zimbabwe, which continues to experience severe drought, we started introducing boreholes in 2019 as an alternative water source to augment surface water. This project will be completed in early 2020. We also engaged with the local community and District Development Fund to resuscitate boreholes in the village that had broken down to ensure adequate access to drinking water. Unki is implementing several water-conservation and demand-management projects to reduce site water demand and withdrawal from the Lucillapoort dam.

Water quality risks

We seek to minimise adverse effects of our mining activities on surrounding surface and groundwater to avoid affecting the water security of our stakeholders (poor-quality water is harmful to the environment and human health, can affect mining and processing equipment, and presents closure liabilities).

The volume and quality of water allowed to be discharged by our operations are regulated. Any unplanned discharges or regulatory breaches are investigated and reported as environmental incidents, while root causes are addressed promptly.

We monitor surface and groundwater at all our mines and process plants (upstream and downstream of operations), as well as inside and outside mining areas in catchments where we operate. We also monitor surface waterbodies. Our tailings return-water dams are habitats for fish, birds and plant life. At some operations, seepages from tailings storage facilities (TSFs) affect the quality of groundwater, but the impact is localised and no external groundwater users are affected. Seepage from TSFs contributes primarily to increasing salinity in localised groundwater bodies. The risk associated with groundwater plumes is continuously tracked through monitoring boreholes and groundwater models. Management measures are considered where required, such as curtain drains/boreholes.

Operational water balances will enable us to better understand and manage water quality issues. We are increasingly using hydrogeological models to assist in identifying potential risks related to seepage from tailings dams and affected water-containment facilities, and develop to solutions.

Addressing specific risks and concerns

Our principal water quality-related risks lie with our Mogalakwena operation due to its dependence on effluent reuse. Effluent quality from the two waste-water plants is variable and this affects the operation in terms of output and potential health risk from exposure to poor wastewater effluent. We provide technical assistance to the municipality for operating and maintaining its assets to improve the quality of effluent supplied and discharged into the environment. The expansion of the Polokwane waste-water plant will help reduce quality risks in water being supplied to Mogalakwena concentrators.

We have developed a strategy to address concerns on elevated nitrate levels in the groundwater at Mogalakwena complex and surrounds, and ensure the mine does not contribute to these levels.

At Twickenham, which is under care and maintenance, we have surplus water and about 1.0Mℓ/d is released into the environment. We are addressing related community concerns through a joint community forum, chaired by DWS. In 2019, to stop uncontrolled excess water discharge from the mine, we modified existing infrastructure to reroute this water to a central storage facility, the main dam at the mine, for distribution to other users and an irrigation initiative for the community. We have identified additional initiatives to use the excess water for irrigation that will be implemented over the next two years. In the meantime, excess water will be further treated and discharged through the wastewater facility

ENVIRONMENT CONTINUED

on site. In 2021, the neighbouring mine is planning to develop infrastructure to take the excess water to its site for commercial beneficial use.

REDUCING FRESHWATER USE

Based on current definitions, some 90% of our freshwater withdrawals take place at four sites: Unki, Mototolo and Amandelbult mining complexes, and our smelters and metal refineries in the Rustenburg complex. Mogalakwena sources most of its withdrawals from treated effluent. Our operations at Amandelbult and Mototolo recycle over 50% of water used, with additional sources from rainfall and stormwater harvesting, and supplement with potable or raw water from third-party suppliers. Our operation at Unki uses predominantly surface water. All our beneficiation plants (smelters and refineries) are sensitive to water quality and mostly rely on potable water from third-party suppliers.

We are re-baselining water data for all mining operations with freshwater definitions developed by Anglo American in 2019. Concurrently, we will evaluate opportunities at priority sites, and set up plans for each of the selected sites that may include:

- Freshwater diversions
- Innovative water-saving solutions, including increased recycling and reuse with associated treatment facilities to increase the use of treated sewerage instead of potable water
- Tailings dewatering technologies to maximise water recovery and reuse.

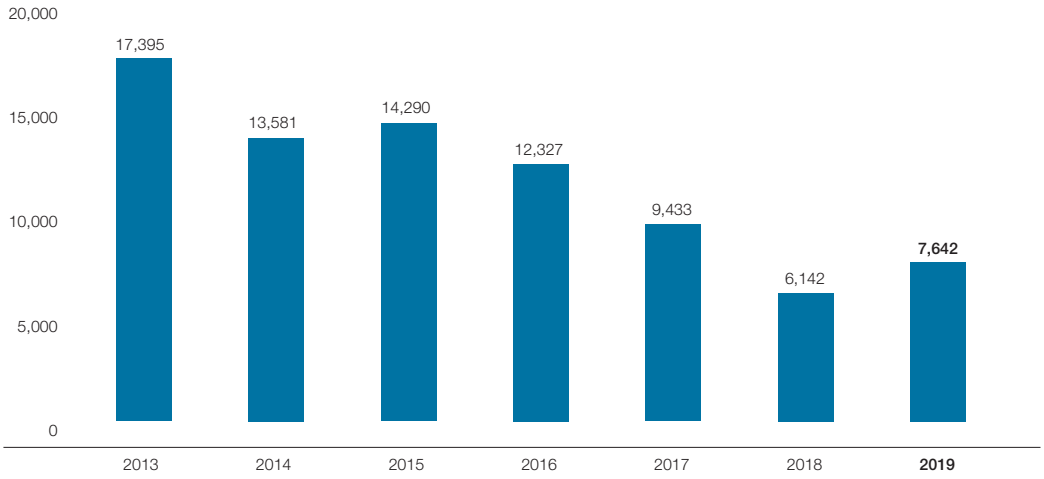
At priority sites, we will focus on technological changes and digitalisation to monitor water management and optimise water systems and balances for a step-change towards best-in-class.

At Rustenburg, we implemented a dissolved air flotation unit and sand-filter treatment which has improved the consistency and quality of effluent used by the operation. This has also helped reduce its dependency on potable water for processing.

Another key enabler is electrochemically treating water to improve efficiency by promoting the use of mine service water in cooling applications that traditionally used freshwater.

As part of our best-practice new infrastructure development, the lined 400,000m³ Mareesburg tailings facility has enabled an 8% increase in water recycled (up from 52% to 60% from conventional unlined facilities). In addition, we are scoping and developing improved management and design criteria for pollution control dams (desilting) maintenance and sizing of rock-waste dumps, based on evaluating long-term rainfall data and water-balance analysis to further improve recycling and reuse at our operations. Upgrading pipelines and water infrastructure to reduce leakages are all part of our commitment to reduce freshwater use. We are also looking at implementing emerging technologies to improve water quality from the waste-water plants where we source effluent for processing. This will ensure we have safe effluent and improve our reliance on its use.

AMPLATS FRESHWATER (POTABLE) WITHDRAWAL
(x1,000m³)



Freshwater withdrawal refers to potable water (in our case, water from Magalies, Rand Water, Polokwane municipality and Lepelle), excludes surface water (from Lebalelo and Lucillapoort dam) and groundwater extracted from well-fields (not seepage or pollution control scavenger wells or water ingress into mines).

Case study:

PARTNERSHIPS IN LIMPOPO

Amplats has been instrumental in setting up partnerships to advance bulk-water resource development in Limpopo:

- Lebalelo Water Users Association (LWUA) was established in 2002 to develop and operate the supply system from Havercroft to Steelpoort Valley, providing raw water to 15 mining operations. Amplats is the majority shareholder and chairs the entity. LWUA was appointed to project manage raising the Flag Boshielo dam wall with DWS and is engaging with the department on potentially assisting with implementing the remaining phase of the Olifants River water resource development project (ORWRDP)
- ORWRDP: the mining industry's engagement with DWS on this project is coordinated through the joint water forum. Amplats chairs the forum's executive committee and has been instrumental in engaging with the department on bulk-water distribution in Limpopo in particular, identifying critical areas where commercial entities can collaborate with government to ensure the project delivers substantial benefits to all stakeholders sustainably
- Greater Tubatse local municipality: Amplats has been supporting the municipality with project implementation for the past 10 years. We have provided the municipality with resources (engineer, finance and administrative) to source MIG funding for all its projects, including water
- PEGAC: established in the early 2000s, PEGAC is a forum for public and private sectors to coordinate efforts to develop infrastructure in Limpopo. Amplats co-chairs the integrated infrastructure working group and has seconded a specialist to assist the premier's office with project management and coordination since 2017.

Innovation changing the game for water

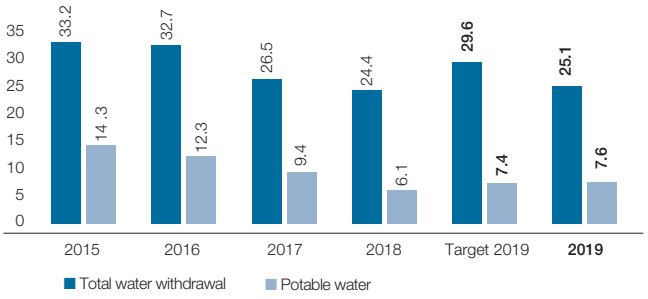
Our ambition is to develop mines that are water-neutral in their operational phase. This means that no additional water is introduced to or intercepted and contacted by the mine, diverting freshwater. Innovation is key to realising this goal and, through FutureSmart, we are exploring several promising technologies:

- Computational fluid dynamics that inform the design of new stormwater management features for our dams, and reduce the risk of level 3 discharges
- Two-dimensional studies that map flood risk and help to identify structural and design improvements
- Water covers and floating solar panels that also minimise evaporation
- Under-drainage systems for tailings dams that recycle water and reduce freshwater withdrawals, eg HDPE lines the Mareesburg tailing dam at Mototolo
- Tailings dewatering technologies (cycloning, thickening or filtered tailings pilot systems) that allow improved water recovery and recycling rates. Cycloning was trialled at Unki and tailings filtration at Mototolo (see tailings section, page 49)
- Piloting coarse particle recovery technology that uses a coarser grinder when processing ore; by combining this with dry-disposal or filtered tailings technology, we can reduce water intensity by over 50%.

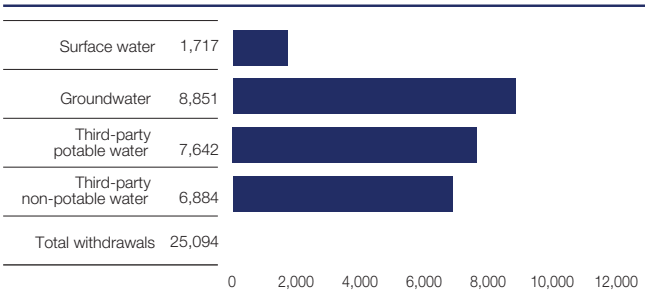
Return water, Paardekraal.

ENVIRONMENT CONTINUED

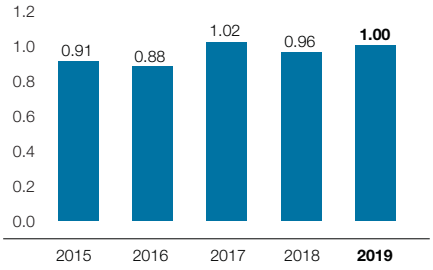
WATER WITHDRAWAL
(million m³)



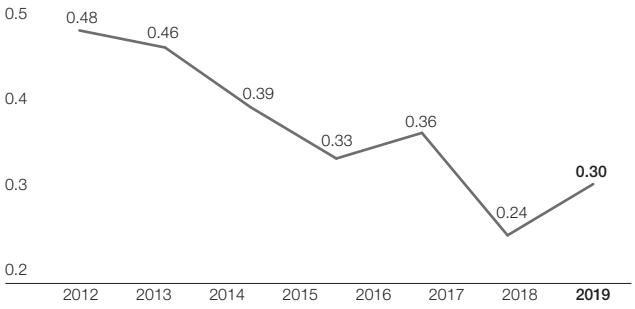
WATER WITHDRAWAL BY SOURCE IN 2019
(000m³)



TOTAL WATER WITHDRAWAL INTENSITIES
(m³/tonnes milled)



POTABLE WATER INTENSITY
(m³/t milled)



In 2019, for each refined ounce of PGMs and gold from managed operations (excluding toll refined):

Intensity (m³/t milled)	**2019**	2018	2017
Total water-withdrawal intensity	**1.00m³**	0.96m³	1.02m³
Potable water-use intensity from an external resource	**0.3m³**	0.24m³	0.36m³

FRESHWATER USE INTENSITY

Our operations report on water withdrawal, consumption and discharge, tracking performance against targets monthly.

We are making steady progress towards our 2020 water targets of reducing absolute freshwater abstraction and use for processing operations (compared to projected business-as-usual (BAU) consumption), recycling and/or reusing water for operational requirements and recording only one level 3 (or above) incident in the year.

In 2019, we met our targets for total withdrawal and withdrawal intensity. Due to infrastructure problems and recent drought conditions, we used more potable water than in 2018 and exceeded our target. Our progress in recent years has been driven by progressive implementation of best-practice water-treatment recovery technologies.

There has been an increasing focus on recycling and reusing water from internal sewerage plants, tailings return-water dams, mine service water and other internal sources, such as pollution control and stormwater dams.

In line with our commitment to transparent performance, we participate in the annual water disclosure project of the CDP, available at www.cdproject.net. Amplats achieved an A score for its 2019 submission. This score falls in the leadership band, which includes A and A- scores. This demonstrates strong management of water issues.

Water consumption

Our water is used in transporting and processing ore, separating out metals, disposing of mineral residue, and cooling smelters. We are consuming less water in these processes as our water-recycling performance improves. We recycle over 50% of water at our mining operations. We expect this figure to improve as we validate water data against ICMM definitions and apply more accurate accounting water balances.

Each operation has set a potable water-reduction target for 2020. These are expressed as an absolute reduction in consumption by 2020 against forecasts of business-as-usual demand at individual operations. We have already achieved our target to reduce abstraction of freshwater 20% by 2020, against a 2015 baseline.

Water sources

Our sites use water from different sources. Mogalakwena complex's main source is treated municipal sewerage effluent and rainfall run-off. We are providing seed funding for a municipal water, leak and pressure reduction initiative at Polokwane municipality. This project is a partnership between SAInBev, Anglo American, the municipality of Polokwane, Strategic Water Partners Network, and the National Business Initiative. Some 50% of the municipality's potable water supplies are lost or not accounted for. Through this partnership, projects are being defined to reduce losses.

Amplats focuses on several bulk-water and municipal water initiatives to improve the use of treated sewerage water for mining, while enabling potable water supplies in regions where we operate. Our Rustenburg and Polokwane beneficiation plants and smelters use potable water from a third-party supplier. Der Brochen, Mototolo and Twickenham use raw water from a third-party supplier. Unki in Zimbabwe withdraws surface water.

Some of our operations use potable water from external sources for processing. Progressive reductions in potable water use will require developing and implementing projects to increase the use of treated sewerage water, technology to increase recycling and reuse of water or increasing capacity of storage reservoirs and water treatment.

The aggregate water intensity remains below target levels although, in certain months, some mining operations have exceeded targeted use. Total water use, and therefore water intensity, was below the 2019 target.

ENVIRONMENT CONTINUED

CLIMATE CHANGE AND ENERGY MANAGEMENT

HIGHLIGHTS

- Progress in implementing our renewable energy strategy, with the large-scale solar photovoltaic (PV) project at request-for-proposal phase
- Work under way to develop fuel cell-powered large mining trucks, potentially transformational to the hydrogen industry

LOWLIGHTS/CHALLENGES

- Energy use exceeded our 2019 target, resulting in energy intensity also missing target. Aided by efficiency improvements, we are on track to meet our 2020 target
- Rising energy and new carbon tax in South Africa will increase capital and operating costs
- Long-term security of reliable and adequate supply of electricity from Eskom is a major risk for our South African operations
- Uncertainty on emerging carbon-pricing policies and changing market demands for PGMs

FOCUS FOR 2020 AND BEYOND

Achieve the 30% reduction in energy intensity and GHG emissions by 2030 against 2016 baseline through:

- Business improvement projects (energy reduction and efficiency improvements)
- Alternate/renewable energy (solar PV plant)
- Technology development – smart power project (fuel cell-powered haul trucks)
- Diversify energy mix (greater reliance on renewable or zero-carbon alternatives) while delivering mining community benefits
- Support development of hydrogen economy, together with fuel cells for heavy-duty vehicles

Climate change presents a fundamental challenge in coming decades. In living our purpose to re-imagine mining to improve people's lives, we must be part of the solution. This means demonstrating that climate change is fully integrated into our strategic-planning processes, that we are financially resilient to a range of climate scenarios and that our operations are resilient to the likelihood of extreme weather events. It also means ensuring our host communities are resilient to the physical risks. Optimising the value of our portfolio includes improving energy management and planning for future energy sustainability. In the transition to a low-carbon economy, the products we mine are critical to enable associated technologies.

OUR RESPONSE TO CLIMATE CHANGE IS FIRMLY ENTRENCHED IN THE GROUP SUSTAINABILITY GOALS THAT INFORM OUR GHG REDUCTION AND ENERGY-INTENSITY REDUCTION TARGETS.

UNDERSTANDING OUR CLIMATE-RELATED RISKS

Our business is exposed to a spectrum of risks from climate change, including physical, regulatory, market, cost or legal. Details are provided in our annual submission to CDP, section C2.2c (www.cdproject.net). Our principal climate-related risk is the potential impact of climate change on security of water supply for our organisation and host communities. Security of energy supply, rising energy prices and the new carbon tax in South Africa are also material risks for our operations.

MANAGEMENT APPROACH

Our approach to climate change adheres to the Anglo American climate change policy and our specific strategy is aligned with the group strategy in guiding us to carbon neutrality. Our aim is to attain the maximum economically sustainable energy and carbon savings, both in our business and in the use of our products, and to build internal agility and resilience to climate change. Our efforts to reduce our carbon emissions are important in a global environmental context, and will reduce our exposure to emerging carbon policies (such as carbon tax) and increases in energy costs, while creating opportunities in the markets for our products.

Amplats aligns with the Anglo American 2020 energy and carbon targets, and sustainability strategy 2030 climate-change stretch goals (reviewed below). In working towards these targets, we are developing a more integrated approach to managing our social and environmental climate-related risks, recognising the importance of cross-disciplinary collaboration for effective risk management through integrated water, energy and carbon management. Anglo American's climate-change policy articulates our commitment to five principles:

- Building internal agility and ensuring resilience to climate change
- Driving energy and carbon savings throughout our business
- Understanding and responding to the carbon lifecycle risks and opportunities of our products
- Developing and implementing collaborative solutions with our stakeholders
- Contributing our skills and knowledge to developing responsible public policy.

Our risk-management approach enables us to identify and manage both risks and opportunities, helping to ensure the resilience of our portfolio. Our quantitative scenario analysis work, reviewed below, has reinforced this approach and is a key input in our strategic-planning processes. Amplats assesses and reviews climate-change risks monthly, with a formal risk review conducted annually.

Two key processes guide how we manage climate-change risks, namely the operational risk management (ORM) programme for operations, and investment development model (IDM) for projects. The ORM guides operations on how to assess risk at each level of activity, with tools to identify priority unwanted events and the controls we need to put in place and monitor to prevent those events. The IDM process and evaluation criteria ensure that climate-change risks and opportunities are embedded in the investment design, including the consideration for alternative low-carbon energy sourcing and the adaptation required for extreme weather and long-term climate change.

We are committed to the transparent disclosure of climate-related risks and opportunities for our business, and have officially expressed support for, and aligned with, the Task Force for Climate-related Financial Disclosures (TCFD) recommendations for voluntary reporting. A summary of our current compliance with TCFD recommendations is on page 154.

Further disclosure on our climate-related practices appears in our integrated report and in our annual submission to CDP (**www.cdproject.net**).

ENSURING RESILIENCE TO CLIMATE CHANGE

Understanding how climate change may affect our operations and the key end markets for our products is critical to our strategic decisions and to give us confidence in the resilience of the sector and our business. Scenarios help us imagine how the world might develop in response to different assumed conditions. It is not possible to know exactly how climate change will evolve and what its implications will be. However, for mining, we expect impacts in two broad areas:

- Physical: the potential impact on our operations and neighbouring communities from floods, droughts and other extreme weather events
- Demand for mined products: regulatory and technological implications of the transition to a low-carbon economy and how this might impact demand for different products.

To anticipate these impacts and formulate strategic responses, we have developed scenarios for possible future worlds that represent combinations of a potential set of outcomes.

Our resilience to physical risks

The investment decisions we make today on mine projects could be significantly affected by weather variability associated with long-term climate change. We seek to understand the physical implications of climate change for our operations and neighbouring communities, and implement adaptation response.

Our approach to adaptation includes building climate-change scenarios with the best-available science using our operating models to identify vulnerability and exposure. We also consider adaptation measures in new project stage-gate evaluations.

Climate change and extreme weather are potential risks for our operations. We have worked with South Africa's Council for Scientific and Industrial Research (CSIR), a leading research body, to model the possible impacts of climate change and extreme weather, and inform the design of mitigating controls. For example, increased frequency of extreme rainfall will require changes in monitoring, infrastructure design and emergency preparedness. Our aim was to understand the impact of changes in rainfall, water consumption, security of water supply and infrastructure.

The model we jointly developed with the CSIR is a state-of-the-art, high-resolution climate model, with results used to inform the risk assessment and infrastructure planning work by Anglo American's water and environment teams. The analysis, which extends beyond 2050, is the first such study on the African continent. The CSIR team looked at the PGM-bearing Bushveld complex of north-eastern South Africa and the Great Dyke region of southern Zimbabwe. The data from the climate models will be used in water-catchment models and site-water balances.

ENVIRONMENT CONTINUED

Portfolio resilience

The transition to lower-carbon, climate-resilient economies is expected to affect demand for our products and these trends are factored into our risk and opportunity assessments. In 2016, we undertook a qualitative analysis of the climate-change signposts and indicators affecting PGM demand to 2035. In 2018, we extended this work and developed scenarios for possible future worlds that represent combinations of a potential set of outcomes from physical impacts on our operations and neighbouring communities, and demand for our mined products.

Demand for PGMs is forecast to increase over time, given the ongoing trend to cleaner-emission vehicles under more stringent global emissions legislation. Increasing demand by the automotive industry is likely to be augmented by growing opportunities for emerging applications, including hybrid and hydrogen fuel cell electric vehicles, while emerging countries such as India offer the potential of developing, from a relatively low base, into significant platinum jewellery markets.

We are well positioned to proactively stimulate demand for platinum, including through targeted campaigns in emerging jewellery markets; creating new investment demand for the metal as a store of value; and supporting the development of PGM technologies that are expected to drive industrial demand. This includes investing in primary research and development; investing in early stage companies commercialising PGM technologies; and working to enable a favourable policy environment for these technologies.

REDUCING OUR FOOTPRINT

In re-imagining the future of mining, we believe that mines will be carbon neutral and we have begun detailed work to develop a pathway and timeframe to carbon neutrality, based on:

- Radically reducing energy consumption through FutureSmart Mining methods and technology adoption
- Switching to low-carbon energy sourcing, increasing renewables in our energy mix.

Aligned with this approach, we have set 2030 targets to improve energy efficiency and reduce absolute GHG emissions by 30%, against a 2016 baseline. These stretch goals were informed by the South African government submission to the 2015 Paris Agreement. In 2019, we have been completing technical reviews to identify priority energy and carbon-reduction options at our major operations. Operational site-specific targets have been cascaded and monthly progress per site is reported.

Amplats forms part of the Anglo American 2020 GHG target, with a stretch performance included in the Anglo American 2017 long-term incentive plan (LTIP). Our CEO's scorecard includes performance on energy and carbon. Amplats general managers are monetarily rewarded for achieving operational-level energy-reduction targets. Going forward, we aim to incentivise individuals based on their team's performance against climate, energy and water targets. This will contribute to the whole workforce being incentivised to meet our GHG targets.

Our progress in driving energy and carbon savings throughout our business has been underpinned by our energy and carbon-management (ECO2MAN) programme, which we have been embedding across the group for several years. The programme centres on identifying and implementing projects to reduce energy use and GHG emissions, and achieve site-level targets. The performance against our 2020 energy and GHG targets (see below) requires a reduction against projected business-as-usual (BAU) components. The targets consider variable operating conditions, such as changes to mine plans, production levels, the depth and grade of orebodies and haul distances, as well as acquisitions or disposals.

Each operational site is tracked on its monthly energy consumption and CO_2e GHG emissions. These are reported against targets to meet annual and longer-term energy and carbon-intensity reductions. We continue to implement site-specific business improvement projects as part of ECO2MAN.

In recent years, we have applied best-available technologies to underground ventilation, fuel use and pumping water. Recent energy-efficiency improvement projects include mining excellence, grade sorting and concentrator throughput. In driving clean power for our mines, we aim to increase the contribution of renewables in our energy mix to a minimum of 40%.

Our current focus is on developing a large-scale (75MW or megawatt) solar photovoltaic (PV) plant to power the Mogalakwena complex. Technology development projects include hydrogen replacement for diesel trucks, coarse particle flotation, and bulk sorting (reviewed below). We also continue to benefit from tax incentives in South Africa for demonstrating measurable energy savings. We have introduced emission-related supplier authorisation criteria in our responsible sourcing standard.

We are on track to achieve our 2020 targets. Continued work on operational productivity and energy efficiency sustained our steady decline in levels of GHG emissions generated and energy consumption.

Our total reported annual GHG emissions were 4.4 million tonnes CO_2e in 2019. This was marginally higher than the 4.10 million tonnes CO_2e in 2018, due to the inclusion of Mototolo Mine (acquired in November 2018) and Unki smelter (first year of full production), collectively adding 0.3 million tonnes CO_2e.

Over the same period, our total energy use was 20.08 million GJ, up from 20.01 million GJ in 2018. The increase is also attributable to the inclusion of Mototolo Mine and Unki smelter which used a combined 0.4 million GJ. An overview of our reduction targets and progress against these is provided in the tables and graphs overleaf.

We are actively managing our use of energy and GHG emission at our Zimbabwean operations. As the smelter at Unki complex has been completed, we are measuring GHG impacts and actively engaging with the Zimbabwean government on the environmental impacts of the facility.

Energy challenges

Our energy challenges include security of supply and cost escalations, as well as innovating to reduce our GHG emissions. With about 70% of our energy mix coming from electricity provided by the national power utility, Eskom, which is essentially coal-based, 88% of the 4.4 million of carbon emissions we emit is an indirect consequence of this dependency.

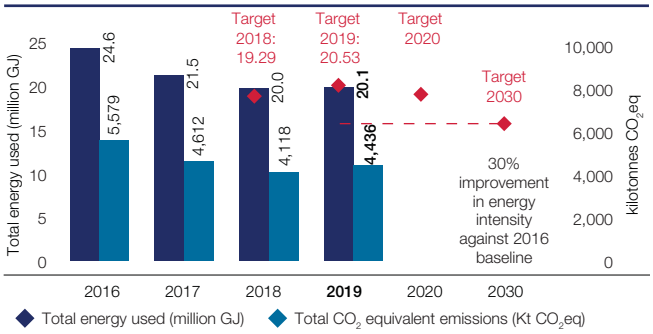
Both South Africa and Zimbabwe face a renewed electricity-security crisis. For Eskom, this reflects its new-build coal power plants not achieving design output, high and often-unplanned maintenance costs of its ageing fleet and higher-than-budgeted coal costs. Our operations monitor the situation constantly and have emergency preparedness plans in place, including protocols to minimise the impact of sustained unplanned power-station outages and load-curtailment requests from Eskom. Refer to the CEO's review in our integrated report for details.

The response to our energy challenges hinges on reducing our energy intensity and changing the energy mix to lower-carbon emissions, reviewed in this section.

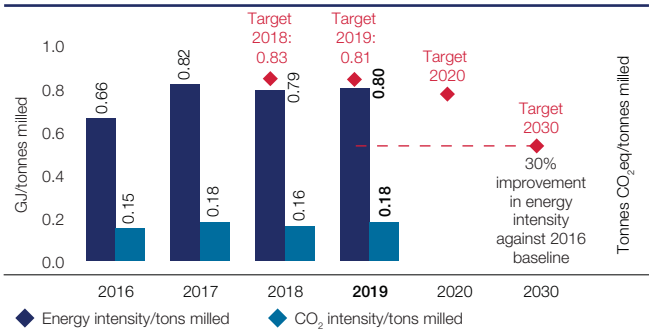
TARGETS AND PERFORMANCE

Our energy and GHG reduction targets for 2030 are summarised below.

ENERGY CONSUMPTION

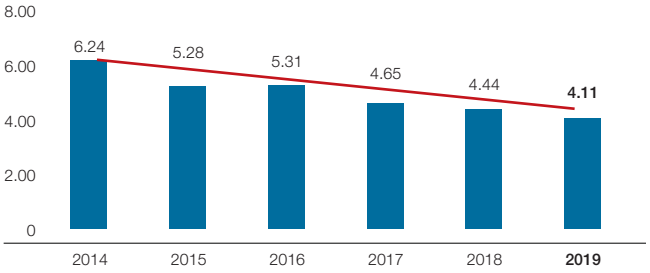


ENERGY CONSUMPTION INTENSITY



ENERGY INTENSITY (PGM PRODUCTION)

(TJ/koz)



ENVIRONMENT CONTINUED

ALTERNATIVE ENERGY – DEMONSTRATING LEADERSHIP

RENEWABLE ENERGY PROJECTS

Amplats is implementing an alternate (renewable) energy strategy to transition to sustainable energy sources that reduce carbon emissions and provide predictable cost and energy efficiency. This strategy promotes opportunities to collaborate with our communities in realising mutually beneficial opportunities, and supports the development of new markets for PGMs.

In switching to low-carbon energy sources, we are considering alternatives for electricity and diesel. Last year, we assessed current and anticipated renewable-energy and energy-storage technologies and expected longer-term developments. At present, the most suitable technology delivering the greatest impact is solar photovoltaic (PV). Amplats is well-placed to benefit from the successful development of the solar energy industry. A large-scale solar PV plant is being studied for installation at Mogalakwena and, if successful, the technology will be rolled out at our other operational complexes.

In supporting the development of hydrogen and fuel cells, we are working to make hydrogen (H2) a key part of decarbonising and powering our own operations. We have been developing fuel cell-powered underground mining equipment for a number of years. Our current flagship project is to pilot a 'green' hydrogen-fuelled, platinum-bearing fuel cell truck at Mogalakwena Mine (reviewed below). This supports South Africa's opportunity to create a new market in the hydrogen and fuel cell economy.

Recent pronouncements by government on energy regulations have been encouraging. Firstly, the DMRE minister announced at the mining indaba in February 2020 that self-generation would be enabled by gazetting a revised schedule 2 of the Electricity Regulation Act following concurrence with the National Energy Regulator of South Africa (Nersa). Minister Mantashe also noted that, depending on the circumstances, the generation plant may only require registration and not licensing. Secondly, in his state of the nation address, President Ramaphosa stated that Nersa will ensure that all applications by commercial and industrial users to produce electricity for own use above 1MW will be processed within the prescribed 120 days, and that there is now no limit to installed capacity above 1MW. We have engaged with the DMRE and are now preparing applications for environmental authorisation and water-use licences, among other long-lead permit approvals. While we finalise these applications, we continue to engage with relevant departments and Nersa.

Solar PV projects

A project to develop a large-scale (75MW) solar PV facility to supply power to our Mogalakwena complex is progressing well. The project study was approved in 2016 and we have completed the prefeasibility phase, which includes the technical, commercial, financial and social aspects. We have progressed to the key activities of the application process for a generating licence, site selection, compiling developer agreements and the initial fatal-flaws assessment as the first step towards environmental authorisation. The shortlisted bidders are currently preparing proposals for submission in the first quarter of 2020.

The project will include host community participation and benefit options, including community ownership, land lease rentals, job creation and skills development and local enterprise (small, medium and micro-enterprises or SMME) engagement.

The solar PV plant would cater for 21% of the mine's annual electricity consumption (an average of 167GWh per annum versus its total annual energy requirement of some 777GWh.) The plant design includes the option to scale up to 120MW and then 340MW. The longer-term aim is to use electricity from solar PV to generate green H2 for use as fuel in fuel cell haul trucks.

At our Unki Mine in Zimbabwe, in early 2019, we commissioned the erection of a demonstration pilot solar PV plant, which was used to determine solar irradiation pattern and trends. The electricity generated from this facility powers the office block at Unki.

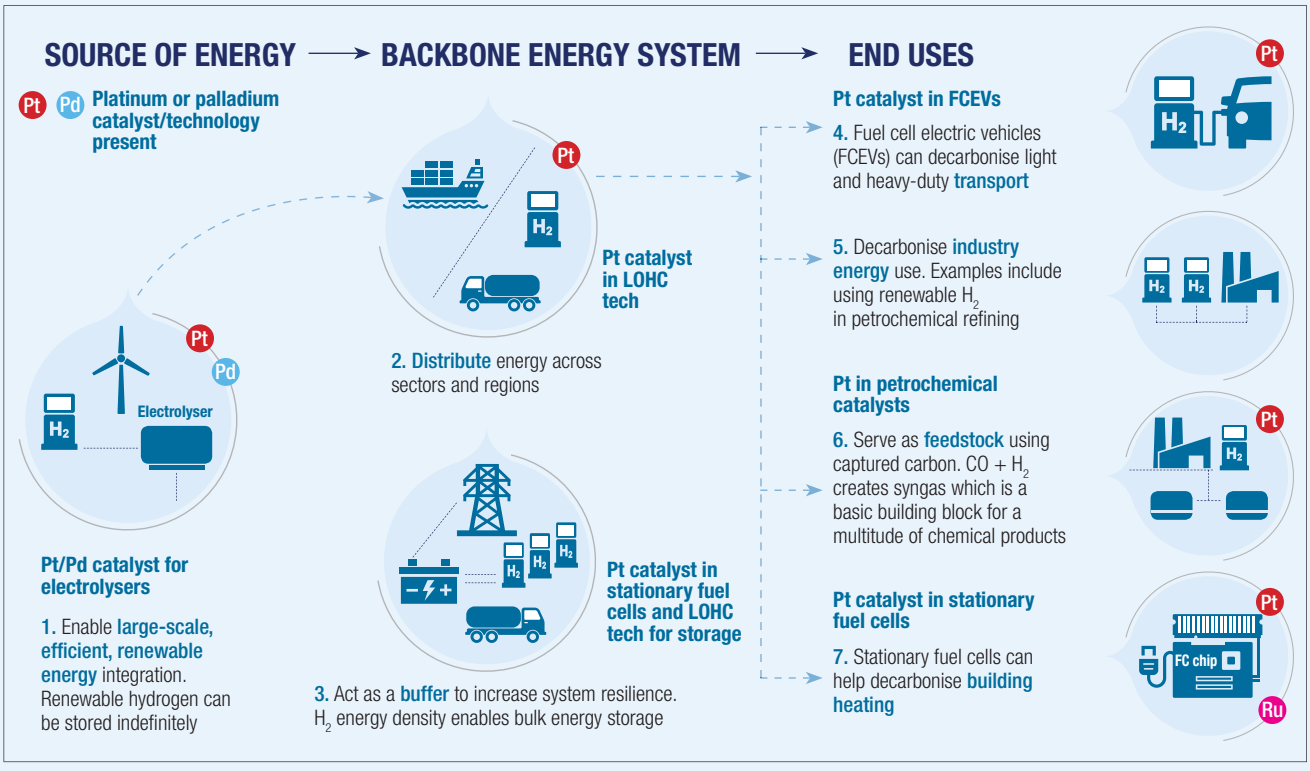
Hydrogen fuel cell-powered large mining trucks

Using fuel cells in large mining trucks is estimated to potentially reduce the level of CO_2e emitted by 36% and reduce continuous noise pollution, with the added benefit of lower energy intensity compared to diesel. We have partnered with global energy company, Engie, which is developing the hydrogen generation, storage and dispensing system, while Anglo American is developing the world's first hydrogen-powered fuel cell 800kW mine haul truck (using some 130g of platinum). The aim is to modify vehicles by replacing diesel with hydrogen tanks and replacing engines with hydrogen fuel cells and battery packs. A prototype hydrogen-powered truck is expected in 2020, after which a testing and validation phase will be conducted at Mogalakwena Mine before the project is scaled up.

Solar power at the mining site will be used to produce green hydrogen for use as fuel instead of diesel. The combination of a hydrogen fuel cell powered by solar-generated green H2 could reduce current levels of CO_2e emitted by 50% (scope 1 and 2) and could be applied across Anglo American's fleet of 130 haul trucks in South Africa.

Supporting growth in the hydrogen (H2) and fuel cell economy

We continue to invest in developing the hydrogen economy through our membership of the Hydrogen Council and the spin-off of AP Ventures, which targets growth of early stage hydrogen enablers. Partnering with the South African state pension fund manager, Public Investment Corporation (PIC), the parties committed USD100 million each to the endeavour. AP Ventures will continue with the original intention of the PGM investment programme, investing in high-growth companies developing patentable technologies that use PGMs to address some of society's biggest challenges. By December 2019, AP Ventures had secured five limited partners, further endorsing its mandate.



Hydrogen fuel cell electric vehicles

Fuel cell electric vehicles (FCEVs) offer a zero-emissions alternative to internal combustion engine (ICE) vehicles, without the need for consumers to change their behaviour. FCEVs – which use platinum as the catalyst that turns hydrogen gas into electrical power – are expected to play a significant part in the world's future transport energy mix. Crucial to this are developments in China, the world's largest automotive market, where the government has set a 2020 target of having 2 million new electric vehicles and hydrogen-powered vehicles on its roads, and 1 million FCEVs by 2030. This is positive news for our PGM business. Between now and 2030, FCEVs are expected to account for 500,000 ounces of PGMs, mainly platinum – as these 'new' uses for PGMs start to take market share in the automotive segment as the share of traditional ICE vehicles (which use PGMs in their autocatalyst systems to scrub noxious gases) declines.

ENVIRONMENT CONTINUED

REDUCING ENERGY CONSUMPTION

In our quest to radically reduce energy consumption, through process, equipment and behavioural efficiencies, we summarise examples of technological advancements we are implementing and developing.

Bulk sorting

By capitalising on natural variations in orebodies, we can identify and reject gangue (waste rock) between the crusher and the mills. This means we can reduce our energy intensity by over 10%, as less reject gangue is being processed in our plants.

Shock-break technology

Over 60% of the energy consumed at a mine is used to crush ore to a particle size suitable to liberate the minerals. To tackle this, we have developed a new method for crushing ore that uses 30% to 50% less energy than conventional mills. In August 2018, we began testing our full-scale demonstration unit in South Africa to confirm energy savings were as expected, and to demonstrate wear characteristics of components in the demonstration unit. In 2019.

In 2019, we installed a second pilot unit at a concentrating site (Baobab) to augment and accelerate our learning. Development on wearing materials (hammers) to ensure durability is still in progress given the internal hardness of PGM-bearing ore. The environmental licence has delayed development of this technology, but is now in place.

Coarse particle recovery

Coarse particle recovery technology allows us to coarsen grind size and separate non-metal bearing material while maintaining recoveries – reducing the energy required to grind non-metal bearing ore for flotation. The technology allows coarse material to be rejected at an early stage, and to dry stack it on tailings facilities, reducing water consumption up to 20%. It is currently being tested at Mogalakwena north concentrator.

Electrohydraulic rock drills

We have worked with suppliers to develop electrohydraulic rock-drill technology to replace old pneumatic rock drills in underground mining. This has potential for a significant improvement of energy efficiency and productivity, eventually eliminating compressed air as an inefficient driving force.

Energy recovery

Our Waterval smelter has a clean, sustainable and reliable source of energy by generating electricity from waste heat recovered from the converting process. The plant has an installed capacity of 5.0MW of which 4.3MW is available to the grid, reducing our capacity bought from Eskom.

PUBLIC POLICY AND ENGAGEMENT ON CLIMATE CHANGE

Anglo American's formal position on climate change is expressed in the group climate change policy, group position statement on climate change and the ICMM statement on climate change.

As part of Anglo American, we engage in policy processes through the ICMM, as well as several local and international forums. In South Africa, we participate in policy engagement processes through our membership of the National Business Initiative, Business Unity South Africa and the industry task team on climate change.

We take a positive policy-advocacy stance to accelerate investment in developing and commercialising both hydrogen and fuel cell sectors. We have been instrumental in a number of initiatives, such as the global Hydrogen Council, of which we are a founding member. Also as member, we actively participate in the China-based International Hydrogen and Fuel Cell Association, UK-based Hydrogen and Fuel Cell Association as well as two USA-based associations. Each organisation provides a platform to engage relevant industry and government partners. Key events this year included our role as key sponsor and co-organiser of the annual international hydrogen fuel cell vehicle congress and roadshow in China.

In South Africa, our operating sites comply with requirements under national GHG emission-reporting regulations and the carbon tax introduced in June 2019. While certain policy and technical aspects remain outstanding, we are evaluating further opportunities to limit our exposure through both reduced energy use and GHG emissions, and opportunities to source carbon-offset credits.

Case study:

AMPLATS CARBON TAX IMPACT

In South Africa, a carbon tax came into effect on 1 June 2019. The carbon tax and related measures are designed to enable South Africa to meet its targets under the Paris Agreement, which comes into effect in 2020. The tax will be phased in, with the first phase to the end of 2022 and the second phase from 2023 to 2030. The design of the carbon tax provides for significant tax-free emission allowances of 60% to 95% for the first phase. To ease the potential adverse impacts on energy-intensive sectors like mining, in the first phase there will be no impact on the price of electricity. The first phase will apply a tax rate of R120 per tonne of carbon dioxide equivalent from fuel and coal use. Allowable tax breaks will reduce the effective rate to R48 per tonne of CO_2. The first levy payable to the South African Revenue Service (SARS) is due on 30 July 2020.

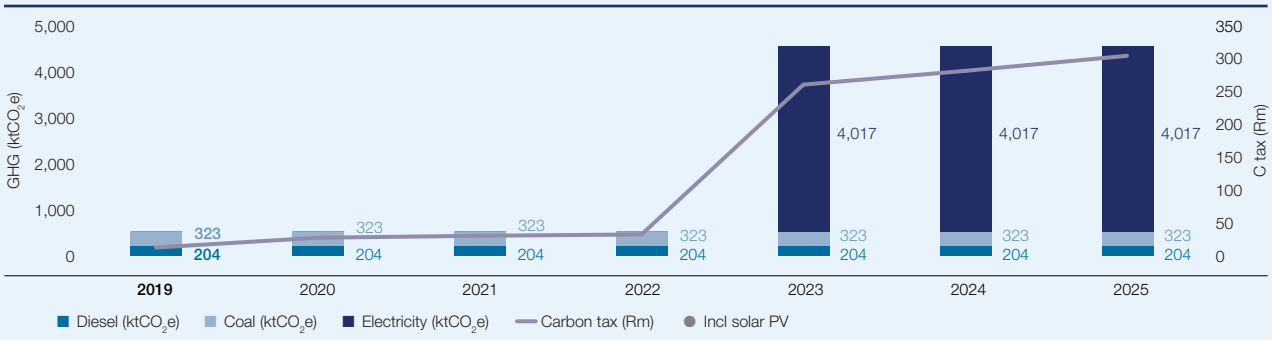
We have assessed the potential carbon tax liability for our business and included carbon pricing in our budget guidance and project evaluations. The estimated exposure to carbon tax, with the launch of the scheme for 2020, is R17 million in 2019. This assumes the basic and some additional allowances. Given uncertainty on allowances, the liability ranges from R11 million to R29 million for 2020.

We continue to assess our approach to mitigating our exposure, as we progress towards our climate-change stretch goals. The South African carbon tax legislation allows for the use of domestic offset credits against 10% of tax exposure. We are evaluating options to source cost-effective carbon credits. This presents opportunities for our South African operations to mitigate risk (reduce our carbon tax liability) but also to potentially generate an additional income stream.

Amplats' position on carbon tax is consistent with the Minerals Council South Africa, and we will continue to influence and provide input on this tax and the update of subsequent phases; and its impact on business.

Electricity use accounts for 87% of our exposure to carbon tax cost impact from 2023. The Mogalakwena 75MW solar PV project under development will reduce that operation's demand on a highly constrained power grid and reduce exposure to carbon tax (150,000tCO_2e/pa).

CARBON TAX PROJECTED ON 2018 EMISSIONS



** Carbon tax rate escalates at CPI +2% pa.*
** Base carbon tax of R120/tCO_2e less applicable allowances.*
** Anticipated reduction in carbon tax in 2025 from R306 million to R295 million when solar PV plant is included.*

ENVIRONMENT CONTINUED

BIODIVERSITY

HIGHLIGHTS

- Started implementing the new Anglo American biodiversity standard, ensuring progress towards 2020 targets
- Completed self-assessments against the biodiversity standard at five sites
- Mogalakwena completed a net positive impact (NPI) baseline assessment
- Ongoing enterprising initiatives include species studies in our conservation areas, community training in sustainable land practices and environmental awareness training for youth

LOWLIGHTS/CHALLENGES

- Although operations have alien vegetation control programmes, the complete eradication of alien species remains an ongoing challenge at most operations

FOCUS FOR 2020 AND BEYOND

- All sites to comply with biodiversity standard by end-2020
- Implement sustainable mining plan, supporting work to achieve stretch goals in biodiversity
- 2030 goal: deliver net positive impact

In line with our purpose of re-imagining mining to improve people's lives, a tenet of our approach to sustainability is to contribute positively to biodiversity. Our planet serves a variety of life forms, and biodiversity is important because it supports the production of our ecosystem and every living species in it. To reduce our risk exposure, ensure access to land and increase opportunities in biodiversity and ecosystem services, we need to understand how our projects, operations and supply chains affect, and depend on, the environment around them.

Our biodiversity commitment

Anglo American has committed to leaving a legacy where the biodiversity on land where we have operations is left in a better state than it was before the impact of our operations – achieving net positive impact (NPI) by implementing the mitigation hierarchy – avoid, minimise, rehabilitate/restore, compensate or offset – and investing in biodiversity stewardship.

Biodiversity is a complex interaction between species and habitats. The NPI commitment applies to significant biodiversity features that are impacted by activities. These can include threatened species, natural habitats, features supporting important ecological processes and/or ecosystem services that are essential to the wellbeing of beneficiaries. Some of our operations are in areas of higher biodiversity value, increasing our responsibility to contribute to biodiversity conservation.

OUR MANAGEMENT APPROACH

In 2019, all our sites started implementing the new Anglo American biodiversity standard, approved and introduced in late-2018. This standard and our sustainable mining plan seek to ensure that, by 2030, all our sites demonstrate that they are on track to deliver NPI at closure.

The standard is supported by a biodiversity guideline for implementation, and outlines a systematic approach to identify biodiversity features, set targets for significant biodiversity features, identify actions to meet those targets, and track progress to achieve NPI through monitoring programmes.

Requirements to be met by the end of 2020 include:

- Ensure all sites are meeting compliance with the biodiversity standard
- Ensure all operations are monitoring and evaluating the state of biodiversity and its response to mitigating actions to reduce residual impacts
- Build a foundation of monitoring and evaluating progress towards NPI
- Build operational biodiversity capacity (dedicated resources to deliver on commitments)
- Develop and monitor site-specific indicators to track progress
- Formalise partnerships and collaborations aligned with planned, existing regional and national landscape initiatives.

To assess and determine the level of biodiversity on the land where we have operations and the potential impacts of our activities, we have introduced the biodiversity overlay assessment tool application and requirement to complete

a biodiversity value assessment.

- Biodiversity value assessments: used to identify potential significant biodiversity features (biodiversity, ecosystem services and conservation areas) that might have impacts that require applying the mitigation hierarchy and setting NPI targets. All sites are required to complete these assessments by the end of 2020
- Biodiversity overlay assessment tool: used to identify and map where operations and properties overlap with, or are adjacent to, UNESCO world heritage sites, core areas and buffer zones, legally designated protected areas and known key biodiversity areas. The tool helps identify potential high-level biodiversity risks and liabilities but also, importantly, biodiversity opportunities for an operation. As a member of the ICMM, we are committed to abstaining from activities in protected areas and areas of importance in terms of biodiversity.

Using the tools and biodiversity guideline, all operations can follow the mitigation hierarchy and document a list of actions taken to avoid, minimise and restore impacts to significant biodiversity features across the mining lifecycle. This rigorous application of the hierarchy conforms to global best practice in biodiversity management and is communicated to stakeholders.

Implementing the biodiversity technical standard: progress in 2019

In 2019, Mogalakwena, Twickenham, Mototolo/Der Brochen, Amandelbult and Unki completed self-assessments against the requirements of the standard. Mogalakwena completed an NPI baseline assessment to inform the development of a site-specific NPI roadmap.

OUR PRINCIPAL OPERATIONAL INITIATIVES

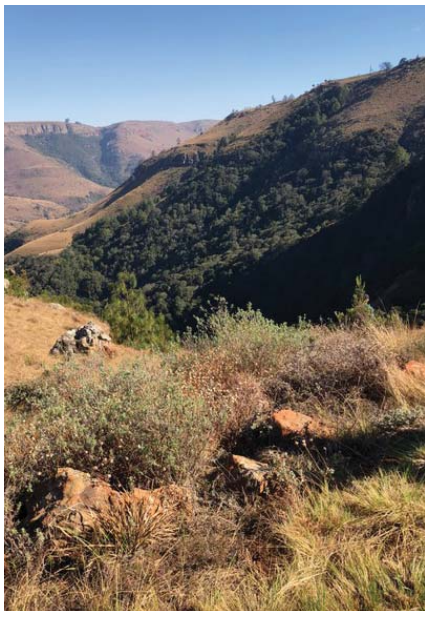
Mogalakwena has an incubator support programme on its Groenfontein farm. This is a long-term community investment designed to promote the development of community cooperatives and SMEs in the farming, food, land stewardship and environmental business areas. The incubator includes a centre that provides environmental training for community members of all ages in sustainable land-use practices, funded by the mine.

Mogalakwena has been making a significant contribution to the environmental education of local youth since 2014. For five years, the incubator has supported four local schools on the Eco-Schools programme, part of an acclaimed international programme implemented in South Africa by the Wildlife and Environment Society of South Africa (Wessa). The programme supports environmental learning in the classroom, promoting awareness and action on social and environmental sustainability. In 2015, Mogalakwena developed the concept of eco-clubs to support the many schools that faced challenges in meeting Eco-Schools' expectations in delivering year-end portfolios. Launched in 2016, eco-clubs promote opportunities for learners to be enterprising and creative in developing initiatives that help address environmental challenges in their school or community, while increasing environmental awareness in schools. Eco-clubs now has some 20 dedicated learners from 14 schools. In 2019, the Ditholwana Tsa Rena Development Trust became a new funder for eco-clubs over the review period and 2020, with a total investment of R14 million. Previous funding came from Otraco, a large supplier to Mogalakwena Mine, which donated R1 million over the past five years to the incubator's community and youth training programme. Mogalakwena also delivers an inspiring weekend course on biodiversity and sustainable development for children in local villages. The initiative is reviewed overleaf.

Mogalakwena is developing a better understanding of the diversity of species inhabiting its offset area (Mooihoek and Groenfontein farms). Over the last two years, the mine has conducted two surveys of small mammals (mice, shrews, gerbils, etc) which identified 10 species, and two studies this year of bats, undertaken with the Bat Interest Group, which identified nine species. A four-day study identified 165 bird species but we believe there may be close to 200 species. The data collected provides insight on population numbers and the health of those populations. This can be used to ensure the protection of endangered species and to inform urgent conservation and management decisions. Further species studies are envisaged.

The impact of alien invasive plant species is a key risk to biodiversity. All our operations with natural landscapes (Whiskey Creek, Mototolo, Der Brochen, Mogalakwena and Twickenham) implement an alien vegetation control programme. The removal of alien species is often done by our employees but also through community businesses, often established by the mines. Removing these species significantly benefits the protection of natural fauna and flora as well as wetland. At Mogalakwena, we researched the most effective eradication method for the aggressive species *Tecoma sans*. To date, over 30,000 plants have been eradicated at the mine. The approach will be replicated at our other operations. To mitigate some of these activities, we support the annual Arbor Week in South Africa, with year-round tree planting across our operations and neighbouring communities.

At our Whiskey Creek site, situated in Lydenburg montane grasslands, we have conducted a biodiversity stewardship assessment with the local conservation authority. The aim is to enter into a voluntary agreement to protect and manage the site as a biodiversity priority area. This stewardship agreement will support conservation and sustainable resource use. It also provides long-term security for Whiskey Creek and helps meet national targets in the Protected Areas Act.



Whiskey Creek.

ENVIRONMENT CONTINUED

Case studies

EDUCATING YOUTH ON BIODIVERSITY

Mogalakwena plays a leading and critical role in promoting awareness and education on biodiversity and sustainable development among youth in its local communities. Since 2014, the operation has been delivering a weekend course at its Groenfontein environmental training centre for schoolchildren from nearby villages. The course is linked to the Eco-Schools and eco-clubs programme (reviewed on page 47) and aims to inspire an understanding and appreciation for biodiversity through a combination of learning and hands-on experiences. Topics include identifying and dealing with snakes and scorpions, learning about small mammals, the role of trees in our environment, alien invasive plants, Mogalakwena Mine's positive influence and involvement in communities, and learning about game and sustainable development. Activities included game walks and educational games.

The sustainable development course is delivered by Riaan van Zyl, environmental officer, who is responsible for driving Mogalakwena's enterprising biodiversity initiatives. Riaan is passionate about sharing his knowledge and love for the African bush with children in local communities and instilling in them a sense of appreciation and responsibility for the environment and ecology. Feedback from the children is always extremely positive and there is great demand for the courses. An average of 20 children (gender balanced) between grades 8 and 12 attend each course, along with one or two teachers from the school. About six courses are held each year and, to date, 618 learners have participated.

ECO-SCHOOLS LEARNERS NURTURE A VEGETABLE GARDEN

Tlakana Primary in the village Ga-Tshaba is one of the participating Eco-Schools we support. This year, Eco-Schools donated seeds and the learners and teachers have taken ownership of developing and nurturing a thriving vegetable garden that improves the school environment and resources.

Rare bat species identified at Mogalakwena

The bat studies we undertook this year on Mogalakwena's properties recorded the presence of the little free-tailed bat and the Botswana long-eared bat, which are especially significant species – the former because of its distribution range extension of about 150km and the latter due to its rarity (there are very few records for the entire country which makes the mine's properties an important site for this species).

CONSERVATION AND SOCIO-ECONOMIC DEVELOPMENT

We are adopting a regional approach to identify, formalise and support strategic partnerships at a local level to conserve and protect threatened and endemic species. The objective is to establish a framework with guiding principles and processes that apply across our operational footprint.

In Limpopo, the socio-economic development (SED) platform was created for multiple stakeholders to partner in identifying and supporting opportunities to generate socio-economic and environmental benefits in the province. This work has included biodiversity-related economic and agricultural initiatives that optimise the use of available land on a regional scale. This builds on the leading example at Mogalakwena's farms (reviewed on page 47).

As Amplats owns and manages large tracts of land in South Africa, with only around 20% actually used for mining and related activities, opportunities include linking community-owned land with mining concessions to create locally managed biodiversity conservation areas that contribute to the local economy through wildlife ranching and tourism. The programme is being developed in line with national biodiversity strategies, conservation plans and provincial development initiatives.

MINERAL RESIDUE FACILITIES

HIGHLIGHTS

- Detailed assessment of our tailings facilities at managed and non-managed JV operations (see our website). No new major stability issues identified

LOWLIGHTS/CHALLENGES

- At our Bokoni JV, we identified a material risk from eroded areas in the Rapholo riverbank and potential instability of tailings storage facilities. We mitigated the risk by reinforcing the stability of the riverbank in critical areas. We have also started rehabilitation work on the tailings facility at risk

FOCUS FOR 2020 AND BEYOND

- Ensure full compliance with Anglo American mineral residue facilities and water management structures' technical standard for all our tailings dams and water-retaining dams, as well as waste-rock piles
- Continue to develop surface-flooding risk management plans
- Investing in new mineral-processing technologies that are more energy- and water-efficient
- Await approval of declassification of slag at all three smelters; this will allow slag to be used for commercial and community projects

Mining and processing orebodies generates significant quantities of mineral residue, which affects the land through establishing tailings dams and waste-rock piles, and may influence water quality if not managed effectively.

In recent years, catastrophic tailings dam breaches in the mining industry, such as at Vale in Brazil in January 2019, have heightened public scrutiny of how tailings and the storage of mineral residue are managed. As an industry, there is a clear ethical imperative to do everything possible to ensure tailings facilities are managed to the highest standards of safety, using appropriate advanced technologies, and to work together to build greater levels of trust with all our stakeholders.

MANAGING TAILINGS AND STORING MINERAL RESIDUE

Amplats is committed to demonstrating leadership in mitigating tailings storage facility (TSF) risk through good governance. Without effective controls, if the integrity of a mine's TSF fails, the consequences can be calamitous, both in loss of life and for the local environment, which can take decades to recover from the sudden release of contaminated water and slurry. The root cause of an incident may include a variety of factors, including overtopping, internal erosion, slope or foundation instability, seismic event, penstock failure or human error.

ENVIRONMENT CONTINUED

Detailed assessment of our tailings storage facilities

A TSF is a highly engineered structure comprising one or more tailings dams, with embankments designed to permanently store the tailings. Amplats manages six active TSFs: five in Limpopo, South Africa, and one in the Midlands province of Zimbabwe. We also manage three slag dumps: two in Limpopo, and one in Zimbabwe.

All our managed tailings dams have been constructed using the upstream method, except Blinkwater dam at Mogalakwena, which uses a downstream method of construction, and dam 1 at Unki Mine, which uses a hybrid downstream/upstream method. Upstream tailings dams are generally considered an appropriate design for facilities in dry and seismically stable regions with flat topography, including our TSFs in South Africa and Zimbabwe. There are eight TSFs (two on care and maintenance) at our non-managed JVs where we have an ownership interest in North West and Limpopo, South Africa.

In response to requests from a number of global institutional investors, during the year Amplats published the details on all these facilities on its website. As part of global efforts to improve transparency on TSFs, this detailed information underscores our confidence in the integrity of Amplats' managed TSFs which are subject to the highest global safety and stewardship standards. We also received assurances from the operators of non-managed JV facilities on the safety of their TSFs.

Effective risk management

TSFs are classified as a critical risk and are subject to a rigorous risk-management programme. In 2014, Anglo American upgraded its mineral residue facilities standard to align with best practice. The mandatory standard is implemented at all managed operations. Requirements include a self-assessment at each site to demonstrate improved compliance to the standard.

This year, we completed self-assessments against the standard, showing compliance levels of 84% to 97% at our facilities. Typical non-compliances related to shortcomings in master deposition plans, engineering and construction documents, water balances, operation, maintenance and surveillance manual, and emergency response and preparedness plans. Each operation identified and addressed priority issues; only low-priority items are yet to be completed.

As required by the standard, all TSFs have a consequence classification of structure (CCS) rating based on the potential hazard evaluation. Classification criteria include public and employee safety; employee health; environmental; infrastructure; financial; social and reputational consequences of incidents. In turn, the classifications determine design criteria; frequency of monitoring and inspection; assignment of appropriately skilled and resourced people; governance structures to manage, monitor, audit and review facilities.

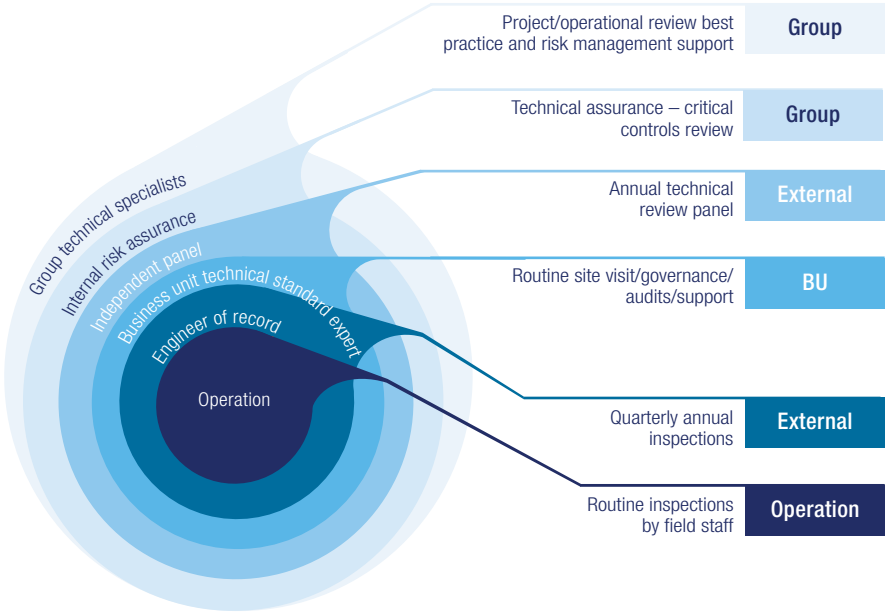
Major or high CCS facilities have a competent person in charge and an external engineer of record, providing continuous technical management from initial design and construction to monitoring and support. Risk assessments are conducted at all stages of mineral residue facility management. A dedicated team of group engineering specialists provides strategic direction and technical support. A review of tailings facilities at non-managed operations is done on a rotational basis.

Various forms of remote and other monitoring technology are used to measure TSF performance, including ground movement and seepage. Local site-based operational personnel conduct daily/weekly/fortnightly inspections. An engineer of record conducts formal dam safety reviews at all managed sites on a quarterly, semi-annual or annual basis. A technical review panel conducts an independent review of critical facilities at least once per year.

Safety assessments of our mineral residue facilities are undertaken at least annually and trigger action response plans are in place to guide an effective response to different potential scenarios. Communities in inundation areas at all our mining and process operations have been included in emergency response plans. A process was followed in 2019 where community leaders were identified, workshops held, and training provided. An emergency with community engagement was held on 25 November at Mogalakwena. Further testing at other areas is scheduled for 2020.

All our TSFs in South Africa are operated in line with the national mandatory code of practice on mine residue deposits as stipulated by the DMRE. In 2019, we rolled out the standard for our waste-rock piles and started developing surface-flooding risk management plans.

TSF safety management



Responding to high potential risks

We have not had any significant tailings management-related incidents since 2013, when we recorded a tailings spillage (level 3) at Mogalakwena's Blinkwater TSF.

In 2017, we identified a potential stability risk at the Helena TSF and took immediate remedial action by constructing a buttress wall using waste rock to improve the stability of the facility, successfully restoring and reinforcing levels of safety. The Vaalkop TSF is also being buttressed as a precautionary measure after an assessment.

This year, at our Bokoni JV (currently under care and maintenance), we identified a material risk from eroded areas in the Rapholo riverbank and potential instability of TSFs. We undertook urgent work to reinforce the stability of the riverbank in critical areas, with no weaknesses identified after heavy rains. We have also started rehabilitation work for the south-western slope of the tailings facility at risk. This project is currently in the procurement phase to select a contractor.

LEADING PRACTICES

We are implementing leading practices in all aspects of tailings and dam management – from concept, design, engineering, maintenance and surveillance to closure and post-closure. Examples of innovations at our operations include:

- Co-disposal is in place at the Blinkwater TSF where the wall is from waste rock and tailings are deposited inside the facility, with an interface layer between waste rock and tailings
- At Mogalakwena, we are exploring water-efficient deposition methods, including the potential for depositing tailings as paste or filtered cake
- At Mototolo concentrator, a filter press processes coarse and fine tailings streams to an acceptable size for bedding and over-liner material in the new Mareesburg TSF. This will protect the synthetic liner that serves as a pollution-control measure to prevent seepage into groundwater. At this facility, we have installed fibre-optic cable 'near real-time' monitoring technology to monitor and safeguard its integrity. Trigger action response plans will be set up for the different

ENVIRONMENT CONTINUED

aspects of the technology. Mototolo also uses hydro-cyclones to deposit tailings at the Helena TSF

- We are using a new digital tablet application for safety inspections of tailings facilities and water-retaining dams. This technology enables us to better monitor deficiencies and track maintenance at these facilities, removing all paperwork related to dam inspections. The development and testing of a specific dashboard and inspection application is advanced. The dashboard will provide a comprehensive inventory and updated risk tables for all containment facilities at our operations.

Mineral processing technologies

We are trialling and implementing a number of step-change technologies that we expect to significantly decrease the volume of waste material produced in extracting and processing mineral ore. These will also generate major water and energy use reductions for each tonne of metal or mineral produced, as well as smaller overall mine waste footprints.

Coarse particle recovery: a recovery method that uses a fluidised bed to enable valuable minerals, with as little as 1% mineral surface exposure, to be separated from gangue (ore of no commercial value). Energy savings can be realised but the water savings are even more significant, as a far greater proportion of water used in processing can be more easily recovered and recycled. This will also create a drier and more stable mineral residue deposit.

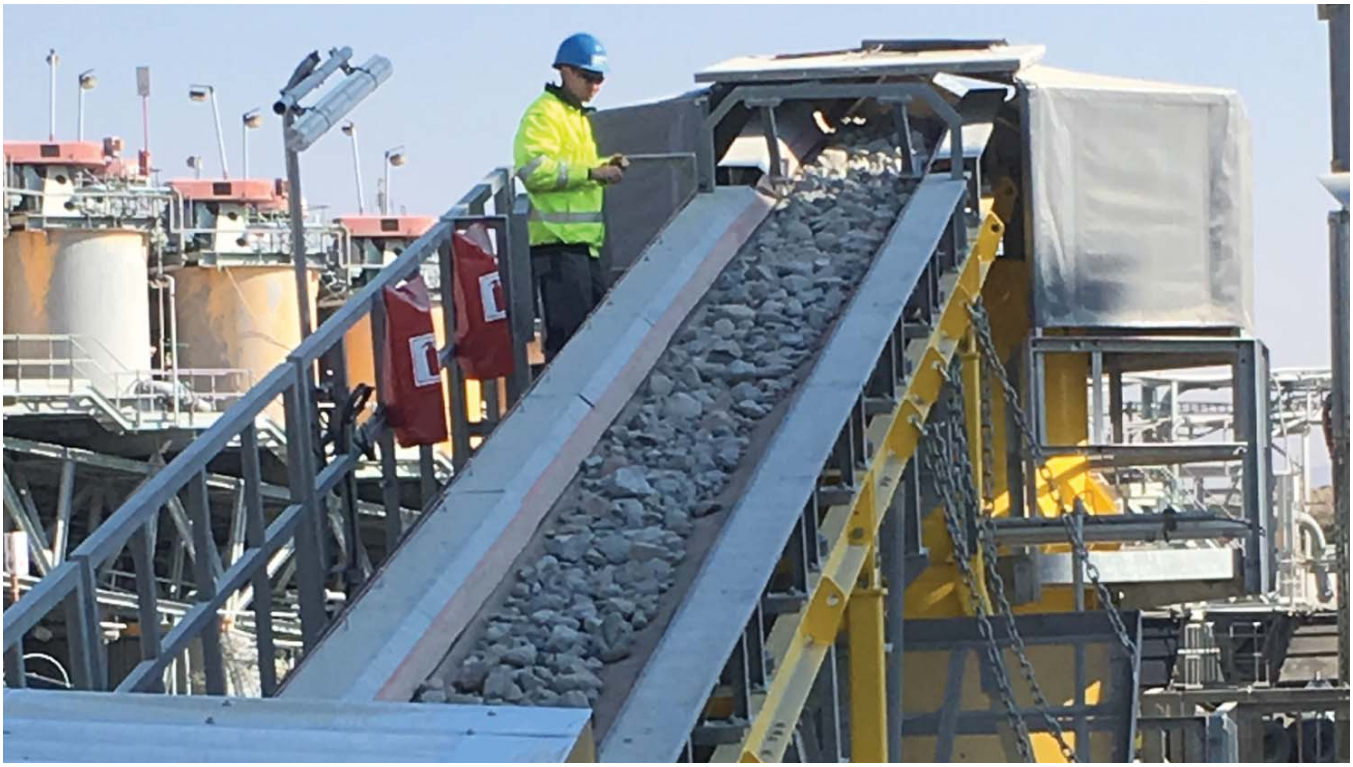
Bulk sorting: leverages new sensor technology that can, in real time, reject a proportion of sub-economic material early in the processing sequence, creating opportunities to increase plant throughput and reduce the volume of waste material to the TSF. Bulk sorting also delivers significant reductions in water and energy intensity.

TAILINGS (RESIDUE WASTE)

We aim to reduce our impacts on land by reusing mineral residue where possible. For example, we used waste rock to construct the containment dam at Mogalakwena. Some of the mine's waste-rock dumps are a source of low-grade PGMs which are remined, crushed and reprocessed. The waste rock is also processed into aggregates for construction and road-building. Waste rock at the Amandelbult and Twickenham operations supports small-scale crushing projects that reduce their waste-rock footprints and decrease our closure liability.

Tailings are one of the major consequence waste types that mining companies produce in terms of volume and potential toxicity. Quantities accumulated in 2019 are shown on page 69.

Shock-break: a new comminution device, which uses three stages of high-speed blades to reduce ore to the targeted size and expose mineral surfaces. In crushing and grinding rock, this technology can reduce energy consumption by over 30%. This method of comminution delivers a dry product and is a key enabler for dry separation processes, which remains our longer-term goal to achieve dry tailings.



Shock-break trials at Baobab concentrator, South Africa.

NON-MINERAL WASTE

HIGHLIGHTS

- On track to meet our goal of zero waste to landfill (ZW2L) by end-2020
- Partnership with specialist waste company has enabled a step-change in diverting waste streams from landfill, with a 54% year-on-year reduction
- At PMR, offtake initiatives for gypsum and sodium chloride will annually save over R2 million in disposal costs

LOWLIGHTS/CHALLENGES

- Setting targets for non-hazardous waste can be challenging as we rely heavily on improved sorting and recycling to reduce the non-recyclable portion directed to landfill
- Mototolo is challenged in identifying a sustainable solution to rubber waste and conveyor belts
- Some 2,600 pre-levy tyres still to be downsized at Mogalakwena
- Limited waste-mitigation opportunities with suppliers realised to date

FOCUS FOR 2020 AND BEYOND

- Achieve ZW2L (for all managed operations) by December 2020 and become the first South African mining company to do so
- Shift towards lifecycle solutions, in partnership with waste companies and community-based initiatives
- Downsize all pre-levy tyres at Mogalakwena before end-March 2020, as regulated

EACH OF OUR OPERATIONS IS HELD TO ACCOUNT FOR DELIVERING ON TARGETS IN THE ZERO WASTE TO LANDFILL PLAN SO THAT, BY DECEMBER 2020, ALL HAZARDOUS AND NON-HAZARDOUS WASTE PREVIOUSLY SENT TO LANDFILL WILL BE ELIMINATED, REUSED, RECYCLED OR RECOVERED.

We are on track towards our goal of achieving and sustaining zero hazardous and general waste to landfill by the end of 2020. Our approach demonstrates leadership in managing non-mineral waste streams to minimise effects on human health and the environment, and embracing the concept of a circular economy where waste becomes a resource, in line with our purpose to re-imagine mining to improve people's lives.

DELIVERING ZERO WASTE TO LANDFILL – AN INCLUSIVE APPROACH

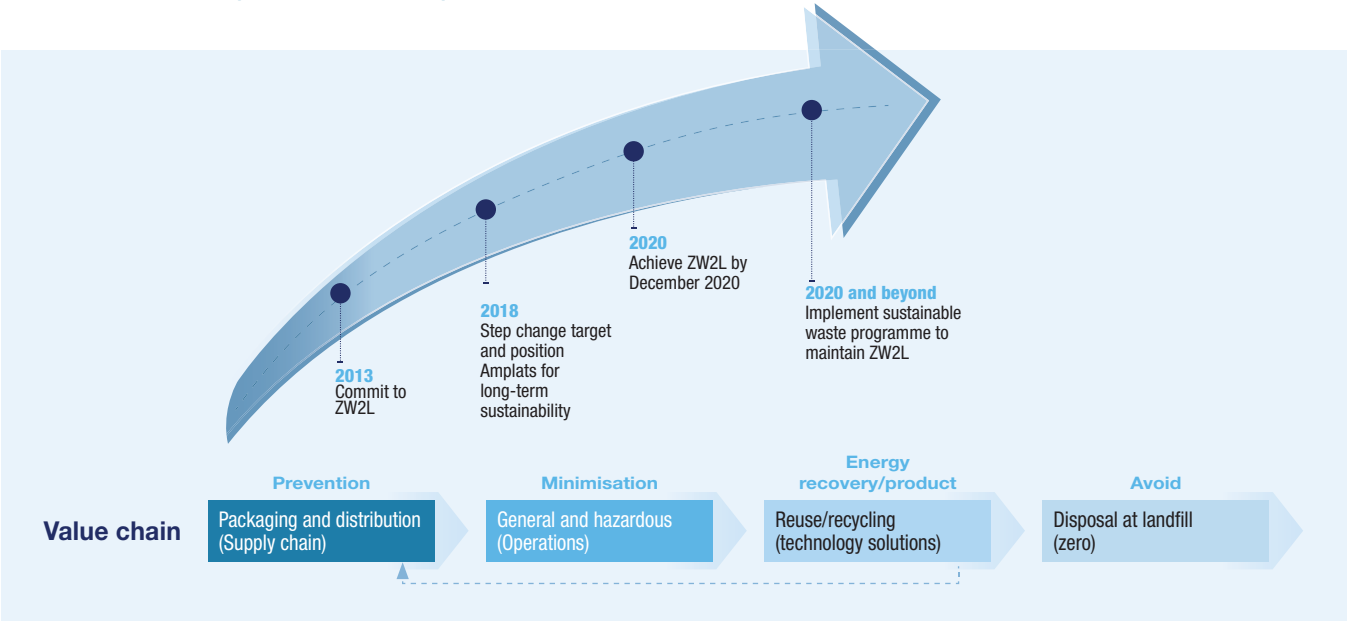
Zero waste to landfill (ZW2L) is when none of the waste included in the ZW2L scope is sent to landfill. It means eliminating unnecessary wastage and waste generation, and ensuring methods are in place to eliminate any disposal to landfills through waste recovery, reuse and recycling, as well as alternative technologies. Our approach ensures we comply with requirements under South Africa's NEMA and Waste Act.

Since we committed to ZW2L by 2020 (for all managed operations) six years ago, we have recorded a progressive shift in waste management, supported by awareness campaigns and improved waste-stream sorting and recycling. By the end of 2019, we reduced total waste sent to landfill to a third of our 2016 levels, from 21,300t to 4,116t. While some of this reduction was due to the divestment of Rustenburg and Union mines (which accounted for 17% of total waste to landfill in 2016), it was largely the result of key projects and a renewed focus on operational waste-awareness campaigns, reuse and recycling.

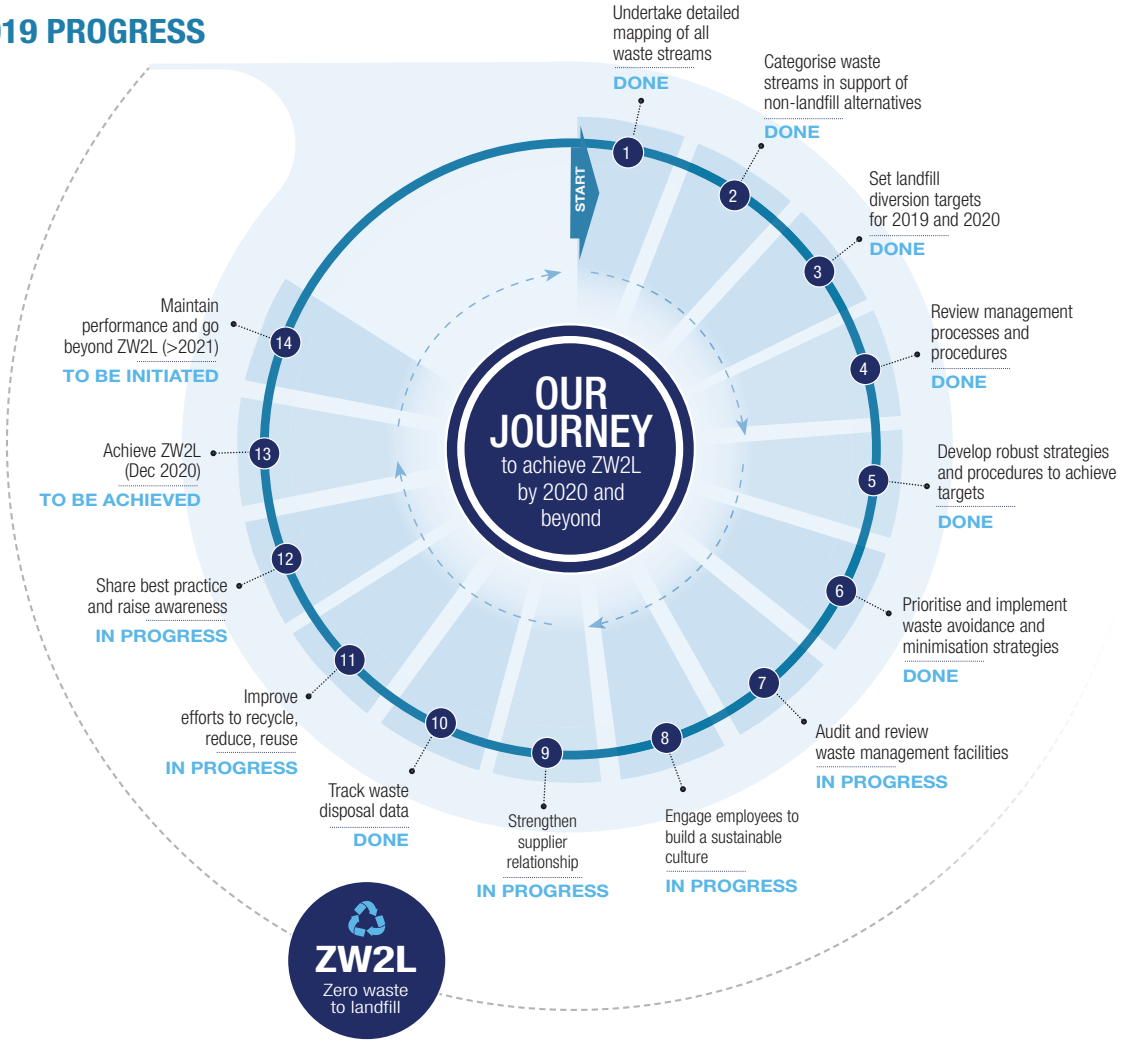
Recognising that meeting the 2020 target required a step-change in our progress, in 2018 we appointed a waste specialist company to support our work over three years (to 2021), and developed a 14-step plan to deliver ZW2L by the end of 2020, outlined on page 54.

ENVIRONMENT CONTINUED

Zero waste to landfill (non-mineral waste)



2019 PROGRESS



The initial focus was to identify and quantify waste streams at each operation and find solutions (reuse, reduce and recycle) to mitigate or divert away from landfill. Based on the assessments and improved measuring of certain waste streams, we redrafted our strategy, setting operation-specific strategies and targets for 2019 and 2020. The strategy was updated in September 2019 to incorporate Mokopane's core yard and Mototolo Mine.

Each site addressed immediate opportunities for improvements, which helped them manage waste better and achieve significant reductions in both volume and cost of management. We appointed waste champions to help audit and review waste management facilities monthly. To ensure the commitment of general managers, the best-performing operations in reducing waste across the business unit are recognised and rewarded quarterly. This year, we introduced our waste hero award – a monthly competition to select a company waste hero from across our operations for their commitment to excellence in waste management.

Our progress has depended on ensuring a mind-shift change, and the participation and cooperation of everyone across the business, in valuing waste as a commodity. By year end, waste to landfill totalled only 4,116t.

Our approach encompasses the entire value chain, not only end-of-line production waste. Our supply chain is a critical area for waste avoidance and minimisation initiatives. We strive to mitigate the levels of products we use across our activities, particularly hazardous materials, and encourage all key suppliers to consider reuse and recycling opportunities and support our ZW2L goals. We are investigating opportunities for them to apply the waste hierarchy and prevent waste generation (in our operations and projects), or take back and recycle waste that they bring in, realising a key component of the circular economy. We are also exploring opportunities to develop cost-effective reuse and recycling business ventures with community-based initiatives, as part of a growing shift to lifecycle solutions.

While the ZW2L strategy is premised on a 2020 target, a defining measure of success will be sustainably maintaining specific identified waste streams at zero. We are working towards this by ensuring that all waste, by default, is turned into a resource and preventing suppliers from bringing any form of waste into our operations. Three key elements to our plan's success are to:

- Reduce waste in an economically sustainable way with a clear business case
- Work with local communities to involve them in identifying environmental solutions
- Focus on non-mineral waste, where there is the greatest potential to make a quick impact.

Case study:

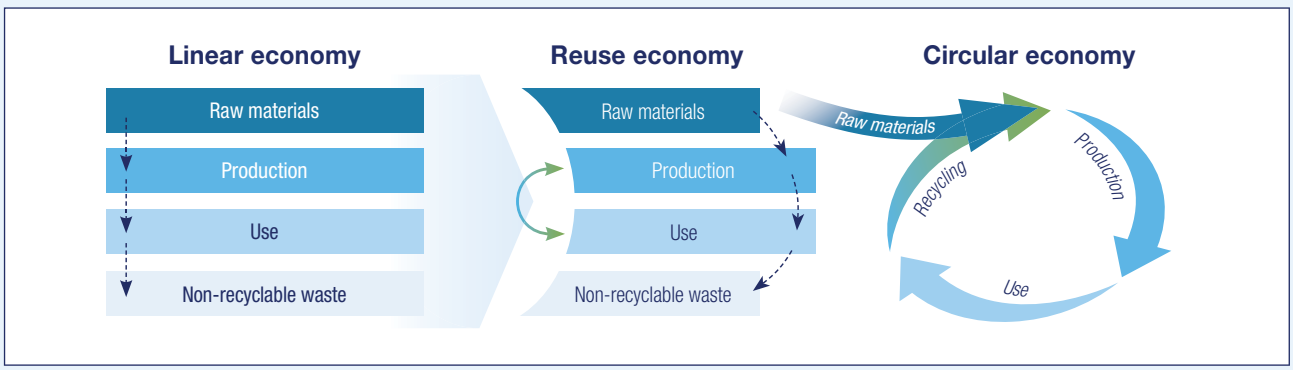
UNLOCKING VALUE IN A CIRCULAR ECONOMY

ZW2L acknowledges the potential value of waste as a resource in downstream applications, and supports the concept of unlocking value in a circular economy, or closed-loop system. As an alternative to a linear economy, a circular economy is regenerative and restorative by design: durable goods can be repaired (rather than replaced) and biological materials returned to the biosphere without being contaminated. It is a strategy that aims to diminish over-consumption and eliminate waste by making the most of resources through reuse and recycling.

Circular-economy aspects are embedded in our business strategy. For example, PGM recycling illustrates how the circular economy can materially impact markets. Shifts in the market driven by the circular economy are both a risk and opportunity for PGMs. Initiatives to improve efficiencies are under way and our ZW2L and solar project are significant contributors (see case on page 42).

Although the process of separating, collecting and disposing of waste at our operations incurs costs, there are substantial opportunities to generate revenue by recycling waste streams like oil, paper, plastic, glass or steel. This revenue can fund substantial further investment in waste reduction – such as baler machines, waste-sorting areas, and technology to convert waste into energy, further building the business case.

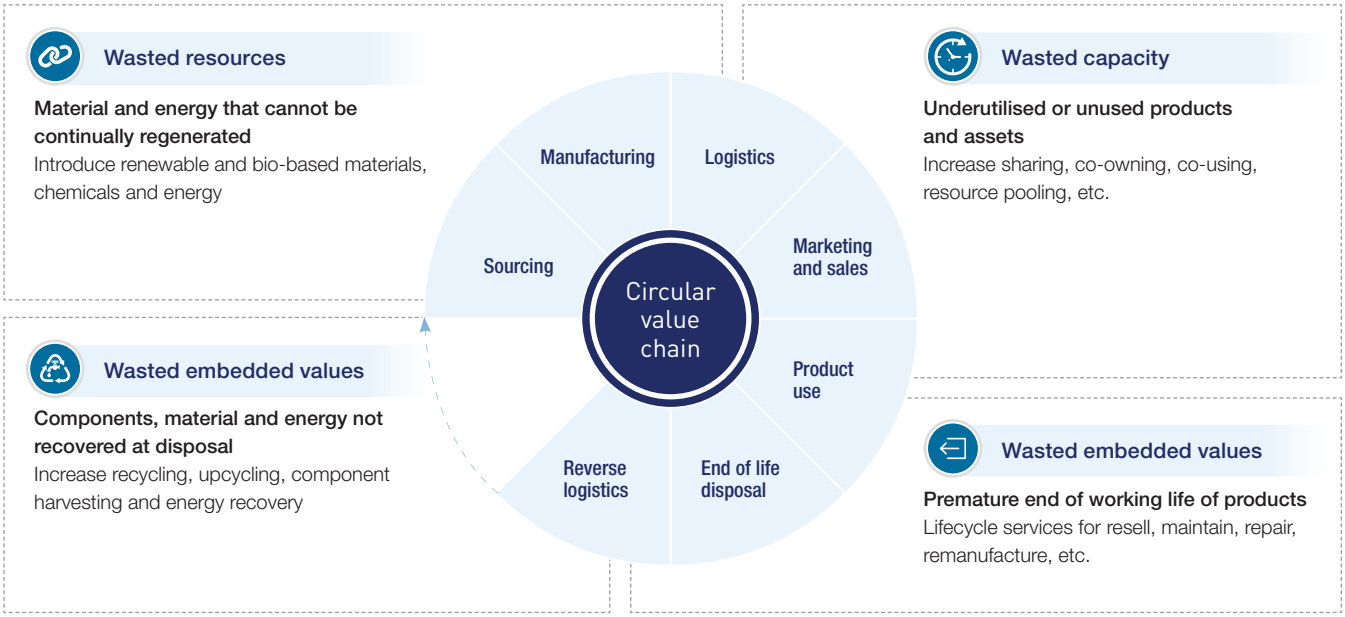
FROM A LINEAR TO A CIRCULAR ECONOMY



ENVIRONMENT CONTINUED

Platinum and the circular economy value chain

Touching on a sample of initiatives we have under way at Platinum



Hazardous waste management

Managing hazardous substances is strictly regulated and controlled at our operations, and at the receiving-waste facilities, which are regularly audited by external parties. Hazardous waste can only be stockpiled for up to 90 days and is not an alternative for sending it to landfill.

This year, we started baseline assessments against the Anglo American hazardous-materials management technical standard, and have defined minimum mandatory critical controls to be implemented at each site to ensure fatal risks are managed proactively. The standard requires operations to design systems to reduce the potential for exposure to hazardous materials. It does not set explicit targets on reducing or substituting the use of hazardous materials.

Hazardous waste, such as acids and chemicals, are primarily used where we have on-site laboratories. At RBMR, for example, used chemicals are retained in a closed system and absorbed in the production cycle, ensuring that no liquid chemical waste is sent to landfill. Chemical/acid waste is mostly produced when there are spillages, for example a sump spill at an acid plant. These are typically treated with lime before being cleaned out of the sump and the lime mix is further treated so that it can be used as cover/fill material (becoming a resource) at the Klinkerstene landfill facility.

At Mogalakwena, the bioremediation plant rehabilitates soil affected by hydrocarbon spills and, at RBMR, an offtake of sodium sulphate produced as a by-product is sold into the market. PMR identified offtakes for gypsum and sodium chloride, which is sold as a by-product, diverting these streams from landfill with a cost saving of about R2.2 million per annum.

INNOVATIONS TO REDUCE WASTE TO LANDFILL

Key waste streams diverted: key waste streams at our operations that have been diverted to alternatives over the last two years include:

- Empty chemical bags and filters (majority at RBMR) – being used as an alternative fuel source through the refuse-derived fuel (RDF) facility
- Contaminated wooden pallets – being used as an alternative fuel source in the RDF facility
- Empty paint containers sent for recovery and sold as scrap metal
- Used grease treated in a facility that mixes different grades of grease and oil in ideal ratios to achieve specified calorific value to serve as a fuel source in the cement industry
- Recycling fluorescent tubes through a specialist company
- Reusing ceramic melting pots used in laboratories by crushing and feeding into furnaces
- Improved sorting and recycling of domestic waste across the business unit.

Mine soil bioremediation: At our open-pit Mogalakwena Mine, instead of disposing of soil affected by hydrocarbon spills as hazardous waste, we have a licensed site to treat the soil for reuse. We have processed almost 5,000t of contaminated soil since the site was commissioned in 2017 (including 1,985t in 2019), achieving substantial financial savings and ensuring that soil is reused on site and not disposed of elsewhere. Due to the success of the Mogalakwena facility, the process is now being implemented at other operations in the company, including the treatment of nearly 2,000t at one of our JV operations.

Clay recycling: At Polokwane smelter, last year we collected 27t of taphole clay (from spillages while tapping), which accounted for 39% of hazardous waste sent to landfill in 2018. In 2019, we found a solution to avoid disposal to landfill by hardening, crushing and recycling the clay back into the process.

Offsetting sodium chloride: In 2019, PMR introduced an offset agreement for sodium chloride to reduce waste to landfill. Since the contract was instituted in August 2019, 125t have been diverted from landfill and reused by a third party.

Air filter project: At the Mogalakwena remediation site, we collect all air filters (used in trucks), cut them open with pneumatic shears and separate the components. The metal and filter paper are sent for recycling.

Shredding waste tyres for recycling: In 2019, Mogalakwena signed a contract with a specialist company to downsize used tyres (pre-levy tyres) and generate shredded, high-quality rubber for reuse. A plant became operational on-site in January 2020 and is expected to produce 350t to 400t of shreds each month using a machine that grinds the tyres into fine crumbs and steel beading. Mogalakwena aims to fulfil the regulatory requirement to downsize all its pre-levy tyres by the end of March 2020, and will engage with the DEA to avoid further delays and communicate any challenges. In July 2019, Waste Bureau (a division of the DEA) collected 413t of the mine's shredded off-the-road tyres that had been left onsite by the bureau's predecessor, which went bankrupt in 2017. To date, the mine has shredded 1,695t and has a further 2,592 pre-levy tyres of all sizes to downsize.

Wood chipping as compost: Mogalakwena started a five-year exotic vegetation-removal project in 2018. Yellow bells (Tacoma stans) are felled, chipped and used as compost to improve the quality of remediated soils and sludges.

Selling sodium sulphate by-product: Sodium sulphate is a by-product at RBMR. Since 2017, we have improved the quality of the by-product and amended offtake contracts with customers to sell an additional 13,000t per annum, with savings of around R25 million to date, rather than disposing of the excess product as hazardous waste.

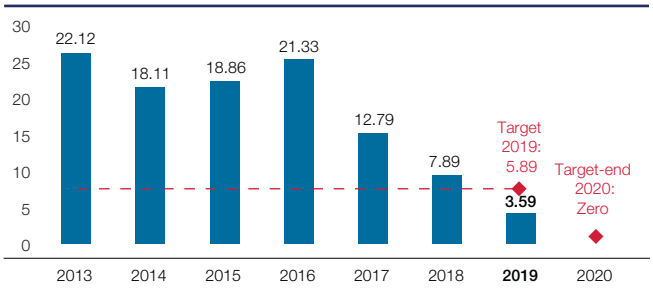
Combustible low-grade material: PMR produces a low-grade material stream that is treated by an external party through thermal decomposition to produce an ash which is returned to PMR to recover PGMs. This process eliminates disposal as hazardous waste.

Measuring our progress

All our operations apply the 'avoid, reduce, reuse and recycle' waste-management hierarchy. Large non-mineral waste streams include tyres, oils and greases, rubble and office consumables. Waste streams are sorted on site and weighed when leaving the operation. We report hazardous and non-hazardous waste separately and against targets. Detailed monthly reports indicate the types and quantities of waste recycled, reused and disposed. We track and report our monthly and year-to-date performance against targets across our operations.

Since 2013, Amplats has reduced its total waste to landfill by 81%, from 22,120t to 4,116t in 2019.

TOTAL WASTE TO LANDFILL
(kilotonnes)



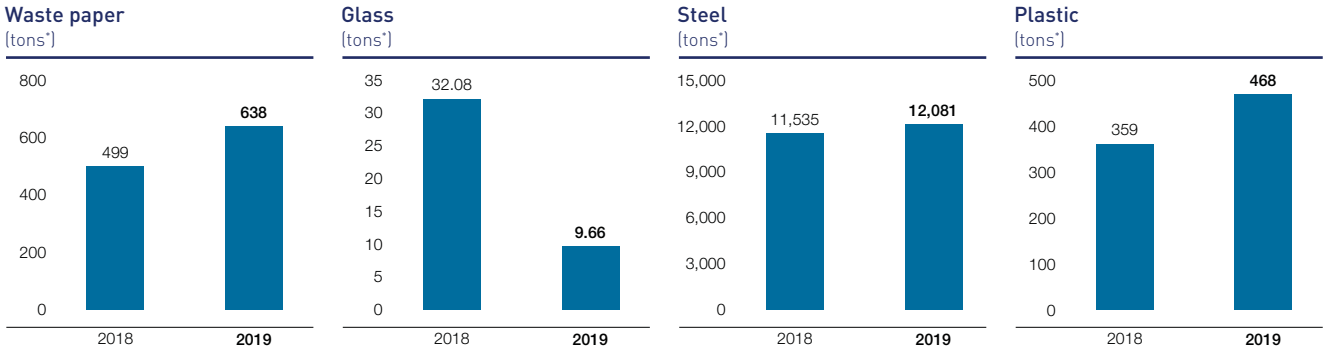
ENVIRONMENT CONTINUED

000t	2019 target	2019 actual	2018 target	2018 actual	2017 target	2017 actual
Non-hazardous waste to legal landfill	**1.90**	**1.28***	3.03	2.30	3.8	3.6
Hazardous waste to legal landfill	**3.99**	**2.31***	7.52	5.60	22.0	9.2
Total	**5.89**	**3.59**	10.55	7.89	25.8	12.79

** Excludes Mototolo Mine as it was not included in 2019 target as it only became part of Amplats in November 2018.*

Waste collected for recycling (tons)*	2019	2018	2017
Waste paper	**638**	499	319
Glass	**9.66**	32.08	47.55
Steel	**12,081**	11,535	7,295
Plastic	**468**	359	324
Hazardous and non-hazardous waste reused/recycled	**265,964**	15,553	6,900
Used oil recycled to external companies#	**812**	731	65
Used grease recycled to external companies	**13.5**	25.4	2.9

** Excludes recycling of site-specific waste streams.*
 # 0.881t/m³ density factor.



Waste sorting at Groenfontein farm.

COMMUNITY INITIATIVES

Last year, to increase awareness of how we manage waste responsibly in our business and in surrounding communities, we created a school art competition called Waste to wonderful art. Students from eight schools around each operation expressed their creativity by reusing waste to create pieces of art. Building on the success of this interactive awareness initiative, this year we undertook site-specific engagements around ZW2L and waste-related matters in our host communities. These engagements are highlighted and commended across the company.

Twickenham is implementing a pilot project with its host communities to set up a central waste-collection and recycling hub. Community members will be encouraged to deliver recyclable materials to the hub and, in return, receive e-vouchers that can be used at various retail outlets to buy goods. The e-vouchers are a safe way to buy goods electronically and avoid the risks of carrying cash. If the project is successful, we will investigate introducing similar hubs in other community areas around our operations.

PRODUCT STEWARDSHIP

HIGHLIGHTS

- Strengthening structures to comply with evolving product-focused regulation
- In managing hazardous materials, we have defined minimum mandatory critical controls for each site to ensure fatal risks are managed proactively
- Unki was the first mine in the world to announce it will undergo independent assurance against Initiative for Responsible Mining Assurance (IRMA) in December 2019

LOWLIGHTS/CHALLENGES

- After a non-compliance incident in 2018, RBMR took steps to ensure that environmentally hazardous products are shipped in line with UN requirements. In 2019, we received positive feedback from European Union authorities on new packaging and cargo-restraint solutions designed for our products

FOCUS FOR 2020 AND BEYOND

- Continue to engage proactively with stakeholders interested in the impacts and contribution of our materials and the products manufactured from them
- Implement a roadmap to ensure all our operations undergo third-party audits against recognised responsible mine-certification systems by 2025

Producers have a shared responsibility for the environmental and social impacts of their products throughout their lifecycles. Value to society is maximised when we produce materials responsibly and then engage downstream to promote their beneficial use.

Responsible stewardship is crucial for maintaining our reputation and ability to market our products. Our approach focuses on ensuring responsible production, meeting regulatory obligations, and responding to increasing demand from our customers for assurance that the minerals and metals they buy are produced responsibly.

Meeting regulatory obligations

The implementation of product-focused regulation such as the UN's globally harmonised system of classification and labelling of chemicals (GHS) is growing. We comply by developing high-quality hazard data on our products and their applications, and communicating these – either to customers via safety-data sheets, or to authorities where required (for example under the European Union's (EU) registration, evaluation, authorisation and restriction of chemicals (REACH) regulation).

In 2019, we ensured continued compliance with REACH should the UK leave the EU in a way that does not preserve the existing framework. We are working proactively to ensure we comply with upcoming regulations in other regions where we sell our products, such as Korea's K-REACH regulation.

Regulations like REACH and those stemming from the GHS apply to all chemical substances, including minerals and metals. Failing to comply would jeopardise our ability to access markets.

Comprehensive systems are in place to ensure ongoing compliance, establishing a continuous process of product testing, hazard assessment and communication via safety-data sheets. Where products are deemed to be 'dangerous goods', the relevant packaging, labelling and consignment procedures are met – as defined in the UN's international maritime dangerous goods code. Following a non-compliance incident in 2018, an active programme has been under way at RBMR to ensure that environmentally hazardous products are shipped in line with UN requirements. In 2019, we received positive feedback from EU authorities on new packaging and cargo-restraint solutions designed for our products.

We ensure that hazardous substance management is strictly regulated and controlled at our production sites. This year, we started baseline assessments against the Anglo American hazardous-materials management technical standard, and have defined minimum mandatory critical controls for each to ensure that fatal risks are managed proactively. Our hazardous waste management practices are reviewed on page 56.

This work helps to protect the environment and human health by informing downstream risk-management decisions and ensures we maintain our licence to market. We also work closely with peers in our industry, academia and government to improve the science and test methods used for minerals and metals, and ensure they are appropriately applied – for example in the shipping codes that ensure safe transport of our products. This is part of a programme of continuous learning and development to ensure our sector remains on top of emerging issues.

Ethical value chains and the circular economy

While originally the major focus of product stewardship was complying with regulation, today leading companies are emphasising how products impact the key social and environmental challenges facing society – including climate change – and the need to decouple economic growth from resource consumption.

Here, we are looking beyond compliance and engaging proactively with those who are interested in the impacts and contribution of our materials and the products manufactured from them. To better understand this, in 2019, we took a deep-dive into our role in the circular economy. While the concept means many things to many people, we explored it openly and agreed on three dimensions that are relevant for the future of Anglo American and aligned with our purpose:

- Operationally: ensuring the optimal use of resources and elimination of waste and inefficiency, to achieve a neutral or even net-positive impact on the environment and communities by leveraging our strategic goals (eg reducing our water and energy/carbon footprint, physical waste management)

ENVIRONMENT CONTINUED

- Through our value chains: maintaining the value of resources in the economy for as long as possible, providing maximum benefit to society and ensuring elimination of waste across the lifecycle of our products (eg getting our materials into the most beneficial and well-designed products)
- Through holistic circular economy transformation: a lens to re-imagine mining by growing our business while reducing global resource use to sustainable levels. This means considering the fundamentals of how our business model will need to change to deliver growth in a resource-constrained world.

We are already implementing the tenets of a circular economy in many parts of the business (see case studies on pages 55 and 56).

Linked to the circular economy, it has also become clear that conscious consumers are increasingly choosing 'responsible' brands and products while boycotting others that are not perceived as responsible. While their definition of 'responsible' is evolving, sourcing programmes and standards have been developed across a range of industries, including mining and metals. This theme of ethical value chains has been an emerging discussion in Anglo American for some time and our engagement with customers, responsible-sourcing programmes and other stakeholders in sustainability matters continues to grow. All these constituencies increasingly seek assurance that minerals and metals have been produced responsibly.

One of the ways we will provide this assurance in future is through assessment against the Initiative for Responsible Mining Assurance's (IRMA) new standard. Amplats' Unki Mine was the first in the world to announce it will undergo independent assurance against IRMA in December 2019. We have developed a roadmap to ensure all our operations undergo third-party audits against recognised responsible mine-certification systems by 2025.

AIR QUALITY

HIGHLIGHTS

- Applications to postpone 2020 SO_2 emissions limits approved by government for all three smelters
- All high-risk sites for air quality are implementing site-specific plans to address identified gaps in meeting group air quality and emissions standards

LOWLIGHTS/CHALLENGES

- Eight complaints on visible emissions
- Scrubber availability has been a challenge at RBMR; the causes will be addressed in the February 2020 shutdown

FOCUS FOR 2020 AND BEYOND

- Ensure emissions are minimised and permit conditions met
- Develop and implement air quality offset plans for Mortimer and Waterval smelters, which are in the Waterberg-Bojanala air quality priority area
- Achieve full compliance with group air quality and emissions technical standard
- Complete construction of SO_2 abatement project at Polokwane by August 2020. Then construct a similar facility at Mortimer smelter to reduce emissions and comply with more stringent emission limits

Air quality and air emissions are integral to our environmental management activities and permitting processes. Ensuring we adequately understand and control the dust and gases we release at our operations is essential to prevent adverse impacts on host communities, and to meet current and future legislative requirements.

OUR MANAGEMENT APPROACH

Air quality and air emissions are governed by national and local legislation as well as by national and international conventions. Our RBMR, PMR, Polokwane smelter, Waterval smelter complex and Mortimer smelter each have an atmospheric emission licence (AEL) in place, aligned to legislated emissions standards for South Africa. We have three real-time ambient monitoring networks in Rustenburg, Polokwane and near the town of Northam.

In addition to GHGs, we monitor and manage the emission of sulphur dioxide (SO_2) and particulates (largely from our smelters), as well as dust (mainly from our tailings dams and opencast mines), and nitrogen dioxide (NO_x) emissions from mine vehicles and other diesel engines. The emissions inventory is calculated annually under the national atmospheric emissions inventory system (NAEIS). Hazardous materials and related air pollutants (potential toxic emissions) are identified through the site hazardous material register and risk assessments for chemical controls and management. There are no other applicable high-risk emissions for our operations.

We promote ongoing operational improvements to reduce levels of emissions and manage air quality risks by implementing the Anglo American air quality and emissions technical standard, introduced in August 2018. This guides

our approach to effectively identify risks and improve the management of air quality controls to reduce levels of dust and gaseous emissions (excluding emissions managed for occupational-health impacts) that may pose a risk to humans, fauna and flora. In doing so, we reduce adverse effects on communities, the risk of non-compliances, and strengthen our position to meet evolving regulatory requirements. Our targets to reduce emissions are aligned to legal requirements. Specific reduction targets are in place for our smelters (see below).

All our high-risk sites for air quality completed a self-assessment against the standard in 2019 and are implementing site-specific plans to address identified gaps and ensure ongoing improvements action tracking and close out.

SO_2 abatement

Our most material air-quality issue is SO_2 emissions from our three smelters in South Africa. These are regulated by the National Air Quality Act, which stipulated reduced SO_2 emission levels by 2015, and a further reduction by 2020.

Our subsidiary, Rustenburg Platinum Mines Limited (RPM), was granted a postponement on compliance with the 2015 limit for its Mortimer and Polokwane smelters. In 2018, RPM started constructing an abatement project at Polokwane smelter, which will use innovative technology to capture SO_2 gas from the furnace and convert it to sulphuric acid. With a capital investment of R2.5 billion, the technology will ultimately reduce SO_2 emissions by an estimated 96% to comply with more stringent limits. The project progressed well in 2019 (77% complete), with full completion expected in August 2020. Once construction and commissioning has been completed and the project proven effective, construction of a similar project will begin at Mortimer smelter.

In March 2019, we submitted applications for all three smelters to postpone the timeframe for compliance with stipulated 2020 emission limits. We requested the postponement for Waterval to enable us to evaluate the impact of future high-sulphur concentrate. In November 2019, the requested limits and dates were approved, as follows:

- Polokwane smelter: SO_2 limit of 60,000mg/Nm^3 for 1 April 2020 to 31 December 2022. From 1 January 2023, the limit will be 1,200mg/Nm^3
- Waterval smelter complex: SO_2 limit of 3,500mg/Nm^3 for 1 April 2020 to 31 December 2023. NO_x limit of 2,000mg/Nm^3 for 1 April 2020 to 31 March 2025
- Mortimer smelter: SO_2 limit of 52,000mg/Nm^3 for 1 April 2020 – 31 March 2025.

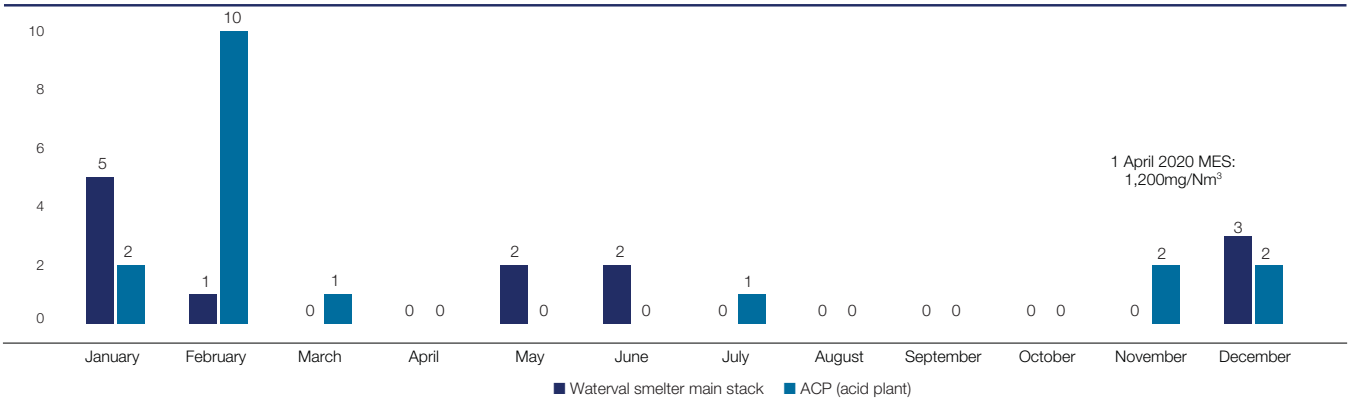
Our performance

Amplats' GHG reporting aligns with annual NAEIS reporting regulations. All our South African operations submitted their 2019 NAIES process and mining emissions data, including GHGs, using 2018 data, before the 31 March 2019 due date, and submitted their GHG reporting data to the DEA in April 2019. Our 2019 data will be submitted for the 2020 NAEIS and GHG reporting cycle by 31 March 2020.

In 2019, ambient conditions for SO_2 at all three smelters remained below the limit of under 88 exceedances of the hourly standard per annum:

- SO_2 stack emissions for Mortimer smelter remained below the AEL limit of 30,000mg/Nm^3 based on the monthly average
- At Polokwane smelter, the AEL limit for SO_2 stack emissions of 30,000mg/Nm^3 was exceeded in January and February, based on monthly averages, due to a higher sulphur content in the concentrate smelted
- SO_2 stack emissions for Waterval smelter and ACP remained below the AEL limit of 3,500mg/Nm^3 based on the monthly average.

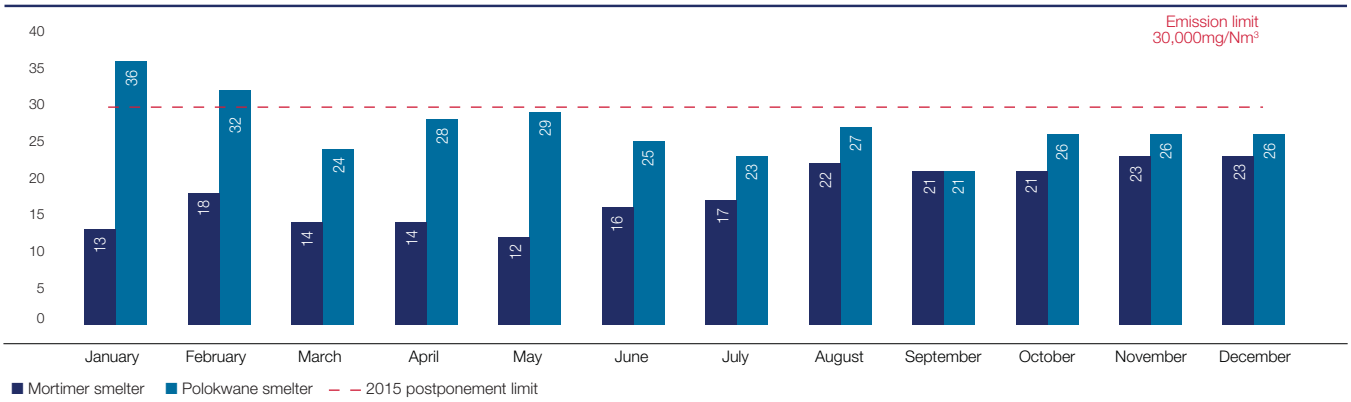
NUMBER OF DAILY AVERAGE EXCEEDANCES OF THE LIMIT OF 3,500mg/Nm^3 per month)



ENVIRONMENT CONTINUED

In 2019, we recorded nine air quality-related complaints (2018: eight) about visible emissions; four were reported internally at RBMR and PMR. Two incidents occurred during unplanned shutdowns which resulted in excessive emissions. Relevant parties were informed about the unplanned shutdowns and resulting deterioration in conditions before the complaints were received. All complaints are investigated and dealt with through the environmental management system.

SO_2 STACK EMISSIONS – 2019
(Monthly average 1,000mg/Nm³)



MINE CLOSURE AND REHABILITATION

HIGHLIGHTS

- Amandelbult finalised its detailed five-year rehabilitation plan
- Amandelbult and Mogalakwena achieved their 2019 rehabilitation targets of 19.5ha and 7.5ha, respectively
- Groundwater remediation liability for Twickenham finalised and models finalised for Mortimer and Polokwane

LOWLIGHTS/CHALLENGES

- Rehabilitation backlog of 190ha
- Non-compliance with a requirement of the Anglo American mine-closure standard, to be addressed in 2020

FOCUS FOR 2020 AND BEYOND

- All operations to comply with the Anglo American mine-closure standard by end-2020
- Mogalakwena will finalise its detailed five-year rehabilitation plan in 2020
- Groundwater liability estimates for all managed process operations will be finalised in 2020
- Focus on concurrent rehabilitation to reduce backlog and associated closure liabilities

Amandelbult open-pit rehabilitation.

Our integrated mine-closure planning approach effectively reduces long-term closure risks and liabilities, while ensuring we leave a positive and sustainable legacy when our mines conclude their operational lives.

We are steadily integrating mine-closure planning into the full life-of-mine (LOM), or life-of-asset planning – from exploration to post-closure. Our decisions and changes are achieving tangible results, particularly by rehabilitating land in parallel with mining activities.

OUR MANAGEMENT APPROACH

Managing mine closure and rehabilitation at Amplats is primarily governed by three corporate systems: the mine closure toolbox, the Anglo American concurrent rehabilitation strategy, and the Anglo American mine-closure technical standard.

Mine-closure toolbox

This is our key guidance document to ensure successful closure planning of projects and operations in various phases of their life cycles, and meet the requirements of the group mine-closure technical standard. In 2019, two existing guidance documents – version 2 of the toolbox and Anglo American's integrated closure planning system – were merged to provide clarity about expectations in the form of the mine-closure toolbox version 3.

The toolbox is underpinned by the Anglo American code of conduct, ICMM principles and commitments as well as good-practice guidance for integrated mine closure, and the Anglo American SHE way (policy and guidelines). It also dovetails with the Anglo American social way and socio-economic assessment toolbox (SEAT), the vehicles for social transition in the operational phase.

Concurrent rehabilitation strategy

An Anglo American concurrent rehabilitation strategy has been developed to clarify the group's commitment to reduce its rehabilitation backlog and associated closure liabilities. The strategy outlines requirements for Amandelbult and Mogalakwena to develop five-year rehabilitation plans with specific annual targets integrated into the operational planning process. The plans are to be annually updated.

Mine-closure standard

This group technical standard defines minimum requirements for mine closure to ensure that all Anglo American projects and managed operations proactively plan for closure to manage risks and opportunities. The standard assists in tracking the closure-planning progress against the toolbox (detailed above) and concurrent rehabilitation strategy requirements. The performance standards comprise three focus areas:

- **Planning and design:** requires the operation to develop a closure plan that is fundamentally aligned with the toolbox, with a closure vision established and maintained with associated specific closure objectives and land-use plans. A risk assessment and gap analysis aligned with the toolbox must be completed in all updates of the closure plan. Closure plans consider and address regulatory conditions and community and stakeholder commitments. In addition, where appropriate, closure liabilities are minimised by proactive integrated planning throughout the operational lifecycle, involving formal opportunities analysis. Closure requirements are integrated into the business planning and LOM planning processes, and sites are required to have at least a five-year concurrent rehabilitation plan with clear targets
- **Implementation and management:** all toolbox and rehabilitation strategy requirements are implemented at Amplats operations. This includes promoting beneficial reuse of infrastructure post closure where possible, minimising post-closure active treatment requirements through integrated closure planning, managing and reducing dependency of relevant surrounding communities through the lifecycle of the operation to leave behind a positive post-closure legacy. The successful rehabilitation of impacted sites is achieved by establishing proven rehabilitation techniques that meet the closure vision and associated land-use. In addition, a review and update of closure liability estimates (accounting provision) is completed annually at all our operations and a financial provision (guarantee, trust fund) is provided to the DMRE to cover premature closure costs as required by regulations
- **Performance monitoring:** all post-production monitoring and maintenance costs are included in closure liability estimates that allow sufficient time for realistic lease relinquishment (minimum of 10 years post-decommissioning phase unless otherwise indicated in site-specific technical studies). Detailed monitoring plans are implemented at rehabilitated sites.

Alignment with the mine-closure standard ensures alignment with our sustainable mining plan.

PERFORMANCE DEVELOPMENTS

In 2018, we evaluated our operations' performance against 23 minimum requirements of the mine-closure standard. The assessment concluded that we were fully compliant with nine requirements, partially compliant with 12 and non-compliant with two. We have made progress towards full compliance, with partial non-compliances down to four this year, and non-compliances reducing from two to one. The remaining non-compliance is the non-completion of Mogalakwena's five-year rehabilitation plan with clearly defined annual rehabilitation targets, which is being addressed. Full compliance with all group requirements is expected by the end of 2020.

Closure plans and actions

All our operations have standalone mine-closure plans, except Polokwane smelter, which will complete its plan by the end of 2020. Detailed closure plans are developed within five to 10 years of operational closure. The current life-of-mine for almost all our mines is 2040.

The standalone (outside the closure liability assessment reports) mine-closure plans for Rustenburg process operations and Mortimer smelter must be updated following the asset divestment in both Rustenburg and Union mining sections. Similarly, Mototolo Mine was acquired from

ENVIRONMENT CONTINUED

Glencore (our former JV partner) and will be included with the Mototolo concentrator operation (acquisition process still under way). These updates will be finalised in 2020.

At our underground Twickenham Mine, on care and maintenance, illegal chrome mining in the mining-right area is currently a risk to the health and safety of local communities and the environment. The DMRE is addressing the matter in conjunction with the mining companies. In 2019, as a responsible mining company, the liability of rehabilitating illegally mined areas in Twickenham's mining rights was included in its overall liability, with an intention to rehabilitate those areas.

The key closure actions identified last year for Mototolo concentrator were to develop a comprehensive decommissioning plan for the Helena TSF (which is almost at the end of its life) based on potential future groundwater impact; reinstate biodiversity on the concentrator footprint; and review and update the groundwater liability and related remediation requirements. These actions were successfully addressed in 2019.

Integrated planning projects

In 2019, as part of integrated closure planning, detailed design closure criteria inputs were provided into the life-of-asset plans for Mogalakwena and Amandelbult. The objective of the integration is to enable efficient concurrent rehabilitation by establishing short- and long-term rehabilitation targets and assigning annual budgets. In addition, we aim to optimise our mining processes to reduce the environmental impact and ultimately reduce liability where possible.

The focus at Mogalakwena has been to reduce the liability for rehabilitation of its waste-rock dumps. Since waste rock and tailings account for the bulk of mine residue and the overall liability, the integration process has ensured that both residues are placed in dumps as close to their final rehabilitation angles as possible. This will reduce the reshaping liability of the final dumps and reduce the overall liability. In addition, it will enable the successful concurrent rehabilitation of these dumps. Therefore, key closure inputs have been provided in the updated waste placement strategy, including Vaalkop buttressing at Mogalakwena.

Closure liabilities

The financial provision regulations under NEMA were promulgated in late-2015. The current compliance date of February 2020 is expected to be extended by another year because the regulations have not been finalised by the DEA despite multiple draft amendments.

As required by legislation, each of our operations estimates its closure liability annually, when financial provisions are made, reviewed and audited. We engage extensively with the DMRE through the process of submitting and seeking approval of the annual closure liabilities for Amplats mining operations. In addition, closure liabilities of all new or planned projects are reported to the authorities. Financial provisions are provided once DMRE approvals of the liability estimates are received. Due to uncertainty with NEMA financial provision regulations compliance, the 2019 closure liability submission for Amplats managed mining operations to the DMRE is done in terms of the MPRDA.

Annual closure liability assessments are based on EMPR commitments and design criteria for closure planning for all operations. Last year, we estimated and phased in surface and groundwater liabilities into the overall closure liability assessment for all our operations and principal joint ventures. Assessments continued throughout 2019, with the groundwater liabilities and remediation requirements for all managed process operations expected to be finalised in 2020.

The open-pit mining sites, Mogalakwena and Amandelbult, recorded significant year-on-year increases in their liability owing to physical changes intrinsic to their activities. Our underground mine Twickenham, on care and maintenance, only reflected an increase in liability due to an inflation-related rate increase in closure costs, in addition to including its groundwater liability in the overall liability.

Assumptions underpinning closure liability estimates are regularly reviewed and revised as required to improve liability estimates. As per the mine-closure standard requirement, all operations now have 10 years of monitoring and maintenance liability as opposed to five years previously.

Case study:

Groundwater liability project

A project was initiated in April 2017 to estimate the residual liability from groundwater contamination at all Amplats managed operations. Over 2017 and 2018, the groundwater remediation liability for Mogalakwena, Amandelbult, Unki and Mototolo concentrator was assessed and included in the overall liability. In 2019, the groundwater remediation liability for Twickenham was finalised and included in the overall liability. In addition, groundwater models for Mortimer and Polokwane have been finalised. A review of remediation solutions for these two smelters is in progress and the resulting liabilities are expected to be included in the overall liability in 2020. The groundwater liability estimation project is under way at the Rustenburg process operations and also expected to be finalised in 2020.

Closure liabilities: independent assessment

The 2019 liability has been estimated by independent consultants using the standardised reclamation cost-estimating model, customised to South African conditions and populated with data relevant to Amplats' operations. As such, final closure liability estimates are more conservative and practical than the DMRE model.

The 2019 liability estimate includes the following main categories of costing for our operations:

- Infrastructure demolition and rehabilitation
- Rehabilitating mine residue deposits (tailings storage facilities, waste-rock dumps, slag dumps, etc)
- Backfilling and rehabilitating open pits
- Environmental remediation such as rehabilitating contaminated soil, water courses and riparian ecosystems
- Lawful disposal of hazardous and non-hazardous waste
- Residual liability, mainly for ground and surface-water remediation, including post-closure monitoring and maintenance.

We are still determining the residual liability for some of our operations (see table below). An overview of per-operation 2019 closure liabilities is also provided (table on page 66). A detailed bill of quantities per operation is available on request from the company secretary office.

The 2019 closure liability assessment is based on identified closure risks (predominantly environmental) at each operation and developing a mitigation plan over the remaining life of operation. The table on page 66 summarises closure and rehabilitation risks at our operations.

The financial provision to address premature liability has two components: funds in the environmental rehabilitation trust and financial guarantees. The Platinum Producers' Environmental Trust is the main rehabilitation facility for Amandelbult and Mogalakwena complexes and Twickenham project. Mototolo concentrator is provided for under the Mototolo Environmental Rehabilitation Trust. Please refer to the table on page 66 for further details.

Trust funds are invested over the life of relevant operations to ensure there will be sufficient funds at the end of life to sustainably close them. The annual financial statements for these trusts are available from the company secretary office.

ENVIRONMENT CONTINUED

Closure liability estimates and corresponding financial provisions for year-end 2019

	Operations	Remaining life of operations *(as per mining rights)* (years)	Premature closure liability at end 2019 *(excluding residual liability, DMRE weighting factor, preliminary and general, contingencies and VAT)* (ZARm*)	Residual liability *for ground and surface-water remediation* (ZARm*)	Total premature closure liability *(including residual liability, DMRE weighting factor, preliminary and general, contingencies and VAT)* at end 2019 (ZARm*)	Closing balance in rehabilitation trust at end 2019 (ZARm*)	Financial guarantees in place at end 2019** (ZARm*)
North West	Mortimer smelter	Depends on life of mining operations they process ore from	38	Will be finalised by Q1 2020	Since process operations are not governed under MPRDA or NEMA financial provision regulations, they are not required to calculate and provide the financial provision		
North West	Precious Metals Refiners (PMR)		141				
North West	Waterval smelter and ACP		122				
North West	Rustenburg Base Metals Refiners (RBMR)		569				
Limpopo	Polokwane smelter	Depends on life of mining operations from which it processes ore	326	20	Since operations are not governed under MPRDA or NEMA financial provision regulations, it is not required to calculate and provide the financial provision		
Limpopo	Amandelbult complex	21	688	6	964	151	874
Limpopo	Mogalakwena complex	21	1,193	20	1,671	457	1,214
Limpopo	Twickenham platinum project	22	93	3	144	19	125
Limpopo	Mototolo Mine*** and concentrator	15	128	36	241	75	166
Zimbabwe	Unki Mine	Mineral rights tenure in Zimbabwe is not restricted to number of years	USD18 million	USD1 million	Zimbabwe legislation does not require calculating and providing financial provision	Zimbabwe legislation does not require rehabilitation trust provision	

** ZAR is only used for South African operations, the closure liability for Zimbabwe operation (Unki Mine) is estimated in USD.*
*** Guarantee amounts include 2019 top-ups that will be submitted to DMRE in Q1 2020.*
**** Mototolo Mine is now part of Amplats-managed Mototolo concentrator.*

Closure and rehabilitation risks and corresponding remedial actions at end 2019

Top five risk/remediation		Precious Metals Refiners (PMR)	Waterval smelter and ACP	Rustenburg Base Metals Refiners (RBMR)	Amandelbult complex	Mogalakwena complex	Twickenham project	Mototolo concentrator	Unki Mine
Risk ❶	Successful rehabilitation of slag dump	Groundwater contamination from processing activities	Groundwater contamination from processing activities	Groundwater contamination from processing activities	Degradation of land productivity	Successful rehabilitation of waste-rock dumps		Groundwater contamination from concentrating activities	Groundwater contamination from mining activities
Risk ❷	Groundwater contamination from mining and processing activities		Soil contamination					Stability of Helena TSF	Illegal mining in surrounding areas
Risk ❸	Soil contamination		Air quality impact					Loss of biodiversity	Lack of natural growth medium such as top soil
Risk ❹	Air quality impact		0					Lack of natural growth medium such as top soil	0
Risk ❺	0	0	0	0	Groundwater contamination from mining activities	Groundwater contamination from mining activities	0	0	0

REHABILITATION

Operational footprint and impact (ha)

Company-managed land		Total land altered for mining and commercial activities, and supporting infrastructure	Land fully rehabilitated and land rehabilitated but not yet meeting agreed land-use objectives	Area available for rehabilitation	Rehabilitation target for 2019	Reshaping completed YTD 2019	Growth medium construction completed YTD 2019	Seeding completed YTD 2019
Amandelbult complex	11,172.42	1,469.47	39.6	140.5	19	19	19	19
Mogalakwena complex	17,225.05	4,158.24	8.7	0	8	8	8	8

REHABILITATION

One of our most important responsibilities is to rehabilitate the land we disturb to a condition that meets the expectations of affected communities and other stakeholders. Disturbed land is rehabilitated concurrently, where possible, which involves the staged rehabilitation of disturbed areas over mining project phases instead of large-scale work when the mine closes. This demonstrates social responsibility, results in significant financial and environmental benefits, and can reduce closure liabilities.

All our mines are underground operations, except the open-pit Mogalakwena Mine. Our most significant surface disturbances are TSFs and waste-rock dumps, roads and infrastructure, and Mogalakwena's open pits. All TSFs have concurrent rehabilitation plans that include revegetation of side slopes as well as dust and water management.

Amandelbult and Mogalakwena have integrated closure and rehabilitation actions into LOM operational planning. As per the group rehabilitation strategy, Amandelbult and Mogalakwena are required to establish and annually update detailed five-year rehabilitation plans. These are rolling five-year plans to ensure a focus on concurrent rehabilitation and reduced backlog. In 2019, Amandelbult finalised its five-year plan to address concurrent rehabilitation of its opencast operations.

At Mogalakwena, the most significant concurrent rehabilitation opportunity is rehabilitating its waste-rock dumps. However, due to constrained space, concurrent rehabilitation has been a challenge. The mine prepared a five-year rehabilitation plan in 2019, but this needs to be aligned with the latest waste placement strategy, and consideration of any applicable authorisation requirements. The plan will be reviewed and revised in 2020 to address current challenges.

We review and develop rehabilitation success criteria by documenting the success and failures of rehabilitation trials.

Our South African operations follow prescribed standards for remediating contaminated land as per the Waste Act. Mogalakwena has a bioremediation plant that rehabilitates soil affected by hydrocarbon spills, which can then be reused as cover material for rehabilitation.

The total estimated undiscounted rehabilitation liability for our managed mining operations (excluding process operations and joint ventures) at the end of 2019 was R2.20 billion (2018: R1.62 billion).

Rehabilitation targets and performance

Amplats manages 40,511ha of land, of which 7,756ha have been altered for mineral-extraction activities. We currently have a rehabilitation backlog of some 209ha at our mining operations.

Mogalakwena and Amandelbult complexes set annual targets aligned with five- and 10-year rehabilitation targets, as required by the group strategy. Our other operations do not set specific rehabilitation targets as they have a less significant impact on the land. At our underground Twickenham Mine, on care and maintenance, there is little surface disturbance at present and therefore no current rehabilitation opportunities.

In 2019, our rehabilitation target was 26.5ha, split between Amandelbult (72%) and Mogalakwena (28%). At year end, we had met 100% of this target.

- **Amandelbult:** historical rehabilitation work, until the end of 2018, totalled 183ha of rehabilitated opencast areas (Merensky outcrop). The new opencast (UG2) rehabilitation began in 2018 and will continue to the end of 2021. In 2019, we achieved the targeted rehabilitation of 19ha of opencast area. This involved backfilling, reshaping and top-soiling the area. Due to a rich natural seedbank, the rehabilitated area is currently being monitored for natural vegetation growth
- **Mogalakwena:** historical rehabilitation work, until the end of 2018, totalled 87.3ha of waste-rock dump side slopes. The initial 2019 rehabilitation target included buttressing Vaalkop (including vegetation establishment on top) and decommissioning and removing a silo. However, we later realised this target would not be met due to pending legal authorisation so the target was revised to identify 8ha in other areas that require rehabilitation. These are mostly lay-down areas around a non-perennial stream that have contributed silting. In addition, some areas were also affected by the Blinkwater tailings dam spillage in 2013. The rehabilitation of these areas involves minor reshaping, top-soiling and seeding. The target was met by end-2019.

Progressive (concurrent) rehabilitation

Ha	2020 target	2019 target	2019 actual
Amplats (total)	38	27	27
Amandelbult complex	35	19	19
Mogalakwena complex	3	8	8

ENVIRONMENT CONTINUED

ENVIRONMENTAL INDICATORS

for the year ended 31 December

	2019	2018	2017	2016	2015
MATERIALS – kilotonnes					
Rock broken – managed operations (100%)	**91,570**	97,369	98,340	112,433	152,414
Ore milled – managed operations (100%)	**25,179**	25,378	26,066	37,165	36,305
Accumulated low-grade stockpiles	**60,500**	59,909	55,710	49,060	41,811
Coal	**128.94**	133.96	142.27	132.58	137.02
Liquid petroleum gas (LPG)	**6.1**	5.68	4.62	4.84	4.17
Grease	**0.29**	0.29	0.34	0.37	0.37
FUELS – megalitres	**74.38**	79.55	74.88	75.68	70.8
Lubricating and hydraulic oils	**13.12**	2.83	7.66	53.14	15.97
ENERGY – terajoules					
Energy from electricity purchased	**13,768**	13,402	14,889	18,112	18,751
Energy from processes and fossil fuels	**6,311**	6,609	6,608	6,516	6,428
Total energy consumed	**20,079**[RA]	20,011	21,497	24,628	25,178
WATER – megalitres					
Total water withdrawals[1]	**25,894**	24,433	26,533	32,687	33,197
Potable water from an external source	**7,642**	6,142	9,433	12,327	14,408
Non-potable water from an external source[2]	**6,884**	6,189	5,595	10,021	4,961
Surface water used	**1,717**	1,418	1,396	4,521	9,343
Groundwater used	**8,851**	10,684	10,110	5,826	4,695
Water recycled in processes	**28,877**	25,783	28,791	54,631	60,170
LAND – hectares					
Land under company charge for current mining activities	**118,085**	98,374	109,299	108,202	117,266
Land under management control	**40,511**	41,594	43,240	42,142	46,644
Land used for current mining and related activities	**7,756**	7,539	8,600	7,903	10,321
Total tailings dam area	**1,127**	1,316	1,564	1,593	2,326
Total waste rock dump area	**1,134**	1,134	928	947	1,097
All land owned	**11,054**	13,685	13,685	13,685	21,154
EMISSIONS – kilotonnes					
GHG emissions, CO_2e (scope 1 and 2 only)	**4,436**	4,118	4,612	5,579	5,878
From electricity purchased (scope 2 GHG emissions)	**3,903**[RA]	3,560	4,049	5,034	5,316
Internally generated – from fossil fuels (scope 1 GHG emissions)	**533**[RA]	558	563	545	561
Nitrous oxides	**NM**	NM	0,937	1,395	NM
Sulphur dioxide[3]	**NM**	22.29	14.78	23.97	19.66
Particulates (point sources)	**0.03**	0.03	0.04	0.18	0.16
DISCHARGE – megalitres					
Discharge to surface water	**566**	352	769	913	278
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

LA/RA *Limited/reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.*

ENVIRONMENTAL INDICATORS CONTINUED

for the year ended 31 December

	2019	2018	2017	2016	2015
WASTE – kilotonnes					
Mineral waste accumulated in:					
Tailings dams (active and inactive)	**422,180**	400,059	467,072	439,118	841,963
Rock dumps	**1,554,357**	1,488,359	1,184,522	1,115,410	1,053,785
Slag dumps	**6,902**	6,340	5,820	5,218	4,728
Non-mineral waste generated					
Hazardous to landfill[4]	**2.61**[LA]	5.60	9.22	15.51	9.01
Hazardous incinerated	**0.09**	0.09	0	0	0.02
Non-hazardous to landfill[4]	**1.5**[LA]	2.30	3.58	5.82	9.76
Non-hazardous incinerated	**0**	0	0	0	0
ENVIRONMENTAL INCIDENTS AND COMPLAINTS					
Level 1	**131**	209	381	603	453
Level 2	**20**	12	10	28	18
Level 3	**1**[RA]	0	0	0	0
Level 4 and 5	**0**[RA]	0	0	0	0
Formal complaints	**11**	8	9	23	2
Substandard acts and conditions (recorded non-compliance to internal standards)	**998**	1,536	1,480	1,786	2,135
PRODUCTS – ounces					
Total refined PGMs and gold	**4,885,547**	4,507,335	4,621,211	4,641,604	4,766,736

1 Total water withdrawals or abstractions (total water inflows). Water reporting requirements changed in 2017 to align with ICMM. Water use for primary and non-primary activities no longer reported.

2 Non-potable water from external sources includes waste or second-class water (prior years).

3 Annual calculated tonnage of SO_2 from Amplats processes only available for reporting by 31 March 2020 as per NAEIS (DEA reporting) system. NM = not measured.

4 Includes Mototolo Mine – no targets were set for 2019 due to acquisition in November 2018.

LA/RA Limited/reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.

PILLAR: SAFETY AND HEALTH

SAFETY AND HEALTH

Do no harm to our workforce or communities

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES

The safety, health and wellbeing of our employees remain a top priority and core value for Amplats. We are committed to eliminating fatalities, reducing (and ultimately eliminating) injuries from the workplace, and ensuring against any adverse effects on human health. While our safety and health performance this year reflects our progress in building a culture of zero harm at our operations, we are mindful that more needs to be done to reach our desired state of safety leadership and a culture of safety consciousness and operational discipline. Our aim is to continually build and instil both a company and industry culture that protects people from harm and improves their health and wellbeing.

MANAGEMENT APPROACH

Recognising the interplay between managing safety and health risks, and promoting employee wellbeing, we maintain close cross-functional collaboration to ensure an integrated approach. We implement the following key systems, processes and initiatives for safety and health:

Resilient management systems

Anglo American plc's safety, health and environment (SHE) way integrates related expectations and performance standards into a single management system aligned with our goal of zero harm. In 2019, we worked to ensure that all operations will be recertified to OHSAS 18001, the occupational health and safety management systems standard, in 2020.

Last year, our operations conducted self-assessments against SHE way requirements, establishing a performance baseline. In 2019, each site started implementing a SHE management improvement plan. This includes tracking performance against key performance indicator (KPI) targets for 2019 across SHE performance areas. The benefit of integrating health and safety into our operating model is increasingly evident in improved planning and scheduling of work and tasks.

We conduct internal and external audits annually to monitor and provide assurance on our SHE performance.

Effective risk management

The better a company is at managing risk, the more consistent and competitive its performance is likely to be. Risk management is therefore a critical component of our future success.

By implementing operational risk management (ORM), front-line managers are able to identify, prioritise and control risks that threaten their ability to meet objectives. The main purpose of ORM is to ensure that we manage all forms of operational risk effectively, with an emphasis on improving safety performance and eliminating fatalities.

Embedding our ORM processes for safety and health is driving improvements in identifying, implementing and monitoring critical controls, analysing deficiencies and incorporating identified controls into task-risk assessments. ORM targets form part of management incentives and embedding this system is a priority over the next two years. We provide risk management training and revision courses across our operations. We conduct operational risk assessments (ORA) that focus on the most significant risks identified at respective operations, and commission specialists to audit the findings.

Incident management

Reporting and investigating health and safety incidents is an essential part of managing our risks and tracking progress in hazard prevention and control measures. We continue to build in-house capacity to learn from incident (LFI) investigations and promote reporting on high-potential incidents (HPIs) and high-potential hazards (HPHs), to heighten awareness, facilitate organisational learning, and effect more robust controls.

STRENGTHENING OUR POST-INCIDENT MEDICAL CARE

As part of Anglo American group-wide elimination-of-fatalities activities, in 2019 our health function reviewed our post-incident medical care practices and has been addressing areas identified for improvement in conjunction with our emergency preparedness and response activities. The objective is to ensure that our post-incident medical care delivers the best possible outcome for an injured person so that the situation does not become life threatening.

We initially assessed the level of trauma and emergency care provided at 12 of our sites against internal performance standards. This included reviewing key characteristics, resources, capabilities, and capacity linked to aspects of trauma and emergency care. To address referrals to nearest appropriate and definitive points of care, we visited private emergency rooms and hospitals. We developed site-specific post-incident medical care review reports, sharing observations and recommendations across operations, as well as a consolidated business unit report.

The review indicated that Amplats has a good management system for trauma and emergency care. Areas for improvement included first-aid training and management, control room communication and delivering emergency medical services at the scene of the incident.

In strengthening our emergency-response preparedness, we have focused extensively on first-aid training to ensure we provide the right amount and quality of training at various levels in the organisation. We are also revising the training provided to control-room operators to ensure we are adequately equipped to respond to emergencies. We have reviewed and updated our business continuity management plans in line with this training.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

Independent contractors

In implementing our safety and occupational health initiatives, we treat independent contractors and permanent employees in the same way. This includes providing training, level of care and benefits. Performance data therefore does not differentiate between employees and contractors.

We typically have between 3,000 and 4,000 independent contractors (some 14% to 18% of our total workforce) at our operations, varying across the year according to operational demands. For example, to rebuild a furnace requires 600 to 700 contractors for a month.

Our employee health and wellbeing initiatives, such as disease management, are implemented primarily for our permanent employees. Initiatives that extend to independent contractors are indicated in the health section.

We implement a contractor safety management programme that is designed to embed consistent leading safety practices. This includes training and a medical examination. We use the innovative, web-based, on-boarding system Passport 360 for managing contractor SHE compliance. The system allows Amplats to set its requirements for contractors' SHE files and the 'passport' monitors and records essential information uploaded by contractors. It allows for real-time monitoring of performance requirements including training, certificates of fitness and further requirements like permit issuing and management.

Mobility and digitisation

Reinforcing our leading management approach, we have a dedicated team to drive mobility and digitalisation. In 2019, we continued to roll out mobile devices (digital tablet applications) to people on the front line, particularly underground at Amandelbult, to capture and upload workplace information daily to a central platform and facilitate timely responses to concerns or deviations.

Digital tablets have now been rolled out at our processing operations and at our open-cast Mogalakwena Mine. The technology eliminates double-handling of data, improves efficiency and supports our integrated SHE approach to achieving zero harm. We are on track with the roll out, which will continue over the next few years.

Integrating digital technology at our operations will remain a focus in the short to medium term. We already have extensive equipment using intelligent technologies and aim to be able to track and respond to information remotely. In the longer term, we aim to digitise lock-outs, daily bookings, logbooks, warnings, measuring critical-control effectiveness and monitoring health information via wearable devices. These developments are multi-year projects in progress.

Mine modernisation

We continually explore methods to make mining safer and healthier. To achieve our long-term objectives, we have a continuous drive on modernisation to ensure our equipment is much safer, more efficient and productive. At Amandelbult, for example, this includes different types of drills and explosives, transport equipment, cleaning methods and logistics. While the benefits of innovation in mining, for example improved health and safety performance, are clear, we continue to engage in a socially responsible way in deploying innovation to mitigate concerns about job losses.

Engagement and collaboration

Amplats plays a leading role in the industry's initiatives to improve safety and health, and to achieve and sustain zero fatalities. Our CEO, Chris Griffith, participates in the industry CEOs' zero-harm forum, a platform to openly share experiences, determine challenges and drive collaborative action for a step-change in performance. In 2019, the forum developed an initiative called Khumbul'ekhaya, an Nguni word for 'remember home'. The initiative was launched in October and aims to drive and sustain the mining industry's pursuit of zero harm, with particular emphasis on eliminating fatalities. We have integrated this initiative with our own activities.

We also participate in Anglo American's tripartite health and safety initiative, a senior leadership forum of mining company, government and labour representatives in South Africa that strives to improve the health and safety of miners through collaborative and transparent stakeholder engagement. Relations are good and collaboration has broadened this year, including greater involvement of faith groups.

Amplats maintains constructive and collaborative relationships with regulators such as the Department of Mineral Resources and Energy (DMRE) and its mine health and safety inspectorate. We engage regularly to ensure a common understanding of issues and challenges, and collaborate on solutions.

Regulatory initiatives

We have continued to implement the five-pillar cultural transformation framework developed by the Minerals Council's mine health and safety council (MHSC). We participate in industry health and safety forums and report on our progress internally and externally. Key developments across the leadership, risk management, leading practices and technology pillars of the framework are reflected in this section. We are firm on our compliance obligations in terms of policy, legislation and practices.

For Amplats, regulatory compliance is a minimum standard. We have also adopted several voluntary standards (see page 127).

Assurance and transparency

In line with our culture of assurance and transparency, regular external assurance is undertaken across our operations. In 2019, the following key health and safety performance indicators were independently assured for a consecutive year, split between the more onerous reasonable and limited levels of assurance.

REASONABLE

- Total work-related fatal injuries
- Fatal-injury frequency rate (FIFR)
- Total recordable case frequency rate (TRCFR)
- Total new cases of noise-induced hearing loss (NIHL)

LIMITED

- Workers potentially exposed to inhalable hazards above the exposure limit
- Workers potentially exposed to carcinogens above the exposure limit

Refer to page 144 for the independent assurance report.

SAFETY

HIGHLIGHTS

- Operated fatality-free since 18 October 2018 (first fatal-free year)
- TRCFR of 2.50, from 3.00 in 2018
- Overall safety performance improving, with problem areas being addressed
- Fewer regulatory stoppages and improved relations with regulators
- High-potential incident (HPI) reporting and learning from incidents constantly improving. CEO learning from incidents sessions continue to add value

LOWLIGHTS/CHALLENGES

- Despite improvements in safety performance, we continue to record high-risk behaviour/non-compliance with operating procedures
- 99 safety-related high-potential incidents

FOCUS FOR 2020 AND BEYOND

- Safety leadership and behaviour, empowering employees to stop unsafe work
- Fatality-free operations and improved safety culture and performance
- Improved management of priority unwanted events
- Renewed focus on transport, mobile equipment and moving machinery
- Implementing elimination-of-fatalities actions and learnings
- Focus on closing out high-risk actions at all operations

Nothing is more important than making sure everyone returns home safely after a day's work. While we have made significant progress over the last two years, our safety performance is not yet where we want it to be. We continue to take decisive steps to foster a culture of collective responsibility and refusing to do unsafe work.

MEASURES OF OUR PROGRESS

Our intense focus on eliminating fatal risks has resulted in Amplats operating fatality-free since 18 October 2018. This important milestone on our safety journey is complemented with a steady reduction in the number and severity of injuries and improvements across all key safety performance indicators. Safety performance turnaround plans implemented at our more challenging operations, Amandelbult and the smelters, are a key driver and will remain critical in meeting our commitments.

In 2019, we documented a total of 194 recordable injuries (any injury that requires more than first-aid treatment), resulting in a total recordable case frequency rate (TRCFR) of 2.50, exceeding our internal annual 15% reduction target of 2.88. TRCFR is our preferred leading indicator, as opposed to lost-time injury frequency rate (LTIFR), given that it is a better measure of preventative actions.

Total lost-time injuries (LTIs) recorded rose from 156 in 2018 to 166 in 2019. Consistent with previous years, low-level incidents, typically finger injuries from materials handling, and slip, trip and fall incidents accounted for most of the LTIs. There were no major disabilities sustained at our operations in 2019. We continue to prioritise the prevention of transportation and materials-handling incidents.

Our emphasis on encouraging the identifying and reporting of high-potential incidents (HPIs) has driven a dramatic 77% year-on-year increase in the number of HPIs reported to 99 in 2019. These incidents primarily involved mobile equipment, falling or dropped object, fall-of-ground, fire or explosion, or uncontrolled release of energy. While we recognise that any HPI exposes our employees to fatal risks, which is unacceptable, we greatly value the importance of improved reporting and learning from HPIs in heightening awareness of critical controls and promoting actions to improve their effectiveness.

We are still at an early stage in reporting high-potential hazards (HPH) to identify and correct conditions that may cause an incident. HPH reporting and analysis is well established at Mogalakwena Mine and is being steadily introduced across our operations.

The number of regulatory (section 54) stoppages declined from 23 in 2018 to 21 in 2019. Stoppages continue to be restricted to the area where the issue was observed. A total of 16 non-compliance (section 55) notices were issued across our operations (2018: 21). No fines or directives were issued.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

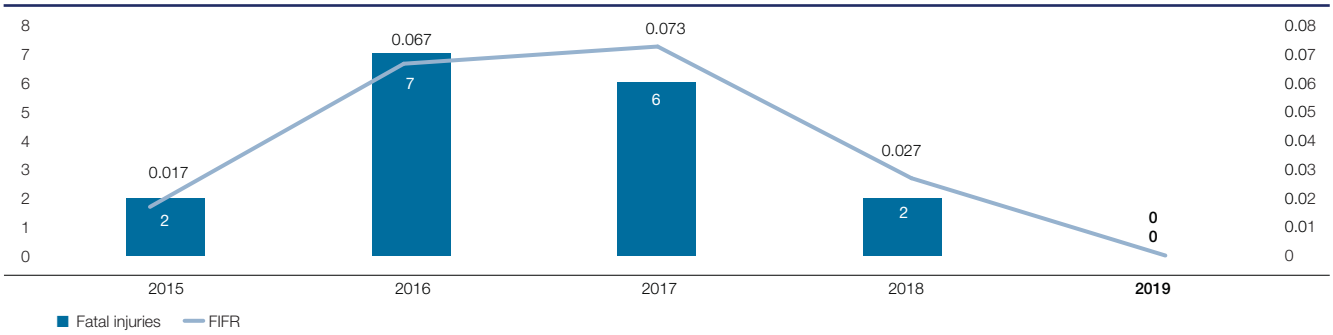
Analysis of regulatory and voluntary (proactive) stoppages shows that most related to non-compliance with operating procedures. In monitoring compliance to our standards, which remains a key focus, we implement targeted initiatives to address areas requiring significant improvement.

At the 2019 MineSAFE awards, Mogalakwena Mine received best safety performance in class and Amandelbult concentrators were recognised for significant achievements due to an extended fatality-free period.

Key safety issues

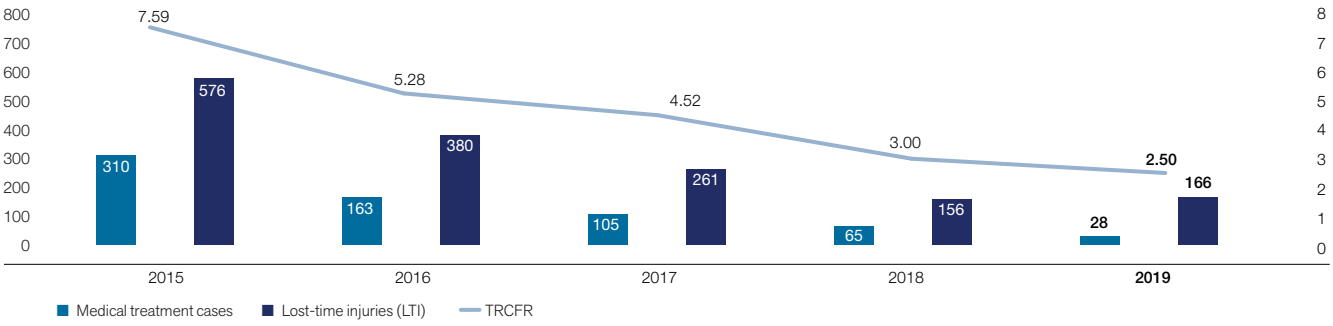
- Failing to identify hazards and respect risks
- Not following standard operating procedures
- Inadequate supervision and oversight.

LOSS OF LIFE AND FIFR*



** Fatal-injury frequency rate per million hours worked.*

TRCFR



Case study

ONGOING SAFETY PERFORMANCE IMPROVEMENTS AT AMANDELBULT COMPLEX

By implementing safety performance turnaround plans at Amandelbult complex, we have ensured steady improvements over the last two years at its two mines, Tumela and Dishaba, which have 8,200 and 6,600 employees respectively and have historically been our more challenging operations.

These plans have rapidly improved levels of compliance at Amandelbult and, in 2019, both mines met and, in some cases, exceeded their safety targets. Key developments included implementing critical controls for our top priority unwanted events (PUEs) – fall-of-ground, rail-bound equipment and winch incidents. Ongoing focus areas include frontline supervisory training, critical control compliance, and enforcing our golden rules (life-saving behaviours) and bonus safety penalties. There is still much to be done to ensure that all employees voluntarily stop and fix a substandard workplace or activity, and eliminate a culture of rule breaking and non-compliance to critical controls.

We continue to address challenges with focused initiatives. For example, by deepening our understanding of sometimes complex underlying reasons for labour absenteeism, and implementing response measures, levels have improved but unavailability remains high at around 20%. Other health-related challenges include a high chronic disease burden and fatigue (see our response to these issues on pages 85). We are also tackling high turnover in the critical frontline supervisory category (miners, artisans and shift supervisors), which causes instability, through short-term initiatives.

In 2019, we conducted audits at two sections of Amandelbult complex, as part of efforts to monitor and support safety performance improvements. Our targeted mine-wide safety turnaround plans are strictly monitored bi-weekly and against monthly targets, with oversight from an executive team. Targets have been set for 2020, and our year-on-year progress is shown below. Together, Dishaba and Tumela accounted for 82 of 117 serious injuries (70%) across our operations in 2019, compared to 70% in 2018.

Dishaba and Tumela (combined performance)	2019	2018	2017
Total fatal injuries due to all causes	**0**	2	3
Total recordable cases	**117**	127	151
TRCFR, per 1 million hours	**3.62**	4.02	4.63
Total lost-time injuries due to all causes	**109**	102	112
LTIFR – all causes, per 1 million hours	**3.37**	3.23	3.43
Total serious injuries	**82**	69	75
Total serious injuries frequency rate, per 1 million hours	**2.54**	2.18	2.30

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

PROVIDING A SAFE WORKPLACE

Our safety strategy and focus areas (short to medium, as well as longer term) are illustrated below. We have maintained our focus on changing the safety culture at our more challenging mines, at Amandelbult complex, where we have the greatest number of employees and continue to experience high-risk behaviour (case study on page 75). In 2019, we emphasised initiatives to eliminate fatalities.

Principal safety risks facing our employees/contractors are falls-of-ground, moving machinery, transportation, electrical or release of stored energy, and isolation/lock-out. We continue to prioritise prevention in these areas, and are addressing identified shortcomings. Fatigue and stress management is another focus area.

AMPLATS SAFETY STRATEGY

Aspirational statement

Deliver safe production by creating a resilient safety culture, built on robust and effective safety leadership and risk management

VALUE LEVERS	LEADERSHIP AND ACCOUNTABILITY	ELIMINATING FATALITIES	SAFETY CULTURE	OPERATIONAL RISK MANAGEMENT (ORM)	LEARNING FROM INCIDENTS (LFI)
Key focus areas	◥ Visible safety leadership by management ◥ Clear accountability: risk owners ◥ Safety compliance and continuous improvement ◥ Balance the demands of production and maintenance through safe work outcomes ◥ Supervisor competency and health of discipline	◥ Minimum mandatory fatal controls ◥ Non-negotiable standards/golden rules (life-saving behaviours) ◥ Safety competence: risk training ◥ Process safety ◥ Behaviour and psychology/ mental health programmes	◥ Organisational culture transformation – transition ◥ Safety: from a priority to a value ◥ Recognition programmes ◥ Communication ◥ Promote continuous improvement culture (use journey model to establish maturity) ◥ Personal accountability for safety ◥ Community and family participation	◥ Identify safety PUEs and expedite operational application through job risk assessments ◥ Institutionalise critical control management ◥ Maintain focus on major risk categories: fall-of-ground, heavy mobile equipment (HME), winches and rigging, transport, explosions, inrush of water, working at heights, confined space, electricity, conveyors	◥ Develop a learning organisation through sharing and recognition ◥ Culture of no repeats ◥ HPI reporting, CEO reviews and close-out of learnings ◥ Identify and implement best practices ◥ Formalise learning cycles from regulatory stoppages ◥ Develop leading indicators (integrate into information management system)
Key enablers	Culture; operational risk management; information management system; SHE way; integration into functions; mobility				
What will success look like?	Zero harm	Culture of safety	Zero fatalities	Personal ownership for safety	

KEY DEVELOPMENTS AND FOCUS AREAS IN 2019

Passionate leadership

Strengthening leadership and accountability is a priority to improve the impact of our visible felt leadership (VFL) programme. Management and executives regularly engage with employees in the workplace, observing work and providing coaching and mentoring to promote the right behaviours to ensure compliance.

The tone is set from the top, with our CEO emphasising safety leadership at every key event. At the annual CEO safety summit, senior leadership – supported by technical, functional and external specialists – discusses performance for the past year and determines focus areas and expectations for the year ahead.

Every month, our CEO chairs a video conference across our operations to review and learn from two particularly significant high-potential incidents at our operations.

Ownership and shared accountability

To foster a stronger safety culture, we continue to implement a framework to embed positive leadership practices in daily activities. This defines the practices expected of managers, supervisors, and all our employees, and their roles in strengthening the culture.

Being unconditional about safety is a critical component of true safety leadership. In practice, this means everyone needs to be as concerned about the safety of their colleagues as they are about their own. At the same time, we recognise our responsibility for ensuring our people are adequately trained and empowered to exercise their right to refuse to do any work they deem unsafe and withdraw to a safe area, without retribution. This is an area where we need to embed greater ownership and commitment.

In 2019, we continued to enhance frontline supervision, which will remain a focus in the next few years. We implemented a development programme to ensure supervisors have the required technical skills and can apply theory effectively in the workplace. In addition to improved performance management processes, coaching assists in addressing any challenges. The programme was introduced at Amandelbult at the end of last year and rolled out across our

operations in 2019. At Amandelbult and our smelters, we have employed experienced retired executives to coach front-line managers on how to approach practicalities.

We continue to increase our efforts to promote a culture of stopping work when it is unsafe. While we have seen an increase in internal stoppages actioned by safety personnel or line managers, we are yet to see many instances of frontline workers actioning stoppages. Efforts to encourage employees to report when they believe a work area is unsafe – in line with Mine Health and Safety Act section 23 (the right to stop unsafe work and to refuse working in an unsafe environment) – include communicating a message from the CEO that if the product cannot be delivered safely, work must stop, and the introduction of a monthly reward scheme to recognise and reward people for the best self-imposed stoppages. We have also been working with universities and global experts to analyse human error and better understand why people take risks that could be fatal.

Our employees' commitment to safety is being promoted through the eighth annual Anglo American global safety campaign. This is built around the theme Safety 365 – putting our six values of safety, care and respect, innovation, accountability, collaboration and integrity into action daily at work, at home and in the community, to ensure everyone's safety 365 days a year. The programme was launched on Global Safety Day on 10 October 2019 and is being implemented over 12 months through five initiatives, each involving an eight-week challenge around safety and one of our values.

Our safety results affect the performance-based remuneration of all employees. We use KPI-based reward and recognition to drive correct behaviours and provide the necessary training to support outcomes. We regularly review metrics and rewards to ensure they are in line with prevailing focus areas, and effective.

Case study

OUR LIFE-SAVING GOLDEN RULES

In driving our safety culture, we continue to entrench a commitment throughout the company to honour our life-saving golden rules towards our goal of zero harm. These behaviours are a condition of employment and if employees do not comply, consequence management through the 'fair culture' model will apply. This approach ensures that fair and transparent processes are followed after safety incidents, and necessary consequences are consistently applied whenever unsafe acts are observed.

OUR LIFE-SAVING GOLDEN RULES

1 THE FUNDAMENTALS

Only carry out a task if you are trained and authorised to do it. Make sure you assess the risks involved and guard against them. Always wear your PPE and obtain a permit where required. If controls are not in place, or not working properly, stop the job and only continue once the controls are working properly.

2 UNDERGROUND AND SURFACE MINING

Never enter restricted areas unless you have permission. Only cross conveyors at designated crossing points. When underground do not enter areas of unsupported ground, always go down according to your training and do not enter the pathways of winches which are not isolated.

3 MOBILE EQUIPMENT AND LIGHT VEHICLE

Always follow the traffic rules, wear your seat belt, keep within speed limits and do not make phone calls while driving. Pedestrians must always stand well clear of mobile equipment and vehicles.

4 CONFINED SPACES

Never enter a confined space without understanding and following your site's confined space procedure.

5 WORKING AT HEIGHTS

Always use fall protection safety equipment when working at heights.

6 ENERGY AND MACHINERY ISOLATION

All energy sources must be safely isolated and energy released before working on the piece of equipment. Release, energy, lock, tag and test.

7 LIFTING AND MECHANICAL HANDLING

Make sure the lifting device is capable of lifting the load. Never allow anyone to be in the drop zone of the load.

8 WATER BODIES AND LIQUID STORAGE

When working around water and liquid storage facilities, always wear a buoyancy vest and never work alone.

9 CHEMICALS AND HAZARDOUS SUBSTANCES

Make sure you know how to handle, store and dispose of any chemical or hazardous substances you are working with.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

Risk management

We train all employees on addressing risks and specific hazards in their workplaces. We identify substandard and high-risk conditions continuously, and rank workplaces based on observed risks. Management regularly visits workplaces with the highest risk ranking across our operations; these sites, and planned actions, are then discussed at executive level.

ORM improved significantly in 2019 but there remains much more to be done and we aim to ensure comprehensive implementation by 2021, with safety risk management inculcated into our daily action and thinking. In 2019, priorities included establishing a strong operational risk function in the business, improving the scope of material risks managed and stabilising critical control management. In 2020, we will continue to focus on material risk and critical control management.

Two key operational risk improvement programmes were undertaken in 2019: for tailings storage facilities, focused on aligning management practices across operations; and fire risk management, focused on developing our understanding of fire hazards and ensuring effective fire detection and suppression controls for all significant fire hazards. The fire programmes identified improvement opportunities that are being incorporated into current management strategies.

Critical controls to prevent priority unwanted events

In 2019, we continued to focus on implementing critical controls to mitigate the risk of priority unwanted events (PUEs). A rigorous programme for monitoring critical-control management is fostering greater transparency and accountability, and improving the levels of work executed to plan. We emphasise critical controls to eliminate fatalities. Each month, we track monitoring completed to plan and the critical-control deviation rate. Any shortcomings are addressed immediately. The quality of critical-control monitoring and compliance, and closing out actions, continued to improve in 2019 and we are confident that we now have our major risks under control. This will remain a top priority over the next few years.

Last year, we began reviewing and revising our critical controls in line with minimum mandatory strategies and associated monitoring specifications for common major hazards defined by Anglo American, such as working at height and heavy mobile equipment interaction. This process continued in 2019 and we have now implemented group critical controls for ten mandatory critical controls at each operation.

Technology and innovation

Amplats continues to demonstrate leadership in developing and adopting leading technologies and engineering solutions to reduce potentially fatal risks, reduce exposure to work hazards, and mitigate the risk of human error. For example:

- To address fall-of-ground risks, using bolts and nets on the rock face has made the most dangerous area (between the last line of support and the face) much safer. At Amandelbult, in areas where we face challenging ground conditions, we have implemented comprehensive timberless support systems using tension-cabling anchors and grout packs. This has dramatically reduced the number of fall-of-ground incidents
- In managing transport and machinery risks, we implement collision-avoidance systems using vehicle and person proximity-detection systems and auto-braking. We continue to roll out the systems across heavy mobile equipment and light vehicles, and to identify and implement enhancements
- At Mogalakwena complex, we use earthmoving vehicles with technology that gives the operator a 360° view and significantly reduces the risk of a man-machine accident
- We use state-of-the-art fatigue management systems to predict fatigue risk and monitor employee fatigue in real time.

Our progress with driving mobility and digitalisation is reviewed on page 19.

Workforce availability

Unscheduled workforce absenteeism can present safety risks when team members are absent. Working closely with our health department, we have been investigating the complex underlying challenges associated with workforce unavailability. These include issues relating to mental health, chronic illness and collecting chronic medication. By addressing health-related risks, we mitigate safety risks. For example, at Amandelbult, identifying and responding to specific challenges has driven a reduction in levels of workforce unavailability from up to 26% to an average 20%. Focused initiatives are being implemented to ensure further improvements.

Responding to fatal incidents

While we did not record any work-related fatalities at our operations in 2019, we continue to honour our commitment to provide meaningful, long-term care to the families of all individuals who tragically lost their lives at our operations. Ongoing support includes financial assistance for schooling children of the deceased (from pre-school to tertiary level) and follow-up visits to families at least annually to monitor their wellbeing and school performance.

Every fatal incident at our operations in previous years was subject to rigorous investigation, including an independent investigation by a multidisciplinary team. Learnings were shared across our operations and, where applicable, remedial actions taken and closed out to prevent similar incidents.

Non-recordable loss of life

We regret to report that Thomas Maluleke was fatally injured in a fall-of-ground incident on 27 March 2019 at independently managed Modikwa Mine.

In 2019, there were two cases of health-related loss of life at our operations. We investigated these incidents to establish if there were any learnings we could apply to mitigate the risk of similar incidents.

Safety statistics

For the year ended 31 December

	Number of fatalities					Fatal-injury frequency rate (FIFR)[1]				
Operations	**2019**	2018	2017	2016	2015	**2019**	2018	2017	2016	2015
Tumela Mine	**0**	0	1	2	0	**0**	0	0.056	0.110	0
Dishaba Mine	**0**	2	2	0	0	**0**	0.144	0.135	0	0
Mogalakwena Mine	**0**	0	0	0	0	**0**	0	0	0	0
Unki Platinum Mine	**0**	0	0	0	0	**0**	0	0	0	0
Amandelbult concentrators[2]	**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[3]	**0**	0	0	0	0	**0**	0	0	0	0
Mototolo Lebowa and Borwa shafts[4]	**0**	0				**0**	0			
ACP	**0**	0	0	0	0	**0**	0	0	0	0
Waterval smelter	**0**	0	1	0	0	**0**	0	0.664	0	0
Mortimer smelter	**0**	0	0	0	0	**0**	0	0	0	0
Polokwane smelter	**0**	0	0	0	0	**0**	0	0	0	0
Unki smelter[5]	**0**	0				**0**	0			
Rustenburg Base Metal Refiners	**0**	0	0	0	0	**0**	0	0	0	0
Precious Metals Refinery	**0**	0	1	0	0	**0**	0	0.579	0	0
Greenfield projects[6]	**0**	0	0	0	1	**0**	0	0	0	0.144
Total/aggregate[7]	**0[RA]**	2	6	7	2	**0[RA]**	0.027	0.073	0.067	0.017

	Lost-time injury frequency rate (LTIFR)[8]					Total recordable case frequency rate (TRCFR)[9]				
Operations	**2019**	2018	2017	2016	2015	**2019**	2018	2017	2016	2015
Tumela Mine	**2.89**	3.11	4.05	2.92	5.14	**3.12**	3.61	4.78	4.57	7.02
Dishaba Mine	**3.97**	3.38	2.69	3.14	4.66	**4.24**	4.53	4.44	4.76	9.13
Mogalakwena Mine	**1.36**	0.45	0.68	0.85	1.08	**1.47**	0.79	1.35	2.26	6.27
Unki Platinum Mine	**0**	1.17	1.68	0.95	0.91	**0.43**	1.40	2.80	4.13	2.72
Amandelbult concentrators[2]	**1.02**	0.82	4.05	1.51	1.24	**1.36**	2.45	6.30	3.03	4.14
Mogalakwena concentrators	**0.86**	1.18	0.81	0.78	0.53	**0.86**	1.18	1.29	2.34	4.54
Unki concentrator	**2.18**	0	0	0	2.27	**2.18**	0	0	0	6.82
Mototolo concentrator[3]	**0**	0	0	2.60	0	**1.19**	0	0	2.60	0
Mototolo Lebowa and Borwa shafts[4]	**0.93**	0				**1.85**	0			
ACP	**4.62**	4.14	3.05	1.06	1.95	**5.55**	6.90	3.05	1.06	1.95
Waterval smelter	**2.62**	1.96	3.32	2.60	0	**2.62**	2.61	7.30	3.25	1.06
Mortimer smelter	**5.30**	7.51	5.09	1.89	0	**5.30**	7.51	6.78	5.67	3.71
Polokwane smelter	**2.22**	0	0	0	0	**2.22**	0	4.53	2.28	2.11
Unki smelter[5]	**0**	0				**0**	0			
Rustenburg Base Metal Refiners	**1.57**	0.85	1.43	2.44	4.18	**2.62**	2.84	2.57	6.41	7.76
Precious Metals Refinery	**1.56**	2.13	1.16	6.03	2.62	**2.07**	2.13	2.32	7.23	5.90
Greenfield projects[6]	**1.03**	1.07	0.94	0.82	2.59	**2.75**	4.73	1.57	1.37	5.75
Total/aggregate[7]	**2.14**	2.10	3.17	3.65	4.92	**2.50[RA]**	3.00	4.52	5.28	7.59

Notes

1 *FIFR – fatal injury frequency rate (calculated) is a measure of the rate of all fatal injuries per 1 million hours worked*
2 *Includes Amandelbult chrome recovery plant*
3 *Includes Mareesburg tailings facilities from 2019 (previously included under greenfield projects)*
4 *Mototolo Lebowa and Borwa shafts acquired from 1 November 2018*
5 *Unki smelter operational from September 2018*
6 *Greenfield projects 2019: Twickenham Mine, Amandelbult chrome recovery plant (module 3 and 4), Der Brochen exploration, infrastructure and prefeasibility projects, Western Limb Greenfields Exploration, the Unki Housing Infrastructure Project, the Unki Smelter Project, the SO_2 Abatement Project at Polokwane and the Mareesburg Tailings Facilities Phase 2 Project.*
7 *Rustenburg and Union divested operations included to respective dates of divestment – 31 October 2016 and 31 January 2018*
8 *LTIFR – Lost-time injury frequency rate (calculated) is a measure of the rate of all lost-time injuries per million hours worked*
9 *TRCFR – total recordable case frequency rate (calculated) is a measure of the rate of all injuries requiring treatment above first aid per million hours worked.*

LA/RA *Limited/reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.*

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

HEALTH

HIGHLIGHTS

- Intensified HIV campaigns and procedures to improve testing resulted in meeting all UN 90:90:90 targets for HIV
- TB incidence rate remains low at 328 per 100,000
- No case of workplace-acquired TB reported in the last three years
- Equipping 'at risk' workplace environments with real-time data monitoring is enabling timely intervention when control failures are noted, in reduced personal exposures (notably resulting to airborne pollutants)
- Completed health and wellness baseline assessments across our operations and started a stakeholder review to identify ways to achieve SDG3 (page 14) health outcomes in our host communities

LOWLIGHTS/CHALLENGES

- 325 new cases of HIV diagnosed among new and existing employees
- 67 employee contracts terminated due to ill-health and disability
- Our healthcare system continues to identify a high number of cases of diabetes, hypertension, mental disorders and other lifestyle diseases
- We recognise the need to develop a more strategic approach to promoting employee work-life balance, and to foster greater cross-functional collaboration in managing fatigue
- 3 new cases of occupational disease: 1 case of NIHL, 1 case of occupational asthma and 1 case of Platinum salt sensitivity

FOCUS FOR 2020 AND BEYOND

- Medical surveillance to ensure employees are fit to work
- Reach 90:90:90 UN targets for HIV management
- Continuous improvement in employee physical and mental health, supported by proactive wellness screening and disease management
- Optimising real-time monitoring and data analytics to improve controls to further reduce levels of exposure to occupational health hazards
- Retrofitting exhaust systems with filtering devices
- By end-2020, have site-level stretch targets and strategies in place to achieve SDG3 targets for health in our host communities by 2030

Against the backdrop of an increasing burden of communicable and non-communicable diseases, our approach to health extends beyond striving for zero harm to promoting employee wellbeing and optimal levels of health. As part of zero harm, we are committed to adopting leading practices to reduce levels of exposure to hazards in the workplace and to eliminate occupational diseases at our operations. Any illness caused by or associated with our work or working environment is unacceptable.

Being in good physical and mental health is a vital component of employee wellbeing and contributes to a safe and productive workplace. We also address public health issues among our employees and their families to build healthier host communities.

Our principal health risks

Key occupational health risks associated with our mining activities:

- Exposure to inhalable hazards
- Exposure to noise
- Ergonomics and vibration (resulting in stress to the musculoskeletal system
- Managing fatigue and mental health.

Plans to reduce exposure are in place at all sites where risks are identified.

From a broader public-health perspective, other risk factors include:

- Communicable diseases
- Pulmonary tuberculosis (TB) and HIV co-infection
- Non-communicable diseases (mainly hypertension and mental health).

OUR MANAGEMENT APPROACH

Our health-related activities focus on key areas and objectives:

Mitigate health risks in the workplace (occupational hygiene)	Conduct fitness assessments and employee surveillance (occupational medicine)	Monitor and support the health and overall wellbeing of employees (wellness)	Build healthier communities
◥ Eliminate exposures to harmful substances by understanding hazardous sources and mechanism of release; proactively investing in engineering and operational control solutions	◥ Establish comprehensive and integrated screening and surveillance programmes that examine workplace and personal lifestyle risks ◥ Optimise employee rehabilitation (from work-related injury or illness), reintegration and return-to-work processes	◥ Maintain intensive HIV and TB programmes, manage chronic and lifestyle diseases, support good mental health, prevent drug and alcohol abuse	◥ Collaborate with government and local partners in implementing community health initiatives to improve access to healthcare services and strengthen service delivery

HEALTH STRATEGY

Our health strategy is illustrated overleaf, with further details on our focus-area activities. Key objectives include ensuring no new cases of occupational disease because of exposure to health hazards at our operations, and positively influencing the health and wellbeing of our employees through a proactive, integrated, holistic approach to managing workplace and personal health. In 2019, we focused on mental health issues in particular.

Action plans are aligned with the Mine Health and Safety Council's (MHSC) 2024 occupational health milestones for the South African mining industry, across all our operations. These include targets for controlling HIV, TB, dust and noise (see below).

Continuously improving our health performance is underpinned by our progress in aligning health risk management with the operating model and ORM processes, as well as improving occupational hygiene capacity and capability.

In line with the Anglo American sustainability strategy, our vision is for the United Nation's SDG targets for health outcomes to be achieved in our host communities by 2030. This year, we focused on baseline social and health assessments in our communities. We aim to identify and implement strategic community-health solutions that address locally relevant health indicators. The close alignment between health and sustainability strategies supports the expansion of existing wellness initiatives, such as HIV and TB programmes.

2024 INDUSTRY HEALTH MILESTONES

Our operations are well on track to meet milestones set by the Mine Health and Safety Council (MHSC) for 2024. We continue to cooperate with the industry through the MHSC in developing programmes and initiatives to reach these milestones.

The December 2024 health milestones are:

To eliminate coal workers' pneumoconiosis – 95% of all exposure measurement results must be below the milestone level of coal dust respirable particulate of 1.5mg/m^3 (<5% crystalline silica)

Our performance: No exceedances were recorded for exposure to coal dust in our operations where coal activities occur

To eliminate silicosis – 95% of all exposure measurement results will be below the milestone level of respirable crystalline silica of 0.05% mg/m^3

Our performance: Target achieved given the low silica percentage in our ore

Reduction and prevention of TB and HIV and Aids – the TB incidence rate should be at or below the national TB incidence rate

Our performance: Annualised TB incidence rate 328 per 100,000 in 2019 compared to national average of 567 per 100,000

To eliminate noise-induced hearing loss – total operational or process noise emitted by any equipment must not exceed milestone sound pressure level of 107dB(A)

Our performance: 12 pieces of equipment emitting noise levels above 107dB(A) were recorded during the year. Plans are in place to mitigate the number of employees exposed to high noise levels.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

AMPLATS HEALTH STRATEGY

Aspirational statement
Ensure a healthy and productive workforce through effective management of hygiene risks and exposures, wellness and identified community initiatives

VALUE LEVERS	OCCUPATIONAL HYGIENE	OCCUPATIONAL MEDICINE	WELLNESS	COMMUNITY HEALTH
Key focus areas	◥ Eliminate exposures to inhalable hazards and carcinogens (as part of PUE prevention) ◥ Exposure to noise and airborne pollutants ◥ ORM and critical control management ◥ Ergonomics management ◥ Musculoskeletal disease prevention ◥ Issue-based occupational health risk and control assessments	◥ Fitness assessment ◥ Risk-based surveillance ◥ Trauma and emergency care ◥ Sick and injury absenteeism management ◥ Rehabilitation ◥ Improvement plans based on operation-specific health risk profiles	◥ Demographic and social context ◥ Health risk factors and disease profiles ◥ HIV/TB – 90:90:90 and proactive TB management ◥ Lifestyle risks and chronic disease management ◥ Wellness campaigns (including World Aids Day) ◥ Health promotion and education	◥ Targeted initiatives (linked to SDGs) ◥ Strategic external partnerships (NGOs, World Health Organization, etc) ◥ Extend identified key health initiatives to the community ◥ Integrate/align with other functions, ie HR, social performance: ◥ TB and HIV ◥ Lifestyle diseases
Key enablers	❶ Five-year strategic planning cycle ❷ Critical control management ❸ Interventions covering prevention, care and rehabilitation ❹ Better understanding of social determinants of health ❺ Proactive involvement in community health			
Longer-term goals	To mitigate the effects of exposure, proactive risk-based surveillance and care programmes will be in place	From 2022, no previously unexposed employees at Amplats will suffer from the consequences of work-related exposures	By 2020, the 90:90:90 target for HIV will be achieved	Where we have a presence, we will partner with governments and NGOs in effective community health initiatives

OCCUPATIONAL HEALTH

Our primary focus is to eliminate or, where that is not possible, to mitigate exposure to health hazards in the workplace to levels below those known to cause harm, and to prevent associated occupational diseases. We have ongoing initiatives to educate our employees and reinforce messages on managing health hazards. In 2019, there were no regulatory work stoppages or non-compliance notices issued for medical or health-related matters. We enforced 50 voluntary, proactive stoppages to mitigate occupational hygiene risks (2018: 20).

Controlling occupational exposure

Our occupational-hygiene programme targets eliminating occupational health hazards at source. By embedding our critical control management process and taking mitigating measures, we are steadily reducing levels of exposure with fewer health incidents.

We rigorously identify and manage potentially fatal inhalable health hazards. We are also concentrating on better understanding and managing certain occupational carcinogenic risks, including exposure to respirable diesel particulate matter (DPM), welding fumes, platinum salts, arsenic, nickel and ultraviolet radiation. Reducing levels of exposure to DPM is a particular focus.

In workplaces that exceed an occupational exposure limit (OEL), we investigate and implement engineering and administrative controls, and give employees appropriate personal protective equipment (PPE), such as respiratory-protection and hearing-protection devices. We ensure that all PPE adheres to stringent national and international standards, including specific requirements for women. Intensive programmes ensure employees are aware of the hazards to which they are exposed, as well as the risk-mitigation measures implemented, and trained in the appropriate use and maintenance of PPE.

Strict controls ensure employees adhere to requirements in areas where hazards are present and the need to use PPE.

In parallel with engineering solutions, over the last three years we have introduced real-time monitoring of key controls and occupational hazards in all areas with exposure levels recorded above the OEL. This has significantly improved understanding of our risk profiles and timely control measures, supporting a marked reduction in potential exposure to health hazards. The real-time data analytics system (Anglo American's operational intelligence suite or OiS) records, analyses and collates data such as dust concentrations, air flow, gas levels and noise on a single platform. It monitors defined parameters and triggers an alert to critical-control owners when an over-exposure is detected. This prompts an immediate investigation to determine root causes and effective remedial action to prevent repeat occurrences.

To date, we have rolled out the OiS at six sites (RBMR, PMR, ACP, Mogalakwena Mine, Amandelbult concentrator and Polokwane smelter), capturing data from 429 sensors and monitoring 130 critical areas.

The OiS team is continuously engaging with sensor manufacturers and data transfer specialists to ensure that the platform remains a future-orientated solution. The current work at ACP on the application of low range application (LoRa) technology is one example of the future-oriented thinking of this project.

In 2019, we recorded three new cases of occupational disease: one of occupational asthma, one of platinum salt sensitivity and one of noise-induced hearing loss.

New cases of occupational disease
for the year ended 31 December

	2019	2018	2017	2016	2015
Noise-induced hearing loss	**1[RA]**	2	6	23	36
Chronic obstructive airways disease	**–**	–	–	–	–
Occupational tuberculosis	**–**	–	–	–	–
Occupational asthma	**1**	1	3	1	2
Occupational dermatitis	**–**	1	3	1	1
Occupational cancers	**–**	–	–	–	–
Platinosis (platinum salt sensitivity)	**1**	–	–	2	–

Employees potentially exposed to hazards[1]	**2019**	2018	2017
Total number of workers[2]	**36,700**	37,096	37,947
Inhalable hazards and carcinogens			
Workers potentially exposed to inhalable hazards above the exposure limit	**96[LA]**	555	546
Workers potentially exposed to carcinogens above the exposure limit	**84[LA]**	527	983
Noise			
Workers potentially exposed to noise levels ≥ 85dB(A) < 105 dB(A)	**19,978**	18,639	21,465
Workers potentially exposed to noise levels ≥105 dB(A)	**0**	0	3
Number of pieces of equipment emitting noise ≥ 107 dB (A)[3]	**12**	16	34

Impact of attrition not factored.
NM = not measured.
[1] Exposure above the occupational exposure limit ('A' classification band) without taking PPE into account.
[2] All workers – employees and contractors.
[3] SA mining industry noise sources to be below 107dB(A). Includes Unki.
[LA/RA] Limited/reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.

Managing inhalable pollutants
Occupational exposure to airborne pollutants at our operations, such as respirable dust, silica and carcinogens, is associated with developing occupational lung diseases, notably TB, lung cancer and airway diseases.

We implement monitoring and control programmes for dust and other airborne pollutants at all sites, with results informing controls and initiatives to reduce levels of exposure. Ongoing improvements have been achieved, most efficiently at sites where we are implementing digital real-time monitoring.

Diesel particulate matter: Our DPM reduction programme is well advanced. The key initiative is retrofitting exhaust systems with filtering devices that reduce harmful particulate matter by >95%. Other control mechanisms include optimising ventilation flow and personal exposure monitoring. We are planning to start real-time monitoring of differential pressures and inlet temperatures on diesel particulate filters. These improvements have significantly reduced employee exposure to well below the OEL. To date, we have fitted 28 diesel particulate filters (six at Modikwa, five at Amandelbult and 17 at Mototolo). Eight filters will be fitted at Unki early in 2020. The retrofitting strategy is currently being developed and will be finalised in 2020. This will include an installation schedule for different sites.

Fugitive emissions: Metallurgical dust, nickel and sulphur dioxide (SO_2) have been identified as the main fugitive emissions at our smelters. Emissions generated through cleaning activities and from the crusher plant and furnaces are the main sources of exposure. Action plans are implemented to reduce exposure with the main focus on availability and efficiency of local extraction ventilation systems. Task teams have been established at RBMR and PMR to address employee over-exposure at high-risk areas. Controls implemented at Mortimer smelter have ensured that employee levels of exposure to metallurgical dust are below the legal limit.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

Platinum salt sensitivity: We have assessed levels of exposure to respiratory sensitising platinum compounds at our operations. We identified 45 employees at PMR who were either skin-prick positive (27 employees) or diagnosed with occupational asthma (18 cases), working in low-risk areas. The International Platinum Group Metals Association (IPA) workshop in April reviewed alternative tests to the skin-prick test. We have adjusted medical surveillance screening for employees at our operations exposed to platinum salts. Exposure reduction plans at PMR are meeting IPA targets for 2025.

Respirators: In 2019, we established a centre at our Process Clinic where we evaluate the best fit of respirators for individuals. The quantitative method considers various facial parameters. Employees required to wear a tight-fitting respirator must be fitted properly and tested for face-seal leakage before using the respirator in a high risk area. Currently, onsite respiratory fitment testing is done during initial and periodic medicals for all employees working in high-risk areas.

Noise and hearing conservation

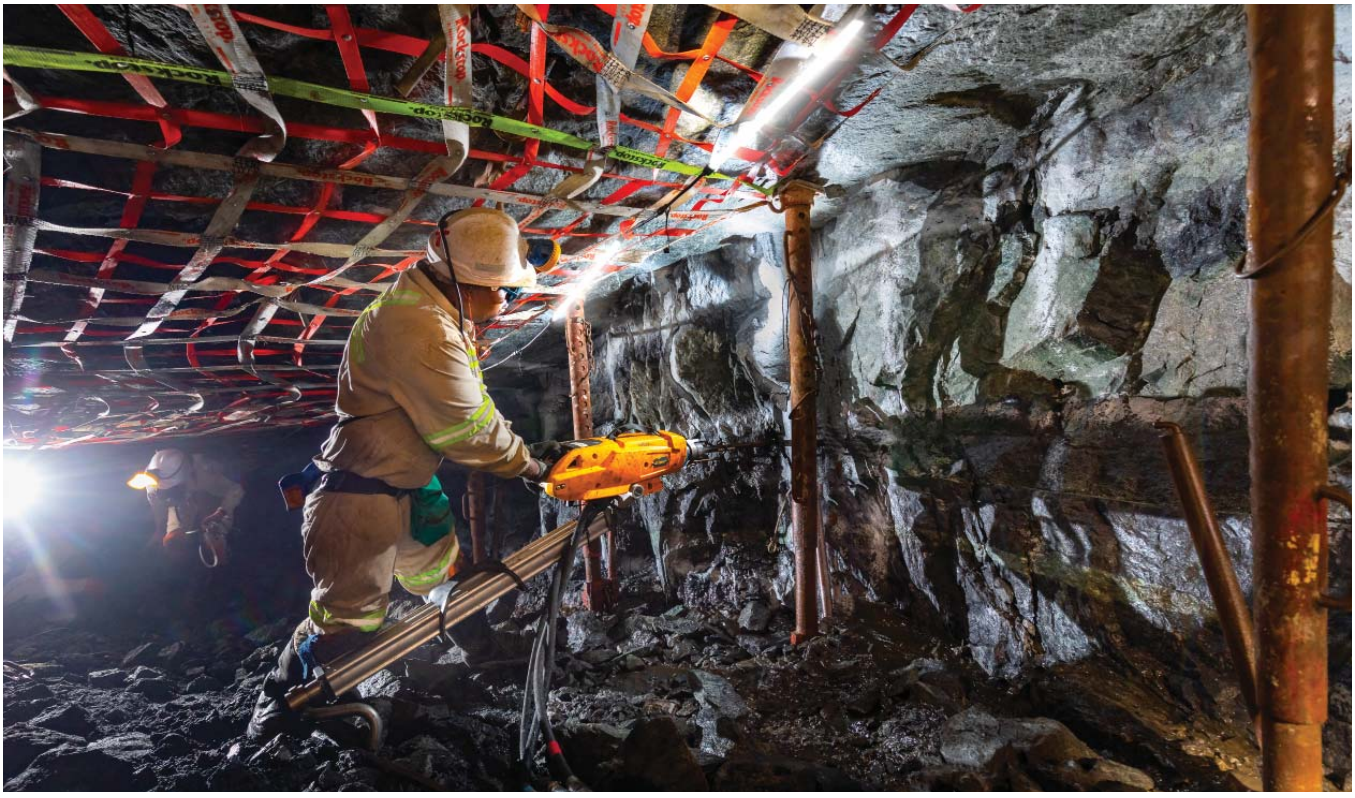
We have made significant progress over the last four years to mitigate the risk of exposure to excessive noise levels, primarily driven by engineering solutions for haul-truck cabins and rock drills. We have also steadily decreased the proportion of employees working in higher-risk categories.

Our focus remains on controlling exposure at source and protecting employees who work in environments where noise levels exceed an eight-hour 85 decibel (dB(A)) limit. We have 15,172 pieces of equipment emitting noise levels above 85dB(A), compared to 13,955 in 2018, and 12 emitting levels above 107dB(A), down from 16 in 2018. Engineering improvements are ongoing to reduce noise levels to the 2024 milestone of below 107dB(A). We continue to test viable engineering solutions for our operations that will reduce levels by 10dB(A) and ensure we control noise to permitted levels.

Customised hearing protection devices rolled out at all sites (mining 21,635; process 1,870) have materially improved the effectiveness of hearing-protection measures. Annual maintenance and fitments are undertaken at occupational health clinics. Noise zones are clearly demarcated in every workplace, enforcing the use of protective devices.

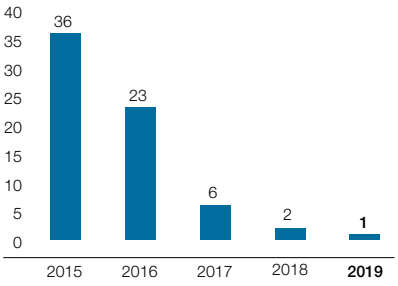
To detect early hearing deterioration, we conduct both annual and ad hoc (depending on noise exposure) audiometric screening examinations, which incorporate the required standard threshold shift. Where necessary, we implement additional corrective measures before permanent NIHL develops.

In 2019, we diagnosed one case of hearing-loss shift exceeding 10%, which were duly submitted for independent third-party assessment of disability and compensation.



All our rock drills have been fitted with second-generation attenuators to reduce noise levels.

NOISE-INDUCED HEARING LOSS (NIHL) NEW CASES



Monitoring the health of employees

Our occupational medical-surveillance programmes ensure that the baseline health of every employee entering the workforce is recorded; their state of health is monitored while employed; and focused initiatives help individuals sustain and potentially improve their health.

Our programmes are designed to detect risk factors and early signs of ill-health related to occupational exposures and lifestyle conditions. Medical surveillance therefore incorporates screening for common lifestyle health-risk factors, non-communicable and communicable diseases shown below.

Common lifestyle health-risk factors

- TB and HIV
- Obesity
- Smoking
- Hypertension
- Diabetes.

Based on our health profiling and wellness examinations, we implement initiatives to address lifestyle-related health risks, particularly smoking, nutrition, stress and mental health conditions.

We use an advanced electronic system that allows health professionals to capture each health visit through a secure website. The employees' online records are linked to their hazard-exposure profile and can be accurately tracked and analysed over time.

In 2019, 67 employee contracts were terminated due to ill-health and disability.

Musculoskeletal conditions

The most prevalent musculoskeletal issue at our operations is lower-back pain in machine operators. The most common musculoskeletal injuries involve limbs and lower-back injuries. In all cases, we ensure the necessary assessments and, where applicable, referral to a specialist, operation (if required), compensation, rehabilitation and return to work.

We continue to implement education and awareness initiatives on correct manual handling, good posture and periodic stretching exercises. We conduct ergonomic risk assessments for mobile equipment and tasks involving manual handling and implement corrective measures to mitigate the risk exposure profile at that operation. For example, to lift heavy loads, we aim to use equipment instead of physical labour.

Fatigue management

Fatigue is a complex, multifactor challenge with many potential effects. Various factors, such as medical and psychological conditions as well as aspects of a person's workplace or lifestyle, can contribute to fatigue and, in turn, reduced alertness and poor judgement. Fatigue-related risks are heightened at some operations by exposure to heat stress.

Our current activities to manage and control this potential safety and health risk include:

- Seeking to balance workloads
- Staffing and shift scheduling
- Applying controls, such as compulsory fatigue breaks
- Training employees on how to manage fatigue
- Assessing alertness (readiness) for duty
- Monitoring fatigue.

Our approach to managing fatigue is most advanced at Mogalakwena Mine, where we have implemented sophisticated fatigue-prevention, prediction and detection technology in high-risk areas. These include cameras in truck cabins and tracking fatigue shifts using bio rostering. Our medical surveillance programmes also consider contributing factors to fatigue.

Given the complexity of the challenge, we recognise the need to foster greater cross-functional collaboration across the human resources, health and safety disciplines to ensure a more integrated approach to managing fatigue.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

EMPLOYEE WELLBEING

Our approach to health risk management is increasingly addressing the interplay between occupational and non-occupational risk factors. For example, reducing or eliminating exposure to airborne pollutants happens in conjunction with anti-smoking campaigns, screening for TB, HIV, diabetes and other chronic conditions, roll-out of isoniazid prophylaxis for TB, and seamless referral to care programmes.

Established wellness initiatives across our operations are supported by related campaigns. Through various programmes, we strive to educate people on preventing and managing chronic and lifestyle diseases, and to positively influence their wellbeing and lifestyles. In addition to HIV, TB and chronic-disease management, we continue to focus on mental health, drug and alcohol abuse, and other health issues. Contractors have access to our HIV and chronic disease screening services.

Through our wellness ambassador programme, we strive to increase levels of knowledge and awareness of common health issues among our employees, and to promote ownership of personal health in the workplace. At each operation, we have wellness ambassadors – typically health and safety representatives – who serve as rolemodels and 'go-to' people for our employees to find support and direction to the correct point of care or service. We currently have 70 trained ambassadors operating across six sites. Training materials include 17 modules and 13 short videos.

We recognise the importance of a good work-life balance. An imbalance can put strain on an individual and have negative implications for their physical and mental wellbeing. Our wellness ambassador programme, employee assistance programme, medical surveillance programmes and HR interactions support individuals in identifying and managing challenges. However, we recognise the need to develop a cross-functional and strategic approach to monitoring and promoting employee work-life balance.

As a condition of employment, permanent employees are required to have a medical aid. We encourage our independent contractors to have a medical aid. We supported development of the proposed national health insurance, which is expected to be introduced in 2020. We continue to engage in developments at sector level through the Minerals Council, with a focus on occupational health and safety legislation, specifically workers' compensation.

Managing HIV/Aids and TB

TB and HIV/Aids are significant public-health threats in southern Africa, with potentially life-threatening consequences for employees and their communities. Amplats is a recognised leader for its TB and HIV/Aids management programmes in the workplace and our performance is in line with World Health Organization and DMRE expectations. Our integrated response includes implementing appropriate health policies, allocating resources to enrol HIV-positive employees on treatment programmes, and reducing the incidence of TB and its associated complications.

We are committed to playing an active role in the fight against HIV and achieving global and national targets. In 2019, we made further progress towards the UN HIV 90:90:90 targets for 2020: 90% of our permanent employees should know their HIV status, 90% of identified HIV-positive employees should be on antiretroviral treatment (ART), and 90% of those who receive antiretrovirals should have undetectable viral loads. In 2019, 21,587 employees knew their status – representing 97% of our permanent workforce and up from 88% in 2018. The uptake of ART by HIV-positive employees (4,516 in the review period) increased to 91%, up from 90% in 2018. For the full year, 90% of viral-load tests that were captured showed viral suppression. In line with government and best-practice treatment guidelines, all people diagnosed as HIV-positive start ART treatment immediately.

We continue to concentrate on improvements at Amandelbult, where HIV and TB prevalence is highest. This includes visible-felt leadership support; intensified wellness campaigns; innovative, incentivised voluntary testing and counselling; and proactive follow-up on all employees who do not know their status. Our executive leadership set the example and participate in wellness screening. Multi-channel communication includes posters, videos, and health and safety representatives with formal wellness training (wellness ambassadors) to promote health. Site-specific plans and tactics are driving wellness screening and enrolment on the HIV programme.

A significant proportion of employees test during the annual medical at our occupational health centre. In 2019, we introduced a revised procedure to improve testing at the centre. As part of health promotion and education, our health teams conduct group counselling in the waiting areas. This covers the benefits of knowing one's HIV status, screening for lifestyle diseases and other health-related prevention initiatives.

In previous years, our wellness campaigns were primarily in the second half of the year. In 2019, the ramp-up started in the first quarter and HIV counselling and testing campaigns started from the beginning of the year. Onsite line management and other functions assisted in coordinating and planning processes.

In 2019, in partnership with the treating/family medical service providers, we started implementing off-site testing and submission of consent forms or declarations. Stakeholder advocacy and support is driven via central and onsite stakeholder structures.

We have a team responsible for managing ART uptake. In 2019, we focused on follow-up and initiating treatment in new cases of HIV, and monitoring and follow-up of treatment (ART) defaulters.

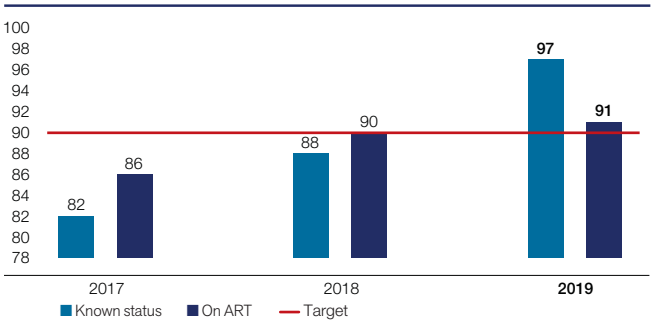
The number of reported new cases of HIV remains a challenge. For 2019, 325 cases were reported (2018: 415), comprising 179 employees who were either new recruits or previous status unknown and 146 who changed from negative to positive status. To assist in better understanding individual risk behaviour, in 2019 we commissioned a research survey on the social determinants of HIV risk at community level. The study will be completed in 2020 and the outcomes will complement results and recommendations of health baseline assessments conducted as part of our sustainable mining plan.

A total of 74 new TB cases were recorded at our operations in 2019. There were no TB retreatment cases recorded in 2018 or 2019. Our healthcare facilities have infection-control measures and there have been no reported cases of occupational TB among healthcare workers in the last three years.

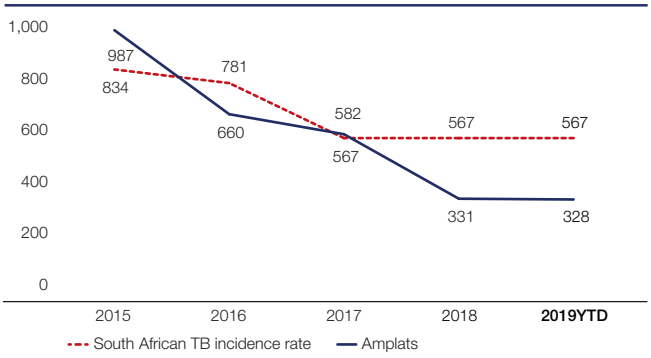
The annualised TB incidence rate at our operations was 328 per 100,000, compared to 331 in 2018, and remains well below the national average of 567 per 100,000.

In 2019, three employees died from TB, compared to five in 2018: all at Amandelbult (one was a multi-drug resistant case).

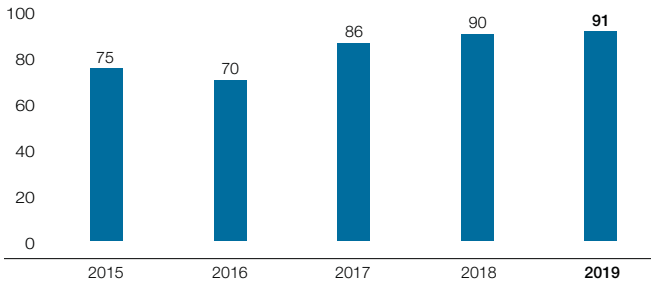
PROGRESS TOWARDS HIV TARGETS
(%)



TUBERCULOSIS INCIDENCE RATE ANNUALISED
(rate per 100,000 population)

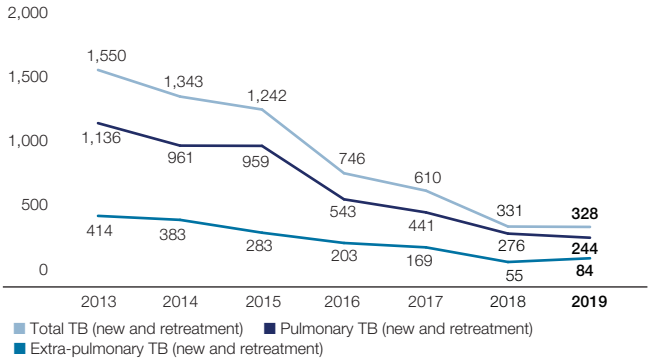


TARGET: 90% KNOWN HIV-POSITIVE EMPLOYEES ON ART
(%)



From 2016, ART uptake was based on the UNAIDS 90:90:90 target and treatment guideline advocating test-and-treat.

TUBERCULOSIS INCIDENCE RATE PER 100,000



SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

Case study:

COMMEMORATING WORLD AIDS DAY

Every year we mark World Aids Day to raise awareness and celebrate steps being taken to reduce the impact of the disease. The theme of World Aids Day on 1 December 2019 was Communities make the difference. It recognised the essential role that communities continue to play in the HIV response at international, national and local levels.

In line with our purpose (re-imagining mining to improve people's lives), we have been working since 2000 to reduce the impact of the HIV/Aids pandemic on our employees, their families, and the communities in which we operate. Not only do we want to see our employees live healthy lives, but we want to see the end of HIV/Aids as a major public-health problem by 2030.

On 6 December, each of our operations commemorated World Aids Day. We distributed red ribbons and pins to employees, lit candles and held a moment of silence in memory of employees who have passed away from an Aids-related illness. We then showed a video message from our CEO, Chris Griffith, followed by an address from union representatives and a site general/SHE/health manager. In line with the day's theme, further messages and topics included the fight against gender-based violence, the need to remove all forms of stigma against HIV/Aids, the importance of knowing your status and the benefits of antiretroviral therapy, as well as the importance of prevention.

Aiming for 90:90:90… From left: Platmed group manager Dr Theunis Pieterse; Amandelbult complex senior SHE manager Abram Mabotja; Dr Charles Mbekeni, lead: health operations (southern Africa); and Dr John Ramaroka, Platinum Health health business unit manager.

HEALTH INDICATORS

for the year ended 31 December

	2019	2018	2017	2016	2015
Hearing conservation					
Employees exposed to noise levels ≥85dB(A) < 105dB(A)	**19,978**	18,639	21,465	15,993	28,552
Employees exposed to noise levels ≥105dB(A)	**—**	—	3	606	552
Number of pieces of equipment emitting noise ≥ 107dB (A)	**12**	16	34	42	29
Occupational diseases					
Noise-induced hearing loss (NIHL) new cases	**1**[RA]	2	6	23	36
HIV management					
≥90% at risk population know their status[1]	**97%**	88%	82%	NM	NM
Employees who know their status[2]	**21,587**[LA]	17,955	20,173	22,222	32,375
≥90% known HIV+ employees on antiretroviral therapy (ART)	**91%**	90%	86%	70%	75%
Employees on antiretroviral therapy (ART)	**4,516**	4,203	5,073	3,569	6,203
Tuberculosis					
New cases	**74**	72	148	253	450
Retreatment cases	**0**	0	7	33	73
TB deaths	**3**	5	5	14	27

Impact of attrition not factored.
NM = not measured.
[1] Excludes Unki. Reporting against 90:90:90 UN Aids targets commenced in 2017.
[2] All known HIV+ and non-reactive cases. 2015-2016 = Number of employee VCT cases (tested).
[LA/RA] Limited/reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.

Chronic disease and lifestyle management

We continue to focus on identifying and managing patients with chronic conditions (particularly hypertension, HIV and diabetes) and assessing whether they are still fit to perform their duties safely and productively. All employees with chronic conditions are monitored regularly through our occupational health clinics to minimise associated risks.

We strive to identify health risks through regular screening and to manage them accordingly to prevent adverse health consequences or injury as far as reasonably practicable. The most prevalent and concerning lifestyle-associated health risks in our workforce are high salt intake and tobacco smoking. We reinforce promotional messages on healthy lifestyles at occupational health and dressing-station clinics, during team talks and wellness campaigns, and via health posters. We plan to further develop our efforts to support weight loss and promote physical activity levels.

In 2019, we started focusing more on monitoring body mass index (BMI), as levels that are high or low present health risks. An industry statistical review of BMI data indicates that the BMI of in-service employees tends to increase. A statistical review of our workforce medical records concluded that 60% are overweight with a BMI above 25; 18% are overweight with a BMI between 30 and 35, and 8% are obese, with a BMI above 35. Depending on the level of BMI, we implement measures to promote an improvement and monitor progress at appropriate intervals.

At our single-accommodation villages, we monitor average meal participation to ensure our workers are adequately nourished. At all sites, the main (lunch) meal participation remains over 85%. We closely monitor dietary intake and ensure food safety, storage and preparation requirements conform to recommended standards.

Mental health support

To promote emotional wellbeing, and support employees with early signs of emotional stress, we facilitate access to professional support. Through our well-established company-funded employee assistance programme, we help employees and contractors and their family members who need psychosocial support. The programme is run by social workers, clinical psychologists and psychiatrists. The facility is provided by an external service provider and access to support is through a confidential 24-hour helpline, as well as face-to-face and email contact.

We monitor and analyse engagements to understand the most prevalent challenges, then design and implement initiatives to address these, and assess progress in mitigating problems. In 2019, we recorded 1,629 consultations across our operations (2018: 1,089). The main reasons related to mental health (773) and social issues (841). The low number of consultations on financial issues reflects good use of our established financial assistance programme (Nkululeko, page 99).

CANCER SCREENING AT MOTOTOLO MINE

Mototolo Mine employees were encouraged to get screened for cancer during a cancer awareness and wellness campaign at Borwa and Lebowa shafts in collaboration with Pink Drive in December 2019.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES CONTINUED

Financial wellbeing

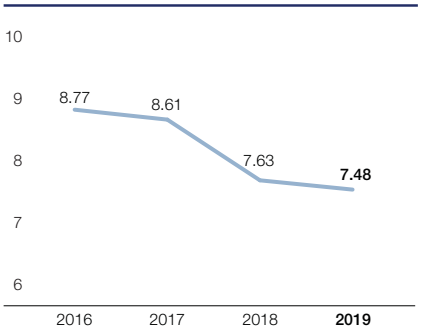
Mental-health challenges are often related to financial difficulties. In recent years, we have concentrated on mitigating the over-indebtedness that has affected the wellbeing of many employees at our operations. The benefits of our Nkululeko programme are evident in impressive numbers (page 99) but, more importantly, in improved mental health for the thousands of employees involved.

Absenteeism

Initiatives that support employees in achieving optimal levels of health also assist in reducing levels of absenteeism, which can have a significant impact on the ability of our teams to execute planned tasks safely and effectively.

The total absenteeism rate (from injuries on duty, non-work-related injuries and sickness) again improved to 7.48% (see graph) compared to 7.63% in 2018. Lower levels of workforce unavailability due to non-work-related illness reflects improved chronic disease management processes such as aligning reviews with renewing chronic-medicine prescriptions and understanding and streamlining administrative process for disease management.

ABSENTEEISM
(%)



Our absenteeism rate remains high compared to the industry standard, and we are strengthening our approach by developing corrective initiatives based on more insightful medical-surveillance reporting and effective illnesses management.

A particular focus is return-to-work after frequent or prolonged sick leave. This continues to be driven by a cross-functional team and a coordinated approach between the human resources and health disciplines.

Absenteeism (days)	2019	2018	2017	2016
Absenteeism due to injury on duty	**31,962**	22,702	30,514	42,670
Absenteeism due to non-work-related illness and injuries	**352,051**	384,474	496,109	767,587
Total absenteeism rate (%)	**7.48**	7.63	8.61	8.77

Investing in community health

In implementing our sustainable mining plan (see page 14), we aim to partner in delivering community health solutions that will achieve the UN Sustainable Development Goal (SDG) 3 health targets in all our host communities by 2030, with particular focus on girls, young women and people with disabilities. SDG3 has nine target areas for improving the health and wellbeing of people of all ages: maternal, neonatal and child health; communicable diseases; non-communicable diseases; mental health and other health risks; mitigating road traffic accidents and strengthening health systems and funding.

We are developing site-level stretch targets linked to SDG3 and selecting initiatives to achieve these targets. To inform this process, in 2019 we conducted health baseline assessments across our operations as part of an Anglo American-funded global health-baseline study. The study was conducted by the Sustainable Development Goals Health and Wellbeing research consortium, led by the London School of Hygiene and Tropical Medicine working with Research and Training for Health and Development (RTHD) and Soul City Institute for Social Justice (SCI).

The key objectives were to:

- Conduct a baseline assessment of existing data to estimate progress towards SDG health and wellbeing targets in host communities
- Conduct a baseline assessment in host communities including stakeholder mapping, service mapping, needs assessment and prioritisation assessment, relative to SDG health and wellbeing targets
- Design tailored programmes, based on best-practice evidence, to address priority targets.

The consortium designed and implemented a mixed-method approach based on a qualitative and quantitative appraisal of new and existing data. RTHD and SCI led the formative qualitative research on health and wellbeing needs and priorities. Using available reports, a situational analysis of existing services, projects and initiatives was conducted. The extent of alignment of qualitative and quantitative data was assessed – especially for SDG indicators for which quantitative data was available.

The final reports for our operations will be distributed in the first quarter of 2020. Internal and external stakeholder engagement sessions will be scheduled to discuss results and recommendations. In 2020, we will engage with relevant government departments and other stakeholders to select the appropriate interventions and develop action plans to be implemented in 2021.

Our 2025 milestone is to be halfway to closing gaps between baselines and SDG3 targets for health in our host communities by 2030.

Amplats continues to contribute to community health through specific services, including:

- **Emergency medical services:** The resources allocated for mine emergency-medical services are also available to support emergency responses for incidents outside the mining premises. These include vehicle accidents on public roads, medical emergencies in the community and cases associated with community violence.
- **TB contact-tracing:** Working with district TB coordinators, our facilities focus on TB contact tracing
- **Alchemy project:** Our SHE management programme extends into host communities through our Alchemy project and our community empowerment and development programme (reviewed on page 115).


AMBULANCE ENTRANCE

PILLAR: OUR PEOPLE

PEOPLE

Resource the company with an engaged and productive workforce

OUR PEOPLE

HIGHLIGHTS

- Stable relationships with labour unions
- Three-year wage agreement reached with unions
- 6.59% of payroll spent on training and development

LOWLIGHTS/CHALLENGES

- Three-week unprotected strike at Mototolo

FOCUS FOR 2020 AND BEYOND

- Adapting to the future of work by:
  - Investing in upskilling and reskilling our workforce
  - Adopting new ways of working
  - Adopting the organisational culture and values
- Re-envisioning talent management in the digital age and across a multi-generational workforce

MANAGEMENT APPROACH

The Amplats approach to its people is a human resources (HR) response plan that seeks to enable the business to deliver its full potential through its people in a values-driven and team-based way. This plan is based on four key levers:

- People, culture and skills development
- Future-fit employee relations climate
- Agile labour management
- Transition and change.

We measure our success in delivering on these value levers through:

- An engaged, collaborative and team-based workforce
- A future-fit workforce and environment
- Having the right people at the right time in the right place
- Having an effective organisation.

It is also key to look at the future of work, which is being fundamentally reshaped by advancing technologies and new approaches.

Fines or directives

No fines or directives were issued.

HUMAN RESOURCE DEVELOPMENT

We continually focus on the importance of developing our human resources as a key component in achieving our strategic objectives. In tandem, we are considering the impact of the so-called fourth industrial revolution, the employee of the future and the future of work.

The combination of these factors and a multi-generational workforce has a major influence on the company's learning landscape, specifically:

- How employees want to work (interactive, engaging, access to experts, co-created)
- Their benefit preferences (job-change options, mobility options, job flexibility, constant learning)
- What technology platforms they use and how they are connected (smart devices, always on, social media, 24x7 connectivity).

It is therefore critical that we view the future of work and the employee of the future holistically, and through the Amplats lens. The future of work, in line with the fourth industrial revolution, indicates that it will involve:

- Deploying digitally enabled hardware tools to perform or improve activities that have traditionally been carried out manually or with human-controlled machinery
- Using connected mobility, as well as virtual and augmented reality, to empower field, remote and centralised workers in real time
- Linking operations, IT layers and devices or systems that are currently separate
- Leveraging algorithms and artificial intelligence to process data from sources in and beyond the traditional value chain, to provide real-time decision support and projections.

Within Amplats, introducing new mining technologies and methods as part of our modernisation and mechanisation strategy to improve performance efficiency and safety has required a different set of responses:

- Rapidly modernise existing conventional mining operations to increase safety, improve production output and lower costs. This is a large-scale transition to new equipment as well as a radically different operational method and associated team leadership model
- Prepare for underground mechanisation where specialised equipment will be deployed in pilot shafts to increase production and improve safety, and then rolled out to new operations. This represents a new skills set with the ever-increasing ability to operate and maintain a new fleet of equipment underground
- Quickly upskill and commission new facilities. In several cases, this represents a whole new operation to be staffed over a very short commissioning period in a remote area
- Prepare the company for sophisticated technology-driven mining approaches including data-driven mining, mining automation and cutting technologies as more and more mining is performed from the control room, and with self-managed mining operations based on sensing and data analytics.

The employee of the future is defined in the Amplats landscape, dictating that they will work with:

- Immediate, remote expert assistance and real-time guidance
- In-depth technical knowledge of machinery
- Data-rich analysis and interpretation
- Cognitive and visio-spatial abilities
- Ability to apply more complex skills by monitoring equipment and problem-solving
- Advanced technology design, engineering and maintenance
- Strong analytical and technological skills.

OUR PEOPLE CONTINUED

The new skill sets required by Amplats employees moving into the future has fuelled the introduction of a digital talent and learning capability strategy. Based on the development of the strategy, key areas of implementation started in the latter part of 2018 and continued throughout 2019 to enable modernisation at Amandelbult Mine. This implementation has focused on two outcomes:

- Phase 1 – roll out the modernisation conversion programme using traditional learning tools to support conversion at Amandelbult's 50E section in the short term (2019)
- Phase 2 – develop a set of digital learning tools (virtual reality, augmented reality, games, videos and e-learning material) to be ready to implement the digital enabled modernisation conversion programme in 2020.

Attracting and retaining talent

Amplats has adopted an integrated approach to growing its talent and building a strong leadership pipeline to drive its strategic objectives. The aim is to ensure that the workforce and leaders have the necessary skills and capabilities to drive business impact by:

- Growing and finding the right talent for all roles, but with specific focus on management roles
- Improving the standard of talent in the organisation over time
- Driving succession planning across the company
- Fostering the motivation and engagement of our talented people and their managers. We will ensure we have the best talent in the right place at the right time to meet our business needs now and in future.

The implementation of our 2019 talent plan successfully achieved the following objectives:

- Talent identities for all middle management and above employees were reviewed
- Succession planning focused on critical roles (high-impact and business-critical roles)
- Strengthening the leadership pipeline by improving access to learning and development opportunities for all bands
- Creating more visibility of talent through targeted interventions
- Strengthening the pipeline for women in leadership positions, to support mining charter targets.

Futuristic view:

- Continue focusing on increasing, engaging and retaining 'ready now' successors, particularly for business-critical roles
- Improve diversity in the leadership pipeline, with specific focus on women in future leadership positions. An accelerating plan for women at senior management level has been implemented to ensure we meet the mining charter target of 33% females by 2023
- Continue increasing participation in talent exchanges (talent marketplace) coordinated through the group talent community of practice
- Develop an early talent strategy to ensure we identify and develop talent as soon as possible to strengthen our pipeline with the skills and attributes we need for the employee of the future.

In addition to a new approach, we also need to rapidly extend our ability to identify and engage with talent in local communities to create technological nodes where community members can bridge the digital divide and provide generations of highly skilled mining talent for years to come.

Type of individual performance appraisal

Amplats does not have long-term incentive plans in place for employees below senior management level.

Trend of employee engagement

Employee engagement	Unit	**FY19**	FY18	FY17	FY16
Employee engagement	% of actively engaged employees	**66**	39	N/A	66
Data coverage	% of total employees	**100**	100	N/A	100

**Data coverage is the number of people who were given an opportunity to participate.*
**Employee engagement is the number of people who actually participated.*
**n/a = not available.*

Training and development	**FY19**	FY18
Average per full-time employee (FTE) on training and development (hours)	**53**	50
Average amount spent per FTE on training and development	**R24,754**	R24,620

Expenditure on training and development for the South African operations was 6.59% of total payroll in 2019 (2018: 6.28%) while, on average, each employee received 53 hours of training (2018: 50 hours).

Employee development programmes

Initiative	Description	Description of business benefits	Quantitative impact of business benefits (monetary or non-monetary)
Young professionals (bursars and graduates)	Amplats has a well-structured bursary and graduate-development programme focused on ensuring a diverse pipeline of professionals into the business across all key disciplines	Ensuring a healthy pipeline that proactively feeds professionally competent people into Amplats. Ensuring the development of a specialised and competent workforce	The programme addresses one of South Africa's biggest socio-economic challenges – the lack of qualified engineers and technically competent people
Engineering learnerships	Learnership programmes help mitigate the skills shortage in the engineering artisanal levels that Amplats requires	Learnerships develop employee skills required to become artisans. They also support development of local communities, for a readily accessible pool of skills	Developing employees supports skills retention at operations. Employment for local communities through post-schooling qualifications
Fast-tracking programmes	Fast-tracking programmes address under-representation of HDSA employees in technical fields, focusing on supervisory and management categories	Developing HDSA employees with the right skills in under-represented areas, enabling them to fill supervisory and managerial roles	The programme addresses the need for Amplats to be adequately represented across all occupational levels in line with its transformational objectives
Skills programmes	Various skills programmes, consisting of groups of unit standards that allow learners to become employable for a specific role and recognised by the Mining Qualification Authority	Giving learners the opportunity to participate in a skills development programme with national recognition	Employees benefit from nationally recognised qualifications relevant to the industry that also create the opportunity for promotion
Cadetship/ internships	Training individuals from local communities in skills for specific jobs to be employed immediately into permanent positions or later as needed	Ensuring a pool of technically competent people from local communities who are immediately available to fill specific roles in the business on completing the cadetship/internship	Addresses the socio-economic issue of preparing youth for employment by providing experiential training in the mining and minerals processing industry

Our performance with selected training and development programmes in 2019 is summarised below:

Engineering training	291 learners enrolled in various engineering training schemes (2018: 289) and 214 qualified (2018: 133) 3,638 participated in different specialised trade-related short courses (2018: 3,122)
Leadership development	Attendance of management and leadership development initiatives in 2019: ◥ Junior management programme: 36 ◥ Programme for management excellence/accelerators: 20 ◥ TAP/achievers: 7 ◥ Senior leadership development programme: 38 ◥ Anglo American sustainability management programme: 7 ◥ 459 supervisors attended specific supervisory-level performance skills programmes
Developing our young professionals	Bursaries and graduate-in-training programmes in specific fields for 211 people (2018: 208)
Operational risk management process	11,988 completed the ORM programme in 2019 (2018: 12,567) 446 employees completed training for the occupational health and safety skills programme
Access to adult basic education and training (AET)	AET was provided to 165 employees (2018: 151) and 44 contractor employees (2018: 53) as well as 127 community members (2018: 125) This is provided part-time and full-time to accommodate shift workers

OUR PEOPLE CONTINUED

Transforming the workplace

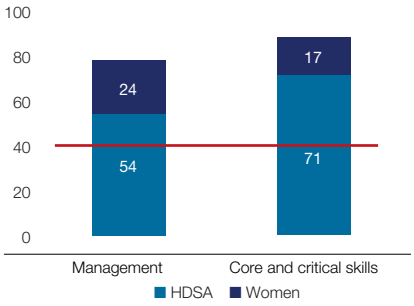
Transforming the workplace to reflect the diversity of South Africa's population and comply with mining charter requirements is a business imperative.

We are successfully diversifying our workforce through targeted recruitment and development campaigns for historically disadvantaged South Africans (HDSAs), women in mining and people with disabilities. Meeting representative demand for skills at managerial level is an ongoing challenge.

We focus on rewarding good performers, developing skills, providing opportunities for career advancement, and developing leadership capacity.

By the end of 2019, 78% of our managers were HDSAs (2018: 78%), exceeding the prior South African mining charter requirement of 40%. HDSA representation in core and critical skills was 88% against the current mining charter target of 60%. At the end of 2019, women made up 24% of management (2018: 24%), and 19% of the total workforce (2018: 18%), with 17% in the disciplines of mining, engineering, projects and metallurgy (2018: 15%).

WORKFORCE REPRESENTATION
(%)



Employment equity as per mining charter

Description	Measure	2019 progress against target	Compliance target
Diversification of the workplace to reflect the country's demographics and remain competitive	Top management (board) level	**27%**[RA]	40%
	Senior management (including exco)	**51%**[RA]	40%
	Middle management	**71%**[RA]	40%
	Junior management	**82%**[RA]	40%
	Core skills	**88%**[RA]	40%

[RA] *Reasonable assurance by PwC. Refer to page 144 of ESG Report for independent assurance report.*

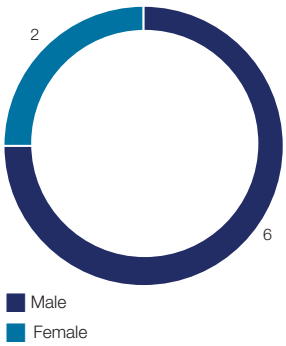
Employment equity per occupational level

(2019 statistics as per Employment Equity Act requirements)

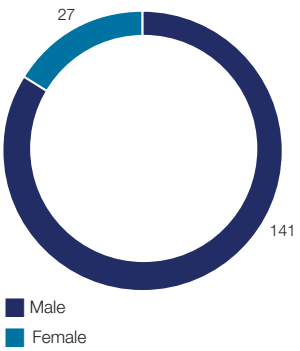
	Male				Female				Foreign nationals		
	African	Coloured	Asian	White	African	Coloured	Asian	White	Male	Female	Total
Top management	0	0	1	5	2	0	0	0	0	0	8
Senior management	44	3	11	76	12	0	7	8	7	0	168
Professionally qualified and experienced specialists and mid-management	625	18	24	402	243	10	21	134	34	5	1,516
Skilled technical and academically qualified workers, junior management, supervisors	2,417	33	8	592	798	12	5	168	139	4	4,176
Semi-skilled and discretionary decision-making	11,067	10	0	77	2,242	3	1	16	1,182	1	14,599
Unskilled and discretionary decision-making	809	3	0	8	364	1	0	0	29	0	1,214
Total permanent employees	14,962	67	44	1,160	3,661	26	34	326	1,391	10	21,681
Temporary employees	27	1	0	5	12	0	0	2	0	0	47
Grand total	14,989	68	44	1,165	3,673	26	34	328	1,391	10	21,728

Note: All numbers are for the year ended 31 December 2019.

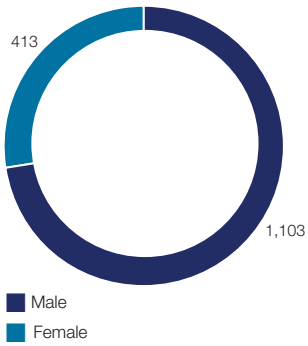
TOP MANAGEMENT



SENIOR MANAGEMENT



SPECIALIST AND MID-MANAGEMENT



OUR PEOPLE CONTINUED

Northam Extension 6

Mokopane extension 14

Housing the future

In this dynamic world, Amplats is committed to re-imagine mining to improve people's lives. In terms of this commitment, we immerse ourselves more in the lives of our employees and host communities. As one example, we have committed to deliver adequate housing by 2025. For host communities, we create an enabling environment to earn a livelihood.

We are currently involved in several housing projects in the areas where we operate to supply infrastructure and accommodation for employees as well as the community.

We do face challenges in our aim to improve people lives, primarily the lack of essential services in local environments. We are addressing this challenge by partnering with national and local government departments on community housing projects. These partnerships have become essential to achieving our goal.

We have contributed to the changing face of the Bokamoso community in Rustenburg through this land-donation and infrastructure development project. To date, 1,600 of the planned 4,000 units are under construction. The intended beneficiaries are three identified communities currently living in informal housing and former mine employees. To provide residents with appropriate infrastructure, the first 2Mℓ phase of the sewage treatment plant was opened in March 2019.

Community development

Bokamoso community project

- We donated 204 hectares of land valued at R30.6 million for low-cost housing and bulk infrastructure development
- A tripartite partnership between Amplats, provincial and local government to deliver 4,000 low-cost housing units
- To realise the development potential of our donation, a R45 million sewage package plant was developed, which has connected an additional 900 households since opening.

Our contributions support the sustainable land reform agenda under way in South Africa. The land was donated to the Rustenburg community, and will be used to better the life of residents in the Popo Molefe and Mbeki-Sun informal settlements, as well as relocating the Chachalaza informal settlement. We value these partnerships with communities and government and believe these initiatives will have a positive impact.

Employee housing

Mokopane extension 14 (413 serviced erven)

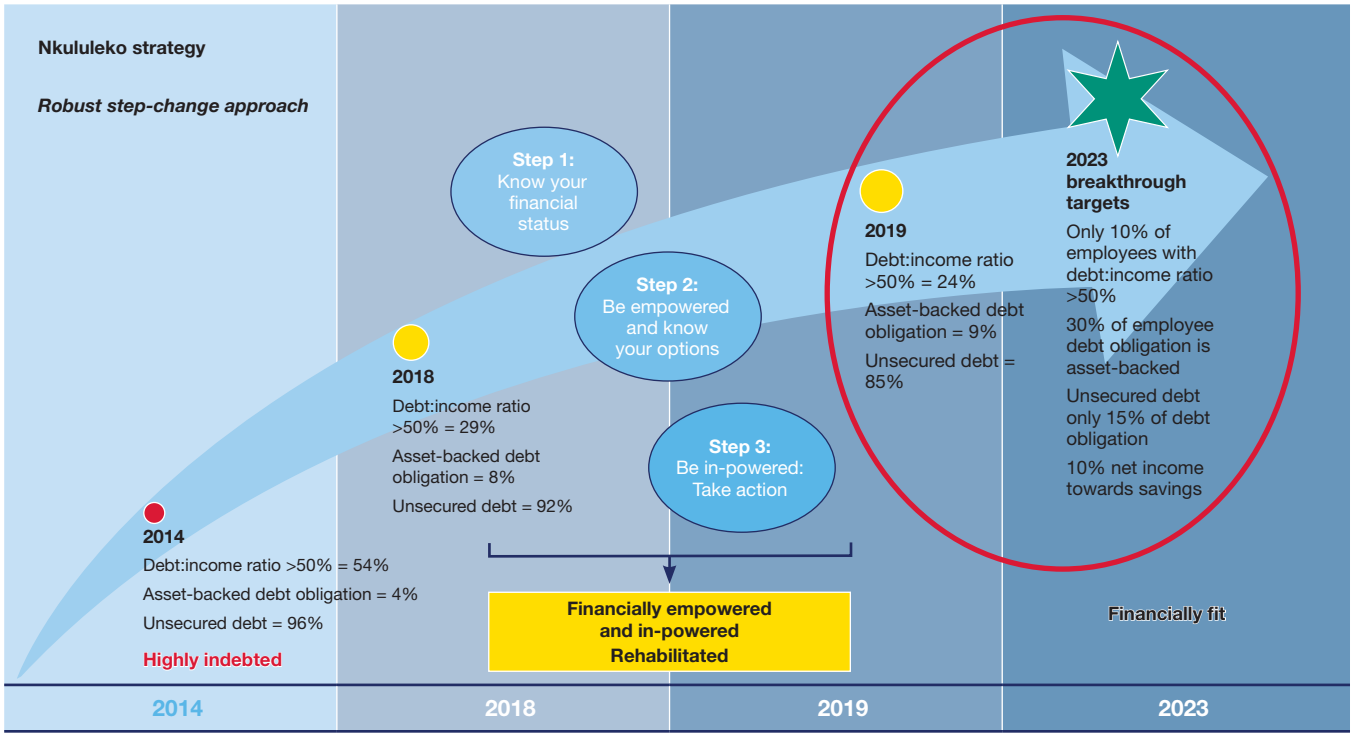
- 313 erven have been earmarked for the home-ownership programme
- The remaining erven were donated to the Motlhotlo community as part of a relocation project to bring people closer to social amenities.

For our employees, the focus in 2019 was on ensuring that all preparations for our home-ownership schemes were complete. We also launched a marketing campaign on the benefits of the Mokopane ext 14 project. At the same time, we are improving living conditions for our host communities by integrating the people of Motlhotlo into the Mokopane ext 14 project by bringing these communities closer to social amenities to ensure we build integrated communities where both our employees and host community can thrive.

NKULULEKO FINANCIAL WELLNESS PROGRAMME

The Nkululeko financial wellness programme we initiated in 2014 has been very successful in empowering our workforce to take ownership of their financial wellness.

Roadmap since 2014



While continuing to offer debt-relief solutions, in 2019 Nkululeko implemented a change-management process to ensure individual transition from being empowered to become 'in-powered' and eventually financially fit:

- Empowerment is about creating a conducive environment for people to perform and excel. Empowerment is an important and critical leadership habit or trait and the Nkululeko programme offers these opportunities
- In-powerment is about personal choice: a decision and proactive action by an individual to create (and 'do' or take action) for self. The process of in-powerment depends on self and cannot be done by someone else, although a coach can facilitate the process. Through the Nkululeko financial wellness programme, individuals were assisted and coached towards becoming financially fit and eventually financially free.

Step-change initiatives for 2019

- 8,863 employees attended financial awareness and skills development workshops:
  - 5,832 attended induction
  - 155 completed cadet training
  - In partnership with Capitec, 2,876 attended skills development training
- 4,836 employees signed up for the overall programme
- Signed up 750 employees for debt-rehabilitation programme
- 67 employees received their debt-clearance certificates through the debt-rehabilitation programme
- 129 signed up for debt counselling, and 11 for debt rescheduling.

As part of our interventions to save employees from having their assets repossessed, through the debt-relief programme 50 employees' vehicles and 16 mortgage bonds were saved.

At inception of this programme, our indebted employees' debt:income ratio was 54%. By the end of 2019, this had improved to 24%, while unsecured debt improved from 96% to 85%. Translating this to freed cash flow, indebted employees improved their repayments from a monthly average of R12,363 to R6,600, a significant saving.

The next contracting period for the Nkululeko financial wellness programme from 2020 to 2024 is being finalised, and we are looking for another step-change towards realising our purpose – to improve people's lives in a sustainable way that will not only reach our employees but touch the lives of our contractor and service provider employees and their families.

OUR PEOPLE CONTINUED

Employee relations

Amplats has maintained a strong and constructive working relationship with all its unions. South Africa is a founding member of the International Labour Organization (ILO) and has ratified all its conventions, including those on freedom of association and the right to organise, through legislation including the South African constitution, and acts on labour relations as well as basic conditions of employment.

Accordingly, Amplats has incorporated these principles in its policies and procedures through, for example, employment equity forums and committees, sexual harassment policy, grievance procedure. In addition, we have created engagement structures like the steering committee and operational unit partnership forums in which ILO principles are communicated and shared with unions and employees to ensure they are aware of their rights to freedom of association or dissociation and their right to raise grievances or concerns without fear of victimisation.

Collective agreements

In 2019, Amplats concluded a three-year wage agreement with its unions to 30 June 2022. The main agreement does not include the recently acquired Mototolo Mine. Wage negotiations with GIWUSA, the representative union at that mine, should be finalised soon. The process of integrating Mototolo Mine into the Amplats conditions of service is ongoing.

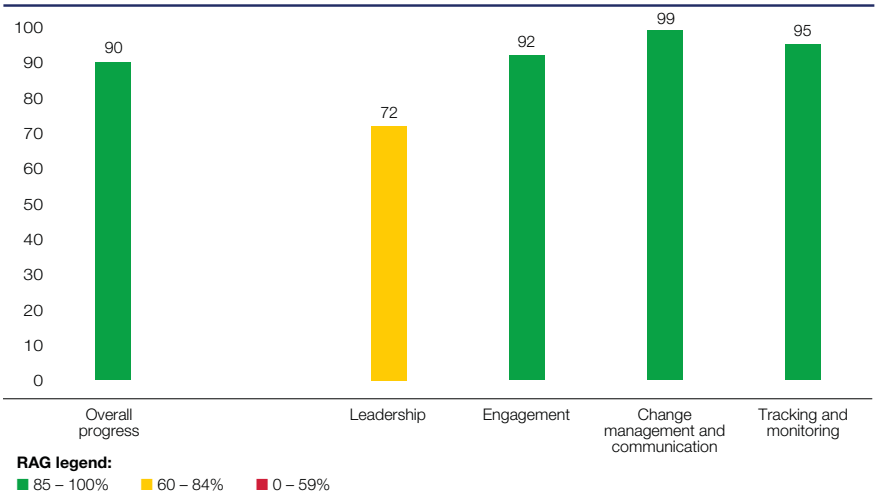
ORGANISATIONAL CULTURE TRANSFORMATION

Since the inception of our organisational culture transformation (OCT) journey in 2013, we have made significant progress. To measure our progress, we use metrics for each OCT lever. Red indicates an activity that is not progressing well; amber indicates some significant inroads although some items may be behind schedule; and green is nearing annual targets. We achieved significant traction in all key areas to close the year on green for overall progress across all operations, encompassing all the OCT levers:

- Leadership
- Engagement
- Change management and communications
- Tracking and monitoring.

OVERALL OCT PROGRESS REPORT – DECEMBER 2019

[%]



The focus for leadership this year has been to ensure we have individuals equipped to lead with conviction, anchored on the organisational values derived from our so-called 14 ingredients. For this lever, success is determined by the extent to which initiatives deliver the desired impact, ie having leaders create conducive platforms for employees to thrive with a values orientation. Key to this focus area is ensuring that specific strategic initiatives are accelerated by a value-driven organisational culture with high employee engagement, and innovative solutions coming from all parts and levels of the company.

Some of the successes with the change management and communication lever were ensuring that we have conversation metaphors at each operation (vital in a multilingual workplace). We also evaluated each metaphor's symbol and effectiveness to ensure it communicates change adequately. The benefits of this naturally spilled over the engagement lever. Since human communication processes are deeply embedded in making comparisons, metaphors and images invoke strong and positive responses, we intentionally use conversation metaphors as a way to communicate salient change initiatives as part of the OCT journey.

We ended the year stronger than 2018 on the tracking and monitoring lever by concentrating on a consolidated matrix that is reactively managed as well as proactively. Importantly, we identified more outcomes-based change indicators to measure as opposed to input and activity-based indicators. We will roll this out in 2020 after robust stakeholder engagement and co-creation by all our stakeholders (organised labour, management and employees).

Survey results

Following a comprehensive culture survey in 2018, in which 39% of our employees participated against a target of 40%, we have systematically attended to action items that address employee concerns in the review period. The OCT team ensured that we ended the year in the green zone by resolving over 85% of our action items.

In 2019, a global Anglo American employee engagement survey ran from mid-September to mid-October 2019. It covered 66% of the wider group and 56% of all employees at Amplats. Since then:

- Top-level findings for the group management committee were released in early December 2019 (when board meetings take place)
- Follow-up reporting to business-unit CEOs and follow-up meetings were completed in January 2020
- Focus groups and action plans per site were finalised.

Employee benefits

Amplats provides attractive benefits for employees, in line with our goal of attracting and retaining skilled people of the highest calibre. In addition to retirement funds, medical aids and company-funded assistance for any death in service, Amplats also offers above-average and fully paid family responsibility leave (eight calendar days per annual leave cycle).

Mototolo Mine unprotected strike resolved

Although the sale and transfer of Mototolo Mine was processed in line with section 197 of the Labour Relations Act, the mine's majority union (General Industrial Workers Union of South Africa or GIWUSA) served a strike notice on Amplats on 9 May 2019. Earlier, the union had declared a dispute at the Commission for Conciliation, Mediation and Arbitration (CCMA), alleging that the changes Amplats made to the employees' medical scheme represented a unilateral change in conditions of service, and despite Amplats offering a medical scheme with similar benefits.

On 10 May, Amplats was granted an interim court interdict against any strike action by GIWUSA at the mine. Two days later, union members began an unprotected strike, defying the court order and Amplats' communication to employees to avoid an unprotected strike. Although we appealed to the union to end the strike and allow employees to return to work, these requests were ignored and we were forced to dismiss about half (643 employees) of Mototolo Mine's underground workforce.

The company reported publicly on 30 May 2019 that the strike had been resolved, after ongoing engagement with GIWUSA. In terms of the collective agreement signed by the parties the prior day, all dismissed employees were reinstated at Mototolo Mine and reported for duty by 31 May 2019.

In terms of the agreement, the union accepted that the proposed medical aid meets the requirements of the section 197 transfer. While the no-work, no-pay principle applied for the duration of the strike, the agreement made provision for employees to earn back lost income within four months by working additional shifts.

OUR PEOPLE CONTINUED

Employee share ownership plan

In the 2016 – 2019 wage agreement, we undertook to establish an employee share option scheme (ESOP) task team with specific terms of reference. The Amplats ESOP applies to all permanent employees below senior management level (bands D1 and below as well as bands 6 – 10 and 6 – 11).

As per the agreement reached in November 2018, the scheme runs over a five-year period as follows:

- Year 1: pay all qualifying employees a cash amount (2018)
- Year 2: pay all qualifying employees a combination of 50% cash and 50% shares (2019)
- Year 3: pay all qualifying employees a combination of 50% cash and 50% shares (2020)
- Year 4: vesting (2021)
- Year 5: vesting (2022).

EMPLOYMENT STATISTICS

Breakdown of South African workforce

	2019	2018	2017	2016	2015
Gauteng	**259**	237	255	278	330
Limpopo	**16,940**	16,926	22,010	21,669	23,259
North West	**2,988**	2,957	2,878	2,862	17,991
Mpumalanga	**1,541**	1,527	177	136	136
Total own employees	**21,728**	21,647	25,320	24,945	41,716
Contracting staff					
Labour hire	**26**	28	37	87	401
Contractors	**2,282**	1,916	2,201	2,129	2,171
Total contracting staff	**2,308**	1,944	2,238	2,216	2,572
Employment creation in provinces					
Gauteng	**22**	(18)	(23)	(52)	(47)
Limpopo	**14**	(5,084)	341	(1,590)	(1,563)
North West	**31**	79	16	(15,129)	(2,332)
Mpumalanga	**14**	1,350	41	0	(4)
Total own employees	**81**	(3,673)	375	(16,771)	(3,946)
Labour turnover in South Africa, % (including voluntary separation packages)					
Gauteng	**0.10%**	0.11	0.25	0.15	0.20
Limpopo	**3.65%**	4.24	4.77	5.13	4.54
North West	**0.44%**	0.56	0.69	2.56	4.73
Mpumalanga	**0.35%**	0.08	0.03	0.01	0.02
Labour turnover in Zimbabwe	**0.24%**	0.21	0.19	0.14	0.12

Turnover per region

	2019 excluding VSPs		**2019 including VSPs**		2018 excluding VSPs		2018 including VSPs		2017 excluding VSPs		2017 including VSPs		2016 excluding VSPs		2016 including VSPs	
	Total	**%**	**Total**	**%**	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Gauteng	**22**	**0.10**	**22**	**0.10**	19	0.09	23	0.11	60	0.23	65	0.25	33	0.09	61	0.15
Limpopo	**763**	**3.48**	**799**	**3.65**	747	3.47	913	4.24	1,211	4.67	1,235	4.77	976	2.53	2,055	5.13
Mpumalanga	**76**	**0.35**	**76**	**0.35**	17	0.08	17	0.08	8	0.03	8	0.03	5	0.01	6	0.01
North West	**95**	**0.43**	**96**	**0.44**	117	0.54	121	0.56	172	0.66	179	0.69	463	1.20	1,025	2.56
Zimbabwe	**52**	**0.24**	**52**	**0.24**	46	0.21	46	0.21	47	0.18	49	0.19	56	0.15	56	0.14
Grand total	**1,008**	**4.6[RA]**	**1,045**	**4.77**	946	4.39	1,120	5.20	1,498	5.78	1,536	5.93	1,533	3.98	3,203	8.00

[RA] Reasonable assurance by PwC. Refer to page 144 of ESG report for independent assurance report.

TURNOVER BY GENDER AND AGE IN 2019

	20 – 30	31 – 40	41 – 50	51 – 60	61 – 72	Total
Female %	**0.08%**	**0.23%**	**0.14%**	**0.05%**	**0.00%**	**0.50%**
Male %	**0.36%**	**1.42%**	**0.91%**	**1.26%**	**0.16%**	**4.10%**
Total	**0.43%**	**1.65%**	**1.05%**	**1.31%**	**0.16%**	**4.60%**
Turnover including VSPs						
Female %	**0.08%**	**0.25%**	**0.14%**	**0.05%**	**0.00%**	**0.52%**
Male %	**0.36%**	**1.46%**	**0.95%**	**1.32%**	**0.16%**	**4.25%**
Total	**0.44%**	**1.71%**	**1.09%**	**1.37%**	**0.16%**	**4.77%**

TRAINING IN 2019

	Black		Coloured		Asian		White		Total HDSA trained	Total trained
Type of training	Male	Female	Male	Female	Male	Female	Male	Female		
Graduates	**52**	**31**	**2**	**0**	**2**	**3**	**18**	**6**	**96**	**114**
Bursaries	**34**	**21**	**0**	**0**	**8**	**1**	**24**	**9**	**73**	**97**
Learnerships (engineering)	**172**	**99**	**5**	**0**	**1**	**0**	**13**	**1**	**278**	**291**

AVERAGE TRAINING HOURS IN 2019

Per employee	2019	2018	2017
Professionally qualified and experienced specialists and mid-management	**33**	28	39
Semi-skilled and discretionary makers	**56**	50	96
Senior management	**17**	19	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	**51**	49	85
Unskilled and defined decision makers	**59**	108	101
Total per employee	**53**	50	90

Note: Reduction in 2018 due to implementation of learning management system and more accurate recording of computer-based training.

FREEDOM OF ASSOCIATION

Membership of recognised unions and associations

as at 31 December	2019	2018	2017	2016	2015
Association of Mineworkers and Construction Union (AMCU)	**9,284**	9,886	13,664	13,691	24,382
National Union of Mineworkers (NUM)	**5,974**	5,670	6,437	6,378	8,200
United Association of South Africa (UASA)	**2,160**	2,157	2,544	2,630	5,827
National Union of Metalworkers South Africa (NUMSA)	**0**	50	269	270	347
General Industrial Workers of South Africa (GIWUSA)	**855**	917	0	0	0
Total	**18,273**	18,680	22,914	22,969	38,756
Total workforce represented, excluding management* (%)	**94.37%**	94.82%	95.74%	96.88%	96.67%
** Unki operations headcount excluded in denominator. Comparative figures (%)*		*94*	*92*	*92*	*96*

OUR PEOPLE CONTINUED

Working conditions policy

Amplats adheres to South Africa's Basic Conditions of Employment Act, and applies similar standards in Zimbabwe. This ensures that the health and safety of every employee, as well as their family responsibilities, are prioritised. As a mining company, many of our business units operate shifts around the clock. Working conditions at these mines fully consider the health and safety needs of shift workers, and specific issues are negotiated and agreed with representative labour unions.

Diversity

In fulfilling our ambition to be an employer, partner and investment of choice, Amplats has developed a framework that defines its vision for transformation. The purpose of the framework is to meaningfully transform our organisation and communities, to improve people's lives and make a positive, sustainable contribution. The following policies and programmes are in place:

- Inclusion and diversity programmes
- Employment equity policy
- Bullying, harassment and victimisation policy
- Management/board responsibility for diversity issues
- Training and guidance on diversity
- Diversity initiatives beyond legal compliance: leading women programme, nexus programme, women-focused fast-tracking programme
- Mentorship programmes
- Initiatives to support a diverse workforce: men as partners, sexual harassment training
- Diversity monitoring/audits.

DIVERSITY INDICATOR	PERCENTAGE
Female share of total workforce (%)	19%
Females in all management positions, including junior, middle and senior management (as % of total management workforce)	24%
Females in junior management positions, ie first level of management (as % of total junior management positions)	24%
Females in top management positions, ie maximum two levels away from the CEO or comparable positions (as a % of total top management positions)	17%

2020 = Bloomberg Gender-Equality Index

Amplats was one of only eight South African companies to be included in the 2020 Bloomberg Gender-Equality Index. This was a proud first for our company, reflecting our significant progress in creating an inclusive and diverse workplace.

The Bloomberg framework is an international, standardised reporting method for workplace gender data that enables companies to measure how they promote gender equality across five dimensions:

- Female leadership and talent pipeline
- Equal pay and gender pay parity
- Inclusive culture
- Sexual harassment policies
- Pro-women brand.

By disclosing gender-related metrics, companies in the 2020 Index have provided a comprehensive view of their investment in workplace gender equality and communities in which they operate.

In total, 325 companies headquartered in 42 countries, were included in the 2020 Index. As noted, only eight local companies made the Index. The Gender-Equality Index is regarded as a valuable tool for investors considering environmental, social and governance (ESG) matters in their decisions.

Future of work

The world of work is being fundamentally reshaped by advancing technologies and new approaches to work. Our human resources function has developed a response plan to ensure Amplats has the right people, with the right skills, in the right job, at the right time and with the right attitude.

ADVANCING TECHNOLOGIES	NEW APPROACHES TO WORK
Anytime, anywhere connectivity	Rise of the gig economy and freelancing
Cloud computing	Open sourcing of ideas and products
Augmented/virtual reality	New models of employment
Advances in artificial intelligence (AI) and cognitive computing	
Internet of things and sensors	
Social, local, mobile reality	

The impact of these changing technologies and ways of work means:

- Declining value of many traditional skills
- Existing roles are evolving
- New skills and job profiles are emerging
- The nature of work is changing.

The three key future-of-work areas on which Amplats must focus to thrive are:

- Investing in upskilling and reskilling our workforce
- Adopting new ways of working
- Adapting the organisational culture and values.

Viewed through the talent landscape lens and given our diverse, multi-generational workforce, for Amplats the future of work necessitates a number of preferences:

HOW TO WORK	TECHNOLOGY PLATFORM AND CONNECTION	BENEFIT PREFERENCES
◥ Engaging ◥ Interactive ◥ Access to experts ◥ Co-created ◥ Community-based	◥ Smart devices ◥ Video ◥ 24x7 connectivity ◥ Always on ◥ Smartphones ◥ Social media	◥ Job change options ◥ Financial management ◥ Mobility options ◥ Flex plans ◥ Constant learning ◥ Health and wellness – fitness ◥ Job flexibility

OUR PEOPLE CONTINUED

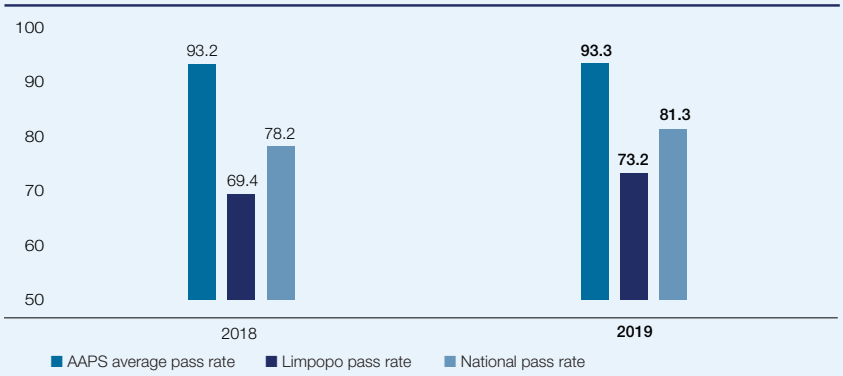
Case study

AMPLATS SCHOOL PROJECT

In 2015, we partnered with specific technical high schools close to our operations to improve learners' mathematics, science and technology skills and drive the localisation of skills. The project – which involves close cooperation with the Department of Education, school principals and governing bodies, educators and learners – includes learner and educator development, training school management, and refurbishing and upgrading school infrastructure.

The three schools, Mogale Wa Bagale (near Twickenham and the town of Burgersfort), Phaladingoe (near Mogalakwena outside Mokopane) and Thekganang (near Amandelbult outside Thabazimbi) achieved an average pass rate of 93% in the 2019 exams. This compares to an average of 65% in 2014. These schools also outperformed provincial and national averages, shown alongside.

AMPLATS SCHOOLS VERSUS PROVINCIAL AND NATIONAL PASS RATES



Initiatives in 2019 included learner coaching and exam-preparation camps for grade 11 and grade 12 learners, educator development and coaching, and focused development in maths and science for both learners and educators.

Ultimately, the programme aims to equip learners with the skills and education to access to higher education and provide them with employment opportunities, including at our operations.

The learners can benefit from several Amplats programmes, based on their performance in the grade 12 examinations (see overleaf).

Learners from Thekganang Technical School

Grade 12 performance

A total of 121 learners from the three schools wrote matric in 2019, up almost 19% from 102 in the prior year. Of these, 113 passed the 2019 National Senior Certificate examinations.

Pass rates per school are shown below. Commendably, Phaladingoe's university pass rate increased from 31% in 2018 to 50% in 2019.

Academic performance

	2018			2019		
	Wrote	Passed	Pass	**Wrote**	**Passed**	**Pass**
Mogale Wa Bagale	35	32	91.4%	**62**	**58**	**93.5%**
Phaladingoe	49	46	93.9%	**32**	**30**	**93.8%**
Thekganang	18	17	94.4%	**27**	**25**	**92.6%**
Limpopo	76,734	53,254	69.4%	**70,847**	**51,855**	**73.2%**
National	512,735	400,761	78.2%	**504,303**	**409,906**	**81.3%**

The 2019 average performance of the three Amplats schools exceed provincial and national performance by 20% and 12% respectively.

Quality of results

The latest results underscore the quality of learners' pass rates in relation to university entrance (bachelor's degree), diplomas and higher certificates.

	Year	Bachelor	Diploma	Higher certificate	Fail
Mogale Wa Bagale	2018	42.8%	45.7%	2.9%	8.6%
	2019	**35.5%**	**33.9%**	**24.2%**	**6.4%**
Phaladingoe	2018	30.6%	32.7%	28.6%	8.1%
	2019	**50%**	**25%**	**18.7%**	**6.3%**
Thekganang	2018	50.0%	22.2%	22.2%	5.6%
	2019	**55.5%**	**29.6%**	**7.5%**	**7.4%**

In 2019, the schools project focused on:
- Educator development
- Direct learner support: coaching, exam-preparation camps for grade 12 and 11.

Continuous support is being provided:
- Focused development in maths and science for learners and educators
- Educator development and coaching
- Grades 8, 9 and 12 direct learner support
- Using ICT to enhance teaching and learning.

Amplats will absorb learners into various programmes based on their performance:
- Bursary programme
- Scholarship programme
- Engineering learnerships
- Process academy
- Mining cadetship
- Finishing school

PILLAR: SOCIO-POLITICAL

SOCIO-POLITICAL

Partner in the benefits of mining with local communities and governments

SOCIO-POLITICAL

HIGHLIGHTS

- Delivered water to over 80,000 community members in Mapela and created employment for more than 80 young people around the villages of Mapela
- Completed the electrification of 970 households in Phasha Makgalanoto and GaMampa villages around Twickenham mine
- Installed solar street lights in 10 villages across the 3 operations. Mogalakwena, Der Brochen and Twickenham and over 50 000 community members benefiting and has created jobs for more than 100 youths that continue to maintain the lights
- Upgraded:
- 4 schools, 2 clinics
- 10 water and sanitation school projects
- Completed the community access bridge at St-George Farm improving access for communities to amenities including schools
- Paid Ga-Molekana and Sekuruwe communities
- Reaching over 10,000 learners on the early childhood development, leadership and character-building, and grade 12 support programmes
- Rollout of the interfaith programme to Rustenburg, Amandelbult and Der Brochen

LOWLIGHTS/CHALLENGES

- High unemployment rates, mainly Sekhukhune and Waterberg districts, as mines downscale
- Additional stakeholder groupings, all requesting independent engagement with mines despite agreed platforms and creating tension between the parties
- Escalating tensions with communities and different structures in the Eastern Limb with over 200 protests to different mines and the municipality. The industry called for the intervention of the Police Minister and the MEC of Community safety in Limpopo. A joint committee has been established to engage and resolve the community issues
- As the land dialogue in the country intensifies, we had land invasions in the Mogalakwena and Rustenburg areas. The matters were referred to the relevant authorities and eviction orders were issued and executed accordingly
- Bokoni and Twickenham on care and maintenance, with fewer procurement and employment opportunities
- Slow service delivery from municipalities putting pressure on mines to deliver services

FOCUS FOR 2020 AND BEYOND

- Embedding revised Anglo American social way
- Completing SLP2 for all sites; developing and integrating socio-economic development components into SLP3
- Implementing and coordinating programmes to achieve sustainability targets
- Review stakeholder engagement framework to building trusted and enduring relationships

SOCIAL CAPITAL

Maintaining and improving our social licence to operate depends on our ability to enhance this capital at all levels of our society. We refer to this as our socio-political pillar of value. While a licence to operate is a tangible, regulated entity, the social licence to operate is a fluid concept more easily identified by its lack, rather than its presence. Social capital itself is the outcome of the investment an organisation makes in building relationships with its stakeholders.

Granting, rejecting or withdrawing a social licence to operate is a stakeholder group's response to the extent of that social capital (positive or negative), which in turn supports an organisation's legitimacy, credibility and trust.

Our business strategy focuses on embedding an approach that will improve our legitimacy and credibility by integrating our purpose and embedding the Anglo American sustainability strategy into functional strategies.

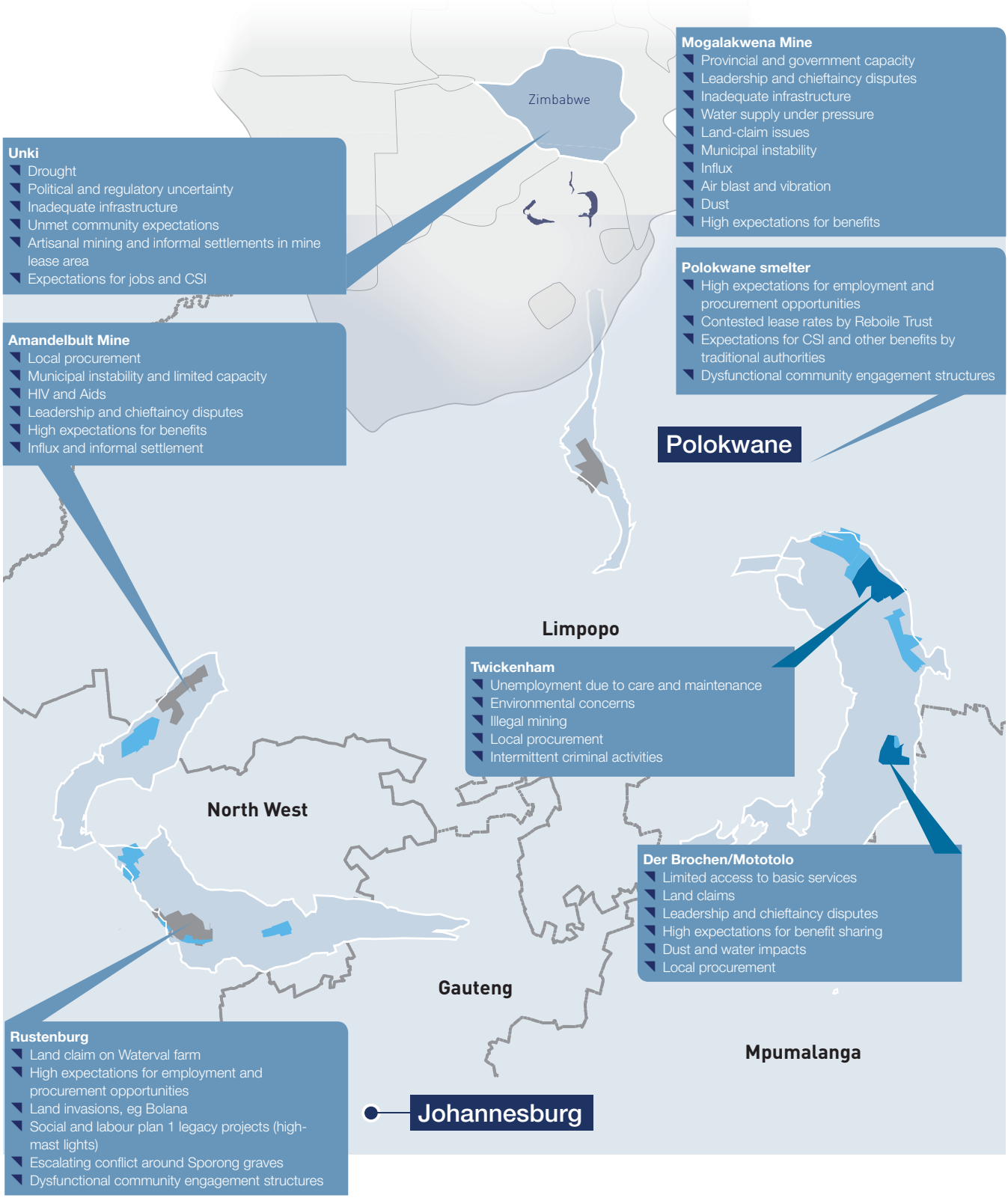
SOCIAL ISSUES ENCOUNTERED AT SITES

Our social licence to operate remains a key focus for the long-term sustainability of our business. We recognise that Amplats is a microcosm, functioning in a broader societal framework, and an inextricable part of the fabric of society. Our vision to re-imagine mining to improve people's lives highlights the role Amplats plays in shaping the life of modern society and the role society, in turn, plays in achieving this vision for mutual benefit.

Each site operates in a unique societal context, with specific risks and opportunities. The way we manage social issues at each site influences our social capital and requires individualised and focused effort to create positive social impacts.

SOCIO-POLITICAL CONTINUED

Key social issues at Amplats operations



OUR SOCIAL STRATEGY

Our social strategy plays a significant role in supporting our business strategy and addressing key social issues at our operations. Our business strategic priorities are enacted in a safe, values-driven and socially responsible way, underpinned by the need to build leading community and stakeholder relationships and make a lasting contribution. The social strategy therefore helps the business to fulfil its societal obligations by delivering shared value – creating social value for stakeholders while generating business value.

This strategy was adapted to the changing needs of the business and to better meet the needs of our stakeholders. It clearly defines our objective to enable a sustainable business and thriving communities by enhancing our social licence to operate through engaged and empowered stakeholders.

It enshrines three value levers (or pillars), shown below, with strategic focus areas that aim to deliver positive social impacts and enhance social capital.

Amplats social strategy

HOW DO WE PLAN TO INTEGRATE SUSTAINABILITY

Strategic objectives

To enable a sustainable business and thriving communities by enhancing our social licence to operate

Key focus areas

Socio-economic development (1)

- Regional economic development
  - Focused on benefits in host areas
  - Leveraging funding and partnerships
  - Collaborative approach
- Integrating land management, water management and development initiatives (agriculture and agro-processing)
- Implementing site social plans
- Local procurement
  - Zimele supplier development
  - Focus on host communities
  - Regular monitoring and reporting
  - Cross-functional initiative
- Community participation
  - Alchemy
  - Equity through partnerships
  - Active suppliers to the mine
  - Skills and capacity development

Stakeholder engagement and communication (2)

To become the industry benchmark for:

- Proactive stakeholder management and relations
- Risk and reputation management
- Internal and external brand equity – Amplats in SA and Zimbabwe
- Influencing policy (land, water and energy)
- Interfaith group – roll out and continuous engagement (social compact)
- Community communication – internal and external
- Engaging with all levels of government and civil society organisations
- Effective crisis communications
- Applaud recognition scheme
  - Partnership framework development
- Facilitate development (Northam); safety (Eastern Limb); land development (process sites)

Sustainable development (3)

- Develop and embed site sustainable mining plans
- Trusted corporate citizenship (human rights and accountability)
- Thriving community through a healthy environment
- Meeting requirements of social way
- Social risk assurance and impact management
- Resettlement and land access/ management
- Sustainable leasing model
- Develop sustainable broad-based ownership model
- Social licence to innovate
- Assess and address emerging trends that might impact the business

Key enablers

❶ Anglo American social way ❷ Capability and team effectiveness ❸ Effective IT and people systems ❹ Social risk managed ❺ Stakeholder mapping and engagement processes ❻ Impact management ❼ Purpose-led, high-performance culture and mindset ❽ Government relations guideline ❾ Data analytics and intelligence

What success looks like

- Zero costs of community conflict
- Economically diverse and sustainable communities
- Conducive policy environment
- Informed and engaged stakeholders
- Negative social and environmental impact mitigated
- Our stakeholders trust and welcome our presence in the area
- Creating a megacity at Amandelbult through partnerships

SOCIO-POLITICAL CONTINUED

The sustainable development pillar is aligned with the Anglo American group sustainable mining plan, featuring three global sustainability pillars and associated global stretch goals.

We remain focused on meeting our commitments for 2016 to 2020 social and labour plans (SLPs). Our stakeholders are more involved in the delivery of SLPs and we monitor and evaluate the impact of each project. This is part of the broader socio-economic development (SED) strategy for all our sites, aimed at delivering lasting benefits for the communities in which we operate.

Stakeholder engagement was again an important focus in 2019, with Amplats responding to the needs of diverse stakeholders, each presenting a unique opportunity to communicate our strategic intent to enhance stakeholder inclusivity by building stronger and more effective relationships. We built the foundations of effective engagement by setting up community forums that are now fully operational at each site, and concentrated on stabilising our relationships with government and communities. We are working with interfaith groups as a trusted and credible stakeholder in the community and ensuring faith leaders have input in rebuilding communities. Although some issues such as unemployment, lack of procurement opportunities and dividend structures persisted, we remained committed to effective engagement processes.

SOCIAL REPORTING – QUANTITATIVE DATA

Please indicate below to what extent your company reports on social key performance indicators (KPIs) in the public domain and provide the targets linked to these indicators.

KPI	Target	Actual performance
Anglo American social way compliance monitored through annual audit	Target 2019: 3.2	4.1

ANGLO SOCIAL WAY COMPLIANCE

The Anglo American social way defines the governance framework for social performance. It specifies concise requirements for all group-managed sites to ensure systems are in place to: engage with affected and interested stakeholders; avoid, prevent, mitigate and, where appropriate, remediate adverse social impacts; and maximise development opportunities. These requirements reflect evolving expectations and international best practice including: the updated International Finance Corporation (IFC) performance standards (2012); UN guiding principles on business and human rights; and the voluntary principles on security and human rights (a collaborative global effort by governments, major multinational extractive companies and NGOs).

Social-way requirements apply to the lifecycle of our activities: from exploration through project development (concept, prefeasibility and feasibility stages), construction, commissioning, operation, closure and post-closure.

Our social performance principles include:

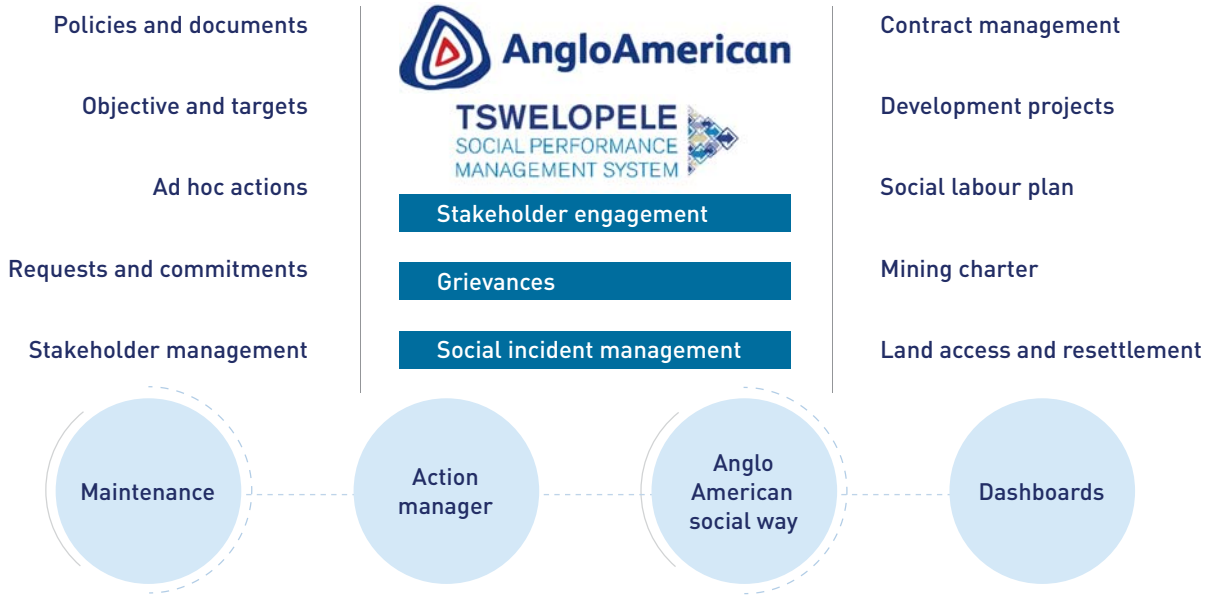
- Deliver a lasting positive contribution to communities
- Manage risks and impacts
- Respect human rights
- Engage with affected and interested stakeholders
- Empower vulnerable and marginalised groups
- Integrate social performance within relevant operational processes.

Annual social-way assessments were conducted in 2018 for all our sites, and externally. On a scale of 1 to 5, with 5 being the highest, sites scored between 3.6 and 4.5 (3 and above indicate compliance to social-way requirements). The Amplats business unit average was 4.1 for 2019.

TSWELOPELE – OUR SOCIAL PERFORMANCE MANAGEMENT SYSTEM

Tswelopele (Setswana: to move forward) was launched in late-2017. The system enables us to capture, interpret and manage all social information across our operations. This repository of data supports improved and informed management of social processes, governance, risk and compliance.

In addition to the ten modules launched between 2017 and 2018, a highlight was the launch of the Anglo American social way module. This allows our sites to conduct social way self-assessments and develop associated improvement plans.



SOCIO-POLITICAL CONTINUED

OUR COMMUNITIES

The future of our business is linked with the future of communities in our operating areas. To support the sustainability of our business, we invest in our communities by creating social and economic benefits that meet explicit needs during and beyond the life of a mine.

Group-wide strategy

Anglo American social way compliance

The Anglo American social way defines the governance framework for social performance. It specifies concise requirements for all group-managed sites to ensure systems are in place to: engage with affected and interested stakeholders; avoid, prevent, mitigate and, where appropriate, remediate adverse social impacts; and maximise development opportunities. These requirements reflect evolving expectations and international best practice including: the updated International Finance Corporation (IFC) performance standards (2012); UN guiding principles on business and human rights; and the voluntary principles on security and human rights (a collaborative global effort by governments, major multinational extractive companies and NGOs).

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- Deliver a lasting positive contribution to communities
- Manage risks and impacts
- Respect human rights
- Engage with affected and interested stakeholders
- Empower vulnerable and marginalised groups
- Integrate social performance within relevant operational processes.

Results for the 2019 assessments marked a significant milestone as all our sites achieved compliance against this framework. On a scale of 1 (reactive) to 5 (resilient), our sites scored between 3.6 and 4.5 (3 and above indicates compliance to social-way requirements). The Amplats business-unit average was 4.2 for 2019, which means that our business is proactive in social performance management.

OUR APPROACH TO CREATING SUSTAINED ECONOMIC AND SOCIAL BENEFIT

Stakeholder inclusivity underpins our approach to value creation and is integral to securing our social licence to operate (refer to page 120). We intensified our stakeholder relationships in 2019 to build relationships. We recognise more needs to be done to manage and build relationships if we are to maintain the trust and acceptance of our stakeholders.

Real-time insight into community perceptions

In striving for better stakeholder engagement, three years ago we participated in a pilot project that provides real-time insight into community perceptions around our Mogalakwena Mine. The project used SMS technology for community perception surveys and was developed with Australia's Commonwealth and Scientific Industrial Research Organisation, a pioneer in measuring social licence to operate.

During the project, over 1,800 community members across the four sites completed a baseline survey and then, using SMS, updated their views on each mine's progress against the key drivers of our social licence to operate. This provided valuable insight into our strengths and weaknesses, and supported the development of a strategic approach to maintaining and enhancing our social licence to operate.

The mines continue to engage with stakeholders to address issues raised in the survey. The fieldworkers' strategy has been rolled out in Mogalakwena, Amandelbult and Rustenburg and over 100 youth trained and employed as fieldworkers from surrounding communities to conduct door-to-door engagement with residents and provide feedback and progress on pertinent issues.

These initiatives are helping to restore trusting relationships with our communities as they are openly communicating with the mine through their representatives and receiving first-hand information as individuals.

Understanding that each community is unique, we use our industry-leading socio-economic assessment toolbox (SEAT) that details how our operations affect each community. We can then engage more effectively, accountably and transparently.

Many of these programmes run in partnership with non-governmental organisations, communities and local governments. Our approach is informed by regulatory requirements such as the South African mining charter and our social and labour plans (SLPs), and is implemented through a comprehensive set of social performance requirements detailed in the Anglo American social way.

Our social performance department works closely with our sustainability, supply chain and local procurement departments to promote socio-economic upliftment in communities close to our operations and areas from which we draw our labour.

We also aim to align our social and infrastructural investment projects with municipal, provincial and national development plans. All our operations have functioning community engagement forums, leadership forums or task teams (in the case of Mogalakwena), nominated and elected by the communities and meeting at least quarterly.

In addition, the different communities have established business forums in their areas, which engage with the mines on business issues and opportunities. We continually monitor the quality of our engagement and the structures and communication channels in place, especially at community level, to ensure these are effective.

Our commitment to social development in Zimbabwe parallels our commitment in South Africa. At Unki Platinum Mine, our corporate social investment initiatives include sports, arts and culture, health and food security, and supporting vulnerable groups.

Fines or directives

No social compliance fines or non-compliance directives were received in 2019.

Distributing economic value

Our licence to operate depends on our ability to ensure our stakeholders participate in the economic benefits we generate, and that our activities leave our host governments and communities with a firm foundation for a sustainable future.

The fact that we are a major mining company raises particular expectations.

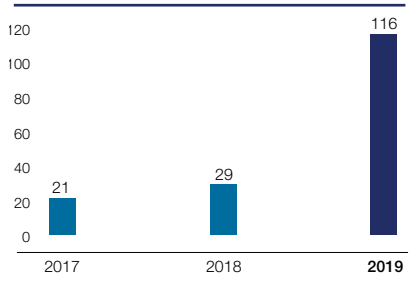
Through our core activities – which require Amplats to employ people, pay taxes to governments and procure from host communities – we make our most significant contribution to the South African and Zimbabwean economies.

The total value disbursed directly by Amplats in 2019 was R116.4 million (2018: R29 billion). Based on the dividend of R23.5 million, the Alchemy Trust (detailed below) received a dividend payment of R46.5 million. Through the multiplier effect, the positive economic contribution of our operations extends significantly further.

A number of empowerment transactions and joint ventures support our transformation goals. As an example, project Alchemy enables local communities to participate directly in Amplats, with progress summarised below.

FUNDING COMMUNITY EMPOWERMENT VIA DIVIDENDS TO ALCHEMY

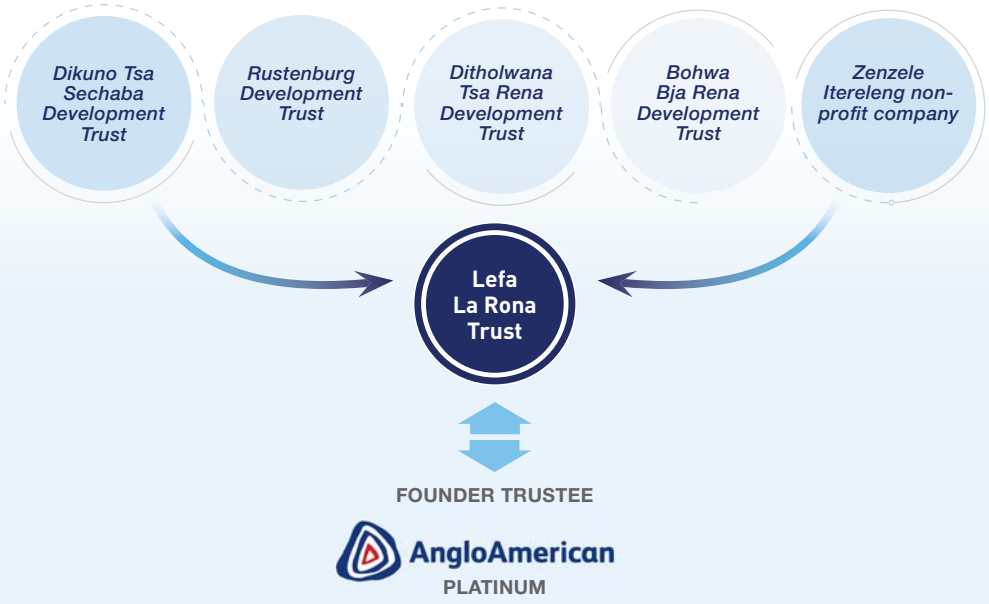
(Rbn)



Alchemy – community empowerment and development

The Amplats community empowerment and development programme (known as Alchemy) was launched in 2011. This pioneering programme promotes thriving communities and sustained local, inclusive community development through and beyond mining, leveraging communities' shareholding in our company. The Alchemy development structures are tools for empowered communities and development partners to participate in creating a sustainable future.

Alchemy is well aligned with the vision outlined by President Cyril Ramaphosa at the mining indaba in 2019. All five trusts and the non-profit company (NPC) have been established as agents for multi-stakeholder local development, with communities having a direct say in their destiny. The trusts and NPC are actively consulting with the communities they serve within the 15km to 50km radius from Mogalakwena, Amandelbult, Rustenburg and Twickenham, as well as the labour-sending areas of Taung in the North West province, OR Tambo district in the Eastern Cape, Lesotho and Mozambique.



Highlights and priorities

All the representative structures are registered, certified as public-benefit organisations, and audited. They are headed by senior operations managers as well as project development and implementation units, and are actively engaging with stakeholders in implementing development projects, toward the Alchemy vision of sustainable and thriving communities, through and beyond mining.

The trusts and NPO are led by experienced, independent trustees. Rustenburg Development Trust and Dikuno Tsa Sechaba Development Trust appointed community trustees in 2018 and 2019 to enhance local relevance and impact. Ditholwana Tsa Rena Development Trust and Bohwa Bja Rena Development Trust will appoint community trustees in 2020. In the consolidation phase, community trustees will have the majority voice in these structures, ensuring full alignment with the development visions of local communities.

SOCIO-POLITICAL CONTINUED

Alchemy development structures are set up to drive local impact in a four-phased approach.

Phase	Foundation	3/10 years Consolidation	11/30 years Operational	30 years+ Full
Description	Critical period ensuring effective start-up	First phase of fully capacitated trust structure, including community trustees on board	Second phase of fully consolidated trust structure	Potentially post-mining phase of self-sufficient trust operation

The Dikuno Tsa Sechaba Trust, Rustenburg Community Development Trust and Zenzele Itereleng NPC have already transitioned to the operational phase. The other trusts will achieve the same status in 2020, after electing community trustees. Weekly and monthly consultative and progress update meetings with various stakeholders take place, ensuring local relevance, improved impact and alignment with communities.

Community development project funding

With Amplats again paying dividends, the advantage of shareholding/ownership is highlighted with communities participating directly and experiencing the benefit of a profitable organisation in their midst. On a practical level, the process of engaging on and prioritising community needs by the trustees has matured commendably in recent years.

The 2019 corporate social investment plan included extensive local stakeholder and community consultation to maximise local beneficiation. While responding to immediate community challenges, including food security, access to drinking water and dignified livelihoods, the trusts and NPC are entering into strategic partnerships to plan and implement medium to long-term strengthening of systems, and asset-based community development programmes to respond to complex local challenges. Focus areas include:

- Strengthening education and health systems, and infrastructure
- Integrating fourth industrial revolution skills for meaningful employment
- Entrepreneurship and small, medium and micro-enterprise (SMME) development
- Supplier development
- Diversifying the local economy beyond mining, particularly agriculture in rural and peri-urban communities (facilitating agricultural capacity-building and offtake agreements)
- Digital enablement of local businesses, community-based organisations and development initiatives.

To date, the trusts have received R454.4 million in funding through the dividend/safety net; CSI; safety, health and environment (SHE) KPI programme; and interest.

Significant projects

Dikuno Tsa Sechaba Development Trust (Amandelbult)

- The trust has implemented the pioneering free community-wide wi-fi development platform to strengthen the community life cycle from prenatal care, schooling, post-schooling, skills for employability, SMME and entrepreneurship to frail care for the aged. All the trusts/non-profit companies (NPC) have launched free community wi-fi development platforms
- With only some 5% of matriculants pursuing post-schooling opportunities, in 2019 the trust awarded bursaries to 15 local youth for studies at institutions of higher learning. Bursaries cover registration, tuition and accommodation.

Rustenburg Development Trust

- The R42.3 million Mfidikwe waterborne sewerage project includes 411 stands in a collaboration between the Royal Bafokeng, Sibanye-Stillwater and the trust (which contributed R27.3 million) to enhance health conditions in the community. Despite delays with service providers, the project will be completed by the first quarter of 2020
- Through digital innovation, and to enhance grassroots communication, collaboration and positive impact in communities, the trust is pioneering a free community-wide wi-fi development platform (detailed above). The R1.3 million platform, including infrastructure and data, went live at four schools in 2018 and was officially launched in November 2019 across the broader community.

Ditholwana Tsa Rena Development Trust

- The early childhood development (ECD) and non-governmental organisation (NGO) capacity-building course participants graduated in December 2019, strengthening critical development services in the community
- This trust has also implemented the pioneering free community-wide wi-fi development platform. This platform went live during a testing phase and was officially launched in December 2019, reaching communities in a 15km radius from the Mogalakwena mining operation.

Bohwa Bja Rena Development Trust (Twickenham)

- The ECD and NGO capacity-building course participants graduated in December 2019, strengthening critical development services in the community
- Like the other trusts, the free community-wide wi-fi development platform was officially launched in December 2019, reaching communities across a 10km radius from the Twickenham mining operation.

Zenzele Itereleng NPC (labour-sending areas)

- The NPC co-invested R4.75 million in input costs (together with Tiger Brands) via rotational loans to support the production of 3,000 tonnes of super-grade wheat which was harvested by 57 farmers in Taung (North West) in November 2019. The profit of around R2.5 million from the Tiger Brands offtake agreement has positively impacted 127 beneficiaries. This pioneering programme that unlocks market access for emerging black farmers will contribute to uplifting the broader community through local economic development
- The NPC's pioneering free community-wide Wi-Fi development platform in Taung was officially launched in November 2019, reaching communities in a 10km radius.

Social return on innovation for positive, transformative impact

On the journey to maturity and considering the needs of the trusts and their benefit communities, all trusts/NPC are leveraging additional development vehicles, including scalable innovative social investment (projects/programmes with greater social return on investment and innovation), resource mobilisation, lobbying and advocacy in support of positive impact in benefit communities. Training workshops on design thinking, theory of change and social return on investment were conducted in late 2019 with all the trusts/NPC, and these frameworks have been embedded into their operating models and practice to ensure so-called impact-by-design.

Fulfilling their role as facilitators in realising the Alchemy vision, the trusts are playing leading roles in pioneering integrated, site-based development implementation plans in collaboration with teams from Amplats (sustainability, social performance, supply chain, community regional development, Zimele, mining operations and more), Anglo American's South African education initiative, corporate partners like Tiger Brands, Vodacom, Microsoft and IBM, aligned with national, provincial and local/traditional government initiatives. This collaborative development approach will continue in 2020 and beyond to ensure integrated, efficient and greater positive impact in communities.

The trusts/NPC are leveraging these strategic partnerships to pioneer access to a wide range of development services, including over 10,000 units of free courseware to all local SMMEs, entrepreneurs and youth via their community-wide wi-fi platforms (detailed above). The IBM Digital-Nation Africa fourth Industrial Revolution courses, together with Microsoft's Virtual Academy and massive open online courses, provide free ubiquitous access to benefit communities to increase the miniscule 5% of youth participating in post-schooling studies, and enhance their livelihood prospects. The aim is to help reduce the high unemployment rate (some 65% youth unemployment) in these mostly rural and peri-urban communities by aligning with the skills requirements of the future global economy while matching existing skill sets to available job opportunities via the development platforms.

COMMUNITY DEVELOPMENT PROGRAMMES

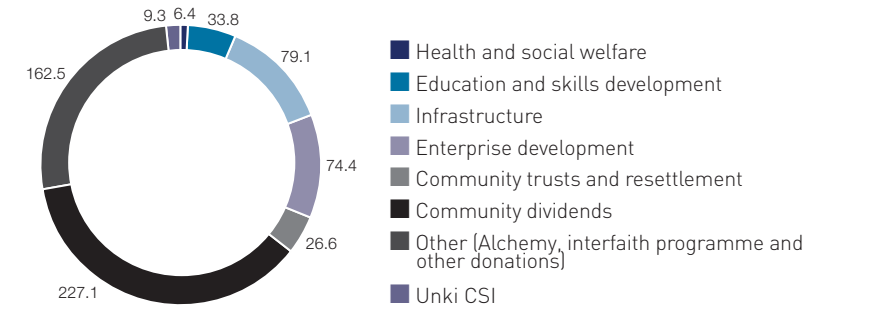
In 2019, the total social investment spend was R619 million, which included SLP and corporate social investment (CSI) spend in South Africa of R231.2 million (2018: R254.2 million) in line with mining charter requirements, and in Zimbabwe of R9.3 million (2018: R9.95 million).

Since 2010, we have initiated 114 projects through our SLPs. By the end of 2019, we had completed 113 with the final project due for completion in 2021. The remaining project is the road being built in partnership with Road Agency Limpopo in Twickenham and we continue to report progress to the DMRE as required. There were delays in finalising this project and we are continuously engaging with the Road Agency Limpopo and relevant government departments to deal with these issues. Most completed projects have been handed over to the relevant beneficiaries.

After submitting new SLPs in 2015, we began implementation in 2016. We committed to deliver 74 projects and, to date, 44 have been completed. The other 30 are in different stages of implementation.

Mine community development expenditure in 2019 was allocated to the following projects:

TOTAL SOCIAL INVESTMENT SPEND IN 2019
(Rm)



	2019 Rm
Total social investment	619
CSI spend*	240.5[RA]

[RA] Reasonable assurance provided by PwC. Refer to page 144 for the independent assurance report.
** Including Unki, excluding overhead costs.*

SOCIO-POLITICAL CONTINUED

SOME OF OUR COMMUNITY DEVELOPMENT FOCUS AREAS:

Focus area	Progress	Estimated beneficiaries
Health and welfare Our investment in healthcare reflects our desire to address the more immediate needs of our communities, ensuring they have access to healthcare facilities that protect their right to live healthy lives.	**Limpopo province** We have completed the Sekuruwe clinic and Naledi clinic in partnership with the provincial department of health. These clinics have been handed over to the department. The Sekuruwe clinic was officially opened by the MEC of health in Limpopo. We previously handed over two ambulances to the MEC to support the Mecklenburg Hospital close to our Twickenham operation. **North West province** We began construction of Lenchwe clinic in the Mokgalwaneng village, close to our Amandelbult operation. This is due for completion in 2020. In addition we initiated the health baseline study around our operations in both provinces to establish the current status and guide the areas on interventions in our 2020 planning with the Department of Health.	
Education and training We invest in education as the most effective way to reduce poverty and make a sustainable difference in the lives of our communities.	We invest in youth development and education programmes in communities near our mines. In 2018 we launched the early childhood development (ECD) programme and supported nine ECD centres in Mogalakwena, Twickenham and Amandelbult with 858 learners participating. The leadership and character-building programme was rolled out to Amandelbult and Twickenham areas, with 3,218 leaners, 149 teachers and 4,076 parents participating. We have seen significant improvement in all schools where our programme is being implemented: Modise School achieved a 100% pass rate and the six schools in Mapela were all in the top 10 performing schools in that district **Schools infrastructure** Mogalakwena Mine is constructing additional blocks of classrooms and administration facilities at Maleya, Kgwahlele and Mphunye schools. Kgoshi Manotshe, Thekganang and Kwena Tlase in Amandelbult as well as Lephenye and Tekanang in Twickenham are all under construction and due for completion in 2020. We continue to provide water and build decent sanitation facilities at schools around our mines. In 2019, sanitation facilities in 10 schools were upgraded. The 10 best-performing learners from different schools around Mapela were offered full scholarships to attend one of the best private schools in Limpopo. The mine has contributed R12.7 million to the Limpopo Education Trust to construct the new Seritarita school. The mine and department of education are engaging the Skimming community to begin construction.	858 learners 3,218 learners; 149 teachers, 4,076 parents Learners at 10 schools
Agriculture and environment This economic segment offers significant employment opportunities and livelihood resilience. Our agricultural projects support farmers in launching new agricultural businesses on their own or communal land.	We continue to invest in agriculture by supporting four farms managed by different cooperatives that have created 46 permanent jobs. The farms in St George and Kalkfontein, close to our Der Brochen project, were given back to communities through the land-restitution process and we continue to work with them to ensure the land is being used effectively. The Ga-Mashabela poultry farm is doing well, with the cooperative supplying eggs to local markets. Mogalakwena Mine sponsors and supports 20 eco-schools in the area. The mine's successful Groenfontein farm and training centre offers courses in permaculture and cattle management to local communities. It has also been developed into an agri-ecological incubator to support agricultural and sustainable development projects in neighbouring communities. For the youth, it offers a sustainable development course linked to the international eco-schools programme. In 2019, Mogalakwena trained 95 local entrepreneurs through its supply chain.	

Focus area	Progress	Estimated beneficiaries
Enterprise development This takes place through various programmes and in conjunction with our supply chain team. We also draw on Zimele, the Anglo American-wide initiative that is a catalyst for emerging black businesses in South Africa, supporting commercially viable small and medium enterprises by providing skills training and funding.	Our initiatives to support localised procurement and supplier development contribute to skills development, create jobs and support emerging businesses. Our enterprise development programmes are designed to build resilience in host communities and a more robust and competitive supply chain for Anglo American. For more information on how we are transforming our supply chain, see page 128.	
Infrastructure (roads, housing, water and sanitation) A key feature of our SLPs is a commitment to infrastructure development. We aim to ensure our operations' infrastructure projects complement the integrated development plans (IDPs) and priorities of local municipalities.	Working with partners to provide infrastructure that can be used during and after mining activities is important in creating sustainable value for our host communities. Our mines are often in areas that are underdeveloped and remote, where we can share infrastructure, such as roads, health facilities and water, with local communities. Working with the Road Agency Limpopo and Department of Public Works, we are constructing a 20km road at Twickenham. Amplats has contributed R47 million to the project, and over 100 local jobs have been created. There have been delays in finalising this road and we are in continuous talks with the Limpopo government through the premier's office and DMRE. We estimate that the road will be completed in 2021. The project to electrify over 920 households in Ga-Mampa and Phasha-Makgalanoto villages has been completed and handed over to the Fetakgomo Tubatse municipality. We have installed solar street lights in five villages around our operations in Mogalakwena, Twickenham and Der Brochen, with growing demand to reach more villages. This has reduced the cost of street lights significantly. Mogalakwena has completed a project to provide access to water for 70,000 members of Mapela community, in partnership with Mogalakwena municipality and the Mapela traditional authority. To date, over 70,000 people in Mapela have access to clean water and this project was completed in 2019.	
Community trusts (including Alchemy) Alchemy is our R3.5 billion BBBEE ownership programme. It is designed to promote long-term sustainable development in host communities and key labour-sending areas that do not benefit from our other BEE programmes.	Community trusts are an important means to support community development initiatives. Four have been established to date. Project identification and implementation is progressing well and 70% of funds received have been approved for projects. Of the R69 million in approved funds, R22 million was disbursed by the end of 2017.	

SOCIO-POLITICAL CONTINUED

Indigenous rights policy

The Anglo American social way guides our social performance compliance in engaging with indigenous people. In South Africa and Zimbabwe, no community groups have been categorised as indigenous people.

Active community engagement

In line with the requirements of the social way, all our operations have developed plans to map key stakeholders and detail methods of engaging with them. All operations have community engagement forums, with monthly discussions on progress as well as feedback on key social initiatives and issues.

The fieldworkers' programme enlists previously unemployed youth from our host communities to engage with and provide feedback directly to communities in their own homes.

Our community newspapers, recognised as 'best publication with a limited budget' in the South African Publication Forum corporate awards, have far-reaching impact by consistently providing feedback to our communities. The interfaith group programme, which includes church leaders and other traditional healers to ensure inclusivity, now encompasses over 500 leaders and forms part of the Courageous Conversation Movement to foster engagement between the mining industry and churches to address issues that affect our host communities.

Community consultation framework and implementation

Our community engagement methodology covers:

- Identifying affected communities and the range of stakeholders
- Implementing a stakeholder engagement plan, which is in place for each of our operating sites
- Providing affected communities with access to information through relevant structures, such as community engagement forums, community newspapers and community radio stations
- Enabling affected communities to express their views on operational and project risks through grievance and engagement mechanisms
- Incorporating the views of affected communities into operational and project decision-making
- Reporting to affected communities and other stakeholders.

Responding to community concerns and impacts

We believe our first duty is to behave in a way that respects the human rights of employees, host communities and business partners. Beyond initiatives to benefit our host communities, we aim to respond promptly to any negative impacts we may cause.

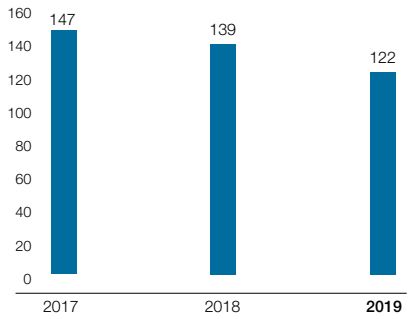
Where there has been physical resettlement of people or heritage sites, such as relocating graves, we continue to ensure the impact is minimal.

Community complaints and incidents

Responding effectively to community complaints and expectations underpins good relations. Community expectations and the lack of development in some of our neighbouring communities pose challenges for those operations, as demands on the mines to provide basic services and employment spiral.

In 2019, 122 level 1 (insignificant) – level 5 (major) community complaints were submitted through formal procedures at our operations (2018: 139), mostly on local employment, procurement opportunities and environmental impacts. All were assessed and complainants kept informed throughout the grievance and complaints process. We aim to resolve all complaints as quickly as possible.

COMMUNITY COMPLAINTS



There were 21 level 3 to 5 social incidents reported in 2019 compared to 20 in 2018. Of concern was the increase in level 4 (high) incidents from four in 2018 to six in 2019. Most of these incidents related to third-party vehicle incidents outside mining operations. In response, all our operations collaborated with strategic stakeholders to initiate intensive road-safety campaigns targeting our communities, employees and contractors.

Resettlements and improving access

In the development phase of our mines, we plan projects to avoid or minimise resettlement. Our standards align with Anglo American and stipulate that all resettlements must at least meet the International Finance Corporate (IFC) performance standard on land acquisition and involuntary resettlement, and must demonstrably improve the livelihoods of resettled people. In line with the IFC standard, each resettlement must also be planned and implemented in a participatory manner.

Corporate approach to resettlement

In line with the International Finance Corporation (IFC) performance standards 1 and 5, an environmental and social impact assessment must be conducted prior to resettlement. This assessment stipulates that a social management plan is designed to mitigate risks, deal with issues and restore communities. A remediation action plan and livelihood restoration plan are designed to guide implementation, monitoring and provide evidence of improvement. The overall approach is to conduct resettlement as a last resort and, if it cannot be avoided, to adopt like-for-like replacement that protects the community structure.

Case study:

UPDATE ON MOTLHOTLO RESETTLEMENT

To expand Mogalakwena Mine, we needed to acquire land previously occupied by the community of Motlhotlo to dump waste rock. Motlhotlo is north-west of the mining pit and resettling the remaining households is strategically important for the continuity of our flagship operation to:

- Eliminate health and safety risks for households in the mining area
- Give Amplats full access to the approved leased mining rights area and reduce reputational risks caused by unauthorised access by the public
- Fully use dump space and reduce operational costs.

The Motlhotlo resettlement was initiated in 2005 and all 956 households agreed to relocate. Subsequently, 64 households retracted their decision, electing to remain on the property. The number of households at Motlhotlo grew from 64 to 156 by 2012.

Following negotiations, a relocation agreement was signed with the community in mid-2012, and we appointed external experts to develop a resettlement action plan. The primary objectives of this plan were to:

- Consolidate and build on existing resettlement planning
- Include all negotiated agreements and conflict-resolution activities (which have characterised the Motlhotlo resettlement process)
- Document and finalise the relocation agreement between Amplats and the remaining households.

The plan was developed in line with the policies, legal and institutional framework of South Africa, as well as the demographic and socio-economic characteristics of the affected community. In addition, it was informed by the internationally accepted good-practice guidance in the IFC's performance standard on land acquisition and involuntary resettlement.

The 2012 agreements set out three resettlement options for the Motlhotlo households owners to move to:

- **Option 1:** an agricultural farm (Klipfontein and Tobias Zyn Loop farm) at Mookgophong
- **Option 2:** the new villages at Armoede and Rooibokfontein
- **Option 3:** a location of their choice within a 50km radius of Mogalakwena Mine.

Of the 156 households, 92 have relocated to option 2, three have selected option 3, and the 61 households remaining at Motlhotlo have selected option 1. After two households indicated that members would remain on the land, a separate charter was issued to formalise the relocation project for the remaining 61 households.

The main challenge was to identify suitable land for relocating the households. The land needed to comply with the Spatial Planning and Land Use Management Act 16 of 2013 and be accepted by the community. A portion of land in ext 14 of Mokopane was identified, as well as a portion of land in ext 12. The community and their lawyers selected ext 14A where the land is fully serviced and roads were being tarred. The community also liked show houses built for employee housing. After presenting the land options to the Community Property Association (CPA) for initial approval, the land was then shown to the community. The majority (47/61) of eligible households selected the option.

Subsequently, entitlements outlined in the 2012 agreement were re-evaluated to compensate for the challenges of urban living. The entitlements and required support were formulated into a relocation action plan and a livelihood restoration plan, with an appropriate budget approved by the Amplats' executive committee (Exco).

An addendum to the 2012 agreement was drafted and approved by most of the community in August 2018. House construction began in November and implementation of the livelihood restoration plan in January 2019. The first activities were house construction and providing transport to schools and the construction site. The children of consenting households also started 2019 in their new schools.

The mediation process outlined in the 2012 agreement is being followed with the remaining 14 households. The objective is to find a suitable alternative relocation site as per option 3 of the agreement for these households.

Independent resettlement review

In 2015, our sustainability department initiated an independent review on four resettlements: Mogalakwena (Ga-Pila, Ga-Puka and Ga-Sekhaolelo) and Twickenham (Makobakoba). The aim was to ascertain the status of resettled communities in line with the IFC's resettlement performance standard 5, as well as Anglo American Social Way requirements.

Due to setbacks (including unavailability of key documentation, community's reluctance to participate and community conflict), the review process was suspended in 2016.

At the beginning of 2018, consulting firms were re-engaged to complete the review, and present to Amplats with an assessment of the status of resettled communities and recommendations to address identified risks. The review for Mogalakwena was completed in September, with findings and recommendations presented to Exco.

Based on the independent review on the resettled communities at Mogalakwena, exco resolved that significant remediation is required to address the risks and gaps identified. The focus will be on implementing rapid-impact projects in the resettled communities. An integrated remediation monitoring and evaluation schedule and budgets have been developed against the recommendations of the forum review report.

The next steps include the implementation of an extensive engagement and communications plan to communicate the findings, recommendations and remediation plan emanating from the review and structural assessments. This will be followed by further development of the Integrated Remediation Plan in partnership with the affected communities. After that, the remediation plan will be implemented and progress closely monitored.

SOCIO-POLITICAL CONTINUED

Case study:

UPDATE ON MOTLHOTLO RESETTLEMENT *CONTINUED*

Before resettlement



During resettlement



After resettlement



Case study:

COMMUNITY DEVELOPMENT

Interfaith programme

Effective stakeholder engagement is one of the key pillars in our strategy and the Anglo American social way. We also aim to preserve the culture and heritage of host communities.

While we had successes with our past work, it is now opportune to align our strategy with innovative ways of engaging with stakeholders who were not prioritised in the past.

Given greater demand to deepen our engagements and strengthen trust with the communities we work in, we believe the inter-faith programme is an appropriate approach. Past channels we have used to work with communities include traditional leaders, political formations, government, and community engagement forums. However, various issues, primarily rooted in the incapacity of these structures to deliver promised services, have made these traditional channels and structures increasingly lose authority, legitimacy, acceptability as well as the ability to mobilise communities on community development issues. As such, a one-dimensional, parochial association with these structures raises risks for all parties.

Against this background, it was imperative to find alternate structures and systems that could be used to facilitate dialogue on community development while maintaining good and credible relations. We proactively began working towards this in 2016. The key criteria in selecting novel avenues and structures included: past and current interactions with communities, the respect specific structures receive from communities, services coverage and uptake, reputation, credibility, awareness of community issues, ability to mobilise communities and mainstream gender, human rights, generational and ethical conduct as well as demonstrating humane approaches in dealing with communities.

We started a pilot project in Mogalakwena premised on working with faith groups and their leaders to advance community development in 2016. We went through a process of mobilising all churches in this area, ensuring pastors understood our core values and identifying key community projects they would want us to support.

A total of 160 pastors from different churches in the area were rallied to work towards the core values of unity, love and service. They identified six projects that we should work on together: moral regeneration to curb moral decay in the communities; early childhood development (ECD) and teacher mentorship; IT services for youth, including literacy through training; basic finance training, which builds financial literacy by covering issues such as debt and saving; agriculture; basic ethical conduct and governance; and basic counselling and trauma support.

These have been successfully implemented and the ICT a mechanical hub will be officially opened in 2020.

Key highlights to date include:

- Successful roll out of the project to Twickenham and Der Brochen
- There are currently 255 leaders on the programme in Mogalakwena, Der Brochen and Twickenham
- The programme is currently employing 88 graduates.

Increased service uptake and ultimately create alternative innovative structures that can advance community development while showcasing our work and enhancing our reputation.

The program is now being rolled out to Rustenburg, Polokwane and Amandelbult. One of the key success factors we look forward to is faith leaders intervening and mediating on divisions and conflicts in communities, and reconstructing our society.

SOCIO-POLITICAL CONTINUED

Case study:

ZIMELE – HELPING ENTREPRENEURS STAND ON THEIR OWN FEET

OUR PARENT'S ENTERPRISE AND SUPPLIER DEVELOPMENT PROGRAMME, ANGLO AMERICAN ZIMELE, AIMS TO SUPPORT 10,000 JOBS BY 2022 AS PART OF A NEW APPROACH TO BUILDING SUSTAINABLE SMALL, MEDIUM AND MICRO ENTERPRISES (SMMEs) IN COMMUNITIES WHERE THE GROUP HAS OPERATIONS.

Anglo American Zimele has been the leading supporter of small business in the country for the past 30 years, funding over 2,300 SMMEs and supporting more than 50,000 jobs. To address South Africa's economic challenges and the national priorities of reducing unemployment and poverty, it will put greater emphasis on mentorship, while focusing on youth, supplier and enterprise development along with broader partnerships.

We have been helping people stand on their own feet for over three decades and will continue with this single-minded aim – but differently. Our initial goal was to enable black South Africans to participate in the economy, but current unemployment levels mean that providing funding is simply not enough. By focusing on mentorship as much as enabling funding, we will build sustainable SMMEs that can grow their businesses and, in turn, create and sustain jobs.

The Zimele repositioning forms an integral part of Anglo American's ambitious sustainable mining plan. One of the pillars of this plan is to create five jobs off-site for every job on-site in our host communities. We believe this will have a significant impact on building thriving communities in the areas where we operate in South Africa.

The three key programmes underpinning Anglo American Zimele's new strategy are:

- Enterprise development, through greater mentorship and increasing the pace of economic development around our mining operations
- Supplier development, by leveraging the group's existing inclusive procurement spend and helping host-community suppliers access new markets
- Youth development, through training for relevant skills that make economic opportunities more accessible for youth in host communities.

Anglo American Zimele's existing hubs in host communities will adopt a multifunctional approach by incorporating these key elements. They will focus on supporting SMMEs and the youth in these host communities through mentorship in areas like general business acumen, safety, innovation and technical capability.

Importantly, this is a demand-led programme. We do not only offer development and access to funding, we also invest in partnerships that assist entrepreneurs and youth to gain access to markets in the mining value chain and beyond. Ultimately the growth, passion and success of each business or individual lies in the hands of the participant – our role is to support them with tools and networks to support the journey.

Zimele (isiZulu for stand on your own two feet) was established in 1989 to develop emerging black businesses, empower entrepreneurs and facilitate job creation. Since then, it has played a pioneering role in accelerating the pace of change in South Africa's SMME market. The revised model of entrepreneurial development – through sustainable local procurement activity – will have a lasting impact on communities across the country through skills development, job creation and thriving businesses.

PROGRESS UPDATE (2019)

Mentorship programme

Zimele expanded its service offering to Amandelbult operations in February 2019, benefiting 63 suppliers, 207 entrepreneurs and 212 host communities around the Mogalakwena, Rustenburg and Amandelbult operations.

Through this programme, Zimele is supporting 1,262 jobs based in these host communities. By 2022, Zimele aims to support 6,366 jobs across the three operations.

It continues to provide low-interest loan funding to host community-based suppliers/enterprises through a partnership with Absa. In 2019, Zimele approved 12 loan transactions and disbursed of R23.4 million while supporting 56 jobs.

WORKING ON HAZARDOUS WASTE – AHOY ENTERPRISES

Ahoy Enterprises was founded in 2014 on the back of a small contract from Mogalakwena, with a staff complement of just four: the two co-founders and two employees. Today, it has 46 people on-site at Mogalakwena alone, to maintain pollution control dams and manage hazardous waste and any spillages from operations.

The support of Zimele and Amplats has been instrumental to their growth and success, says Valoyi: "Zimele helped us with the finance to purchase critical equipment, like our three skip trucks and 200 hazardous waste skips. It has also provided intensive business skills training and mentorship, which has really helped us understand what is needed to run a sustainable, healthy business."

The success of small businesses like Ahoy Enterprises highlights the need to build sustainable SMMEs that can grow their businesses, in turn creating and sustaining jobs in communities around the group's operations.

We view entrepreneur development as a major factor in creating sustainable businesses and communities that will thrive long after the mining operations they serve are gone.

OUR STAKEHOLDERS

KEY ISSUES

Refer to map on page 24 for key issues, and detailed discussion in the integrated report.

OUR APPROACH TO MEANINGFUL ENGAGEMENT

We are committed to working with our stakeholders to understand their legitimate needs and concerns, and integrate these into our business to create an organisation that is sustainable and shares the value generated. This means we need to stay abreast of ever-changing relationships in our diverse group of stakeholders.

We believe building quality relationships rests on recognising key factors:
- A relationship is only sustainable if it provides benefits to both parties (sharing value)
- Clear, consistent communication is the operating framework in building and maintaining quality relationships.

Our business relies on diverse stakeholders and they rely on us to meet certain needs. We engage with these stakeholders in numerous ways to understand their legitimate needs and communicate our goals, creating relationships of mutual benefit.

In 2016, we mapped our stakeholders in a comprehensive process to ensure we were aware of organisations and individuals with an interest in our operations. This insight has enabled us to improve future engagements.

A summary of key stakeholder engagements in 2019 is shown below, and detailed on page 24 of our integrated report.

Quality of relationship	How we engage	Why we engage
Government		
◆	We engage constructively at all levels, directly and through industry bodies such as the Minerals Council. Key issues include: - Financial state of platinum sector - Compliance with mining licence and related requirements - Labour relations and safety - Contribution to national developmental priorities (job creation, skills development, public health, and economic and socio-political transformation) - BBBEE legislation - Taxation policy, including royalties and carbon taxes - Company developments, including strategy. In Zimbabwe, we face uncertainty on indigenisation. We maintain regular contact with government officials, ensure full legal and regulatory compliance in a changing environment, and invest in community and social development initiatives.	Engaging effectively and openly with government at all levels is essential to unlocking value. We have a responsibility to understand the expectations of government and to be clear about what we, as a company, need to do to succeed. We also believe that, in turn, governments have a responsibility to listen to aspects affecting our business, engage with us and create an environment in which our industry can make a positive long-term difference to those countries. Many of our social projects can only succeed if we engage with government and align our projects to broader goals for the country. The way companies are run determines more than just their financial performance. If run well, they contribute to the prosperity of the country and their host communities.

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

OUR STAKEHOLDERS CONTINUED

Quality of relationship	How we engage	Why we engage
Entrenching compliance		
◆	Regulatory uncertainty is an ongoing risk that we address through active engagement, both as a member of the Anglo American group and through the Minerals Council. Regulatory matters on a specific material issue are discussed in the relevant section of this report or cross-referenced to our integrated report.	We believe pursuing the highest levels of compliance is an opportunity for Amplats: by adhering to regulation, legislation, voluntary codes and social compacts, we ensure our business practices are conducted responsibly, which in turn benefits the areas in which we operate. While we strive to meet legal compliance obligations, we aim to go beyond mere box-ticking to make a substantive difference. In South Africa, companies are governed by a broad range of legislation and regulation, some generic to the business world and some specific to mining. Mining and exploration permits are issued under the Mineral and Petroleum Resources Development Act (MPRDA) that governs technical and socio-economic issues. In addition to complying with all applicable legislation, we also comply with voluntary codes and guidelines (page 127) to manage the social and environmental risks of mining.
Partnering to align goals		
◆	We aim to work with government stakeholders to ensure regulatory and legislative developments are balanced and promote long-term investment and industry competitiveness in the international marketplace.	South Africa is a well-developed mining jurisdiction, with comprehensive legislation. We continue to partner with government in contributing to the goals of the national development plan (NDP) as well as the UN SDGs, in collaboration with the office of the deputy president. We work with government's integrated development plans at provincial and local level. Given the challenge of aligning our projects to maximise benefits for intended recipients, we focus on working across departments internally and aligning projects across multiple government departments.
Suppliers		
◆	Engagement with a large mining supplier included quarterly meetings on key sustainability matters.	Amplats makes a valuable contribution to South Africa's transformation, economic growth and empowering local businesses through inclusive procurement and supplier development as well as industry-wide enterprise development. Refer page 128 for detailed discussion.

* ◆ Strong relationships ◆ Cordial relationships ◆ Weak relationships

We support the principles of the Extractive Industries Transparency Initiative on disclosing payments. In 2019, R65.2 billion was paid to the South African government as taxes (2018: R4.4 billion); and R2.5 million to the Zimbabwean government (2018: USD19.5 million).

We do not support any political party and make no political donations.

VOLUNTARY CODES TO WHICH AMPLATS IS COMMITTED

- **International Council on Mining and Metals (ICMM)** maximises the contribution of mining, minerals and metals to sustainable development. Anglo American is a founding member and Amplats has adopted and complies with the ICMM's 10 principles for sustainable development
- **We support the UN guiding principles on business and human rights aspects.** These are incorporated into our policies and management systems, but we need to enhance implementation and continue to integrate the principles into our operations
- Anglo American is a member company of the **UN Global Compact** and Amplats therefore complies with the compact's principles
- Anglo American is a member company of the **voluntary principles on business and human rights (VPSHR)** and Amplats complies accordingly. These principles guide companies in maintaining the safety and security of their operations in an operating framework that encourages respect for human rights
- The **Extractive Industries Transparency Initiative (EITI)** is a global standard promoting the transparent and accountable management of natural resources. Amplats, as a member of the Anglo American group, is a supporting company and complies with the principles of the initiative.

MINING CHARTER III

In September 2018, the minister of mineral resources, Gwede Mantashe, published the final version of the revised broad-based black economic empowerment charter for the South African mining and minerals industry (MCIII). The new charter came into effect immediately and is purportedly published under section 100(2) of the Mineral and Petroleum Resources Development Act 2002 (MPRDA).

This long-awaited announcement was welcomed by the Minerals Council, Anglo American and other industry stakeholders for providing much-needed regulatory certainty for the sector. The South African mining and natural resources sector has been widely recognised as a significant contributor and potential further contributor to growth and transformation in South Africa for the benefit of all citizens.

MCIII contains far-reaching changes and introduces more onerous compliance obligations than those stipulated in previous versions. It continues to emphasise the need for increased participation of black people historically disadvantaged persons (HDP) at ownership, board and managerial levels of businesses, with more focus on including procurement opportunities for businesses owned by women and youth. MCIII also focuses strongly on creating South African manufacturing capability by including local-content requirements in the procurement scorecard.

Since the first charter was promulgated in 2004, Amplats has aimed for 100% compliance – both as a regulatory imperative and as a responsible citizen. Our approach to the latest iteration will be the same. However, as the Amplats reporting system to government is still being finalised, our disclosure for FY19 is being quantified. Our goal remains full compliance, and we already exceed stipulated levels for several elements. Our FY20 report will include quantified disclosure.

The Mining Charter is to be read together with the Implementation Guidelines, which were gazetted in December 2018. The purpose of the Implementation Guidelines is to outline processes, procedures, forms and templates to facilitate compliance with the requirements of MC III. Amplats has developed five-year implementation plans for licensed operations. The plans were submitted to the Department of Mineral Resources and Energy in September 2019.

The MCIII 2019 annual report will be submitted to DMRE at the end of March 2020.

OUR STAKEHOLDERS CONTINUED

TRANSFORMING OUR SUPPLY CHAIN

Amplats continues to make a valuable contribution to our country's transformation, economic growth and empowering local businesses through inclusive procurement and supplier development, as well as industry-wide enterprise development.

Through our concerted focus and inclusive procurement initiatives, we have improved our BEE spend to 72% of total procurement. In the past year, we spent R3.9 billion with host community suppliers and R2.4 billion with our doorstep suppliers.

As a mining company, Amplats is regulated by the Mineral and Petroleum Resources Development Act (MPRDA) and its associated mining charter. However, we believe in truly empowering South Africans as opposed to mere compliance. Our vision is to create a more inclusive supply chain that generates shared and sustainable prosperity in communities around our operations. This approach assists in creating thriving communities around our mines and operating regions, and is underpinned by symbiotic relationships with a range of stakeholders including our employees, communities, customers, suppliers and shareholders.

Our vision extends to promoting empowerment initiatives such as enhanced engagement of suppliers from previously disadvantaged sectors of the economy – with a specific focus on black-owned, women-owned and youth-owned entities as well as promoting in-country manufacturing and assembly of goods.

Offering greater business and development opportunities to these suppliers supports our vision of helping more people access diverse opportunities, even after our operations have ceased.

We have therefore adopted several initiatives to empower historically disadvantaged persons (HDPs) and specifically host community-based companies:

- **New inclusive procurement policy, standards and guidelines**
  Mining has evolved in the past 10 years. To become a trusted corporate leader, Amplats has developed a policy, standards and guidelines to empower HDPs and host communities.
- **Ambitious targets**
  We have set ambitious inclusive procurement targets, which we met in 2019. In the year ahead, we will concentrate on meeting mining charter III and host-community commitments. These targets will be aligned to other business imperatives, ie social and labour plans, sustainable development and employment equity legislation.
- **Procurement and implementation plan**
  We will continue developing annual procurement plans with clear milestones, outputs, outcomes and implementation activities to meet our commitments.
- **Partnership Initiative**
  In order to overcome barriers to entry on capital intensive procurement packages Amplats in 2019 introduces a requirement for its main contractors to outsource a portion of the work packages out of their Scope of Work to other small local businesses. 2nd Tier Spend therefor refers to indirect spend to local companies for supply of goods and services, through our main contractors. A 2nd Tier spend of R334 million was realised in 2019.
- **Breakthrough initiatives**
  - Our supply chain team is working with other departments (Zimele, collaborative regional development (CRD), group supply chain) on various initiatives that will accelerate empowerment of HDPs, increase host community spend and support mining (internal) and non-mining job opportunities.
  - Our black industrialist pilot project was launched in 2019. The outcome indicated 15 potential initiatives with a potential to create annual revenue of R450 million and 240 permanent jobs for host communities.
  - The Amplats-OEM enterprise and supplier development partnership also started in 2019 to drive potential local manufacture and refurbishment of mining goods. This is imperative to increase manufacturing skill and capacity in South Africa as well as job creation.

Case study:

Bojanala was the brainchild of Mr Philly Magane, who has an engineering facility in Steelpoort that specialises in repairing pumps, motors, hydraulic cylinders, buckets and other engineering services.

To diversify his operations, he established a business in Rustenburg after approaching the Amplats inclusive procurement team for assistance. We supported this entrepreneur throughout the process of establish a pump repair centre, Bojanala Mining. This involved structuring a business case, as well as facilitating funding and business relationships with our operations in Rustenburg.

Under the auspices of our black industrialist project, this has enhanced skills development and created 13 new off-site job opportunities for Rustenburg host community members, including a doorstep business partner who acquired a 30% stake in the business.

Host community supplier development

In 2019, 72 new contracts were awarded to host community SMMEs, summarised below. These were in addition to longer-term opportunities put in place in prior years:

Operations	Contracts awarded (2019)	Contract values (Rm)
Amandelbult	25	35.9
Mogalakwena	28	328.4
Modikwa	2	3.2
Waterval smelter	3	12.3
Polokwane smelter	4	4.2
RBMR	1	3.2
PMR	2	26.6
Twickenham	3	10.7
Mototolo	4	10.9
Total	**72**	**435.4**

Enterprise and supplier development (Anglo American Zimele)

Amplats supports host-community suppliers – mostly EMEs and QSEs through our specialised Anglo Zimele project (refer page 124). Zimele provides mentorship support to SMMEs in our host communities to improve their capacity to supply quality goods and services (supplier development) and help others to develop businesses not linked to our wider group (enterprise development). The Zimele model focuses on delivering four key services: mentorship and advisory; enabling access to markets; SMME loan funding; and hub management. Through this, we were able to:

- Provide funding to 10 enterprises (through 11 transactions) to the value of R23.3 million in 2019
- Create 67 jobs through funding (34 new and 33 jobs sustained)
- Supported 1,314 jobs through mentorship programme.

RESPONSIBLE SOURCING

Globally, there is a rising expectation for business to demonstrate accountability by ensuring responsible conduct from all parties in corporate supply chains. Responsible sourcing is a critical focus of our commitment to ethical value chains under the trusted corporate leader pillar of Anglo American's sustainability strategy.

Responsible sourcing is a mechanism to prioritise ethical decision-making when purchasing goods and services. We are committed to working with suppliers that comply with applicable laws, while striving for zero harm to people, society and our environment. This commitment ensures that we work with responsible suppliers and remain committed to supporting suppliers to identify and address sustainability issues such as safety, human rights, modern slavery and workplace conditions.

We have several policies and standards that illustrate our approach to conducting business with integrity, our commitment to prevent modern slavery in our business and across our supply chain and towards zero harm. These policies are available on the Anglo American website:

- Code of conduct
- Human rights policy
- Business integrity policy
- Responsible sourcing standard for suppliers
- Anglo American social way
- Safety, health and environment policy.

Responsible sourcing standard for suppliers

This Anglo American standard emphasises the need for suppliers to understand risk and combat modern slavery and human trafficking in their businesses and supply chains. It complements a comprehensive policy framework that includes our group human rights policy and code of conduct.

The standard, available on our global websites, details our expectations of existing or prospective suppliers and provides guidance on implementing it. Available in English, Spanish and Portuguese, the standard consists of five pillars, providing guidance on:

- Protecting safety and health
- Protecting the environment
- Respecting labour and human rights (including modern slavery)
- Increasing social accountability
- Conducting business fairly and with integrity.

Through a combination of self-assessments, third-party audits and bespoke capacity-building programmes, we support suppliers to flag potential risks and improve their management controls. Based on potential for sustainability risk, suppliers across our global procurement categories are identified and required to complete self-assessments or third-party audits. Where risks are flagged, corrective actions are agreed and monitored. In some cases, additional guidance and bespoke capacity development programmes are provided to support reducing risk.

OUR STAKEHOLDERS CONTINUED

Responsible sourcing	2019	2018	2017
Self-assessment questionnaires requested	**109**	72	15
Suppliers audited	**22**	28	13
SMMEs trained on responsible sourcing risk	**76**	49	31

Identifying risk in the supply chain

We have updated elements of our supplier onboarding process to include mandatory acknowledgement of responsible sourcing requirements and additional checks for our suppliers. While the nature of these checks varies between regions, they typically include legal and compliance-related checks, security-related checks and third-party 'adverse media' screenings.

We continue to review and update supplier contract templates and other legal instruments to include core requirements, consistent with our standard. In 2019, we updated to contract templates for our UK and South Africa-based businesses.

Using a risk heatmap

Recognising the need for proactive supplier engagement, and to focus efforts on suppliers with higher potential for sustainability risk, in 2018 we established a responsible sourcing heatmap that integrates categories of supply with heightened risk potential (such as human rights violations), country of origin, the degree of regulation in certain industries, and the extent to which goods or services rely on manual labour.

We refined this approach in 2019, and used an updated risk heatmap to classify all our suppliers into one of five responsible-sourcing risk groupings, with our primary engagement focusing on high and medium-high risk suppliers.

Nominating risk suppliers

While the risk heatmap provides the first-pass view of potential risk suppliers, we acknowledge that suppliers who pose potential for risk may be deprioritised when its filters are applied strictly, eg suppliers in low-risk territories or with negligible spend. To complement the prioritisation of risk suppliers, we engaged with supply chain colleagues throughout the organisation to encourage the 'nomination' of suppliers that could present added potential for risk.

Responsible sourcing training held at Amandelbult

Sustainability risk assessment scope and targets

Self-assessment questionnaires

Suppliers identified through the processes above were requested to complete self-assessment questionnaires. The outcomes gave both suppliers and Anglo American insights on workplace practices, supported the identification of potential risk and provided guidance on legal requirements and our standard.

As in prior years, the 2019 sample included multinational suppliers, onsite contractors, security service providers and host-community suppliers. This supports our aim of a balanced view of risk over a diverse supplier base.

These supplier self-assessments confirmed that most large-spend suppliers understand responsible-sourcing risk areas and have typically established practices to manage key risks, including those related to human rights and modern slavery. Contractors based on Anglo American sites, including security-services providers, demonstrated compliance with relevant legal and site requirements. Smaller suppliers, including host community-based entities, often have difficulty in demonstrating procedures and practices linked to core legal requirements. To address this, we have intensified our focus on supplier capacity building.

For suppliers that we have not yet engaged, we posted a version of the self-assessment questionnaire on the Anglo American website. This document can be accessed by third parties, including prospective and current suppliers, to better understand some of the legal or responsible sourcing requirements.

As part of our commitment to the ethical value chain element of the sustainable mining plan, we will continue engaging suppliers with potential for sustainability risk through 2020.

Independent third-party on-site assessments
Where we identify a higher likelihood of risk through the self-assessments, we request suppliers to undergo on-site assessments by independent third parties. Acknowledging the cost implication of on-site assessments, especially for our host-community suppliers, Anglo American has subsidised related costs. To supplement this risk-based approach, we also nominate some suppliers on a sample basis for on-site assessments.

Risk management measures

Remediation and corrective action plan management
In cases where the self-assessment or on-site assessment identify areas of risk, we expect suppliers to develop realistic corrective plans, then communicate details to Anglo American. Where high-risk issues are identified, including any related to modern slavery, we engage directly with affected suppliers to monitor the close-out of issues. This may entail several additional follow-up third-party assessments.

We are continually enhancing our ability and the speed at which we can detect and respond to potential responsible-sourcing incidents. This includes raising our internal awareness of related risk, faster mobilisation of third-party on-site assessment and response teams to conduct investigations, and reviewing our supplier engagement and escalation processes. Refining this process is a focus for 2020.

Whistleblowing
Our independently managed YourVoice facility is a confidential and secure means for our employees, contractors, suppliers, business partners and other external stakeholders around the world to report concerns about conduct that is contrary to our values or legal requirements. Complaints can be submitted anonymously and are handled by an independent third party. We do not tolerate any form of retaliation against individuals raising concerns in good faith.

Integrating ESG in our supply-chain management strategy
Our vision is to be part of a value chain that reinforces positive human rights – a critical element of our sustainable mining plan. Within Anglo American, our supply-chain function has initiated a process to 'innovate supply, responsibly' by 2021 through defined outcomes focused on safety, people, sustainability, value delivery and digitisation. Underpinning delivery of these outcomes are our supplier partnerships.

Responsible sourcing prioritises ethical decision-making when buying goods and services. This commitment ensures we work with responsible suppliers and remain committed to support suppliers to identify and address sustainability issues such as safety, human rights, modern slavery and workplace conditions.

Advocacy
A collaborative approach is critical in tackling sustainability issues. To meet the ethical value-chain goals in our sustainable mining plan, we have participated in several global forums, such as the responsible sourcing working group and other initiatives of the ICMM. Our work with these bodies involves benchmarking activities in peer mining and extractive companies; engaging with stakeholders including community activist groups; and learning from examples of other industries, such as electronics and apparel, where common industry standards have already been established.

In South Africa, we continue to engage with the Minerals Council, which has been coordinating a more consistent industry approach to setting standards for suppliers and facilitating sharing certain non-sensitive supplier information. This work will continue in 2020.

In November 2019, in support of the Sustainable Development Goals (SDG) Accountability Dialogue series hosted by our business in South Africa, a roundtable session was facilitated on responsible sourcing.

We recognise this process as a positive initiative that will enable us to solicit feedback and learn from others' good-practice innovations. Equally, collaborative efforts with our partners and suppliers will improve transparency, due diligence and promote collective global activities against modern slavery and trafficking

OUR STAKEHOLDERS CONTINUED

Case study:

SUPPORTING SMMES TO MEET SUSTAINABILITY OBJECTIVES

Responsible sourcing is a key component in achieving our sustainability ambition. The aim is to support the group's supply chain teams to prioritise ethical decision-making when purchasing goods and services.

We acknowledge that small, medium and micro-enterprises (SMMEs) often have difficulty in trying to interpret, then implement policies and processes designed to meet South Africa's legal compliance requirements. This can be compounded by various industry regulations, regional difference and customer requirements, potentially resulting in excessive costs and complexity for start-up businesses and SMMEs – limiting their ability to operate sustainably.

While a fair amount of support is provided through various business incubation and enterprise development programmes, these are typically limited in their ability to generally address the detail of industry requirements or support SMMEs to address broader sustainability risk – including human and labour rights, environmental management, business integrity and anti-corruption, and safety and health.

In 2017, we concluded a pilot programme at our Mogalakwena operation aimed at building awareness and supporting SMME capacity to identify and manage legal and sustainability risks. By the end of 2019, we had extended this programme to our operations in Rustenburg, Amandelbult and the Polokwane smelter, reaching 156 SMMEs since its inception.

Programme design

The SMMEs identified to participate in the programme included existing suppliers and those being considered for future sourcing. These are businesses exclusively located in our host communities, in line with our supplier development approach. They range from professional services, such as plant hire, water purification and maintenance on engineering equipment, to general services such as cleaning and waste management.

The programme consisted of two main phases:

Phase 1

- Initial awareness workshops: intensive two-day training session highlighting compliance requirements of South African law, including basic conditions of employment, BBBEE, health and safety, and appropriate environmental regulations
- Participating SMMEs then completed the responsible sourcing self-assessment questionnaire, giving them insights on customer requirements
- SMME assessments: SMMEs from each cohort are selected for independent audits against our standard. The process includes a site assessment, documentation review and employee interviews. Where risks and issues were identified, corrective plans were developed, outlining specific actions required to close out the risk, timelines and responsibilities. Through this work, risks identified included excessive working hours, weak employment contracts, incorrect wage calculations and ineffective safety management processes
- Implementation manuals: practice workbooks have been provided to support SMMEs in closing out additional risk areas. These workbooks contain extracts from legal publications, implementation guidance and tools. The intention is to build the content through 2020 and share these manuals with the SMMEs, and potentially with other businesses not included in the capacity-building programmes.

Phase 2

- All suppliers currently work with external auditors to remediate risk issues. Where necessary, additional follow-up assessments will be conducted to verify how high-risk issues have been addressed and how the SMMEs have committed to improving their business activities when given appropriate levels of support and clarity
- The SMMEs were given materials and sample tools to support their compliance efforts.

Conclusion

This approach has been very well received by the SMMEs. Our management team was commended by the host-community SMMEs for recognising the daily challenges of operating a small business and making sense of complicated legal and corporate requirements.

While we acknowledge the current gap between corporate requirements and SMME capability, what is clear is how passionate SMMEs are about their businesses, their eagerness to succeed, and the considerable innovation they potentially bring to Amplats.

Programmes and approaches that respect this diversity, and can target support to bridge that gap, will in turn build stronger relationships and reduce risk to our suppliers and ultimately our business.

RESPECTING HUMAN RIGHTS

Human rights describe rights that are inherent to all human beings and to which everyone is equally entitled without discrimination on ethnicity, religion, language, sex, colour or any other status. We are a signatory to the United Nations Global Compact.

Amplats has a zero-tolerance approach to child labour or forced labour.

Respect for human rights is a non-negotiable value enshrined in Anglo American's core values, its human rights policy and social way. These were drafted in line with the UN guiding principles on business and human rights. They guide behaviour at our operations in South Africa and Zimbabwe in a way that respects the human rights of our employees, host communities and business partners.

To ensure compliance with the UN guiding principles and the requirements of our parent's social way, external training on human rights and due-diligence assessments is conducted annually.

In addition, indepth due-diligence assessments were conducted at all sites in 2017 by external human rights experts to capacitate sites on managing human rights issues. This was achieved through interviews and workshops with key personnel to identify related impacts, evaluate the effectiveness of existing management measures and identify additional measures where required.

Human rights – policy

Amplats has a comprehensive policy on human rights and a human rights framework, with identified risks, vulnerabilities and commitments monitored internally.

Human rights – due-diligence process

All owned and JV operations undergo an intensive due-diligence process referred to as the Anglo American social way assessment. All operations are expected to carry out internal due-diligence reviews every quarter and undergo external reviews twice a year. The human rights requirement is tested on the identification and management of human rights issues. All sites are expected to demonstrate evidence which is reviewed by external auditors.

Human rights – assessment

Conducted by an external independent auditor, the Anglo American social way assessment audits potential human rights violations to determine if our business units are continually identifying related risks and vulnerabilities as operational issues change.

Human rights training

Human rights training is embedded in our operations and joint ventures. Training has been conducted by external service providers and includes all operational teams and contractors. Human rights training is also embedded into the annual code of conduct training and as part of the safety induction process that all employees and contractors undergo prior to being allowed access to operational sites.

Human rights – disclosure

Amplats publicly discloses its human rights commitment as a signatory to the United National Global Compact (see page 127) the Anglo American core values and the Anglo American social way, which are aligned with the United Nations guiding principles. Each site has undertaken the human rights due-diligence process to identify and manage human rights risks. The management of human rights issues is assessed annually for all sites, through the Anglo social way assessment.

Monitoring and auditing

The identification, mitigation and overall management of human rights issues is part of the Anglo American social way. Annual Anglo social way audits assess compliance on human rights, for all Amplats sites.

Grievance remedies

Amplats operations have site-specific grievance mechanisms in place, for the reporting of social incidents and grievances. The reporting and management of social incidents and grievance is assessed annually through the Anglo social way audits.

SECURITY AND HUMAN RIGHTS

Amplats has long committed to upholding voluntary principles on security and human rights. We are corporate participants of the Voluntary Principles on Security and Human Rights (VPSHR).

A due diligence was conducted in 2017 to identify and manage the most critical issues that may have human rights impacts from a security perspective. Training was conducted in late 2018 on the Voluntary Principles on Security and Human Rights (VPSHR), a global collaboration by governments, major multinational extractive companies and NGOs to provide guidance to companies on tangible steps to minimise the risk of human rights abuses in communities located near extraction sites. Security personnel attended training on VPSHR between 19 and 22 September 2019 to enhance their training on conflict analysis and management in line with the VPSHR.

We continue to focus on security-related human rights issues in South Africa and Zimbabwe by managing potential risks at our operations and in the broader communities where we operate.

GOVERNANCE

OUR BOARD

Nombulelo (Pinky) Moholi (58)
Independent non-executive director

Qualification: BSc (engineering)
Nombulelo has spent most of her career in the telecommunications sector. She was chief executive officer of Telkom SA SOC Limited from 2011 to 2013 after heading senior portfolios in that company for 14 years. She also served in strategy, marketing and corporate affairs roles at Nedbank.

External directorships: Woolworths Holdings Limited, Eyethu Community Trust (chair), Engen Limited

Appointed a director in July 2013

John Vice (66)
Independent non-executive director

Qualification: BCom, CA(SA)
Before retiring in 2013, John was a senior partner in KPMG where his roles included head of audit, serving on the South African and African boards and executive committees, and chairman of KPMG's international IT audit.

External directorships: Standard Bank Group and Standard Bank of South Africa

Appointed a director in November 2012

Peter Mageza (65)
Lead independent non-executive director

Qualification: FCCA (UK)
Chartered certified accountant and fellow of the Association of Chartered Certified Accountants (ACCA) UK. Until 2009, he was executive director and group chief operations officer of Absa Group Limited and served that group in various capacities over his nine-year tenure.

External directorships: Remgro Limited, Sappi Limited, MTN Group Limited, RCL Foods Limited

Appointed a director in July 2013

Daisy Naidoo (47)
Independent non-executive director

Qualification: BCom, CA(SA), Master's in Accounting (taxation)
Professional background in structured finance and debt capital markets. Daisy developed her career at Sanlam after a brief tenure in financial planning and corporate taxation at SA Breweries and Deloitte & Touche respectively.

External directorships: STRATE Holdings Limited, Hudaco Industries Limited, Mr Price Group Limited, Redefine Properties Limited, Barclays Africa Group Limited

Appointed a director in July 2013

Richard Dunne (71)
Independent non-executive director

Qualification: CA(SA)
Richard was with Deloitte for 42 years until retiring in 2006 as chief operating officer.

External directorships: None

Appointed a director in July 2006

- Audit and risk committee (ARC)
- Governance committee (GC)
- Nomination committee (NC)
- Remuneration committee (RC)
- Safety and sustainable development committee (S&SD)
- Social, ethics and transformation committee (SET)

Norman Mbazima (60)
Independent non-executive chairman

Qualification: BCom, CA(SA)

Norman has served as deputy chairman of Anglo American South Africa since June 2015. He joined Anglo American in 2001 at Konkola Copper Mines plc and was later appointed global chief financial officer of Anglo American Coal. He became finance director of Amplats in 2006 and later stepped in as joint acting CEO. He was CEO of Scaw Metals from 2008 and CEO of Thermal Coal from 2009 to 2012. From 2012 to 2016, he was CEO of Kumba Iron Ore.

External directorships: The Anglo American Chairman's Fund Educational Trust, Zambia Sugar

Appointed a director in October 2018 and chairman in April 2019

Mark Cutifani (60)
Non-executive director

Qualification: BEng (mining)

Mark has worked across six continents, 25 countries and over 20 commodities. He has been chief executive of Anglo American since 2013, and serves on the group management committee. Previously chief operating officer for Inco and Vale's global nickel business, and senior executive with leading multinational mining groups. With a leadership style focused on people development, accountability and delivering sustainable value, Mark has emphasised developing strong investor, labour, industrial, government and community relationships.

External directorships: Anglo American plc, De Beers Investments plc, De Beers plc

Appointed a director in April 2013

Stephen Pearce (56)
Non-executive director

Qualification: BA Business (accounting), graduate diploma in company secretarial practice

Stephen is the finance director of Anglo American plc. He has over 16 years' experience as a director of public companies and 30 years' experience in the mining, oil and gas and utilities industries. He is a fellow of the Institute of Chartered Accountants and member of the Governance Institute of Australia and Australian Institute of Directors.

External directorships: Anglo American Capital plc, Anglo American plc, Anglo American Services (UK) Limited, BAE Systems plc, De Beers Investments plc, De Beers plc

Appointed non-executive director in January 2018

Tony O'Neill (61)
Non-executive director

Qualification: BEng, MBA

Group director technical at Anglo American plc and a recognised global business and technical expert in the mining industry. Spearheaded strategy development and significant turnarounds in large, complex and geographically diverse mining businesses. Tony's career spans some 35 years, predominantly in the gold mining sector, with senior roles at Newcrest Mining, Western Mining Corporation and AngloGold Ashanti.

External directorships: Anglo American Quellaveco S.A., Anglo American Technical & Sustainability Services Limited, De Beers Investments plc, De Beers plc

Appointed a director in October 2013

Chris Griffith* (55)
Chief executive officer

Qualification: BEng (mining) (hons), PrEng

Member of the Anglo American plc group management committee and director of Anglo American South Africa Limited. Prior to his current appointment, he was CEO of Kumba Iron Ore from July 2008 and has been with Anglo American for 27 years. He joined Amplats in 1990, progressing rapidly from supervisor to one of the youngest general managers in the company, overseeing Amandelbult and Bafokeng Rasimone Platinum mines, before heading the joint venture operations.

Appointed CEO in September 2012

Craig Miller (46)
Finance director

Qualification: BCompt (hons), CA(SA)

Craig joins Amplats from Anglo American plc where he served for 19 years. He was Anglo American's group financial controller from June 2015; prior to that, he held various financial roles including chief financial officer of Anglo American Iron Ore Brazil and chief financial officer of Anglo Thermal Coal.

Appointed finance director in April 2019

* *Chris Griffith will step down as CEO and is succeeded by Natascha Viljoen with effect from 16 April 2020.*

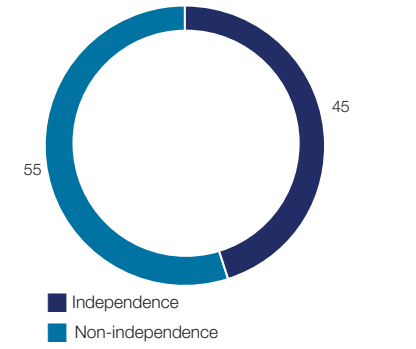
LEADERSHIP AND GOVERNANCE

BOARD STRUCTURE

Independence of the board

In 2019, five of 11 directors are independent. This represents 45% of the board from 50% in the prior year, and is mainly due to the resignation of Valli Moosa which reduced the number of board members from 12 to 11. Norman Mbazima has been appointed as chairman and, although he has resigned as deputy chairman of Anglo American South Africa, he is not classified as independent due to his previous appointment. Aligned to King IV principles, Peter Mageza, who has been a member of the board for six years, has been appointed lead independent director.

INDEPENDENCE OF THE BOARD
(%)



ASSESSMENT OF INDEPENDENCE

The nomination committee assesses the independence of directors annually and considers the independence criteria proposed by King IV. The assessment entails whether a board member:

- Is a significant provider of financial capital, or ongoing funding to the company, or is an officer, employee or representative of such provider of financial capital or funding
- Participates in a share-based incentive scheme offered by the company
- Owns securities in the company, the value of which is material to their personal wealth
- Has been employed by the company as an executive manager in the preceding three financial years, or is a related party to such executive manager
- Has been the designated external auditor responsible for performing the statutory audit for the company, or a key member of the audit team of the external audit firm, in the preceding three financial years
- Is a significant or ongoing professional adviser to the organisation, other than as a director of the board
- Is a director or executive manager of a significant customer or supplier of the company
- Is a director or executive manager of another organisation which is a related party
- Is entitled to remuneration contingent on the performance of the company.

The committee recognises that the majority of the board is no longer independent. It has, however, considered the balance of the board in its entirety to ensure that the board has the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

GENDER DIVERSITY

Female representation increased to 18% from 17% in the prior year due to the reduction in board members. In terms of our race and gender diversity policy, the company is committed to aligning the board with the mining charter by 2020.

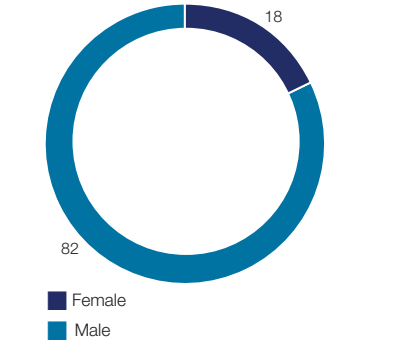
DEMOGRAPHIC DIVERSITY

HDSA membership of the board is 27%, down from 38% in the prior year. This reflects fewer board members due to the retirement of Valli Moosa.

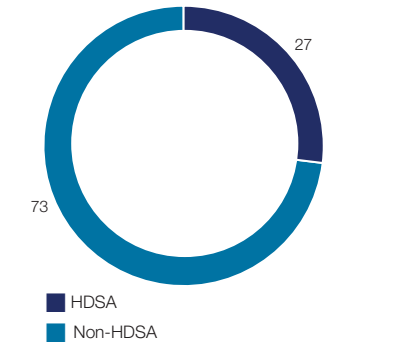
BOARD TENURE

Our average board tenure is 5.4 years and the average age of the board is 58.6 years.

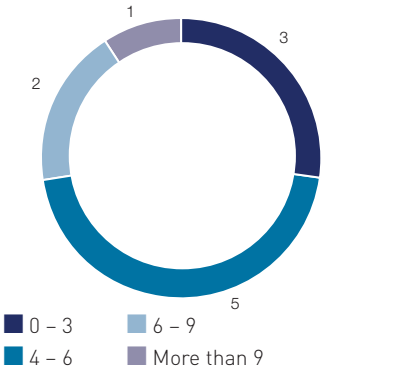
GENDER DIVERSITY
(%)



DEMOGRAPHIC DIVERSITY
(%)



BOARD TENURE – YEARS



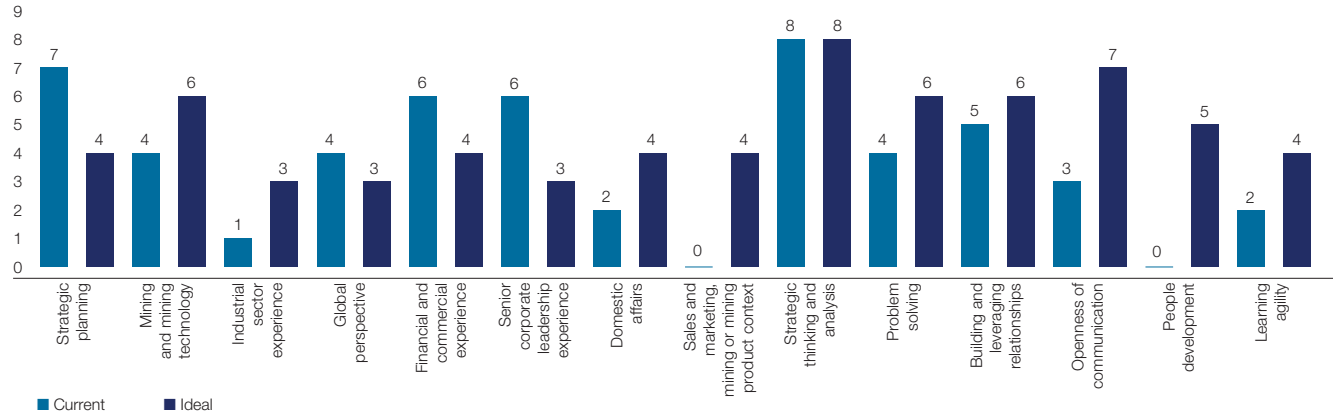
DEVELOPING AND MAINTAINING A COMPETENT AND DIVERSE BOARD

STRATEGIC BOARD RENEWAL AND SUCCESSION PLANNING

Last year, following its evaluation, the board prioritised succession and initiated a strategic board-renewal process. A blueprint of current and future critical competencies was mapped and a framework developed for the strategic, long-term and orderly succession of directors to maintain an appropriate balance of knowledge, skills, experience, diversity and independence on the board.

The graph below indicates the profile of our ideal board versus the current skill profile. Definitions of the various skills are detailed on pages 114 and 115.

BOARD SKILLS CURRENT VERSUS IDEAL



Amplats has evolved from a pure mining house to a more diverse company with impact demands from other areas such as industrial processes, markets, products and applications. This requires a broader scope of attention and technical competence by the board, as well as a growing range of non-financial skills that are becoming increasingly important at board level, mainly innovation, problem-solving, strategic thinking and relationship building. Further considerations were independence of the board and its desire to reach its race and gender diversity targets.

The framework entails increasing the board size over time, appointing women to the board and appointing HDSA candidates. Focus will be on obtaining the requisite skills, listed below, to be incorporated into the board over the next five years to achieve an ideal board scenario:

- Sales and marketing in mining
- People development
- Mining technology/modernisation/ mechanisation
- Industrial sector experience
- Futurist/innovation.

This will equip the board to discharge its governance role and responsibilities objectively and effectively into the future.

BOARD EVALUATION

No board evaluation was undertaken in 2019. This was to allow for finalising the strategic board-renewal process and developing the succession framework. The next board evaluation is scheduled for mid-2020. With the appointment of new directors, we would like those directors to contribute meaningfully to the process and therefore the evaluation will be conducted after their induction.

Planning is under way and the evaluation will focus on:

- Overall effectiveness of the board and its committees
  - Strengths and development areas of the board
  - Identified areas for improvement.

LEADERSHIP AND GOVERNANCE CONTINUED

COMMITMENT TO ETHICAL LEADERSHIP BUT ALSO INTEGROUS AND ETHICAL BEHAVIOUR

The board sets the 'tone from the top' and subscribes to the ethical standards detailed in the Amplats code of conduct and business integrity policy. It seeks to lead by example in engaging with all stakeholders, in its deliberations and decisions, and by monitoring the ethical culture and compliance in the group.

The board, through the SET committee, has invested significant time in the company's culture transformation journey to embed a new culture that values significance over success and is focused on developing an organisation known as an employer of choice in fostering high-performance teams and individuals. As we move into the next phase our strategy, aiming to be the world's most-valued mining company through the eyes of its stakeholders, this journey has become more focused on our purpose of re-imagining mining to improve people's lives.

To align with our purpose, our values and the way in which the board and employees are expected to behave form the foundation for our code of conduct. Living these values and behaviours defines our culture as an organisation, underpinning our good reputation and the promise we make to all our stakeholders: Real Mining. Real People. Real Difference.

During the year, our values were relaunched to translate these into behaviours and articulate how those behaviours demonstrate value. For more information on our organisational culture transformation journey and values, refer to page 100 of the ESG report.

The business integrity committee, chaired by the finance director and attended by executives and senior managers, convenes quarterly to review implementation of the ethics programmes and discuss issues such as conflicts of interest reported by employees and blacklisted suppliers with which the company should not associate. The committee also keeps abreast of adverse media reports on companies that may be doing business with Amplats and may affect our reputation. While the scope of the ethics programmes is determined by group-wide policies, the committee ensures they remain relevant by addressing any changes in the business. It provides an update on its activities to the SET committee annually.

Code of conduct and business integrity training for all band 3 to 6 employees was completed in the first quarter of 2019, with 100% of individuals in the relevant categories trained.

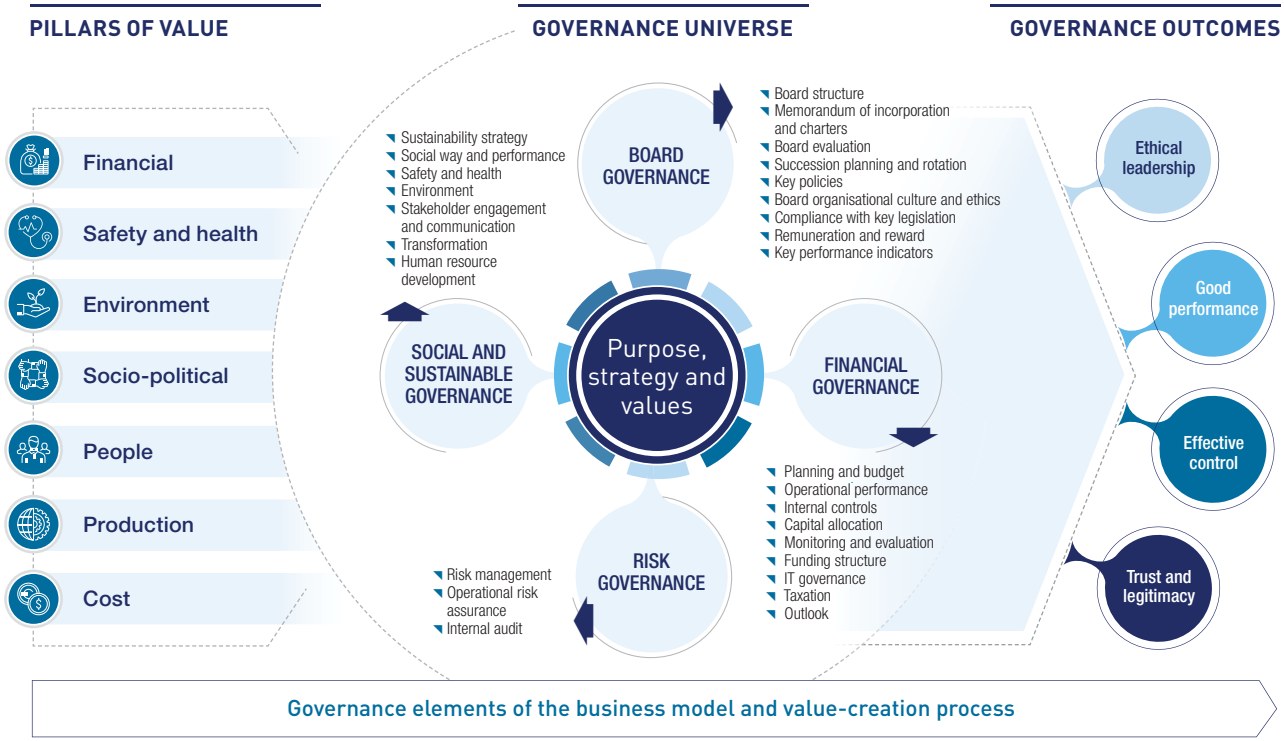
Our culture of 'living the values' and conducting our business ethically is the foundation for good governance, which in turn empowers employees at all levels to expose any behaviour that conflicts with our values. A dedicated tip-off channel enables employees to anonymously report any unethical behaviour.

In addition to the approval and oversight of our code of conduct and business integrity policies, the board has oversight of the delegation of authority manual, conflicts of interest and share-dealing policy and, through the governance committee, the compliance policy.

ALIGNING STRATEGY AND GOALS

Amplats has adopted the principles and recommended practices in the King Report on Governance for South Africa 2016 (King IV). The board reviews its governance practices annually and is satisfied that all aspects of King IV were applied in 2019. Our governance universe illustrates how our pillars of value are governed via the four governance sections – board, finance, risk, and social and sustainable – in support of the Amplats strategy and purpose. The elements in each segment are governed with appropriate processes, systems and resources to ensure we achieve the desired governance outcomes.

Our pillars of value (below) are fundamental to how we manage all aspects of our business to achieve our purpose and strategy.



Governance elements of the business model and value-creation process

LEADERSHIP AND GOVERNANCE CONTINUED

The board remains ultimately accountable for group performance and setting the strategic direction. The executive committee is tasked with formulating the group strategy, and implementing it as approved by the board.

THE BOARD'S ROLE IN STRATEGY

At the board's annual two-day strategic workshop, it reviews the proposed group strategy and provides input on strategic priorities. The strategy is approved at a board meeting for implementation by management, and the CEO provides quarterly updates to the board on progress in implementing strategic priorities.

Amplats successfully implemented its strategy over the past six years which sought to restructure and reposition the portfolio. In 2018, the strategy was enhanced by identifying the value to be unlocked from achieving operational excellence and selective investment across the portfolio. In the current year, the board reaffirmed our strategic priorities as:

- Facilitating development of the market for PGMs to increase demand
- Extracting the full potential from our operations through people and innovation
- Investing in our core portfolio that delivers industry-leading cash flows and returns.

The board provided further clarity on how our medium-term goals would be achieved. In reaffirming the strategy, the board considered:

- Macro-trends that are likely to impact our business in the long term, with specific focus on climate change and the evolution of automobility
- Drivers of our demand and supply in the medium and long term.

The board raised specific items for management to consider in terms of the medium and long-term strategy:

- Understanding global trade wars and its impact on our relative competitiveness
- The impact of shared mobility on demand for PGMs
- Perspective on new potential demand sources for PGMs and which metals are likely to offer the most attractive potential

One of the outcomes of the strategy session was the formulation of strategic focus areas embedded in management's key performance areas in the short term, namely:

- Facilitating development of the market for PGMs to increase demand
- Extracting the full potential of our operations through people and innovation
- Investing in our core portfolio that delivers industry-leasing cash flows and returns
- Zero harm in terms of safety, health and environment
- An organisation anchored on a significant leadership style and values orientation
- Achieving best-practice modernisation and innovation across our value chain
- Building leading community and stakeholder relationships and make a lasting contribution.

KEY GOVERNANCE ISSUES

In 2019, the board discussed several key issues in detail:

	Alignment to strategic objective
Tailings dams control measures	
Following the January 2019 tailings dam collapse at Vale's operation in Brazil, the board considered our facilities in terms of design, integrity and monitoring, and compared our monitoring and control systems in line with the Anglo American group technical standards. Refer to the ESG report, pages 49 and 52.	1
Corporate transactions	
Received updates on corporate transactions aligned to continued value creation in our assets. Refer to chairman's letter, chief executive officer's review and financial review.	1, 2
Update on Zimbabwe's economic environment and impact on employees	
The board considered an economic environment that was being affected by both climatic conditions (such as drought impacting electricity generation and food security) and the devaluation of a new domestic currency. To assist employees in Zimbabwe, the board agreed to implement new remuneration practices to cushion employees against the impact of a high inflationary environment.	1
Project Centrepoint	
Technical and sustainability services are provided by Anglo American plc to Amplats under master services agreements. The terms of these agreements and associated recharges were approved by the board on recommendation of the governance committee, which solely comprised independent non-executive board members, in 2017. Anglo American's technical and sustainability services play an important role, in conjunction with the Amplats management team, in unlocking value by extracting the full potential from our operations through people and innovation. This involves improving operational performance through greater stabilisation and optimisation to achieve best-in-class performance. After that, using game-changing technologies, Amplats aims to beat world benchmark performance. To achieve this, additional investment in fast-payback, value-enhancing projects is required, along with the operating costs associated with using world-class technical expertise. Following consultation and confirmation from the JSE on the categorisation of the transaction and advice from independent external experts, the governance committee approved the recharge of costs associated with these technical and sustainability services under existing master services agreements.	2
Strategy	
As detailed on page 120.	1, 2, 3
Supplier contract approvals	
Approved supplier contracts as required within the boards authority. These contracts are expected to yield significant commercial value and ensure technical innovation.	1

LEADERSHIP AND GOVERNANCE CONTINUED

RISK MANAGEMENT

Our risk management process is an integral part of setting the strategy. A board risk workshop is held annually to consider the risk process, the company's top risks against external views on risks facing the business, risk appetite and tolerance status for the top risks are considered. For a summary on top risks and opportunities, refer to pages 40 to 45.

ATTENDANCE AT MEETINGS

	Board meeting	Board strategy session	Risk workshop
Valli Moosa (outgoing chairman)	1/1	0/0	0/0
Norman Mbazima (chairman)	5/5	1/1	1/1
Chris Griffith (chief executive officer)	5/5	1/1	1/1
Craig Miller (finance director)	5/5	1/1	1/1
Ian Botha (outgoing finance director)	1/1	0/0	0/0
Mark Cutifani	5/5	1/1	1/1
Richard Dunne	5/5	1/1	1/1
Peter Mageza	5/5	1/1	1/1
Pinky Moholi	5/5	1/1	1/1
Daisy Naidoo	5/5	1/1	1/1
Tony O'Neill	5/5	1/1	1/1
Stephen Pearce	5/5	1/1	1/1
John Vice	5/5	1/1	1/1

DEFINING ROLES AND RESPONSIBILITIES

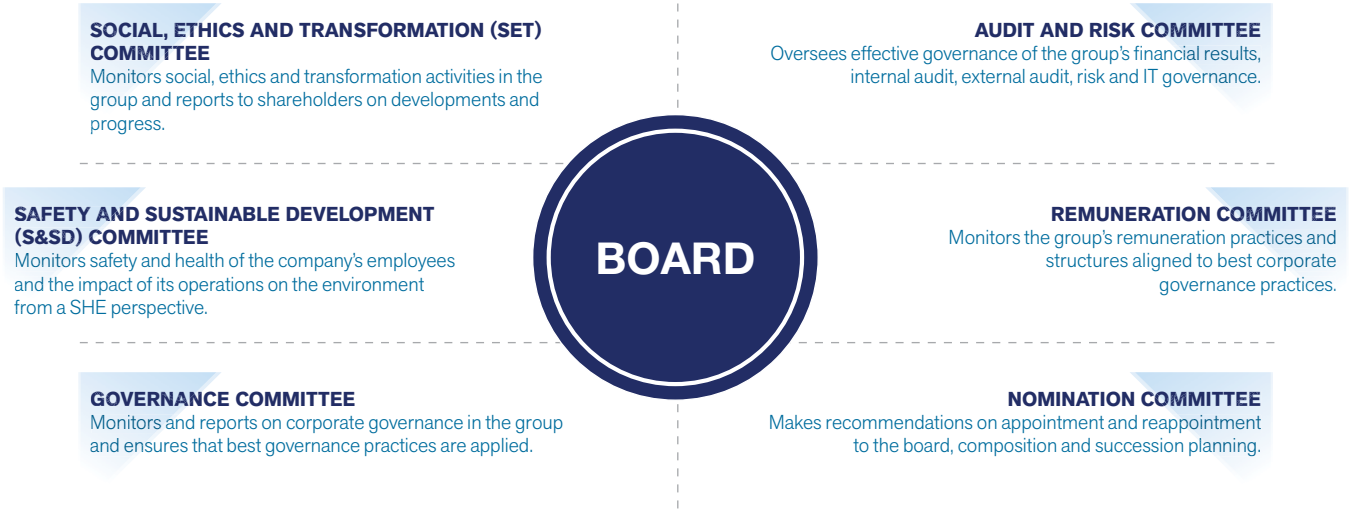
Roles and responsibilities are formally defined to determine how authority is exercised and decisions taken.

THE BOARD

The chairman promotes a culture of cohesive support by providing ethical and effective leadership to the board, without limiting the principle of collective responsibility for its decisions. The board is mandated by its charter, which sets out the role of the board, chairman and CEO to ensure a balance of power and authority, and preclude any one director from exercising unfettered powers of decision-making.

BOARD COMMITTEES

The board is supported by a number of committees:



The committees assist the board in discharging its duties and responsibilities. Each committee has terms of reference delegating specific responsibilities and authority on behalf of the board. The chairmen of these committees report on their activities at each quarterly board meeting. The respective terms of reference and board charter are reviewed annually.

The committees are interrelated and provide feedback to each other on salient matters as these apply to their remits. Detailed reports from the chairmen of the committees are included in this report.

THE GOVERNANCE COMMITTEE

Amplats' majority shareholder is Anglo American plc, which owns 77.56% of the issued share capital. Anglo American plc provides technical and sustainability advisory and support services that are critical to a mining company, such as Amplats, being able to operate sustainably. These services are provided under a master services agreement and the governance committee oversees and monitors the relationship with our major shareholder. In particular, the committee considers and advises on:

- Related-party transactions and funding arrangements with the major shareholder
- Any unresolved disputes in terms of the master services agreement between the company and the major shareholder
- Issues involving a conflict of interest.

The committee comprises solely independent non-executive directors, led by Peter Mageza, lead independent non-executive director. It meets at least twice a year or more often as required.

This ensures that each transaction is considered independently and objectively. The committee considered one key issue during the year. Please see key governance issues on page 121 for more information.

ACCOUNTABILITY

The board remains ultimately accountable for the governance and performance of the company – financially and socially as a corporate citizen. The board ensures there is accountability for company performance through, among others, reporting and disclosure.

ANNUAL GENERAL MEETING (AGM)

NOTICE OF AGM

The notice of AGM has been distributed to members on 11 March 2020. The directors unanimously recommend shareholders to vote in favour of all resolutions in that notice. Shareholders attending the meeting in person or by proxy will have the opportunity to ask questions on the AGM resolutions and we encourage all shareholders to attend the meeting.

APPOINTMENT AND ROTATION OF DIRECTORS

The board follows a formal and transparent process in appointing new directors. Any appointments are considered by the full board, on the recommendations of the nomination committee. This committee evaluates the skills, knowledge and experience required to implement group strategy, which are assessed against defined competencies in the skills matrix to address any gaps, together with race and gender-diversity targets.

In terms of the company's memorandum of incorporation (MoI), a third of directors retire by rotation each year and are eligible for re-election by shareholders at the AGM and offer themselves for re-election.

INDEPENDENT AUDITOR'S ASSURANCE REPORT
ON THE SELECTED SUSTAINABILITY INFORMATION IN ANGLO AMERICAN PLATINUM LIMITED'S 2019 INTEGRATED REPORT AND 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

TO THE DIRECTORS OF ANGLO AMERICAN PLATINUM LIMITED

We have undertaken an assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2019 Integrated Report and 2019 Environmental, Social and Governance Report of Anglo American Platinum Limited (the 'Company', "Amplats" or "you") for the year ended 31 December 2019 (the Reports). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

SUBJECT MATTER

We have been engaged to provide a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information listed below. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Reports (the accompanying reporting criteria).

REASONABLE ASSURANCE

Selected Sustainability Information	Unit of measurement	Integrated Report page number	Environmental, Social and Governance Report page number
Total work-related fatal injuries	Number	100	79
Fatality Injury Frequency Rate (FIFR)	Rate	100	79
Total Recordable Case Frequency Rate (TRCFR)	Rate	100	79
Total number of new cases of noise-induced hearing loss	Number	101	83
Total Scope 1 carbon emissions	Kilotonne CO_2e	105	68
Total Scope 2 carbon emissions	Kilotonne CO_2e	105	68
Total energy used	Terajoules	104	68
Total number of Level 3, 4 and 5 environmental Incidents	Number	105	69
Corporate Social Investment (CSI) Spend	ZAR	104	117
Employment Equity per the Mining Charter	%	102	96
Total employee turnover excluding VSPs	%	102	102

LIMITED ASSURANCE

Selected Sustainability Information	Unit of measurement	Integrated Report page number	Environmental, Social and Governance Report page number
Workers potentially exposed to inhalable hazards above the exposure limit	Number	101	83
Workers potentially exposed to carcinogens above the exposure limit	Number	101	83
Hazardous waste to landfill	Kilotonnes	105	69
Non-Hazardous waste to landfill	Kilotonnes	105	69
Number of employees who know their HIV status	Number	101	88

We refer to this information as the "selected sustainability information for Reasonable Assurance" and "selected sustainability information for Limited Assurance", respectively, and collectively as the "selected sustainability information".

YOUR RESPONSIBILITIES

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria as set out on pages 155 to 160 of the Environmental, Social and Governance Report (the "Reporting Criteria").

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance; and
- the design, implementation and maintenance of internal control relevant to the preparation of the Reports that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

INHERENT LIMITATIONS

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon, energy and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include examination of the derivation of those factors and other third party or laboratory information.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

OUR RESPONSIBILITY

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected sustainability information as set out in the subject matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on *Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability information is free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

(a) Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised), and ISAE 3410, involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the Reports. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected sustainability information, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to the Company's preparation of the selected sustainability information. A reasonable assurance engagement also includes:

- evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by the Company;
- assessing the suitability in the circumstances of the Company's use of the applicable reporting criteria as a basis for preparing the selected sustainability information; and
- evaluating the overall presentation of the selected sustainability performance information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

(b) Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

INDEPENDENT AUDITOR'S ASSURANCE REPORT
ON THE SELECTED SUSTAINABILITY INFORMATION IN ANGLO AMERICAN PLATINUM LIMITED'S 2019 INTEGRATED REPORT AND 2019 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT CONTINUED

Accordingly, for the selected sustainability information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information have been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- inspected documentation to corroborate the statements of management and senior executives in our interviews;
- tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- performed a controls walkthrough of identified key controls;
- inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected sustainability information; and
- evaluated whether the selected sustainability information presented in the Reports are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

REASONABLE ASSURANCE OPINION AND LIMITED ASSURANCE CONCLUSION

(a) Reasonable assurance opinion

In our opinion, and subject to the inherent limitations outlined elsewhere in this report, the selected sustainability information set out in the subject matter paragraph above for the year ended 31 December 2019 are prepared, in all material respects, in accordance with the reporting criteria.

(b) Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out the subject matter paragraph above for the year ended 31 December 2019 are not prepared, in all material respects, in accordance with the reporting criteria.

OTHER MATTERS

Our report includes the provision of limited assurance on the "number of employees who know their HIV status". We were previously not required to provide assurance on this selected sustainability information.

The maintenance and integrity of Amplats' website is the responsibility of Amplats' directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Reports or our independent assurance report that may have occurred since the initial date of presentation on Amplats' website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.

PricewaterhouseCoopers Inc.
Director: Jayne Mammatt
Registered Auditor

Johannesburg

28 February 2020

GRI STANDARDS INDEX

◆ Integrated report ● ESG report ■ Annual financial statements

This index guides readers to relevant data or notes reasons for omission as permitted by GRI.

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Standard				Page	Omission
GRI 102	General disclosures	102-1	Name of the organisation	◆ Cover	
		102-2	Activities, brands, products and service	◆ 7	
		102-3	Location of headquarters	◆ 172	
		102-4	Location of operations	◆ 7	
		102-5	Ownership and legal form	◆ 170	
		102-6	Markets served	◆ 8	
		102-7	Scale of the organisation	◆ 7	
		102-8	Information on employees and other workers	◆ 98 ● 102	
		102-9	Supply chain	● 128	
		102-10	Significant changes to the organisation and its supply chain	Zero	
		102-11	Precautionary principle or approach	● 21	
		102-12	External initiatives	● 127	
		102-13	Membership of associations	● 127	
		102-14	Statement from senior decision-maker	◆ 3	
		102-15	Key impacts, risks and opportunities	◆ 32, 38	
		102-16	Values, principles, standards and norms of behaviour	◆ 20, 118	
		102-17	Mechanisms for advice and concerns about ethics	◆ 133	
		102-18	Governance structure	◆ 119	
		102-19	Delegating authority	◆ 120	
		102-20	Executive-level responsibility for economic, environmental and social topics	◆ 120	
		102-21	Consulting stakeholders on economic, environmental and social topics	◆ 24	
		102-22	Composition of board and its committees	◆ 122	
		102-23	Chair of board	◆ 115	
		102-24	Nominating and selecting the board	◆ 116	
		102-25	Conflicts of interest	◆ 118	
		102-26	Role of board in setting purpose, values and strategy	◆ 119	
		102-27	Collective knowledge of board	◆ 114	
		102-28	Evaluating the board's performance	◆ 117	
		102-29	Identifying and managing economic, environmental and social impacts	◆ 120	
		102-30	Effectiveness of risk management processes	◆ 38, 129	
		102-31	Review of economic, environmental and social topics	◆ 32	
		102-32	Board's role in sustainability reporting	◆ 140	
		102-33	Communicating critical concerns	◆ 36	
		102-34	Nature and total number of critical concerns	◆ 32	
		102-35	Remuneration policies	◆ 151	

GRI STANDARDS INDEX CONTINUED

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GRI index

Standard				Page	Omission
		102-36	Process for determining remuneration	◆ 151	
		102-37	Stakeholders' involvement in remuneration	◆ 151	
		102-38	Annual total compensation ratio	◆ 151	
		102-39	Percentage increase in annual total compensation ratio	◆ 151	
		102-40	List of stakeholder groups	◆ 24	
		102-41	Collective bargaining agreements	◆ 30	
		102-42	Identifying and selecting stakeholders	◆ 24	
		102-43	Approach to stakeholder engagement	◆ 24	
		102-44	Key topics and concerns raised	◆ 24	
		102-45	Entities included in the consolidated financial statements		
		102-46	Defining report content and topic boundaries	◆ 2	
		102-47	List of material topics	◆ 32	
		102-48	Restatements of information	Zero	
		102-49	Changes in reporting	Zero	
		102-50	Reporting period	◆ 2	
		102-51	Date of most recent report	◆ 2	
		102-52	Reporting cycle	◆ 2	
		102-53	Contact point for questions on the report	◆ 172	
		102-54	Claims of reporting in accordance with the GRI standards	◆ IFC	
		102-55	GRI content index	● 147	
		102-56	External assurance	● 144	
GRI 103	Management approach	103-1	Explanation of the material topic and its boundary	◆ 2	
		103-2	Management approach and its components	◆ 32	
		103-3	Evaluation of the management approach	◆ 32	
GRI 201	Economic performance		Management approach disclosures	◆ 57	
		201-1	Direct economic value generated and distributed	◆ 14	
		201-2	Financial implications and other risks and opportunities due to climate change	● 38	
		201-3	Defined benefit plan obligations and other retirement plans		
		201-4	Financial assistance received from government	Zero	
GRI 202	Market presence		Management approach disclosures	◆ 70	
		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–	Confidential, negotiated
		202-2	Proportion of senior management hired from the local community	● 102	
GRI 203	Indirect economic impacts		Management approach disclosures	◆ 94	
		203-1	Infrastructure investments and services supported	● 117	
		203-2	Significant indirect economic impacts	◆ 14	
GRI 204	Procurement practices		Management approach disclosures	● 128	
		204-1	Proportion of spending on local suppliers	● 128	
GRI 205	Anti-corruption		Management approach disclosures	◆ 118	

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Standard				Page	Omission
		205-1	Operations assessed for risks related to corruption	◆ 118	
		205-2	Communication and training about anti-corruption policies and procedures	◆ 118	
		205-3	Confirmed incidents of corruption and actions taken	◆ 133	
GRI 206	Anti-competitive behaviour		Management approach disclosures	◆ 118	
		206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Zero	
GRI 300	Environmental		Management approach disclosures	● 21	
GRI 301	Materials	301-1	Materials used by weight or volume	● 68	
		301-2	Recycled input materials used	● 68	
		301-3	Reclaimed products and their packaging materials		Not applicable
GRI 302	Energy	302-1	Energy consumption within the organisation	● 68	
		302-2	Energy consumption outside of the organisation	● 68	
		302-3	Energy intensity	● 41	
		302-4	Reduction of energy consumption	● 41	
		302-5	Reductions in energy requirements of products and services	● 41	
GRI 303	Water	303-1	Water withdrawal by source	● 34	
		303-2	Water sources significantly affected by withdrawal of water	● 36	
		303-3	Water recycled and reused	● 34	
GRI 304	Biodiversity	304-1	Operational sites owned/leased/managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	● 46	
		304-2	Significant impacts of activities, products and services on biodiversity	● 46	
		304-3	Habitats protected or restored	● 46	
		304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	● 46	
GRI 305	Emissions	305-1	Direct (scope 1) GHG emissions	● 68	
		305-2	Energy indirect (scope 2) GHG emissions	● 68	
		305-3	Other indirect (scope 3) GHG emissions	● 68	
		305-4	GHG emissions intensity	● 40	
		305-5	Reduction of GHG emissions	● 40	
		305-6	Emissions of ozone-depleting substances (ODS)	● 60	
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	● 60	
GRI 306	Effluents and waste	306-1	Water discharge by quality and destination	● 31	
		306-2	Waste by type and disposal method	● 49, 53	
		306-3	Significant spills	Zero	
		306-4	Transport of hazardous waste	● 49	
		306-5	Water bodies affected by water discharges and/or runoff	● 36	
GRI 307	Environmental compliance	307-1	Non-compliance with environmental laws and regulations	● 23	

GRI STANDARDS INDEX CONTINUED

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GRI index

Standard				Page	Omission
GRI 308	Supplier environmental assessment	308-1	New suppliers screened using environmental criteria	● 28	
		308-2	Negative environmental impacts in the supply chain and actions taken	● 28	
GRI 400	Social		Management approach disclosures	● 12	
GRI 401	Employment	401-1	New employee hires and employee turnover	● 102	
		401-2	Benefits provided to full-time employees not provided to temporary/part-time employees	● 93	
		401-3	Parental leave	● 101	
GRI 402	Labour/management relations	402-1	Minimum notice periods on operational changes	● 100	
GRI 403	Occupational health and safety	403-1	Workers' representation in formal joint management-worker health and safety committees	● 76	
		403-2	Types and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	● 73	
		403-3	Workers with high incidence or high risk of diseases related to their occupation	● 81	
		403-4	Health and safety topics covered in formal agreements with trade unions	● 76	
GRI 404	Training and education	404-1	Average hours of training per year per employee	● 94	
		404-2	Programmes for upgrading employee skills and transition assistance programmes	● 95	
		404-3	Percentage of employees receiving regular performance and career development reviews	● 94	
GRI 405	Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	◆ 116 ● 97	
		405-2	Ratio of basic salary and remuneration of women to men	◆ 151	
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Zero	
GRI 407	Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Zero	
GRI 408	Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour	Zero	
GRI 409	Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Zero	
GRI 410	Security practices	410-1	Security personnel trained in human rights policies or procedures	● 133	
GRI 411	Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	Zero	
GRI 412	Human rights assessment	412-1	Operations subject to human rights reviews or impact assessments	● 133	
		412-2	Employee training on human rights policies or procedures	● 133	
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	● 133	
GRI 413	Local communities	413-1	Operations with local community engagement, impact assessments and development programmes	● 110	

GRI index

Standard				Page	Omission
		413-2	Operations with significant actual and potential negative impacts on local communities	● 110	
GRI 414	Supplier social assessment	414-1	New suppliers screened using social criteria	● 128	
		414-2	Negative social impacts in the supply chain and actions taken	● 128	
GRI 415	Public policy	415-1	Political contributions	Zero	
GRI 416	Customer health and safety	416-1	Assessment of health and safety impacts of product and service categories	—	Information not available
		416-2	Incidents of non-compliance for health and safety impacts of products and services	—	Not available
GRI 417	Marketing and labelling	417-1	Requirements for product and service information and labelling		Not applicable
		417-2	Incidents of non-compliance on product and service information and labelling		Not applicable
		417-3	Incidents of non-compliance on marketing communications		Not applicable
GRI 418	Customer privacy	418-1	Substantiated complaints on breaches of customer privacy and losses of customer data	Zero	
GRI 419	Socio-economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Zero	

KING IV INDEX

Our King IV Index can be found at:
www.angloamericanplatinum.com/aboutus/our approach/

Platinum's unique properties are crucial to many industrial processes that improve our lives.

RELATED DISCLOSURES

Amplats' response to the risks posed by climate change is multidisciplinary and covered throughout our reporting suite. The table below shows where to find information on each of the TCFD's recommendations. Amplats received B (management band) for its 2019 CDP climate response submission. This is higher than both the metal smelting, refining and forming sector average of C and Africa regional average of B-.

GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities.

Recommended disclosures	References
(a) Describe the board's oversight of climate-related risks and opportunities.	Climate change: Our plans, policies and progress, pages 38 to 41 Climate change, IR, pages 140 to 145
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Climate change: Our plans, policies and progress, page 38 Our material matters, IR, page 32

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosures	References
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	CDP climate response 2019, question CC2
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	ESG, pages 39 and 40

RISK MANAGEMENT

Disclose how the organisation identifies, assesses, and manages climate-related risks.

Recommended disclosures	References
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	Climate change: Our plans, policies and progress, pages 38 to 41 CDP climate response 2019, question CC2.2b
(b) Describe the organisation's processes for managing climate-related risks.	CDP climate response 2019, questions CC2.1, 2.2, 2.5 and 2.6
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate change: Our plans, policies and progress page 38 CDP climate response 2019, questions CC2.1, 2.2, 2.5 and 2.6

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures	References
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP climate response 2019, questions CC2.2b, 2.3a and 11.3a
(b) Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	ESG report and data table page 68 IR page 105
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	ESG page 41

GLOSSARY

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
Au	The symbol for gold
Base metal	A common metal that is not considered precious, eg copper, tin or zinc
BBBEE	Broad-based black economic empowerment. This is 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, a policy of the South African government aimed at increasing the access of black South Africans 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
Bioremediation	Treatment or waste-management technique that uses naturally occurring organisms to break down hazardous substances into less toxic or non-toxic substances
BRPM	Bafokeng Rasimone Platinum Mine
CDP	An independent not-for-profit organisation that acts as an intermediary between shareholders and corporations on all issues related to climate change. It provides the global marketplace with primary climate-change data gathered from the world's largest corporations
CO_2	Carbon dioxide
Company-managed land	An area of land under the direct management of the company. It 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 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. It 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 through smelting and refining to obtain pure metals: Au, Cu, PGMs and Ni (see relevant entries for full names)

GLOSSARY CONTINUED

Corporate social investment spend (CSI)	Categories for corporate social investment expenditure include charitable donations, community investment and commercial initiatives. CSI is reported in South African rand and converted from the currency of the operations at the average foreign exchange rate applied by Anglo American for financial reporting purposes. Data is prepared in accordance with the principles of preparation for financial information. Charitable donations include cash donations; contributions in kind; employees' working hours spent on charity projects during work hours; and the cost of initiatives designed to inform communities about community-benefit initiatives (eg the production of reports that are issued to communities for the purpose of reporting progress). Not included is expenditure that is necessary for the development of an operation (eg resettlement of families) or for receiving a licence. Training expenditure for individuals who will be employed by the company following completion of training is not included. Community investment includes the funding of community partnerships which address social issues; the costs of providing public facilities to community members who are not employees or dependants; the marginal value of land or other assets transferred to community ownership; and income-creation schemes or mentoring/volunteering initiatives which do not have a principally commercial justification. Commercial initiatives include enterprise development and other community initiatives/partnerships that also directly support the success of the company (such as supplier development). There must, however, be a clear and primary element of public benefit. We prohibit the making of donations for political purposes to any politician, political party or related organisation, any official of a political party or candidate for political office in any circumstances, either directly or through third parties
Cu	The symbol for copper
DMRE	Department of Mineral Resources and Energy
DWS	Department of Water and Sanitation
EBIT	Earnings before interest and tax
Employment Equity per the Mining Charter	Historically disadvantaged South African (HDSA) representation at top management, senior management, middle management, junior management and core skills. HDSA refers to 'any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa (Act 200 1993), came into operation'. The company definition of HDSA's includes employees classified as African, Asian, coloured or female.
Employee turnover	Calculated from the total number of employees who left the company during the reporting period and expressed as a percentage of total headcount and excluding VSPs
Energy use	Sum of energy from electricity purchased, total energy from fossil fuels and total energy from renewable fuels
Equivalent refined platinum	Mine production and purchases of metal in concentrate, converted to equivalent refined platinum production using Amplats' standard smelting and refining recoveries
Fatal injury frequency rate (FIFR)	The rate of fatalities, calculated as the number of fatalities per 1 million 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 (strong affinity for water). Air is dispersed through the tanks and rises to the surface. The hydrophobic particles attach to 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 used to produce a concentrated stream of valuable mineral particles, called the concentrate, and a waste pulp stream, called tailings

GHG	Greenhouse gas. As outlined in the Kyoto protocol to the United Nations framework convention on climate change (1998), GHGs comprise: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6). The term refers to gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and remit infrared radiation
GJ	Gigajoule (1,000 Megajoules)
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
Greenhouse gas emissions, CO_2 equivalent	Quantity of CO_2 from electricity purchased and generated internally. Conversion factors used are those recommended by the Intergovernmental Panel on Climate Change. Gases include CO_2, CH_4, NO_2 (nitrogen dioxide), HFCs, PFCs, SF_6 and other CO_2 equivalents (see GHG)
Hazardous waste to legal landfill	Consider only waste generated during the reporting period. This should include the following as a minimum: heavy metal contaminated sludges (excluding SX sludge); contaminated containers (reagent containers, oil/grease containers, anti-freeze drums, etc); medical waste, vehicle batteries and oil contaminated material (gaskets, filters, soaking agents, rags, etc). A legal landfill is a landfill designed and operated to contain the wastes and result products in a manner compliant with legislation or internationally accepted practice
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 (Act 200 1993), came into operation'. The company definition of HDSAs includes employees classified as African, Asian, coloured or female
HEPS	Headline earnings per share – additional earnings number permitted by IAS 33 that excludes separately identifiable remeasurements (as defined), net of related tax (current and deferred) and related non-controlling interest, other than remeasurements specifically included in headline earnings
HIV	Amplats committed to the new 90/90/90 UNAIDS targets. Based on this: ◥ Know your status: 90% of our employees should know their HIV status ◥ Treatment: 90% of our HIV-positive employees are receiving ART
LTI	Lost-time injury. Refers to an injury resulting in the person being unable to attend/return to work to perform the full duties of his/her regular work, as per the advice of a suitably qualified medical professional, on the next calendar day after the injury
LTIFR	Lost-time injury frequency rate. The number of employee and contractor lost-time injuries (see entry) per 1 million hours worked. From 2018, Amplats will no longer report the lagging indicator LTIFR, replacing this with the leading indicator of total recordable case frequency rate (TRCFR, see entry)
mg/Nm³/hour	Milligrams per cubic metre per hour under normal conditions, where normal conditions are defined as a temperature of 20°C and a pressure of 1.01 bar
MPRDA	Mineral and Petroleum Resources Development Act 28 2002
NEMA	National Environmental Management Act 107 1998
NEMAQA	National Environmental Management: Air Quality Act 39 2004
NEMWA	National Environmental Management: Waste Act 59 2008
New water used	New water used (1,000m³) New water, or make-up water, is water required to replace losses from the water circuit. It excludes water reused or recycled within the operation. New water can be drawn from several possible external sources (ie seawater, rainfall, municipal water, external raw or sewage water, dewatered groundwater)
Ni	The symbol for nickel

GLOSSARY CONTINUED

NIHL	Number of employees diagnosed with NIHL in the reporting period. New cases are recorded when: ◥ The rules for diagnostic criteria for occupational disease in Anglo American have been met ◥ There is a pattern consistent with NIHL on the audiogram ◥ Average hearing loss at frequencies 0.5, 1, 2, 3 and 4kHz for both ears is greater than 25dBA ◥ There is a 10dBA change in the average hearing loss since the preplacement audiogram recorded on employment by Anglo American ◥ The employee has not been previously counted as NIHL
Non-hazardous waste to legal landfill	Consider only domestic (non-hazardous) waste generated during the reporting period. A legal landfill is one designed and operated to contain the wastes and resultant products in compliance with legislation or internationally accepted practice
NO_x	Emissions of nitrogen oxides from diesel engines
Number of employees who know their HIV status	The total of all employees who are known to be HIV+ve on the medical records (irrespective of the year of testing or testing facility), and who are still in employment at the end of the current reporting month, and the total of all employees whose last test confirmed an HIV sero-negative status (based on a VCT result during a calendar year), and who are still in employment at the end of the last reporting month.
NWS	National waste strategy (South Africa)
OHSAS 18001	Occupational Health and Safety Assessment Series, which provides specifications for management systems for occupational health and safety
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 and named PM10. 'Small' particles are under 2.5 micrometres. They are named PM2.5 and cause more severe health effects. Our data on particulates refers to the mass of particulates released to atmosphere from point sources
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
Primary activities	Activities in an operation to produce product(s), including dust suppression in the operational area
Pt	Symbol for platinum
Pt oz	Equivalent refined platinum ounce(s). Equivalent ounces are mined ounces expressed as refined ounces
ROCE	Return on adjusted capital employed attributable to equity shareholders of Amplats; excludes the portion of the return and capital employed attributable to non-controlling interests in operations where Amplats has control but does not hold 100% of the equity. Calculated as annualised underlying EBIT divided by adjusted capital employed
Section 54 stoppage	Issued when a mining inspector orders a work stoppage after a death or other accident at a mine, or when the inspector believes working conditions are unsafe. Such stoppages are legislated by section 54 of the Mine Health and Safety Act
SLPs	Social and labour plans. Stipulated in the MPRDA (see entry), these plans aim to promote employment in South Africa and advance the social and economic welfare of all citizens, while ensuring economic growth and socio-economic development
SO_2	Mass of SO_2 released from point sources and fugitive emissions to atmosphere in reporting period
Tailings	That portion of ore from which most valuable material has been removed by concentration, and which is therefore low in value and rejected

TB	Pulmonary tuberculosis refers to tuberculosis of the respiratory organs, confirmed by positive sputa microscopy or culture for mycobacterium tuberculosis
Terajoule	Measure of energy, one terajoule = 1,000,000,000,000 joule (10^12)
Tonne	Unless otherwise defined, this refers to a metric tonne (1,000kg)
Total environmental incidents	We classify environmental incidents on a scale of 1 to 5 based on increasing severity, in line with the Anglo American 5 x 5 risk matrix, which plots potential incidents against their likelihood of occurring and the severity of their consequence. A level 1 incident will have a minor impact on the environment while a level 5 incident will have a major impact. Correct classification of incidents is important as it determines the level of response, investigation and reporting required. From January 2018, we implemented an updated classification process for environmental incidents, which maintains the level 1 to 5 classification scale while providing substantially greater guidance and rigour to the classification process. The following components are considered when rating the severity of environmental incidents: **Scale**: How significant is the size/scale of impact relative to size/scale of receiving environment? **Sensitivity**: How sensitive is receiving environment to the impact? How special or unique is the area that has been impacted? **Remediation and clean-up**: How difficult is the impact to contain, remediate and/or clean up? How much time and/or resources are required to manage the incident?
Total recordable case frequency rate (TRCFR)	TRCFR is a rate per 1 million hours of employee and contractor fatal injuries, lost-time injuries and medical treatment cases. First-aid cases – minor work-related injuries which, in normal circumstances, can be treated successfully in line with recognised first-aid training – are not included. Injuries are diagnosed by medical and safety professionals according to Anglo American criteria. These criteria are additional to local legal reporting and compensation requirements. From 2018, we have reported injury frequency rates per million hours worked to align with ICMM and other global mining companies. This will allow for a more granular view, which will be valuable as our injury numbers have reduced significantly in recent years
Total scope 1 carbon emissions	Scope 1 emissions include CO_2e emissions from fossil fuels, coal seam gas fugitive emissions, renewable fuels, and operational processes. Process emissions include those associated with on-site and managed sewerage facilities, on-site water-treatment facilities, use of carbonates in acid leaching processes at copper-processing facilities, fugitive emissions in producing phosphates
Total scope 2 carbon emissions	Scope 2 emissions include CO_2 from electricity purchased and reported in kilotonnes CO_2e
Total social investment	CSI spend including contributions paid to community trusts and dividends paid to communities. Payments to trusts and dividends paid to communities occurred in 2018
Total water consumed (million m^3, Mm^3)	Total withdrawals or abstractions (total inflow excluding estimate of surface run-off or precipitation harvested)
Total work-related fatal injuries	A fatality is an employee or contractor death resulting from a work-related injury. Anglo American records all work-related losses of life for the purposes of internal and external investigation, management action, legal process and compensation. However, while fatal injuries that result from criminal activity and public-road incidents are recorded for management purposes, these are not included in formal statistics and frequency-rate calculations
tpm	Tonnes per month

GLOSSARY CONTINUED

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 or evaporated and not used for any primary activities
Workers potentially exposed to inhalable hazards above exposure limit and workers potentially exposed to carcinogens above exposure limit	Total number of employees assigned to homogenous exposure groups in an "A" classification band, ie ≥OEL (without taking into account PPE) for inhalable hazards for the reporting period. Inhalable hazards and carcinogens include: ◥ Coal dust (respirable particulate) ◥ Respirable crystalline silica ◥ Diesel particulate matter ◥ Nickel (water soluble compounds) ◥ Copper dusts and mists ◥ Sulphuric acid mists ◥ Sulphur dioxides ◥ Arsenic ◥ Coal tar pitch volatiles ◥ Cobalt ◥ Dust (respirable and inhalable) ◥ Welding fumes ◥ Volatile organic compounds (VOCs) Total number of employees (including long- term contractors) exposed to one or more known cause of occupational cancer including but not limited to arsenic, coal tar pitch volatiles, cobalt, diesel particulate matter, nickel (soluble and insoluble) and solar radiation at levels ≥ OEL. For solar radiation: the number of workers working in open environments (without roof cover) for periods in excess of four hours per shift exposed to excessive sunlight

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