

ANGLO AMERICAN PLATINUM LIMITED

SUPPLEMENTARY REPORT 2017

BUILDING ON OUR FOUNDATIONS

POSITIONED FOR A SUSTAINABLE FUTURE



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BUILDING ON OUR FOUNDATIONS POSITIONED FOR A SUSTAINABLE FUTURE

Amid unprecedented challenges in the global mining industry, Anglo American Platinum (Amplats) is proving its resilience and ability to manage change through a focused strategy that has positioned our group for a sustainable future.

We are concentrating on elements within our control and building the foundations for continuous improvement. We are shaping our business to operate successfully in a fundamentally changed market – driving the transformation that will make us more robust, responsive and competitive.

Our strategic focus is on value and not volume. We have refined our portfolio by exiting certain assets and focused on developing the markets for our end products. Importantly, we are building positive relationships with all our stakeholders while our operations concentrate on optimising their potential.

 **Refers to other pages in this report.**

 **Supporting documentation on the website**

Integrated report
Full annual financial statements
Full Ore Reserves and Mineral Resources Report
UN Global Compact assessment



 www.angloamericanplatinum.com/investors/annual-reporting/2017

ABOUT THIS REPORT

This supplementary report expands on the financial, social and environmental performance disclosed in the 2017 integrated report of Anglo American Platinum Limited (Amplats or the company). As with the integrated report, content has been guided by the Global Reporting Initiative and we have early adopted the new GRI standards (index on page 73). This report should be read with the 2017 integrated report on our website

 www.angloamericanplatinum.com/investors/annual-reporting/2017.

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 the company's long-term sustainability.

With longer-term comparatives, readers should note that 2014 performance reflects a five-month strike at about 60% of our operations and completed disposals in 2016 and 2017, skewing year-on-year comparisons.

We welcome your feedback on this report. Please address your queries or comments to cosec.platinum@angloamerican.com.

Key sustainability indicators

6	FATALITIES	↓
0.63	LOST-TIME INJURY FREQUENCY RATE	↓
R12,856 MILLION	PREFERENTIAL PROCUREMENT	↑
75%	HISTORICALLY DISADVANTAGED SOUTH AFRICANS IN MANAGEMENT	↑
4.6Mt	GHG EMISSIONS, CO ₂ EQUIVALENT	↓
26.5Mm ³	NEW WATER USED FOR PRIMARY ACTIVITIES (PRODUCTION AND PROCESS)	↓
21.5TJ	ENERGY USED	↓
0	LEVEL 3, 4 AND 5 ENVIRONMENTAL INCIDENTS – TARGET ACHIEVED	→
R301.1 MILLION	CORPORATE SOCIAL INVESTMENT*	

* Excluding overheads and including Unki.

OUR MATERIAL ISSUES

Our integrated report details the process of determining materiality and our material issues in the review period. These are summarised below and cross referenced to detailed commentary.

PILLARS OF VALUE	MATERIAL ISSUE	DETAIL	PAGE
RETURNS /FINANCIAL	MARKET CONDITIONS	IR our markets	Page 16
SOCIO-POLITICAL	POLITICAL AND REGULATORY ENVIRONMENT	IR chairman's letter IR CEO's review	Page 8 Page 40
RETURNS/FINANCIAL	REPOSITIONED PORTFOLIO	IR CEO's review IR our strategy journey	Page 40 Page 26
RETURNS/FINANCIAL	CAPITAL ALLOCATION	IR financial review	Page 46
RETURNS/FINANCIAL, SAFETY AND HEALTH, PEOPLE	MODERNISATION	IR financial review IR stakeholder engagement Supplementary – safety and health	Page 46 Page 22 Page 33
SOCIO-POLITICAL	SOCIO-ECONOMIC CONDITIONS	IR chairman's letter IR stakeholder engagement Supplementary – communities	Page 8 Page 22 Page 41
RETURNS/FINANCIAL	ETHICS, INTEGRITY AND REPUTATION	IR CEO's review IR corporate governance IR stakeholder engagement	Page 40 Page 88 Page 22
SAFETY AND HEALTH	HEALTH AND SAFETY	IR SHE data Supplementary – health and safety	Page 144 Page 30
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ENVIRONMENT	ENVIRONMENT	Supplementary – environment	Page 61

OPERATIONS REVIEW

Our operations consist of own-managed mines, and non-managed joint venture (JV) mines and associate mines across South Africa and Zimbabwe. These mines extract PGM-containing ore from Merensky and UG2 reefs, the Platreef and Main Sulphide Zone (also known as Unki reef).

The ore is milled and treated by own-managed, JV and associate concentrators and further processed by our wholly owned smelters and refineries.



Dean Pelser
Executive head: Mining

OWN-MANAGED MINES OVERVIEW

Amplats' managed mines consist of three mining complexes – Mogalakwena, Amandelbult and Unki – stretching across the Bushveld complex in South Africa while Unki is located on Zimbabwe's Great Dyke. Except for the open-pit Mogalakwena Mine, all mines are underground conventional and mechanised operations. Amplats also has a number of projects largely based on the Eastern Limb of the Bushveld complex. The Twickenham project was placed on care and maintenance from 1 July 2016, and is currently being used to test new mining technology.

KEY FEATURES

5% IMPROVEMENT IN TOTAL RECORDABLE CASE FREQUENCY RATE (TRCFR)
FATALITY FREE: MOGALAKWENA (FIVE-AND-A-HALF YEARS) AND UNKI (SIX YEARS)
THREE FATALITIES AT AMANDELBULT
5% INCREASE IN TOTAL PGM PRODUCTION
3% INCREASE IN PLATINUM PRODUCED
8% IMPROVEMENT IN BUILT-UP HEAD GRADE
1% DECREASE IN CASH OPERATING COST PER PLATINUM OUNCE AND 2% DECREASE IN CASH OPERATING COST PER PGM OUNCE
11% IMPROVEMENT IN OPERATING FREE CASH FLOW



Own mines (managed – 100% owned)		2017	2016
Safety			
Fatalities	Number	3	2
TRCFR	Rate/ 200,000 hrs	0.73	0.77
Total PGM production	000 oz	2,122.4	2,026.6
Net sales revenue	R million	30,030	27,146
EBITDA	R million	9,695	7,468
EBITDA margin	%	32.3	27.5
ROCE	%	21.8	13.7
Operating free cash flow	R million	4,682	4,214
Net cash flow	R million	4,125	4,059
Cash on-mine cost/ tonne milled	R/tonne	653	683
Cash operating cost/ PGM oz produced	R/PGM oz	8,637	8,816
Cash operating cost/ Pt oz produced	R/Pt oz	18,773	18,906

SAFETY

Our managed mines tragically lost three employees at the Amandelbult complex in 2017. A comprehensive safety performance turnaround plan is being implemented to address challenges, and a new safety strategy is being implemented.

Safety, aimed at achieving zero harm to our employees, remained the key focus in 2017 and all operations reached significant safety milestones:

- Mogalakwena Mine: five-and-a-half years fatality free
- Unki Mine: six years fatality free
- Amandelbult concentrator: six million fatality-free shifts
- Amandelbult chrome plant: 566 days without a lost-time injury (LTI) (no LTIs since inception)
- Twickenham mine: awards for most-improved operation year on year and best-in-class safety for mining at MineSAFE 2017
- Total recordable case frequency rate (TRCFR) at 0.73 is the lowest ever achieved by managed mines.

The TRCFR for our managed mines continues to improve, dropping 5% from 0.77 to a new low of 0.73 in 2017. The lost-time injury frequency rate (LTIFR) of these mines was lower on average than the total group at 0.52 in 2017. Processes to identify risks and hazards, and manage controls to eliminate these, are continuously refined towards our vision of zero harm. Our focus remains on fall-of-ground (FOG) management,

OPERATIONS REVIEW continued

OWN-MANAGED MINES OVERVIEW CONTINUED

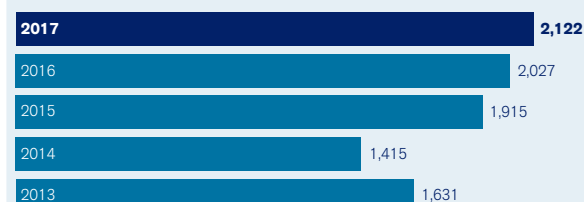
MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	161.4Mt + 35.8 4E Moz
UG2 reef	383.7Mt + 67.6 4E Moz
MSZ	226.7Mt + 30.5 4E Moz
Platreef	3,788.3Mt + 295.7 4E Moz

For our full Ore Reserves and Mineral Resources report 2017, please go to www.angloamericanplatinum.com/investors/annual-reporting/2017

Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



supply, people, ore, transport, management (SPOTM) and hazard identification, treatment and system (HITS) processes, and continuously reinforcing the importance of safety to our employees.

Section 54 safety stoppages will be a focus area from 2018. However, due to our improved overall safety performance, there has been a continuous reduction year on year in the number and severity of stoppages, with a lower impact on production.

OPERATIONAL REVIEW

Total PGM production was up 5% to 2,122,400 ounces in 2017 from 2,026,600 ounces. For the review period, platinum produced by our managed mines increased 3% to 976,400 ounces from 945,000 ounces, palladium by 8% to 775,700 ounces (720,700 ounces) and rhodium by 3% to 114,700 ounces (111,400 ounces).

Mogalakwena Mine produced a record 1,098,500 PGM ounces, including 463,800 platinum ounces, up 12% and 13% respectively. It raised production by mining a higher-grade area in the current mining cut and improving concentrator efficiencies, leading to increased throughput.

Amandelbult Mine produced 858,000 PGM ounces, including 438,000 platinum ounces, down 3% and 4% respectively on 2016. This was due to excessive rainfall in the first quarter which constrained production from open-pit operations, lower available Ore Reserves and increased development as the mine transitions from Tumela Upper to Dishaba Lower UG2. Production was also affected by section 54 safety stoppages after fatal incidents.

Unki Platinum Mine produced 165,900 PGM ounces, up 2% and including 74,600 platinum ounces, largely driven by a more efficient mining reef cut that reduced waste mining and delivered higher-grade ore to the concentrator.

At 3.67g/t, the overall 4E built-up head grade was 8% higher due to higher grade from Mogalakwena and improved mining reef cut at Unki partially offset by lower grade at Amandelbult.

Productivity, measured as PGM produced ounces per employee, improved 1% over 2016 to 113 PGM ounces per annum.

Cash operating costs excluding capitalised waste stripping (after allowing for off-mine smelting and refining activities) rose 3% to R18.3 billion from R17.9 billion, mainly due to increased production and mining inflation.

Cash operating costs per platinum ounce (excluding capitalised waste stripping) decreased 1% to R18,773 from R18,906 in 2016 and cash operating costs per PGM ounce (excluding capitalised waste stripping) decreased 2% to R8,637 from R8,816 in 2016, mainly as a result of increased throughput and a revaluation of the ore stockpiles.

Operating free cash flow (after operating costs, allocated overheads, stay-in-business capital, waste stripping and minorities; before project capital and restructuring costs) increased 11% to R4.7 billion from R4.2 billion in 2016. This reflects an 11% increase in revenue from higher metal sales and a higher basket price.

CAPITAL EXPENDITURE

Capital expenditure for own-managed mines and the respective concentrator operations (after allocating off-mine smelting and refining capital) in 2017 increased 45% to R2.7 billion compared to R1.9 billion in 2016:

- Project capital expenditure: R557 million from R156 million in 2016
- Stay-in-business capital increased to R2.1 billion from R1.7 billion in 2016.

Capitalised waste stripping expenses at Mogalakwena Mine decreased to R784 million compared to R1.3 billion in 2016.

Details and the impact of our capital projects in execution are covered in the individual mine reviews below.

OUTLOOK

Platinum ounce production from managed operations is expected to increase around 4% in 2018.

OPERATIONS REVIEW continued

MANAGED MINES

MOGALAKWENA MINE

KEY FEATURES

- ✓ **6 MILLION FATALITY-FREE** SHIFTS (FIVE-AND-A-HALF YEARS)
- ✓ CONTINUED WORLD-CLASS LOST-TIME INJURY FREQUENCY RATE (**LTIFR**) OF **0.15**
- ✓ RECORD PGM AND PLATINUM PRODUCTION **UP 12% AND 13% RESPECTIVELY**
- ✓ TONNES MILLED **INCREASED 8%**



MINE OVERVIEW

Mogalakwena Mine is 30km north-west of the town of Mokopane in the Limpopo province, and operates under a mining right covering 137km².

The current infrastructure comprises five open pits (Sandsloot, Zwartfontein, Mogalakwena South, Central and North). The mining method is truck and shovel, and current operating pit depths vary from 45m to 245m. Ore is milled at the on-mine North and South concentrators as well as Messina Mine Baobab concentrator.

OPERATIONAL REVIEW

The Mogalakwena safety programme continued to deliver significant results and the LTIFR improved by 11% to 0.15 and TRCFR 42% to 0.27 in 2017 – the lowest since inception.

Tonnes mined decreased 8% to 88 million tonnes in 2017 after a better mining stripping ratio was applied. The concentrator produced a record 1,098,500 PGM ounces, including 463,800 platinum ounces, up 12% and 13% respectively (including production from the Baobab concentrator plant of 34,700 Pt ounces), reflecting feed grade, throughput and concentrator recoveries. Tonnes milled increased 8% (North +872,000, South +76,000, and Baobab +50,000), including an additional 876,000 tonnes of Zwartfontein ore treated (higher grade but lower recovery). The 4E built-up head grade rose 2% to 3.09g/t from 3.02g/t in 2016.

Cash operating costs excluding capitalised waste stripping (after allowing for off-mine smelting and refining activities) dropped 4% to R7.3 billion from R7.6 billion. Cash operating costs per platinum ounce (excluding capitalised waste stripping) decreased 15% to R15,696 from R18,477 in 2016, and cash operating costs per PGM ounce (excluding capitalised waste stripping) decreased 15% to R6,628 from R7,766 in 2016, largely on increased throughput, cost management initiatives and revaluation of ore stockpiles.

Operating free cash flow (after cash operating costs, allocated overheads, stay-in-business capital, waste stripping and minorities; before project capital and restructuring costs) rose R819 million to R4 billion. The increase reflects higher sales volumes of PGMs compared to 2016, supported by a higher basket price achieved.

The mine delivered EBITDA of R7.7 billion at a 48% margin, up from 41% in 2016. Return on Capital Employed increased to 32% from 22%.

Managed – 100% owned		2017	2016
Safety			
Fatalities	Number	–	–
TRCFR	Rate/ 200,000 hrs	0.27	0.46
Total PGM production	000 oz	1,098.5	980.1
Net sales revenue	R million	16,118	14,227
EBITDA	R million	7,700	5,781
EBITDA margin	%	47.8	40.6
ROCE	%	31.8	22.4
Operating free cash flow	R million	3,977	3,158
Net cash flow	R million	3,756	3,122
Cash on-mine cost/ tonne milled	R/tonne	351	428
Cash operating cost/ PGM oz produced	R/PGM oz	6,628	7,766
Cash operating cost/ Pt oz produced	R/Pt oz	15,696	18,477

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES*

Platreef **3,788.3Mt + 295.7 4E Moz**

*Includes measured resource stockpile of 58.8Mt → 3.4 4E Moz

For our full Ore Reserves and Mineral Resources report 2017, please go to www.angloamericanplatinum.com/investors/annual-reporting/2017

OPERATIONS REVIEW continued

MANAGED MINES CONTINUED

Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



CAPITAL EXPENDITURE

Total capital expenditure (including capitalised waste stripping and after allocating off-mine smelting and refining capital) decreased to R2.4 billion in 2017 (R2.5 billion in 2016). Stay-in-business capital expenditure was R1.4 billion (R1.2 billion in 2016) and project capital expenditure was R221 million (R35 million in 2016).

Capital waste stripping decreased to R784 million from R1.3 billion in 2016 and is expected to increase to R1.1 billion in 2018.

OUTLOOK

Mogalakwena platinum production is expected to remain flat at c. 440,000 – 460,000 ounces in 2018.

OPERATIONS REVIEW continued

MANAGED MINES CONTINUED

AMANDELBULT MINE

KEY FEATURES

- ✗ **3 FATALITIES**
- ✗ **LTIFR REGRESSED TO 0.69 AND TRCFR TO 0.93**
- ✗ **PRODUCTION AFFECTED BY EXCESSIVE RAINFALL,**
LOWER AVAILABLE ORE RESERVES AND SAFETY STOPPAGES
- ✓ **GOOD CASH FLOW FROM NEW CHROME PLANT**



MINE OVERVIEW

The Amandelbult Mine complex is in Limpopo, between the towns of Northam and Thabazimbi, on the North-western Limb of the Bushveld complex. The mine operates under a mining right covering 141 km².

The complex consists of two mines (Tumela and Dishaba) and three concentrators with a chrome plant. Current working mine infrastructure has five vertical and seven decline shaft systems to transport rock, men and material, with mining on the Merensky reef and UG2 reef horizons. The layout is conventional scattered breast mining with strike pillars and open pits. The operating depth for current workings runs from surface to 1.3km below surface. Short-life, high-value open-pit mining supplements underground production as production transitions from Tumela Upper to Dishaba Lower UG2.

SAFETY

Regrettably, Amandelbult lost three employees in fatal incidents (detailed on page 32). A comprehensive, mine-wide safety performance turnaround plan is being implemented to address challenges.

Despite the fatalities, the mine reached several safety milestones during the year:

- Tumela mine: 1.8 million fatality-free shifts before the fatality in April 2017
- Dishaba mine: 3.8 million fatality-free shifts before the fatality in June 2017
- Dishaba mine: 4.4 million fall-of-ground fatality-free shifts at the end of November 2017
- Amandelbult concentrator: 6 million fatal-free shifts
- Amandelbult chrome plant: 566 LTI-free days (no LTIs since commencement)
- Amandelbult chrome plant: 284 all injury-free days since start up

Managed – 100% owned		2017	2016
Safety			
Fatalities	Number	3	2
TRCFR	Rate/ 200,000 hrs	0.93	0.87
Total PGM production	000 oz	858.0	884.6
Net sales revenue	R million	11,423	10,692
EBITDA	R million	1,173	1,423
EBITDA margin	%	10.3	13.3
ROCE	%	5.7	7.0
Operating free cash flow	R million	91	996
Net cash flow	R million	73	956
Cash on-mine cost/ tonne milled	R/tonne	1,197	1,092
Cash operating cost/ PGM oz produced	R/PGM oz	10,846	9,559
Cash operating cost/ Pt oz produced	R/Pt oz	21,246	18,438

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	161.4Mt → 35.8 4E Moz
UG2 reef	383.7Mt → 67.6 4E Moz

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OPERATIONS REVIEW continued

MANAGED MINES CONTINUED

OPERATIONAL REVIEW

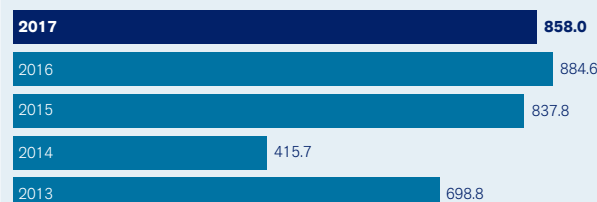
Amandelbult Mine produced 858,000 PGM ounces, including 438,000 platinum ounces, down 3% and 4% respectively on 2016. This was due to excessive rainfall in the first quarter which constrained production from open-pit operations, lower available Ore Reserves and increased development as the mine transitions from Tumela Upper to Dishaba Lower UG2. Production was also affected by section 54 safety stoppages resulting from fatal incidents.

Tonnes milled were maintained at 7 million, mainly due to increased tonnes from surface sources which rose year on year by 8% to 1.5 million tonnes. Higher surface sources in the ore mix reduced the 4E build-up head grade by 5% to 3.86 g/t in 2017.

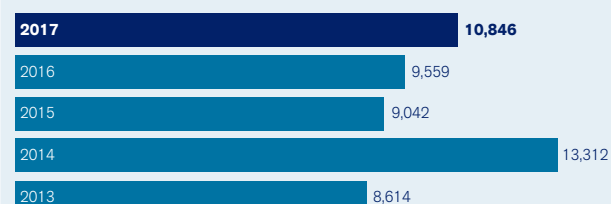
Amandelbult successfully commissioned a new chrome plant on site in 2016, with steady-state production expected from 2017. The plant was built at a capital cost of R470 million and is 74% owned by Amplats and 26% by Baphalane Siyanda Chrome Company Proprietary Limited (in which Baphalane Ba Mantserre community owns 75% and Siyanda 25%).

Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



Production from the chrome plant rose 73% to 4.8 million tonnes of UG2 tailings (2.8 million tonnes in 2016) as it operated for 12 months in

2017 compared to three months in 2016. This yielded 654,400 tonnes of chrome concentrate for 2017, up 178% on 234,700 tonnes in 2016. Although the chrome price fell in 2017, given the plant's low cost of production, it generated cash flow of R577 million (2016: R320 million).

Cash operating costs (after allowing for off-mine smelting and refining activities) increased 10% to R9.3 billion in 2017, mainly due to mining inflation, chrome plant operational costs and costs for the future replacement of production from the upper section of Tumela which will reach end of life by 2021. Historically this was to be achieved by sinking a new shaft, Tumela 5, from 2017. However, further evaluation of the asset base has identified lower capital-intensive replacement options from the UG2 reef at Dishaba which can be accessed via current infrastructure used for Merensky mining. The UG2 reef at Dishaba has a favourable prill split with high platinum and chrome content relative to other UG2 orebodies on the Western Limb. This replacement production option requires minimal capital to replace the Tumela Upper section.

Cash operating costs per platinum ounce at R21,246 and cash operating cost per PGM ounce at R10,846 rose 15% and 13% respectively, due to higher operating costs and lower throughput.

Operating free cash flow (after cash operating costs, allocated overheads, stay-in-business capital and minorities; before project capital and restructuring costs) decreased to R91 million, due to cost expenditure and stay-in-business capital increases partly offset by more revenue from higher chrome sales and increased basket price.

The mine delivered EBITDA of R1.2 billion at a 10% margin, down from 13% in 2016. Return on Capital Employed decreased to 6% from 7%.

CAPITAL EXPENDITURE

Total capital expenditure (after allocating off-mine smelting and refining capital) rose to R581 million in 2017 (R420 million in 2016). Stay-in-business capital expenditure was R563 million and project capital was R18 million (2016: R381 million and R40 million respectively).

OUTLOOK

Total production from Amandelbult is expected to increase to c. 480,000 ounces in 2018. Further low-capital replacement project options to improve the profitability of Amandelbult are being studied, including a project to expand chrome recovery to include the Merensky concentrator plant.

OPERATIONS REVIEW continued

MANAGED MINES CONTINUED

UNKI PLATINUM MINE – ZIMBABWE

KEY FEATURES

- ✓ UNKI PLATINUM MINE HAS BEEN **FATALITY FREE FOR SIX YEARS**
- ✓ **2% INCREASE IN PGM OUNCES** INCLUDING 74,600 PLATINUM OUNCES
- ✓ RAND **CASH ON-MINE COSTS DOWN 3%** FROM 2016



MINE OVERVIEW

Unki Mines Private Limited's operations are on the Great Dyke in Zimbabwe, 60km south-east of the town of Gweru.

The mine is a mechanised, trackless, bord-and-pillar underground operation. A twin-decline shaft system provides access to underground workings for men and material, as well as ore conveyance. Both shafts are now 1,898m from the portal on surface. In total 15 mining sections have been established so far, 14 of which are fully equipped and have strikes belts for transferring ore directly onto the main incline shaft conveyor. Run-of-mine ore is processed at the 120,000tpm concentrator plant on site. Since commissioning the concentrator plant at the beginning of 2011, ongoing debottlenecking has enabled it to treat up to 160,000tpm.

OPERATIONAL REVIEW

Unki Mine's total recordable case frequency rate improved by 24% from 0.72 in 2016 to 0.55 in 2017 – the lowest since commissioning the mine in 2010. The LTIFR regressed from 0.17 in 2016 to 0.30. Lost-time injuries were due to fall-of-ground (FOG) and operating machinery. A turnaround strategy focusing on FOG management and competence of machine operators was implemented.

Tonnes milled rose 2% to 1.75 million on increased productivity from operating teams, while the 4E built-up head grade increased to 3.47g/t from 3.46g/t on an improved mining reef cut. As a result, PGM ounces produced rose 2% to 165,900 and platinum produced increased marginally year on year to a record 74,600 ounces.

Cash operating costs (after allowing for off-mine smelting and refining activities) at Unki were flat year on year at R1.8 billion. The 9% strengthening of the rand against the US dollar, from an average of R14.63 in 2016 to R13.33 in 2017, resulted in a 7% increase in dollar on-mine costs. Higher volumes produced and revaluing ore stockpiles decreased cash operating costs per platinum ounce for the year by 3% to R23,387 from R24,151 in 2016, and cash operating cost per PGM ounce by 5% to R10,519 from R11,109 in 2016.

Operating free cash flow (after cash operating costs, allocated overheads, stay-in-business capital and minorities; before project capital and restructuring costs) rose to R614 million from R61 million in 2016. This reflects a decrease in other income and expenses after selling R228 million in treasury bills, export incentives of R63 million and a 12% increase in revenue from higher metal sales and basket price.

Managed – 100% owned		2017	2016
Safety			
Fatalities	Number	–	–
TRCFR	Rate/ 200,000 hrs	0.55	0.72
Total PGM production	000 oz	165.9	162.0
Net sales revenue	R million	2,489	2,227
EBITDA	R million	823	264
EBITDA margin	%	33.1	11.8
ROCE	%	9.5	(2.8)
Operating free cash flow	R million	614	61
Net cash flow	R million	296	(20)
Cash on-mine cost/ tonne milled	R/tonne	811	873
Cash operating cost/ PGM oz produced	R/PGM oz	10,519	11,109
Cash operating cost/ Pt oz produced	R/Pt oz	23,387	24,151

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

MSZ **226.7Mt + 30.5 4E Moz**

For our full Ore Reserves and Mineral Resources report 2017, please go to www.angloamericanplatinum.com/investors/annual-reporting/2017

OPERATIONS REVIEW continued

MANAGED MINES CONTINUED

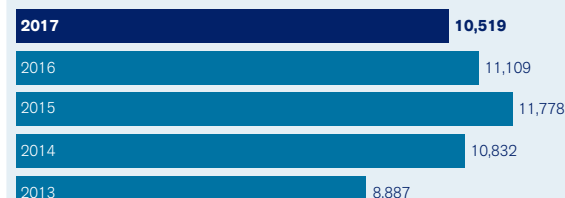
The mine delivered EBITDA of R0.8 billion at a 33% margin, up from 12% in 2016. Return on Capital Employed increased to 10% from negative 3% in 2016.

Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



CAPITAL EXPENDITURE

Total capital expenditure (after allowing for off-mine smelting and refining capital) rose to R500 million in 2017 from R244 million in 2016. Stay-in-business capital expenditure rose to R181 million, while project capital expenditure was R318 million (2016: R163 million and R81 million respectively).

The Unki smelter, a project in execution, is expected to be completed in H2 of 2018 at a total cost of R650 million. R306 million of Unki's 2017 project capital expenditure was incurred on this project and a further R343 million is expected to be incurred in 2018.

OUTLOOK

Platinum production in 2018 is expected to be similar to 2017 at c. 77,000 ounces. Unki smelter is planned to be commissioned in the third quarter of 2018, followed by a ramp-up period of 60 months.

TWICKENHAM PROJECT (MANAGED – 100% OWNED)

The Twickenham project can potentially offer long-term prospects for shallow mechanised mining on both the UG2 reef and Merensky reef horizons. In the current commodity price environment, we have delayed all expansionary project decisions to after 2018. Twickenham was placed on care and maintenance in 2016.

Some of the mining footprint is being used to research new mining technology, including small-scale mining activity.

DER BROCHEN PROJECT (MANAGED – 100% OWNED)

Der Brochen is a greenfield project area in the extreme south of the Eastern Limb of the Bushveld complex. It borders on the Mototolo JV.

The consolidated and amended environmental impact assessment was submitted to the authorities and a record of decision is imminent. If approved, this would permit open-pit mining on the UG2 outcrop. Study work continues on how best to exploit the down-dip total resource, and a number of options are being considered.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS

This portfolio includes the Bafokeng Rasimone (BRPM), Kroondal, Marikana, Union and Pandora mines in the Western Limb of the Bushveld complex, and the Bokoni, Modikwa and Mototolo mines in the Eastern Limb.



Vishnu Pillay

Executive head: joint ventures and exit operations

KEY FEATURES

- ✓ EXCEPTIONAL OPERATIONAL PERFORMANCE AT MODIKWA, BRPM, KROONDAL AND UNION
- ✓ UNION DISPOSAL PROCESS ON TRACK
- ✗ **TWO** FATALITIES AT JOINT VENTURES, **ONE** AT UNION MINE
- ✗ **CHALLENGING** YEAR OPERATIONALLY AT BOKONI AND MOTOTOLO

Cash operating cost/PGM ounce produced

2017	9,098
2016	8,397
2015	8,193
2014	8,134
2013	7,157

Total PGM production (M&C)

2017	1,580
2016	1,642
2015	1,595
2014	1,606
2013	1,583



Modikwa concentrator

JV and associate operations		2017	2016
Safety			
Fatalities	Number	2	6
TRCFR	Rate/ 200,000 hrs	1.61	1.85
Total PGM production	000 oz	1,580	1,642
JV operations only			
Net sales revenue	R million	6,268	6,127
EBITDA	R million	1,274	1,189
EBITDA margin	%	20.3	19.4
ROCE	%	13.8	11.6
Operating free cash flow	R million	408	846
Net cash flow	R million	331	770
Cash on-mine cost/ tonne milled	R/tonne	1,003	927
Cash operating cost/ PGM oz produced	R/PGM oz	9,098	8,397
Cash operating cost/ Pt oz produced	R/Pt oz	20,329	18,670

The joint ventures (JV) portfolio was established over a decade ago to promote industry transformation and optimise Mineral Resource extraction. These are primarily underground mines and are not operationally managed by Amplats except for the Union Mine JV.

Mined ore is processed into concentrate at each mine. Amplats claims its portion and acquires the JV partners' portion of concentrate under purchase agreements, except for the Pandora JV, where ore is sold to Western Platinum Limited (a subsidiary of Lonmin plc).

In 2017, restructuring of the JV portfolio continued. After Marikana was placed on care and maintenance in 2012, and our share of Pandora (42.5%) sold to Lonmin (JV partner) in 2016, Bokoni was placed on care and maintenance in October 2017. The section 11 approval to transfer ownership of mineral rights at Union Mine from RPM to Siyanda Resources was granted on 7 November 2017. Additional conditions precedent must be fulfilled in 2018 before transferring ownership.

SAFETY

In collaboration with our JV partners, we strive to create a zero-harm environment in our operations to enable a sustainable business.

The TRCFR improved 13% to 1.61 in 2017 (Modikwa 1.07, Kroondal 1.88, Bokoni 1.45, Mototolo 0.74, BRPM 2.03). The biggest deterioration in safety performance was at BRPM, which regressed from 1.46 last year to 2.03.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

The JV operations recorded two fatalities in 2017 (six in 2016) at Bokoni Middelpunt Hill shaft on 7 February 2017 and Modikwa South 1 shaft on 10 October 2017.

Regrettably, Union Mine had a fatality on 31 October 2017 after a fall-of-ground (detailed on page 32) and its TRCFR regressed by 22% from 2016.

Safety achievements during the year included:

- Mototolo: operated six years without a fatality; Borwa shaft reached 5,000 fatal-free production shifts and Lebowa shaft achieved 365 days without LTI, both in November 2017
- Mototolo concentrator: one year injury-free on 12 January 2017. In 2017, Mototolo recorded the best safety performance in the JV portfolio and since its inception with an LTIFR of 0.11, improving 31% on 2016 (0.15)
- BRPM remained fatality free in the review period and achieved 2 million fatality-free shifts in July 2017
- Modikwa achieved 4 million fatality-free shifts on 3 July 2017 and its best LTIFR since inception, improving 11% on 2016
- Kroondal remained fatal-free for 2017.

OPERATIONAL REVIEW

In association with our JV partners, the focus for the last seven years has been on supporting these mines to achieve operational excellence. A dedicated team in Amplats assists the JV operations with project execution, mining engineering, improving the cost base and safety performance.

We thank our managing JV partners for their contributions in 2017, despite the ongoing tough operating and financial environment.

The portfolio remains focused on its strategic objectives:

- Rebuild operations to match installed capacity
- Secure future sustainability and profitability
- Rationalise the portfolio in line with Amplats' strategy.

Events affecting production during the year included placing Bokoni on care and maintenance, stopping the Mototolo concentrator from mid-August to the first week of December to stabilise the Helena tailings storage facility, and section 54 stoppages. As a result, PGM production from JVs and associates in 2017 (including mined and purchased production) dropped 4% to 1,580,194 ounces from 1,642,006 ounces in 2016. Platinum production from operating JVs and associates was down 4% to 756,119 ounces from 784,885 ounces, palladium by 4% to 450,937 ounces (469,591 ounces) and rhodium by 3% to 119,264 ounces (123,129 ounces).

Improved production performances were recorded by Modikwa (+10%), BRPM (+8%) and Kroondal (+2%). Kroondal achieved record production performance while BRPM's production was the best since 2006 and Modikwa the best since 2010. Together, JV and associate mines contributed 32% of our total concentrate ounces in 2017 (33% in 2016).

The JV portfolio reflected attributable productivity, measured as PGM produced ounces per operating employee, of 62.3 PGM ounces per annum in 2017, down 4% on 2016.

Tonnes milled of 13,062,375t in 2017 reflect the best performance from BRPM since inception due to additional tonnages from Styldrift 1. Kroondal also recorded its best performance since 2009 and delivered record hoisted tonnes on improved mining efficiencies.

The 4E built-up head grade and concentrator recovery at the JV and associate operations were 3.80g/t (3.83g/t in 2016) and 84.3% (84.6% in 2016) respectively. Modikwa had the best recoveries since inception at 87.1% (2016 at 85.4%).

Union Mine's PGM production produced rose 3% to 308,626 ounces on improved stoping efficiencies. Platinum produced increased 2% to 154,498 ounces from 151,227 ounces, palladium by 4% to 71,433 ounces (2016: 68,873) and rhodium 4% to 28,555 ounces (2016: 27,397). Despite the fatality, section 54 safety stoppages and bad ground conditions at both shafts, Union Mine improved tonnes milled (4%), tonnes delivered (3%) and square metres broken (9%). The new production incentive scheme contributed to higher productivity, measured as PGM produced ounces, of 58.3 PGM ounces per annum a 10% improvement against 2016.

Our attributable JV cash on-mine costs (mining and concentrating) increased 6% to R4.6 billion. Cash operating cost per PGM ounce produced (attributable to Amplats) increased 8% from R8,397 to R9,098 mainly due to the impact of stopping the Mototolo concentrator while continuing mining operations. Cash operating unit cost per platinum ounce at R20,329 rose 9% from R18,670 in 2016. All operations continuously review cash expenditure to deliver savings in the current economic environment.

Union Mine's cash on-mine costs increased 5% to R2.8 billion and cash operating cost per PGM ounce produced increased by 4% from R10,145 to R10,567. Cash operating cost per platinum ounce increased by 5% to R21,109.

CAPITAL EXPENDITURE

Our attributable capital expenditure for the JV mines in 2017 was R575 million (R436 million in 2016), of which R77 million was for expansion and replacement projects and the balance for stay-in-business projects. Expansion and replacement projects primarily include the South 2 shaft at Modikwa. All capital expenditure was reviewed and reprioritised to counter the current economic reality. This included slowing the Styldrift production build-up to restrict capital expenditure in a low-price environment.

Union Mine's total stay-in-business capital expenditure rose to R113 million in 2017 (2016: R40 million) in line with its strategy to increase the rehabilitation of old Merensky development instead of generating new development to access the UG2 orebody.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

MOTOTOLO PLATINUM MINE

Non-managed – 50% owned		2017	2016
Safety			
Fatalities	Number	–	–
TRCFR	Rate/ 200,000 hrs	0.74	0.65
Total PGM production	000 oz	185	252
Net sales revenue	R million	1,218	1,418
EBITDA	R million	267	377
EBITDA margin	%	21.9	26.6
ROCE	%	41.4	43.1
Operating free cash flow	R million	(42)	286
Net cash flow	R million	(42)	286
Cash on-mine cost/tonne milled	R/tonne	786	678
Cash operating cost/PGM oz produced	R/PGM oz	9,195	7,826
Cash operating cost/Pt oz produced	R/Pt oz	19,916	16,899

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

UG2 reef **10.5Mt + 1.4 4E Moz**

JV PARTNER

Glencore Kagiso Tiso Platinum Partnership

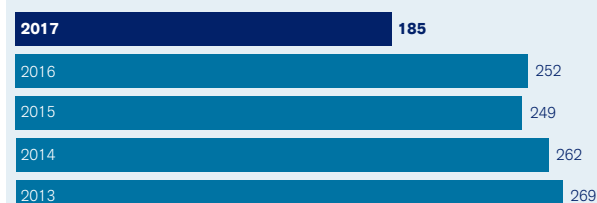
50%

* The concentrator was stopped from mid-August to early December 2017 to construct the buttress wall at the Helena tailings storage facility.

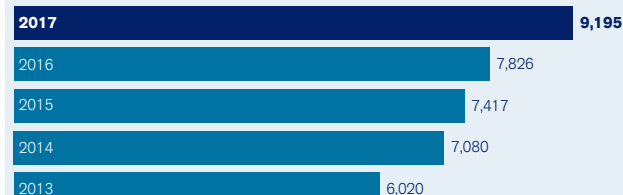
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Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



Mine overview

Mototolo is a 50:50 JV between Glencore Kagiso Tiso Platinum and Rustenburg Platinum Mines. The mine is managed by Glencore, while Amplats manages the concentrator. Situated in Limpopo, Mototolo is 30km west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld complex and operates under a mining right covering 9km².

Current mine infrastructure consists of two decline shafts, Lebowa and Borwa, and a concentrator. Mototolo is fully mechanised and extracts the UG2 horizon some 450 metres below surface, using bord-and-pillar mining.

SAFETY

Mototolo has been fatality free since 2011 and also achieved its best LTIFR since inception of 0.11, a 31% improvement from 2016. TRCFR regressed by 14% to 0.74 in 2017. Borwa shaft reached 5,000 fatal-free production shifts and Lebowa shaft achieved one year without a lost-time injury, both on 7 November 2017. Mototolo concentrator achieved one year injury-free on 12 January 2017.

OPERATIONAL REVIEW

Production and costs were affected by the concentrator being stopped in mid-August while a buttress wall was constructed to stabilise the Helena tailings storage facility. During this period, underground operations were curtailed and hoisted ore stockpiled on surface. To manage the stockpile capacity, 95,305t were sold to Modikwa Mine and 309,529t toll treated at Bokoni Mine. PGM production attributable to Amplats, including 92,377 ounces purchased from the JV partner and 11,913 ounces toll treated at Bokoni, decreased 27% to 184,753 ounces. Platinum produced also decreased 27% to 85,304 ounces from 116,709 ounces in 2016.

Productivity produced ounces per employee) at 97.8 PGM ounces per annum was down 22% on the prior year.

Cash operating unit cost per PGM ounce at R9,195 was 17% higher than R7,826 in 2016. Cash operating unit cost per platinum ounce at R19,916 was 18% higher.

CAPITAL EXPENDITURE

Our attributable share of capital expenditure for the year rose 138% to R217 million, mainly for construction of the new Mareesburg tailings dam.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

With the necessary permission, the mine is increasing the height of the current tailing storage facility from 1,124m to 1,145m, sufficient at current production levels until 2018. Construction of a new tailings facility has been approved at Mareesburg, close to the Mototolo concentrator. Construction of the initial starter wall of this facility will be completed in the second half of 2018.

MODIKWA PLATINUM MINE

Non-managed – 50% owned		2017	2016
Safety			
Fatalities	Number	1	–
TRCFR	Rate/ 200,000 hrs	1.07	1.81
Total PGM production	000 oz	326	296
Net sales revenue	R million	1,817	1,608
EBITDA	R million	361	158
EBITDA margin	%	19.9	9.8
ROCE	%	12.1	(1.1)
Operating free cash flow	R million	166	147
Net cash flow	R million	89	71
Cash on-mine cost/tonne milled	R/tonne	1,252	1,238
Cash operating cost/PGM oz produced	R/PGM oz	9,259	9,226
Cash operating cost/Pt oz produced	R/Pt oz	23,792	23,778

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	106.4Mt + 9.2 4E Moz
UG2 reef	134.1Mt + 26.0 4E Moz

JV PARTNER

ARM Mining Consortium Limited	50%
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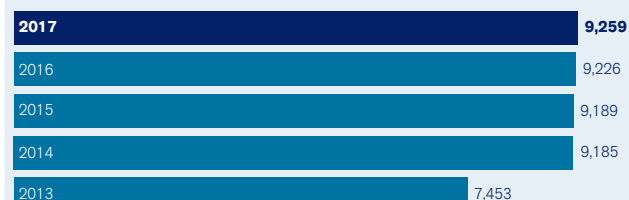
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Total PGM production (M&C)



Cash operating cost/PGM ounce produced



Mine overview

Modikwa is an independently managed, equal JV between ARM Mining Consortium and Rustenburg Platinum Mines in Limpopo, 25km west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld complex and operates under a mining right covering 140km².

Current infrastructure comprises three major decline shafts (North 1, South 1 and South 2), three adits on Onverwacht Hill and a concentrator. The mine is a hybrid operation using conventional breast stoping with strike pillars, supported by trackless development and ore clearance. It extracts UG2 reef from surface to 450m below surface.

SAFETY

Regrettably, Modikwa Mine had a fatality on 10 October 2017 when an employee succumbed to suspected gassing and/or heat exposure. Overall, it recorded a good safety performance for the year, with its lowest LTIFR of 0.59 (11% better than the prior year) and the milestone 4 million fatality-free shifts on 3 July 2017. The TRCFR also improved 41% to 1.07 in 2017.

OPERATIONAL REVIEW

PGM production attributable to Amplats, including 162,783 ounces purchased from our JV partner, was 10% above 2016 production at 325,566 ounces. Platinum produced also increased by 10% to 126,696 ounces from 114,784 ounces in 2016. Despite a slow start-up at the beginning of the year, section 54 stoppages and a fatality, Modikwa achieved its best performance since 2010 on increased underground efficiencies and improved concentrator recovery.

Productivity (PGM produced ounces per employee) of 67.6 PGM ounces per annum was 7% higher than the prior year.

Cash operating unit cost per PGM ounce at R9,259 was in line with 2016 (R9,226). Cash operating unit cost per platinum ounce at R23,792 was also in line with 2016 (R23,778).

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

CAPITAL EXPENDITURE

Our attributable share of capital expenditure for the year was R158 million, 33% higher than R119 million in 2016. This was primarily due to the 12-month deferment of North 1 shaft's 9-level scope of work and continued expenditure on two execution projects.

Project activities associated with the ongoing UG2 North 1 shaft phase 2 project (developing and equipping 9-level) resumed in the first quarter of 2017, with forecast completion in early 2018.

The South 2 shaft phase 1 project includes developing a new decline shaft to 2-level and relevant surface infrastructure. Project development and related underground infrastructure has been completed. To date, South 2 shaft has breached the 40,000tpm production profile and is expected to reach planned production of 50,000tpm in the second quarter of 2018.

KROONDAL PLATINUM MINE

Non-managed – 50% owned		2017	2016
Safety			
Fatalities	Number	–	2
TRCFR	Rate/ 200,000 hrs	1.88	2.47
Total PGM production	000 oz	586	576
Net sales revenue	R million	3,233	3,101
EBITDA	R million	646	654
EBITDA margin	%	20.0	21.1
ROCE	%	8.3	13.2
Operating free cash flow	R million	284	412
Net cash flow	R million	284	412
Cash on-mine cost/tonne milled	R/tonne	977	928
Cash operating cost/PGM oz produced	R/PGM oz	8,979	8,221
Cash operating cost/Pt oz produced	R/Pt oz	18,881	17,286

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES*

UG2 reef **44.6Mt + 4.2 4E Moz**

JV PARTNER

Sibanye-Stillwater

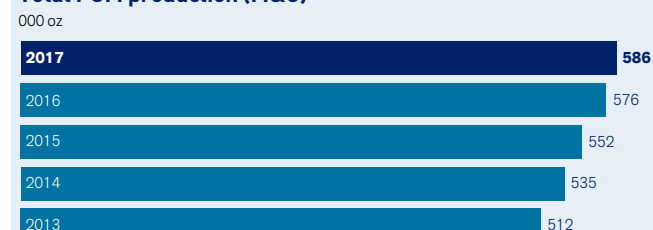
50%

*Includes UG2 reef Mineral Resources of Siphumelele 3 shaft (100% owned), which is managed and mined on a royalty basis from Kroondal Mine by Sibanye-Stillwater.

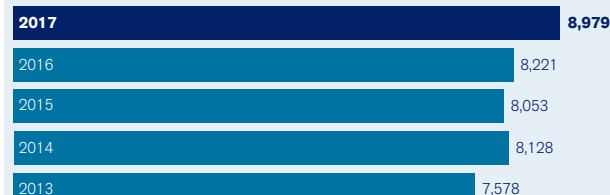


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Total PGM production (M&C)



Cash operating cost/PGM ounce produced



Mine overview

Kroondal was a 50:50 pooling-and-sharing agreement (PSA 1 and 2) between Aquarius Platinum (South Africa) Proprietary Limited and Rustenburg Platinum Mines until May 2016. In April 2016, the Aquarius portion was acquired by Sibanye-Stillwater and Kroondal is now a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Rustenburg Platinum Mines but managed by Sibanye-Stillwater. It is in North West province, some 10km outside the town of Rustenburg, and up-dip of Rustenburg Platinum Mines. Kroondal forms part of the South-western Limb of the Bushveld complex and operates under a mining right covering 22km².

Current infrastructure comprises five decline shafts – Bambanani, K6, Kopaneng, Kwezi and Simunye – and two concentrators with a total milling capacity post-dense medium separation (DMS) of 380,000tpm (pre-DMS milling capacity of 550,000tpm).

Kroondal is a mechanised, partly handheld drilling operation that mines the UG2 reef exclusively, between surface and 450m below using bord-and-pillar mining.

SAFETY

Kroondal's LTIFR regressed by 27% to 1.05 with more lost-time injuries than the prior year. To counter this trend, additional safety practitioners were deployed on the shafts in the third quarter of 2017. Kroondal was fatality free for the year and its TRCFR improved 24% to 1.88 in 2017.

OPERATIONAL REVIEW

PGM production attributable to Amplats, including 292,915 ounces purchased from our JV partner, increased 2% to 585,830 ounces – the best performance since inception. Platinum produced also increased by 2% to 278,591 ounces from 274,068 ounces in 2016. Kroondal also delivered record hoisted tonnes and milled the most tonnes since 2009.

Productivity (PGM produced ounces per employee) at 76.5 PGM ounces per annum is a 6% improvement on the prior year. Reduced labour and increased PGM production boosted performance.

Cash operating unit cost per PGM ounce at R8,979 increased 9% from R8,221 in 2016. Cash operating unit cost per platinum ounce was up 9% at R18,881 from R17,286 in 2016.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

BAFOKENG RASIMONE PLATINUM MINE (BRPM)

Non-managed – 33% owned		2017	2016
Safety			
Fatalities	Number	–	1
TRCFR	Rate/ 200,000 hrs	2.03	1.46
Financial			
Amplats' attributable profit/(loss) before tax	R million	134	90
Net cash distributions/(cash calls)*	R million	(444)	(211)

* Styldrift capex.

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	50.4Mt → 12.0 4E Moz
UG2 reef	65.7Mt → 10.8 4E Moz

JV PARTNER

Royal Bafokeng Platinum Limited (RBPlat) **67%**

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Total PGM production (M&C)



Mine overview

BRPM is a 67:33 JV between Royal Bafokeng and Rustenburg Platinum Mines, managed by Royal Bafokeng Platinum Management Services. The mine is in the North West province, 25km north of the town of Rustenburg. It forms part of the Western Limb of the Bushveld complex and operates under a mining right covering 87km².

Current infrastructure comprises two decline shafts, North and South, and a 250,000tpm concentrator. Both shafts extend 550m below surface. The primary reef mined at BRPM is Merensky, with limited mining of UG2 reef at both shafts. The mining method is conventional breast stoping with strike pillars, with an operating depth for current workings of 50 to 500m below surface.

Development of the new mechanised underground mine, Styldrift 1, is ongoing. To date, the main shaft and service shafts have been sunk to 758m and 728m below surface respectively. The main shaft is fully equipped and operational, and equipping of the service shaft began in September 2016 and is planned to be completed and commissioned in March 2018.

SAFETY

BRPM achieved 2 million fatality-free production shifts on 20 July 2017. Its LTIFR regressed from 0.36 to 0.56 and its TRCFR from 1.46 to 2.03.

OPERATIONAL REVIEW

Our attributable PGM production at 367,157 ounces increased 8% from 339,938 ounces in 2016. Platinum production from BRPM rose 8% to 211,946 ounces, supported by increased tonnes delivered from North shaft and Styldrift 1 shaft, which has started ramp-up operations. Although BRPM terminated UG2 operations at South shaft in July 2017 due to low in-situ grades, and redeployed the crews, the mine achieved its highest platinum production since 2006, and delivered and milled record tonnages since starting production.

BRPM is equity accounted at 33%. Our attributable profit before taxation was R134 million for 2017 (2016: R90 million). Net cash calls for the period were R444 million (2016: R211 million) to support Styldrift capex. Equity accounting uses BRPM's management accounts for the year ended 31 December 2017, adjusted for certain consolidation entries.

PROJECTS

The North shaft phase 3 project to deepen the existing shaft by five levels (10 to 15) is ahead of schedule and below budget, with all capital work for production levels 10 to 13 completed in 2015. Although mining development for levels 14 and 15 is complete, project activities associated with construction were deferred to 2018.

The Styldrift 1 shaft project, accessed via a twin vertical-shaft system, will establish a new 230,000tpm Merensky reef mine. Currently, reef development is occurring on 600-level to expose adequate bord-and-pillar face length to support ramp-up. Trackless bord-and-pillar sections have been established and reef production is currently progressing at an average 50ktpm. Two of four underground silos have been commissioned, allowing waste and reef tonnages to be hoisted separately and for independent monitoring of hoisted reef grades. The planned completion and commissioning of temporary and permanent underground rock and water-handling infrastructure over the first to third quarters in 2018 will support the ramp-up to 150ktpm in the final quarter.

MARIKANA PLATINUM MINE

Non-managed – 50% owned

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

UG2 reef	20.8Mt → 2.2 4E Moz
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JV PARTNER

Sibanye-Stillwater **50%**

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Mine overview

Marikana is a 50:50 pooling-and-sharing agreement (PSA 2) between Sibanye-Stillwater and Rustenburg Platinum Mines, managed by Sibanye-Stillwater. It is in North West province, 12km outside the town of Rustenburg. It forms part of the South-western Limb of the Bushveld complex and operates under a mining right of 33km².

Mine infrastructure, comprising four decline shafts and a concentrator, was placed on care and maintenance in 2012 on depletion of mineable Ore Reserves, high operating costs and a decreasing commodity price. The open pit was mined out and closed in 2011.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

The 6km overland conveyor and 250,000tpm plant upgrade to the current concentrator were commissioned in December 2017 and will be handed over to operations in the first months of 2018.

Given prevailing market conditions, in mid-2016, the JV undertook to execute the remaining project scope of Styldrift 1 in a two-phased approach. The first phase (2017 to 2018) would allow Styldrift 1 to ramp up to 150,000tpm, followed by a second phase (2019 to 2020) that ramps up, depending on market conditions, to 230,000tpm. However, in September 2017, RBPlat announced it was negotiating with Platinum Group Metals on potentially acquiring the latter's Maseve Mine assets, located south-west and contiguous to the Styldrift 1 project. Maseve's operations consist of two decline shaft systems, an operational 100,000tpm concentrator plant (with optional upgrade to 160,000tpm), a tailings dam storage facility and associated mining infrastructure. The proposed transaction will give RBPlat immediate access to an operational concentrator plant to treat ore mined at Styldrift 1, and will allow the initial two-phase ramp-up to be replaced with a continuous ramp-up from 50,000tpm to 230,000tpm in 2019.

UNION MINE

Managed – 85% owned (Sold to Siyanda Resources January 2018)		2017	2016
Safety			
Fatalities	Number	1	1
TRCFR	Rate/ 200,000 hrs	2.08	1.71
Total PGM production	000 oz	309	298
Net sales revenue	R million	4,280	3,958
EBITDA	R million	612	476
EBITDA margin	%	14.3	12.0
ROCE	%	38.1	10.2
Operating free cash flow	R million	211	302
Net cash flow	R million	211	302
Cash on-mine cost/tonne milled	R/tonne	1,044	1,015
Cash operating cost/PGM oz produced	R/PGM oz	10,567	10,145
Cash operating cost/Pt oz produced	R/Pt oz	21,109	20,016

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	75.5Mt → 14.7 4E Moz
UG2 reef	142.4Mt → 24.5 4E Moz
Tailings	14.9Mt → 0.6 4E Moz

JV PARTNER

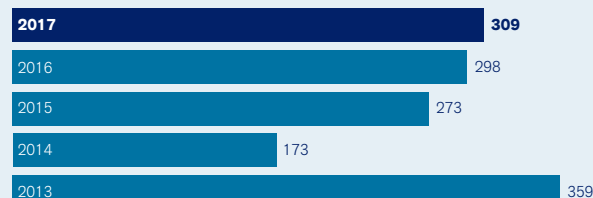
Bakgatla-Ba-Kgafela	15%
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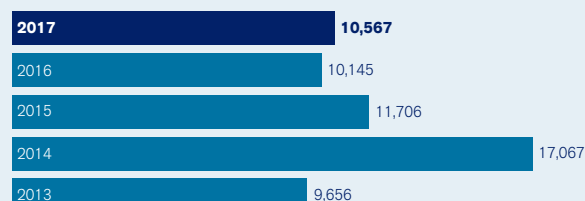
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Total PGM production (M&C)

000 oz



Cash operating cost/PGM ounce produced



Mine overview

Union Mine spans the Limpopo and North West provinces, 15km west of the town of Northam. It forms part of the North-western Limb of the Bushveld complex and operates under a mining right covering 119km².

Its operating infrastructure comprises two vertical shafts (Spud and Richard) and a concentrator complex. Four uneconomic decline complexes were closed in 2014, while Ivan concentrator was placed on care and maintenance in 2015.

The operating depth of current workings is between 100m and 1,500m below surface.

The mine currently extracts only UG2 reef ore and treats low-grade surface ore and tailings. Its underground production is conventional using breast stoping with strike pillars.

SAFETY

Regrettably, Union Mine had a fatality on 31 October 2017 when an employee died in a fall-of-ground incident (detailed on page 32). Union's LTIFR at 1.52 regressed 21% compared to 2016 and its TRCFR regressed by 22%.

OPERATIONAL REVIEW

Union Mine's PGM production increased 3% to 308,626 ounces from 298,376 ounces in 2016. Platinum ounces produced rose 2% to 154,498 ounces on improved stoping efficiencies, assisted by an operations performance centre that monitors the performance of stoping and development crews daily. Despite the fatality, section 54 safety stoppages and bad ground conditions, the mine improved tonnes milled (4%), tonnes delivered (3%) and square metres broken (9%). A new production incentive scheme contributed to higher employee productivity, measured as PGM produced ounces per employee, of 58.3 PGM ounces per annum, up 10% on 2016.

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

Cash on-mine costs rose 5% to R2.8 billion and cash operating costs per PGM ounce at R10,567 rose 4% from R10,145 in 2016. Cash operating costs per platinum ounce increased 5% to R21,109.

Union generated R211 million operating free cash flow (after cash operating costs, overheads, stay-in-business capital and waste stripping; before project capital and restructuring costs).

CAPITAL EXPENDITURE

Total stay-in-business capital expenditure increased to R113 million in 2017 (2016: R40 million).

BOKONI PLATINUM MINE

Non-managed – 49% owned		2017	2016
Safety			
Fatalities	Number	1	3
TRCFR	Rate/ 200,000 hrs	1.45	1.77
Financial			
Amplats' attributable profit/(loss) before tax	R million	(445)	(159)
Net cash distributions/(cash calls)	R million	(585)	(287)

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

Merensky reef	169.7Mt ▶ 27.0 4E Moz
UG2 reef	228.1Mt ▶ 48.1 4E Moz

JV PARTNER

Atlatsa Resources Corporation

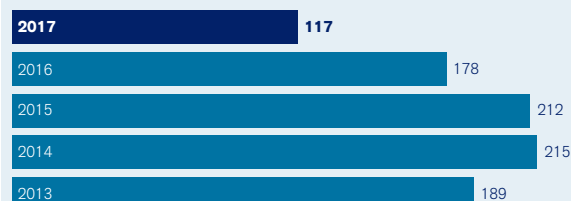
51%



For our full Ore Reserves and Mineral Resources report 2017, please go to www.angloamericanplatinum.com/investors/annual-reporting/2017

Total PGM production (M&C)

000 oz



Mine overview

Bokoni Platinum Holdings Proprietary Limited is a 51:49 JV between Atlatsa and Rustenburg Platinum Mines. The mine is in Limpopo, 80km south-east of the town of Polokwane. It forms part of the North-eastern Limb of the Bushveld complex and operates under a mining right covering 147km².

The current mining infrastructure, comprising two decline shafts (Middelpunt Hill and Brakfontein) and two concentrators, was placed on care and maintenance in October 2017. The older Vertical and UM2 shafts were closed in 2015. The opencast operation was terminated in December 2016 and rehabilitation began in January 2017.

SAFETY

Sadly, Bokoni recorded a fatal incident at Middelpunt Hill shaft in 2017, while the LTIFR regressed 9% to 0.93. The TRCFR showed a 18% improvement in 2017.

OPERATIONAL REVIEW

Amplats' attributable PGM production dropped 34% to 116,888 ounces from 177,961 ounces in 2016. Platinum production from Bokoni decreased 36% to 53,583 ounces after the fatality, section 54 stoppages and gradual halt of stoping operations in the third quarter of 2017 as the mine transitioned to care and maintenance.

FINANCIAL REVIEW

Bokoni is equity accounted at 49%. Our attributable loss before taxation was R445 million for 2017 (2016: R159 million), while cash calls totalled R585 million (2016: R287 million).

OPERATIONS REVIEW continued

JOINT VENTURES, ASSOCIATES AND EXIT OPERATIONS CONTINUED

PANDORA PLATINUM MINE

Non-managed – 42.5% owned		2017	2016
Safety			
Fatalities	Number	–	1
TRCFR	Rate/ 200,000 hrs	1.47	1.41
Financial			
Amplats' attributable profit/(loss) before tax	R million	(49)	(55)
Net cash distributions/(cash calls)	R million	(32)	(18)

MINERAL RESOURCE INCLUSIVE OF ORE RESERVE ESTIMATES

UG2 **OMt → 0.4E Moz**

JV PARTNER

Eastern Platinum Limited (subsidiary of Lonmin plc) **50%**
Mvelaphanda Resources **7.5%**

 For our full Ore Reserves and Mineral Resources report 2017, please go to www.angloamericanplatinum.com/investors/annual-reporting/2017

Mine overview

Rustenburg Platinum Mines has a 42.5% interest in the Pandora JV, with the other partners shown above. In late 2016, we announced that Lonmin would buy Amplats out of this JV. The mine is in the North West province, 40km east of the town of Rustenburg, in Lonmin's Marikana mining area. It forms part of the South-western Limb of the Bushveld complex.

Mine infrastructure consists of one decline shaft system, E3, which mines only UG2 ore. Pandora is a shallow, conventional underground mine, with current workings between surface and 300m below surface.

SAFETY

TRCFR at 1.47 was 4% above 2016.

OPERATIONAL REVIEW

There are no ounces attributable to Amplats from Pandora, as all ore is sold to Lonmin subsidiary, Western Platinum. PGM production was 82,059 ounces in 2017, up 11% from 2016.

FINANCIAL REVIEW

Pandora is equity accounted at 42.5%. The mine incurred a loss before taxation of R49 million for 2017 (2016: loss of R55 million), while cash calls totalled R32 million (2016: R18 million).

PROJECTS

Capital expenditure was limited to stay-in-business projects and environmental approvals at the future East 4 shaft expansion project.

TRANSACTION UPDATE

In November 2016, Amplats entered into a conditional sale-and-purchase agreement with Eastern Platinum Limited (EPL), a wholly owned subsidiary of Lonmin plc, to sell its 42.5% interest in Pandora for a deferred cash payment of a minimum of R400 million and maximum of R1.0 billion over six years (nominal terms), and a rental agreement for the use and full operational control of Lonmin's Baobab concentrator for a three-year period.

The transaction became unconditional on 30 November 2017. This follows regulatory consent under section 11 of MPRDA to transfer the mining right to EPL, competition approval and approval from the remaining JV partner, Northam Limited.

As a result, the transaction became effective on 1 December 2017, when EPL took over full ownership, control and management of the Pandora operations.

PROCESS REVIEW



Gary Humphries
Executive head: processing

SAFETY

The process division tragically recorded two fatalities in 2017. The first was at the Precious Metals Refinery (PMR) and the second at Waterval smelter. However, the LTIFR improved significantly, dropping 26% to 0.40. The operations remain focused on managing a comprehensive safety improvement plan.

OPERATIONAL REVIEW

The process operations are currently all operating at steady state. Planned maintenance continues, with the Mortimer smelter full rebuild and Polokwane side and end wall replacement both scheduled in 2018.

Total concentrate tonnes smelted (including tolling) increased 14% to 1.50Mt in 2017 on higher receipts and the reduction of concentrate stock levels to normalised levels. Own tonnes smelted rose 9.4% to a record 1.45Mt in 2017. The majority of concentrate was treated in the Polokwane smelter (with a record smelting performance of 0.64Mt concentrate), given its higher installed capacity and proximity to Mogalakwena Mine and concentrators. Mortimer delivered a record 0.32Mt concentrate smelted. After the Waterval smelter run-out in the third quarter of 2016, furnace 1 was successfully rebuilt in the final quarter and is running at steady state. Furnace 2 underwent planned maintenance in 2017 and has also ramped up to steady state. The backlog in processing, pipeline material of 65,000 platinum ounces (reported last year following the run-out), was recovered in 2017.

A high-pressure water leak at the Amplats converter plant (ACP) affected one converter (phase A) on 4 June 2017. The second converter (phase B) was heated and returned to steady-state production ten days later. The time required to reheat phase B created a backlog of material, deferring some 90,000 ounces of refined production into the second half of the year.

Total base metal production (including tolling) rose 5% or 2,105 tonnes to 42,524 tonnes. Rustenburg Base Metal Refinery (RBMR) production decreased 3% to 37,218 tonnes with the balance of production delivered through tolling arrangements. The base metal plant operated steadily throughout the year and made excellent progress on optimisation activities, achieving record monthly nickel production in December 2017.

Total refined platinum production (including tolling) increased 8% to 2.5 million ounces. PMR refined platinum production was up 1% to 2.34 million ounces.

Total cash operating costs (including tolling) rose 12% to R6.09 billion (2016: R5.42 billion). Cash operating costs (excluding tolling) were up 7% or R380 million, reflecting higher own-production volumes of concentrate smelted and additional associated variable costs. Internal cost-management and business-improvement initiatives continued to deliver value during the year, with the focus on energy efficiency and working capital management. Cash operating cost per refined platinum ounce produced (including tolling) increased 4% to R2,424 (2016: R2,320), mainly due to higher volumes smelted and refined.

CAPITAL EXPENDITURE

Capital expenditure rose 108% to R1,016 million. This includes R130 million for the Waterval smelter furnace 2 rebuild, and R147 million for the ACP phase A rebuild. Procurement of long lead items for the Mortimer furnace rebuild (R79 million) and SO₂ abatement projects, scheduled in 2018, totalled R100 million.

SMELTERS

	2017	2016
Safety		
Fatalities	1	0
LTIFR	0.58	0.33
Tonnes concentrate smelted (Mt)	1.45	1.32
Cash costs/tonne concentrate smelted (R/t)	2,197	2,141

Our three primary smelting operations – Polokwane, Waterval and Mortimer – are responsible for the pyrometallurgical treatment of concentrates received from Amplats, JVs and third parties. The smelters produce furnace mattes from these concentrates, which are transferred to ACP for upgrading into a matte rich in PGMs and base metals. The converting process also produces sulphur dioxide gas which is captured and treated at the ACP acid plant, producing sulphuric acid and ensuring the off-gas meets legislated requirements. The ACP product, converter matte, is slow-cooled for five days before being despatched to RBMR for further processing.

Value-enhancement initiatives during the year centred on cost-optimisation projects across all smelting operations. After smelting record tonnes in 2016, production increased 9% year on year. Tight cost control yielded a unit cost increase of 3%, below smelting inflation.

SAFETY

Regrettably, Waterval smelter recorded a fatality in December 2017 in a moving-machinery incident. Safety performance did not meet expectations, with only one of the four smelting operations (Polokwane) recording an LTI-free calendar year. The combined smelters' LTIFR deteriorated to 0.58 from 0.33 in 2016. The operations continue to focus on safety improvements, particularly by analysing leading indicators and reducing high-potential incidents, as well as focusing on the role of leadership in influencing safety culture. There was a marked year-on-year reduction in the number of high-potential incidents in the smelters.

PRODUCTION

Collectively, the operations smelted 9.4% more concentrate (1.45Mt) in 2017, the highest ever, on the back of higher concentrate receipts and treating accumulated stock from 2016. The majority of the concentrate was treated at Polokwane smelter (with a record 644,000t concentrate smelted), due to its higher installed capacity and proximity to Mogalakwena mine and concentrator. Mortimer also set a production record in 2017 of 321,000t smelted.

A high-potential incident occurred at ACP on 4 June 2017 when a high-pressure water leak into the converter caused a steam explosion and significant damage to the operating converter (phase A). There were no injuries. The standby phase B converter was restarted immediately and the ACP was back in production by 14 June 2017. The quick start-up of the standby converter allowed the operation to catch up on the backlog, completing the year with normal furnace matte stocks. Despite the incident, ACP processed 197,917t furnace matte, 8% higher than 2016.

PROCESS REVIEW continued

COSTS

Total cash operating costs rose 12% to R3.18 billion, reflecting disciplined cost management at the smelting operations, given the 9.4% increase in production volumes.

The unit cash cost per tonne of concentrate smelted rose 3% to R2,197 from R2,141 in 2016.

CAPITAL EXPENDITURE

Capital expenditure was up 146% to R697 million. Stay-in-business capital was invested at Waterval smelter on the furnace 2 rebuild (R130 million) and in-progress ACP phase A rebuild (R147 million). Long lead items for the Mortimer furnace rebuild and SO₂ abatement projects (scheduled for 2018 and beyond) were also procured in 2017.

OUTLOOK

The primary focus is completing the refurbishment of the standby converter at ACP by mid-2018. Unki smelter will be completed and commissioned in the first half of 2018 and is planned to be operational by August 2018, ramping up to capacity over 16 months. Planned maintenance at Mortimer smelter (full hearth rebuild) and Polokwane smelter (end and side wall replacements) will also be undertaken in 2018. The journey to zero harm will continue in 2018, with continued emphasis on avoiding low-frequency, high-impact incidents. Building on the milestones already achieved at ACP, slag-cleaning furnace and Polokwane, the same methods will be applied to the remaining assets to unlock further value.

RUSTENBURG BASE METAL REFINERY

	2017	2016
Safety		
Fatalities	0	0
LTIFR	0.29	0.49
Base metal production (kt)	37.2	38.6
Cash costs/base metal tonne (R)	49,882	47,899

The main function of RBMR is separating precious metals from base metals using milling and magnetic concentration at the magnetic concentrator (MC) plant. The magnetic fraction is upgraded in a three-stage leaching plant to produce a final concentrate which is fed to the PMR. The non-magnetic fraction is refined at the Base Metals Refinery (BMR) to produce base metal products – nickel and copper cathode, cobalt sulphate and a sodium sulphate by-product.

SAFETY

The safety performance at RBMR improved significantly, with the total number of injuries recorded dropping from 21 to 9, down 57%. The LTIFR improved by 42% to 0.29 in 2017. The MC plant has achieved more than a year injury-free since launching a focused campaign in April 2016. RBMR continues to focus on safety improvement measures, particularly reporting high-potential incidents, analysing leading indicators and promoting issue-based risk assessments.

PRODUCTION

The RBMR complex recorded fewer operational interruptions in 2017. The team is making excellent progress on optimisation activities, and achieved record monthly nickel production in December 2017. However, annual base metal production was affected by reduced converter matte receipts, declining 3% to 37,218 tonnes. Lower matte receipts reflect the changing characteristics of the ore mix, with slightly lower base metal content received from the mining operations. The operation continued to make good progress on optimisation, capacity debottlenecking and continuous improvement.

COSTS

Cash operating costs for 2017 increased marginally to R1.82 billion. Lower RBMR base metal production also contributed to the 4% year-on-year unit cost increase to R49,882 per base metal tonne.

CAPITAL EXPENDITURE

Capital expenditure was 35% higher at R201 million, mainly for production and safety-critical projects to sustain the current production profile and plant optimisation. A feasibility study for installing a polishing copper leach autoclave to improve copper recoveries across the refinery will be finalised early in 2018.

OUTLOOK

RBMR is rolling out the Anglo American operating model to unlock additional operational efficiencies. This will be reinforced by its own operational excellence practices and the Amplats organisational culture transformation journey under way. All systems, processes and people are aligned to achieve safe, responsible and efficient production in 2018.

PRECIOUS METALS REFINERY (PMR)

	2017	2016
Safety		
Fatalities	1	0
LTIFR	0.23	1.21
Platinum production (Moz)	2.34	2.31
Cash costs/Pt oz (R)	335	333

PMR receives final concentrate from RBMR, which is refined into various high-purity PGMs and gold to meet market requirements.

SAFETY AND HEALTH

PMR regrettably recorded its first ever fatality in 2017 (working-at-heights incident). The LTIFR improved from 1.21 in 2016 to 0.23. The operation has intensified its focus on implementing its comprehensive safety improvement plan.

Platinum salt sensitivity and rhodium salt sensitivity are the major health risks at PMR. These are being mitigated by implementing world-class occupational and environmental exposure-control standards, and ensuring regular measurements monitor changes in the work environment and for the people working in it.

PRODUCTION

The refinery operated steadily throughout the year. Refined platinum production rose 1% to 2.35 million ounces (2016: 2.31 million ounces) on higher inputs from upstream operations.

PRODUCT QUALITY

Platinum, palladium and rhodium purity continued to meet market specifications, resulting in good customer satisfaction levels. Further improvement in quality checks has contributed to the high quality of precious metals produced and sold.

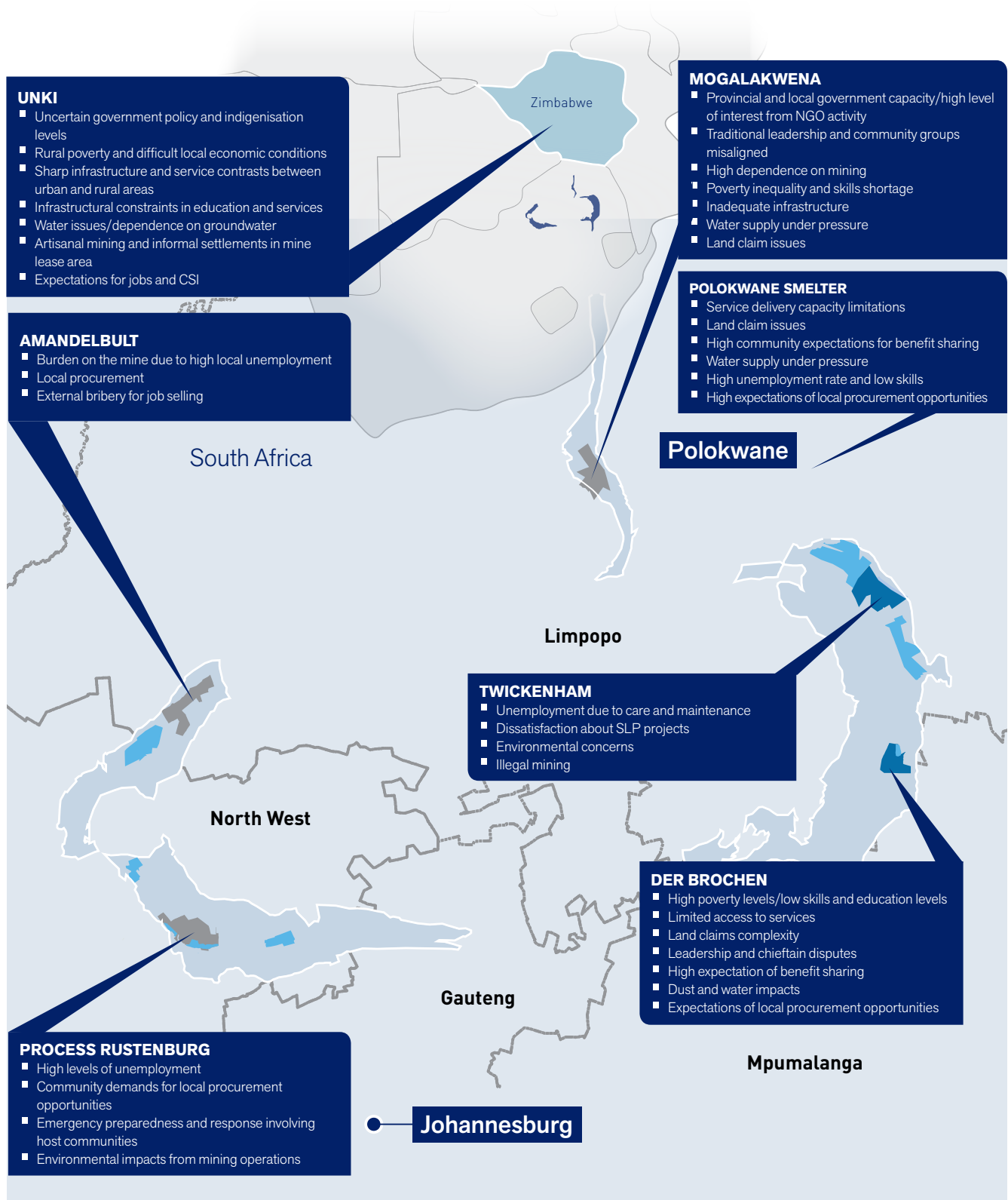
COSTS

PMR's cash operating costs for 2017 increased 3% to R793 million. The increase in absolute costs was largely associated with higher volumes treated. The cash operating cost per platinum ounce rose 1%, well contained and below mining inflation for 2017.

CAPITAL EXPENDITURE

Capital expenditure increased 110% to R118 million, all for stay-in-business projects to ensure the ongoing integrity of the asset and future business continuity.

SOCIAL CAPITAL IS VITAL TO OUR STRATEGY



SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

continued

SOCIAL CAPITAL

Our social licence to operate is highly dependent on our ability to demonstrate value creation to our host communities and have a positive impact on social capital (defined as the resources and relationships provided by people and society).

All our activities impact on social capital. These impacts can be described as the extent to which our actions or decisions contribute positively or negatively to a change in the welfare, capabilities, relationships or livelihoods of people living in society. A positive impact is a benefit to society, while a negative impact imposes a cost on society.

Given our operating context, each operation and mining facility faces significant opportunities and risks, and how we manage these potentially influences social capital. The most significant issues we face are:

- Policy uncertainty and political leadership
- Host communities' high dependence on mining
- Protracted decline in economic growth
- Lack of social infrastructure.

Social capital is vital to our strategy

Our social strategy is designed to both minimise value destruction (or negative social capital impacts) and maximise value creation (or positive social capital impacts). Over the past two years, our social performance teams have focused on improved outcomes by developing a social performance strategy, clarifying roles, appropriate resourcing, and establishing systems (including digital support) to manage social processes, governance, risk and compliance.

In 2015, we focused on getting our house in order by complying with requirements, specifically our commitments for 2010 to 2014 social and labour plans (SLPs). We set up community forums and concentrated on stabilising our relationships with government and communities. Although some issues persisted, we remained committed to effective engagement processes.

In 2016, we reimagined our approach to obtaining and maintaining a social licence to operate and increasing positive social capital impacts by refining our social strategy. We identified critical focus areas and repositioned the business to deliver on key points, including community benefit, engagement/relationships, and risk and impact management. Our regional socio-economic development strategy was a step change in the way we view development (see case study in our integrated report, page 33). It was premised on the realisation that opportunities for growth in a region will positively impact opportunities in communities closest to our mines. By working closely with the Limpopo government (our primary host province) in setting up investment forums for international and local funding partners, we are attracting developmental funding for large-scale projects with broad impact to create localised high-impact opportunities for our communities.

In the review period, we have focused primarily on translating our social strategy into actionable work streams and delivering the desired associated outcomes. The transition from strategy to implementation has been driven by clear value levers and well-articulated milestones for each initiative and focus area.

AMPLATS' COMMITMENT TO UN GLOBAL GOALS

The United Nations Global Goals for Sustainable Development (SDGs) were adopted by over 190 member countries in 2015. These goals, which build on the preceding millennium development goals, set out a vision for ending hunger, poverty and other global economic, social and environmental challenges by 2030.

Reaching these goals cannot be achieved by a single organisation, institution or government. Rather, globally, the private sector, governments and civil society must work together to drive the change needed to achieve this vision.

Amplats recognises its contribution to a number of SDGs through its business activities and social, economic and environmental practices. Below, we discuss our sustainability performance and contribution to various components of the SDGs in the course of our business activities. Amplats contributes to the following SDGs (see below):



SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

continued

PROGRESS OF SOCIAL STRATEGY

Community benefits	Engagement	Risk and impact management
<p>Community development trusts were established in host communities:</p> <ul style="list-style-type: none"> Ga-Pila Ga-Puka Ga-Sekhaolelo Sekuruwe Ga-Molekana Community Development Trust <p>Two remaining trusts have yet to elect trustees:</p> <ul style="list-style-type: none"> Ga-Molekana Community Development Trust Mapela Community Development Trust 	<ul style="list-style-type: none"> Ongoing engagement with communities Government (national, provincial and municipal) investors Employees Media NGOs Unions 	<p>Motlhotlo resettlement:</p> <ul style="list-style-type: none"> 63 remaining households from the community to be resettled Resettlement project manager appointed in 2017 Working group and steering committee established to guide resettlement process New land in Mokopane and use of the two farms for livelihood restoration under consideration by the community and its legal representative.

PROGRESS ON THE AMPLATS SOCIAL STRATEGY ROAD MAP

Where we are today

		The starting point 2015	The transition Short term 2016/2017	The steady state Medium term (2020)
Community benefit	Equity	<ul style="list-style-type: none"> Community empowerment only at corporate level Value chain participation is poor No effective supply chain participation avenues 	<ul style="list-style-type: none"> Assess community participation models including third-party funding Develop tailings retreatment business model Carefully defined opportunities with mentorship and funding 	<ul style="list-style-type: none"> Implement community participation at operations Tailing retreatment model is tested Track and monitor success/optimize
	Regional socio-economic development	<p>SED localised and impact limited/NLS alignment to the regional SED strategy</p>	<p>Implement phase 2: consultation, demonstrations and partnerships</p>	<p>Demonstration projects implemented and scaled up</p>
Engagement/relationships		<ul style="list-style-type: none"> Current job participation forums do not offer effective participation of operations Limited focus on grass root level communication and feedback Reaction to policy trends and changes 	<ul style="list-style-type: none"> Review participation models for sustainable development Finalise community communication/implement Finalise model/implement 	<ul style="list-style-type: none"> Implement models and monitor for effectiveness Track and monitor programme success/optimize Utilise independent opinion leaders/research position papers
Risk and impact management		<ul style="list-style-type: none"> Social risk and impact plans not updated/used to manage No joint planning on community emergency plans Contractors/supplier management of social impacts/benefits sub-optimal 	<ul style="list-style-type: none"> Social risk managed as integral part of operations Implement joint consultation and planning forums Supply chain awareness programme roll out 	<ul style="list-style-type: none"> Social risks managed and stakeholder perceptions changed Track and monitor effectiveness/optimize Monitor compliance and assess contractor impacts/benefits

SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

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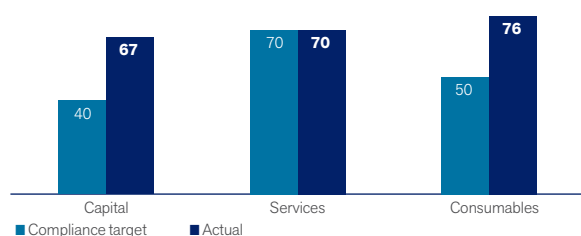
DELIVERING ON OUR SOCIAL STRATEGY: PROGRESS AND CHALLENGES

Community benefit – equity

- **Alchemy:** Our community empowerment and development programme (known as Alchemy) was launched in 2011. This pioneering programme promotes thriving communities and sustained local, inclusive community development beyond mining, through mining, leveraging the community's shareholding in Amplats. All five trusts and the non-profit company have been established as agents for multi-stakeholder, local development. The four community trusts are actively consulting with the communities they serve within a 15km to 50km radius from the mining operations of Mogalakwena, Amandelbult, Rustenburg and Twickenham. Strong governance and financial management, with seasoned and committed trustees, are in place.
- **Establishing community trusts and surface leases:** Trusts were established in five host communities around Mogalakwena Mine in 2017. These were registered with the master of the High Court, and received approval from the South African Revenue Service (SARS) to be exempt from tax. The Ga-Molekana Community Development Trust (R25.5 million) and Mapela Community Development Trust (R175 million) will hold elections for trustees and be registered with the master of the High Court.
- **Community participation:** There is community participation in the atomatic chrome recovery plant.
- **Supply chain:** Procurement opportunities. The group local procurement strategy has been developed and will be implemented in 2018. It aims to accelerate stakeholder collaboration and ensure comprehensive BEE and localised spend across our business units. At 2017 year end, Amplats achieved 72% BEE spend against its stretched target of 70%. In addition:
 - We are on track to meet our 2017 local procurement target
 - We have achieved 7% against a 5% target for local host community procurement
 - All related mining charter targets (services, consumer goods, capital) were exceeded.

Procurement opportunities

(%)



Our approach to engagement

We realise that print media is the easiest way to reach many of our stakeholders. We therefore engage with host communities by publishing newspapers, aimed at the Mogalakwena, Amandelbult, Rustenburg and Twickenham complexes' host communities. These inform communities

on our activities and encourage their comments. In 2017, the second series of the Anglo American soap opera, Makarapa City, was broadcast on local radio stations. It is centred around Amplats employees and community members and includes work-related, personal and social issues commonly experienced. In the first quarter of 2017, slots were booked on two local radio stations where senior social performance managers discussed key community development initiatives at Mogalakwena and Amandelbult.

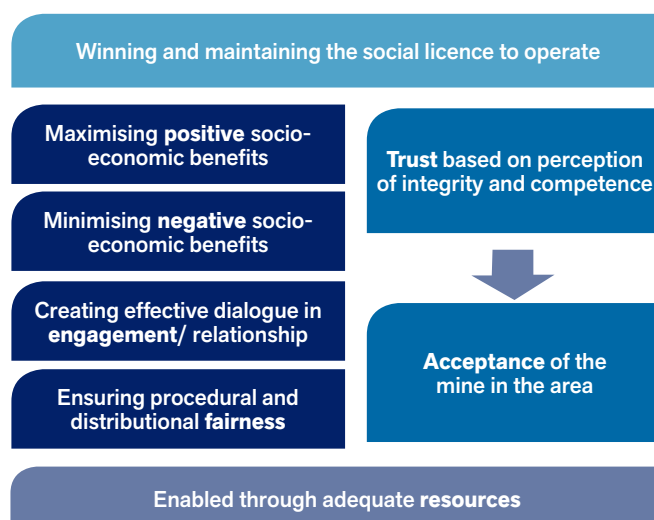
Tswelopele – our social performance management system

We focus on improving performance in all areas of operations, including social performance. But while improvements in the social area have always been desired, historically there has been limited focus on developing and implementing effective management systems to enable this. Previous systems focused on data capture and reporting, and not on planning, management and measurement.

As noted, in recent years, our social performance teams have worked hard to improve our performance in this vital area. The launch of our performance management system, Tswelopele (Setswana: to move forward), will better enable us to manage and measure social processes, governance, risk and compliance.

We believe that by implementing a system that manages our social performance, we can improve this performance and therefore our credibility with the host community.

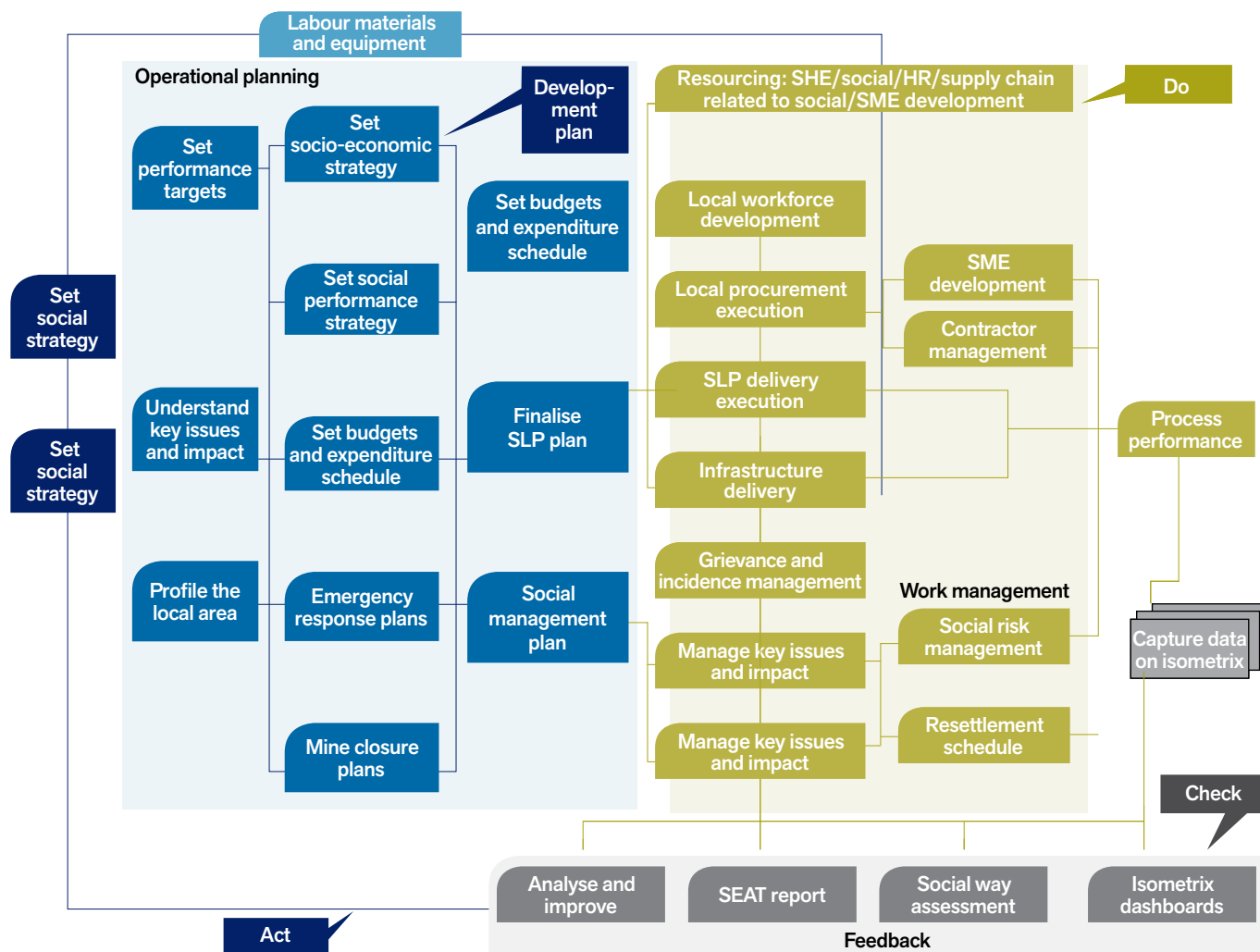
Tswelopele focuses on compliance, reducing the use of inefficient manual processes that make consolidated reporting and the ability to identify trends difficult. As an integrated system, Tswelopele will also improve accuracy of the data.



SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

continued

APPLYING SOCIAL PERFORMANCE PROCESSES TO THE OPERATING MODEL

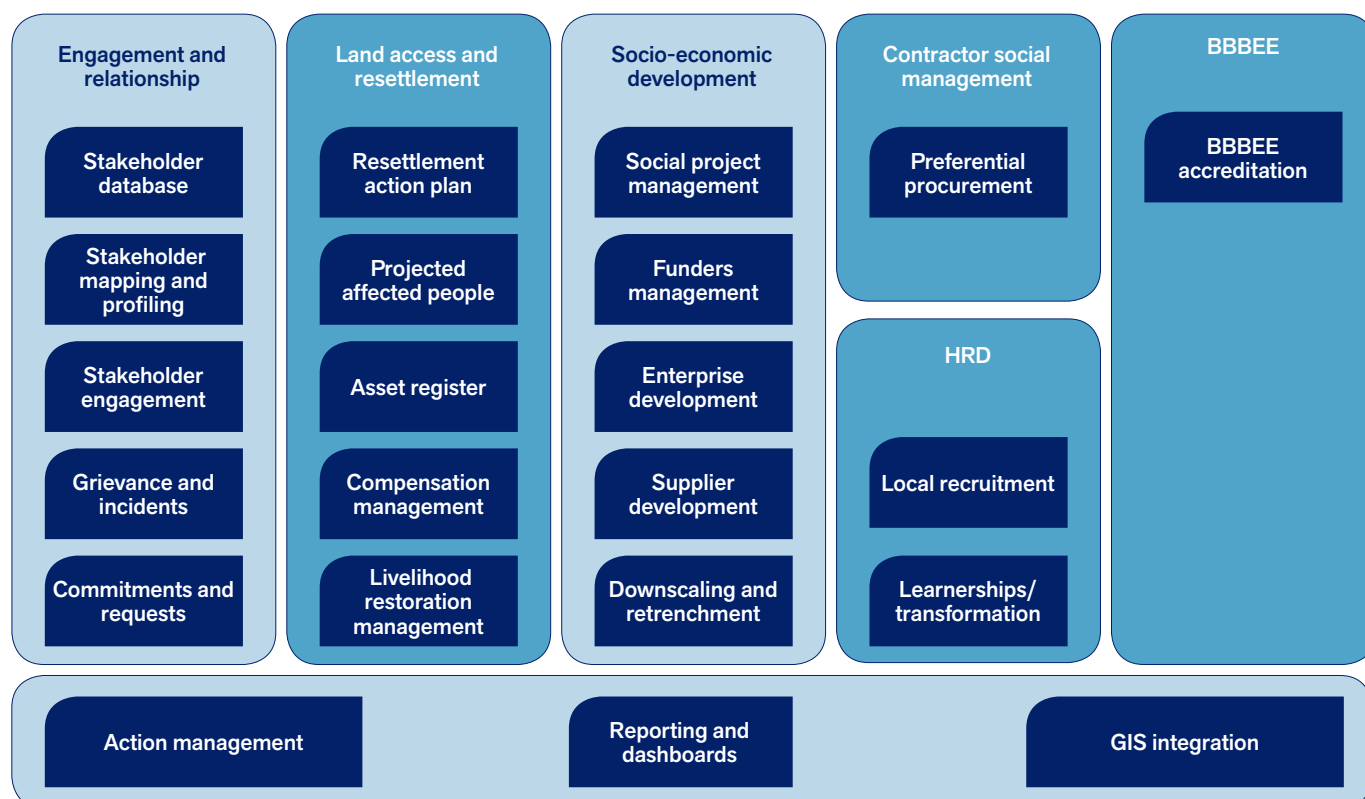


SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

continued

An integrated system

The Tswelopele social performance management system comprises grouped modules:



Benefits

- Tswelopele will address all areas of social performance, including grievances and incident management, stakeholder engagement, social risk management, social and labour plans, socio-economic development, social way management, land access and resettlements, managing CSI, as well as processes for managing commitments.
- Together with Anglo American's social way and SEAT (socio-economic assessment toolbox), Tswelopele supports planning to the appropriate level of detail, tracks performance of social processes and drives improvement by ensuring we focus on the right issues
- It also improves the ability of teams on site to view issues and manage their internal performance.

Applying the operating model to social performance

The operating model is a framework that guides the way we plan and execute work to ensure we deliver quality production at the lowest possible cost. It measures success in terms of safety, productivity, unit costs, margins and returns, considering the capital we invest. It provides a common language and way of working across the business, irrespective of history or culture. It encourages innovation and sharing best practices to improve every aspect of our business. By getting the basics right and operating our assets to their full potential, we maximise the value of our business.

The operating model applies to all work processes, including social processes. Tswelopele supports how we manage these social processes and improves the ability of on-site teams to view issues and manage performance.

The social flows are mapped below, illustrating that from the social strategy set for the company:

- **Operational planning:** understands the context of the operation, issues and impacts that will need to be managed and sets the strategies (social performance and socio-economic development strategies) for the operation. SLPs form part of this section.
- **Work management:** executing the work is undertaken by several departments and overseen by social performance teams on site. Capturing relevant information on the system ensures the teams can see and understand issues, trends and manage the work as required by the social way.
- **Analysis and feedback:** There are three main areas for analysis and feedback: the Tswelopele system provides daily reports (dashboards) on issues and attainment; formal social way assessments happen once a year, but self-assessments will be captured on Tswelopele; and every three years, a SEAT report is completed and feedback provided to stakeholders and communities.

SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

continued

AMPLATS PERFORMANCE AGAINST ANGLO AMERICAN SOCIAL WAY CRITERIA

The social way sets out clear requirements for all Anglo American-managed sites to ensure that policies and systems are in place to engage with affected and interested stakeholders; avoid, prevent and, where appropriate, mitigate and remediate adverse social impacts; and maximise development opportunities. The social way was updated in 2014, after extensive consultation with:

- Internal stakeholders (business units, group functions)
- External stakeholders (industry bodies, NGOs, academics and more)

Site	Site average	Compliance
Amandelbult	3.7	92.3%
Mogalakwena	3.1	68.8%
Polokwane	3.7	100.0%
Rustenburg	3.3	100.0%
Twickenham	3.5	100.0%
Unki	4.0	100.0%
Amplats' average	3.5	92.3%
Variance to Anglo American group	7%	4.2%
Group average	3.3	88.6%

- Amplats achieved the highest average score (3.5) across the Anglo American group
- Second-highest level of compliance (92.3%)
- Four of our sites were among the top 10 highest average scores
- Three sites were 100% compliant (with exceptions)
- Two sites were among the top three sites that improved average scores from 2016 to 2017
- Social way improvement plans to be developed in first quarter of 2018.

Next steps

Social way improvement plans: The group social performance team will work with each site in the first quarter of 2018 to develop an improvement plan and quarterly milestones that will be tracked through the business scorecard. All sites must achieve compliance on all requirements in 2018.

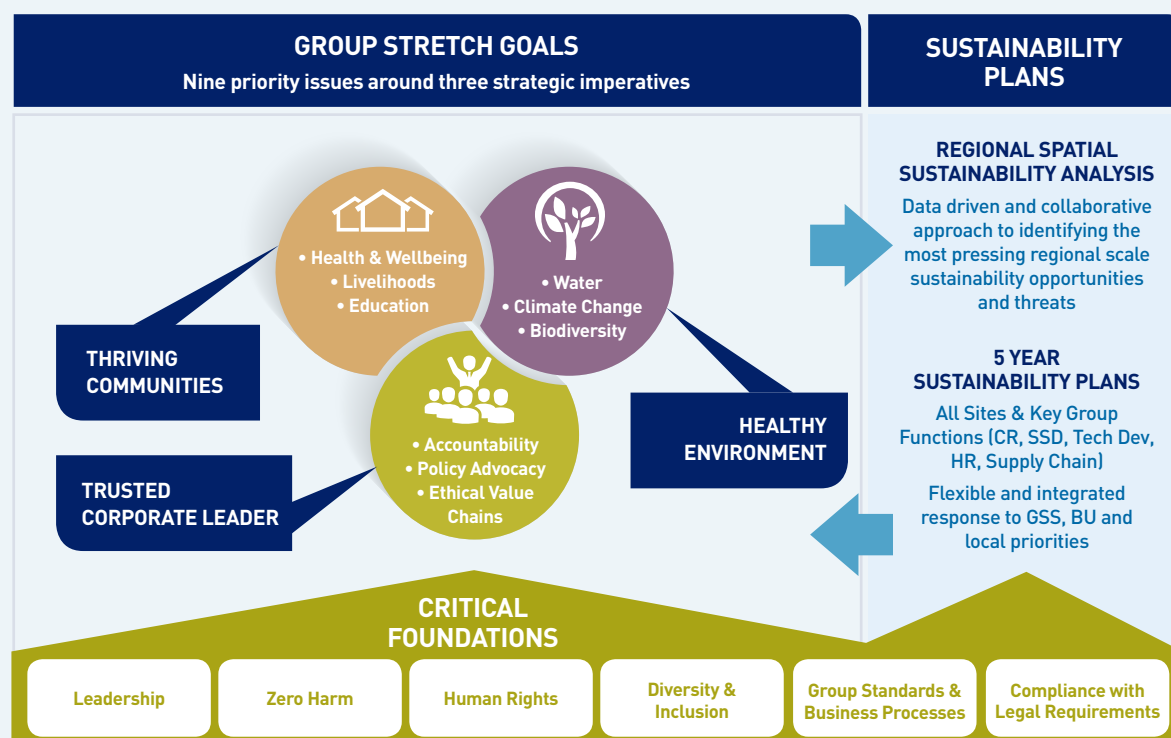
DEVELOPING OUR SUSTAINABILITY STRATEGY

Anglo American is currently finalising the group sustainability strategy after consulting with its business units and approval by the GMC. The framework rests on three strategic imperatives: thriving communities, a healthy environment, and trusted corporate leadership. The strategy presents a vision for nine priority issues and outlines group stretch goals for each.

We will develop an Amplats sustainability strategy aligned to the group strategy while considering our particular context and external environment.

SUSTAINABILITY STRATEGY FRAMEWORK

Broad support for framework and areas of focus



SOCIAL CAPITAL IS VITAL TO OUR STRATEGY

continued

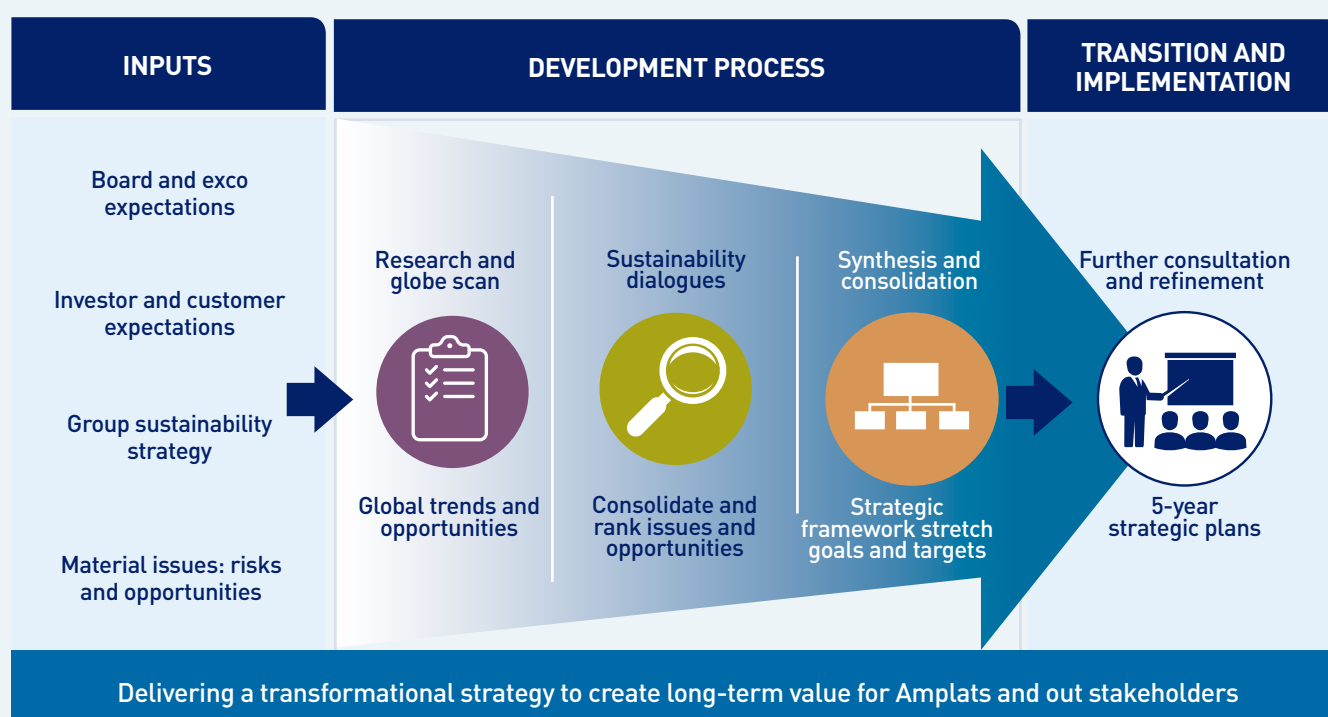
The aspirational intention of our strategy is:

- Transformational – it builds and catalyses a positive step-change in Amplats' impact on people and the planet, and it drives innovation and access to new markets
- Reinforcing a common understanding of sustainability among Amplats leadership and throughout the organisation
- A source of organisational identity, employee pride and competitive differentiation.

It will detail our approach, focus areas and initiatives that ensure continuing development and improvement of existing business processes while catalysing new strategic initiatives that shift the status quo.

Strategy development process

Consulting throughout the business and stakeholder groups



SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES

HIGHLIGHTS

- Revised strategy approved
- Significant improvement in LTIFR
- Positive trend in key health indicators

CHALLENGES

- Six fatalities
- LTIFR below 2017 target

RELATED MATERIAL ISSUES

- Modernisation
- Health and safety

EMPLOYEE HEALTH AND SAFETY

Our goal is zero harm – our priority is to prevent loss of life, injuries and illnesses by creating safe and healthy work environments. We therefore continually review and improve our safety, health and environmental management systems.

We also aim to ensure the wellness of our employees and their families as a wider contribution to society. Given that our employees often come from our communities, supporting community healthcare in turn supports our people and helps maintain our social licence to operate.

Our approach to sustaining good safety and health performance is based on focus areas with clear targets, as detailed below (our environmental focus areas and targets are on page 61):

STRATEGIC FOCUS AREAS

Safety	Health
Leadership and accountability Create a leadership approach and culture conducive to innovation and safety performance improvement. Enhance people development, using KPI-based reward and recognition to drive behaviours.	Workplace health risk management (occupational hygiene) Eliminate exposures to harmful substances by understanding hazardous sources and mechanism of release, and proactively investing in engineering and operational control solutions.
Compliance Ensure compliance to safety regulations across Amplats.	Integrated health programme (occupational medicine) Establish comprehensive and integrated programmes that examine workplace and personal lifestyle risks.
Engineered solutions Move up the hierarchy of controls through innovation and engineering capability.	HIV and TB prevention, (wellness) Develop and support innovative solutions aimed at HIV and TB prevention initiatives and reaching United Nations targets for HIV/Aids.
Operational risk management Ensure top risks and priority unwanted events (PUEs) are identified and assessed; risk controls and decision-making implemented.	Community health Drive community health by proactively participating in various initiatives and forging strategic partnerships.
Leverage learnings from incidents Lessons learned as well as operational and incident data analysis to enable prioritisation and corrective action.	

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

FOR SAFETY, HEALTH AND ENVIRONMENT (SHE)

The Amplats of 2017 is substantively different to the group of the past. Our changing portfolio presents new risks, different workforce demographics and organisational changes through the functional model that bring additional capabilities and capacity.

While we have made good progress with our SHE strategy in recent years, we took the opportunity to make a step change that will align the Anglo American plc and Amplats strategies, and support our common aspiration of being the leaders in safe and sustainable mining.

The longer-term intent is to move Amplats from a culture of compliance to one where SHE considerations are entrenched in how we work. Key to our revised strategy was input from all stakeholders involved, underpinned by global best practices including ISO 9001, ISO 14001, OHSAS 18001/ISO 45001 and ISO 41000 standards.

Aspirational statement:

The leader in safe and sustainable mining, respected and trusted by partners and communities



Safety

- **Leadership and accountability:** Creation of a leadership approach and culture conducive to innovative and safety performance improvement. Enhance people development, utilising KPI-based reward and recognition to drive behaviours
- **Compliance:** Ensure compliance to safety regulations across AAP
- **Engineered solutions:** Move up the hierarchy of controls through innovation and engineering capability
- **ORM:** Ensure top risks and PUEs are identified, assessed, and risk controls and decision making are implemented
- **LFI:** Leverage learnings from incidents as well as operational and incident data analysis to enable prioritisation and corrective action



Health

- **Workplace health risk management (occupational hygiene):** We eliminate exposures to harmful substances by understanding the hazardous sources and mechanism of release and proactively investing in engineering and operational control solutions
- **Integrated health programme (occupational medicine):** We establish comprehensive and integrated programmes that look at workplace and personal lifestyle risks
- **HIV and TB prevention and 90:90:90 (wellness):** We are committed to innovation HIV and TB prevention initiatives and to the 90:90:90 target
- **Community health:** To drive community health initiatives, we forge partnerships and participate in community health initiatives



Environment

- **Water:** Achieve water resilience and security (use less)
- **Climate change and energy:** Understand and address climate change impacts effectively
- **Land stewardship:** Sustainable use of land we own and identify sustainable livelihood opportunities around our operations
- **Rehabilitation:** Develop a site-specific progressive rehabilitation plan for implementation
- **Waste:** Focus on reduce, reuse and recycling of waste to send zero waste to landfill
- **Emissions:** Effective management of emissions to reduce/limit impacts on the surrounding environment and communities

Key enablers

1) Operating model 2) Operational risk management and critical control management 3) Functional model 4) SHE Way 5) Simple non-negotiable standards 6) LFI 7) Leading indicators 8) Enablon 9) Permitting 10) Skills 11) Transparency and communication

What will success look like

Zero harm

Targets being met for all SHE areas

Beyond compliance on all SHE areas (ie more than regulations and standards)

Innovations deliver solutions higher up the hierarchy of control

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

SAFETY

In memoriam

Tragically, six Amplats employees died in work-related incidents in 2017. We extend our sincere condolences to their families, friends and colleagues.

Date	Name	Operation	Description
8 April 2017	Nkoliseko Alfred Jikumlambo	Tumela, Amandelbult Mine	Fatal injury in fall-of-ground
7 June 2017	Kagiso Zacharia Ramokgatla	Dishaba, Amandelbult Mine	Fatally injured when trapped under a mechanical loader
21 August 2017	Douw Gerbrand Swart	PMR	Fell into a heated acid effluent tank, sustaining fatal chemical burns
9 October 2017	Tlou Abel Keetse	Dishaba, Amandelbult Mine	Succumbed to a puncture wound when a winch rope snapped out a projectile
31 October 2017	Arlindo Francisco Sumbe	Union Mine	Fatal injury in fall-of-ground
21 December 2017	Samuel Jele	Waterval smelter	Fatal injury in forklift-related incident

In line with our goal of zero harm, we put safety first and believe every employee has the right to return unharmed to their family every day. While management is ultimately accountable for safety, we believe safe and healthy workplaces can only be achieved through joint responsibility by management, employees, unions and regulators.

Our approach to ensuring our people's safety

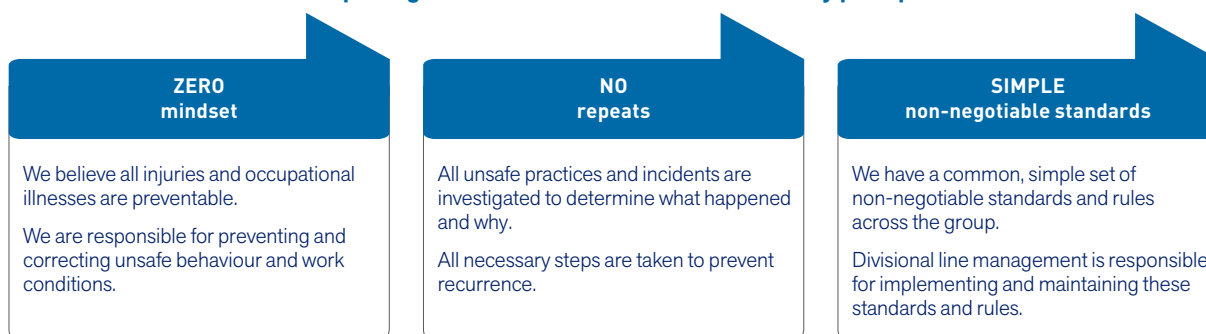
We focus on improving our ability to anticipate and prevent harm to our people. Our approach to safety and health risk is supported by the vision of zero harm (below), supported by safety principles and mandatory standards.

ZERO harm

The vision is to achieve zero harm by effectively managing safety at all operations. This means simply that we do not accept it necessary for people to be injured at work and that all employees should be able to return home fit and well at the end of each shift. We believe our operations should have fundamentally safe, well-designed plant, equipment and infrastructure with robust risk-based safety management systems driving desired outcomes and behaviours.

OUR SAFETY PRINCIPLES

Underpinning this vision are three fundamental safety principles:



Our revised strategy is set out on page 31. The primary focus of our safety management systems is controlling our risks. Since line management is ultimately responsible for successfully implementing the safety strategy, we produce information to assist them in directing attention and resources to the most significant risks.

We are changing our transactional SHE system to an integrated one with improved reporting and analytical ability. After the Enablon transactional system was implemented at all continuing operations, the focus for 2017 was on entrenching and stabilising it. This will enable a more efficient use of time as it matures, and consistent reporting across the group.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

Leading indicators

We have prioritised the need to move from a focus on lagging safety indicators to proactively reporting on and analysing leading indicators. Using global research by the International Council on Mining and Metals (ICMM) that identified potential leading indicators and historical information, we are developing a statistical model. This model will integrate various hypotheses, proven as significant, to provide guidance on potential safety incidents and proposed action by managers and supervisors in the form of leading indicator dashboards.

The model will continuously be refined and reviewed to accommodate changing business needs and incorporate learnings from incidents.

Ensuring compliance

Investigations show that non-compliance to systems and standards is an underlying cause in a significant number of incidents.

We are therefore implementing a leadership and accountability programme to:

- Define our safety leadership expectations at all levels
- Define the desired safety culture, ie this is how we work
- Provide the basis for educating all employees on our safety culture
- Support a just and fair culture model
- Measure culture and performance as a basis for continuous improvement.

Global safety day

Amplats held a global safety day, in October 2017, under the theme *safe, responsible production – together we make it happen*. This consolidated themes from prior years and reinforced the message that planning and teamwork are vital, change has to be managed to stay safe, and the correct controls always have to be in place, used and checked. Most importantly, the message was that unsafe work must be stopped. Executives and senior management teams visited all operations and engaged with employees.

Our performance

Tragically, we lost six colleagues due to fatalities in 2017. While a marginal improvement on the 2016 performance, it was a source of great sadness and concern.

We continue to learn from these incidents and institute measures to prevent repeats. We review our strategy regularly, giving our employees the focus to help them make decisions based on safe behaviour.

Our aim is zero harm, and the safety of our employees remained the focus throughout 2017, with several operations reaching significant milestones in the period:

- Mototolo concentrator achieved one year injury-free on 12 January 2017
- Amplats was 100 days fatality free on 1 February 2017. It is encouraging that we are more regularly achieving longer periods fatality free, although we acknowledge that we still have a way to go
- Supply chain and Eastern Limb distribution centre achieved ten years LTI-free on 30 March 2017.

The lost-time injury frequency rate (LTIFR) for managed mines is 0.63 against our target of 0.48 for 2017, but an improvement on our 2016 performance of 0.73.

We are moving away from reporting LTIFR as the safety lagging indicator to total recordable case frequency rate (TRCFR), which includes medical treatment cases, LTIs and serious injuries. From 2018, we will only report TRCFR per 1 million hours worked (we currently report per 200,000 hours worked). This allows for a more granular view, which will be valuable as our injury numbers have reduced significantly in recent years, and changes will reflect more accurately.

Our TRCFR for 2017 is 0.90, above our target of 0.78, but better than our 2016 performance of 1.06.

In 2017, 29 regulatory (section 54) stoppages and 30 non-compliance (section 55) notices were issued across our operations. This is a significant improvement on 2016 (43 and 37 respectively), best illustrated by lost production days of 86 in 2017 versus 188 in the prior year.

The sustainability of modernisation

We are focused on introducing mobility and digitisation at our operations where appropriate. We also recognise that digital disruption has already happened across many industries, including mining.

- **Mobility:** we will initially focus on capturing and using workplace information through mobile devices to eliminate double handling of data and improve efficiency. Immediate functionality will include the ability to capture visible felt leadership (VFL) interactions, planned task observations, inspections and incidents and upload this to the central platform. Mobile devices will also provide access to standards, job cards, training material and dashboards.
- In the longer term, we are looking at digitising lock-outs, daily bookings, logbooks, sending warnings, measuring critical control effectiveness and monitoring health information via wearable devices. We will also investigate the efficacy of drones for monitoring activities.

Improving safety through modernisation

In progressively modernising our operations, new technologies are reducing risks associated with operational activities, as illustrated below.

Health and wellbeing

Our approach

To manage occupational and non-occupational health risks in our workforce, our revised strategy (page 31) focuses on:

- Occupational hygiene – covering health risk management
- Occupational medicine – covering integrated screening and surveillance programmes
- Wellness – covering HIV, TB, chronic diseases and mental health
- Community health – covering community programmes and strengthening the health system.

All operations conduct health risk assessments in line with mandatory codes of practice. The top health risks are then migrated into the operational risk management framework.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

The top health risks identified for mining and process operations include exposure to noise, airborne pollutants and thermal stress. A step change in occupational hygiene to address these hazards was essential to focus on the monitoring aspect while addressing key controls like ventilation extraction and dilution systems. By optimising these systems, we have generally reduced exposures.

Detailed strategies focused on preventing noise-induced hearing loss with a complete roll out of customised hearing-protection devices and second-generation attenuated rock drills, which decreased ambient noise levels. Real-time monitoring at various operations indicates sub-standard conditions when controls are not performing optimally.

To monitor the effectiveness of critical controls, real-time monitoring has been successfully implemented at PMR, and is under way at Mogalakwena complex. The key objective in terms of occupational hygiene is to trigger an alarm when overexposures and/or critical control failures are detected, with immediate investigation to determine root causes.

Critical controls have been developed at the reagents area for Mogalakwena concentrator:

- Risk assessment classified the area as intrinsically safe, with real-time monitoring systems evaluating flammable gases and access control
- Controls have been developed and implemented for the on-site plant and equipment stores at Mogalakwena complex. A biometrics issuing system has been installed to assist with issuing frequencies and control of all plant and equipment. This has also generated a significant cost saving for the business.

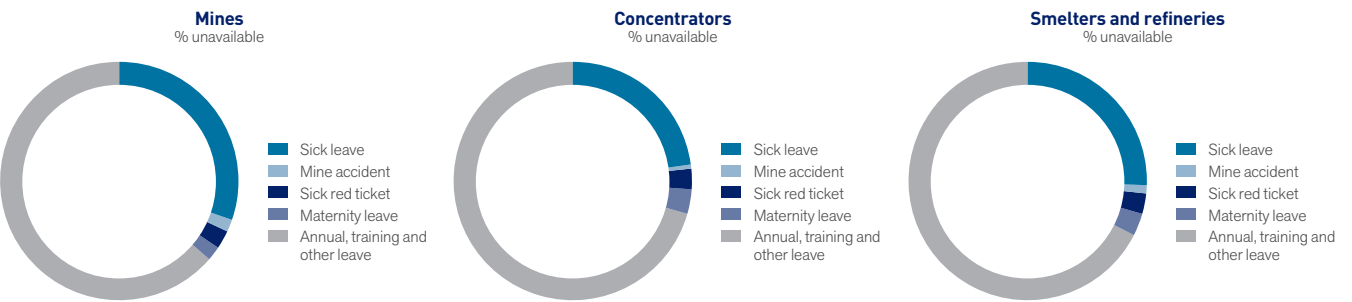
Performance

Absenteeism

	2017	2016	2015
Absenteeism rate	8.53	8.77	8.64

To improve reporting on health-related sick leave, the classification was disaggregated into work injuries, red tickets, sick leave and maternity leave. In addition, specific initiatives are in place to manage certain categories.

Absenteeism



A cross-functional team continues to investigate ways of managing overall absenteeism levels. As part of this work, the health team monitors and analyses factors that contribute to frequent or prolonged sick leave.

Stakeholder engagement sessions and data analytics suggest there are several bottlenecks in managing disability and temporary unfit-to-work assessments. A number of occupational health processes have accordingly been streamlined.



SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

New cases of occupational disease

	2017	2016	2015	2014	2013
Noise-induced hearing loss	6	23	36	34	68
Chronic obstructive airways disease	0	0	0	2	9
Occupational tuberculosis	0	0	0	0	0
Occupational asthma	3	1	2	0	1
Occupational dermatitis	3	1	1		
Occupational cancers	0	0	0	0	1
Platinosis (platinum salt sensitivity)	0	2			
Other occupational diseases	0	1	2	0	0

Noise

Exposure to noise (and the potential for noise-induced hearing loss or NIHL) is a key health risk. By rolling out second-generation rock drills, we have lowered noise intensity and mitigated the risk of excessive noise. To further reduce the effect of noise exposure and improve compliance to PPE, customised hearing protection devices (HPD) have been rolled out. To enhance our current six-point plan, a noise project is being implemented at Amandelbult which includes oto-acoustic screening (an early indicator of possible NIHL), tagging HPDs and a behavioural programme.

Airborne pollutants

Improvement plans are in place for all category A exposures to airborne pollutants, primarily cobalt sulphate, nickel and arsenic at Rustenburg Base Metal Refinery. Controls have been improved in specific areas at our process operations, including engineering enhancements to ventilation that have significantly decreased exposure levels.

The early warning system (i-Health dashboard) provides easy access to occupational health and safety data, and is being rolled out at our process plants. In addition, we have installed real-time monitors to measure gases and aerosols, with ventilation sensors to determine control effectiveness. The i-Health dashboard tracks real-time exposures and substandard critical control parameters.

Tuberculosis (TB)

For 2017, there were 148 new and seven retreatment cases – translating to an incidence rate of 582/100,000 for new cases and 610/100,000 for all TB cases. Of the total for the year, two were drug-resistant cases with zero extreme drug-resistant cases.

This steadily improving performance reflects several concurrent initiatives:

- Roll out of antiretroviral therapy (ART): This is progressing well and appropriate resources have been allocated to achieve the 90% ART enrolment target
- Isoniazid (INH) prophylaxis: In conjunction with wellness screening, active case finding for TB and roll out of ART, 77% of HIV-positive employees have been put on INH prophylaxis
- Infection control: Our sites are focused on effective interventions – UV lights, bactericidal filters and contact tracing
- Contact tracing: In 2017, these processes were improved to cover both internal (employees) and external (families/community) contacts. For external tracing, our facilities liaise with district TB coordinators.

There were four reported TB deaths in 2017. The company will continue to improve its TB, HIV and other wellness programmes.

HIV

Amplats has adopted the 90:90:90 targets and the *test and treat* approach in line with the policies and strategies of our governments and UNAIDS, as well as the latest clinical guidelines on managing HIV/Aids. In partnership with participating schemes and other third parties, Amplats is committed to playing an active role in the fight against HIV and achieving global and national targets. As part of the progressive realisation of these targets, the company set specific targets for 2017: 90% *Know your status* among employees and 85% to 90% *antiretroviral uptake for HIV-positive employees*.

We continue to fund and provide free access to screening services for HIV, TB and chronic disease. These are offered at our healthcare facilities and as part of planned wellness campaigns. Employees are made aware of the availability of these services and encouraged to participate.

Building on work to enhance our programme and strengthen our health system in previous years, proactive managed-care processes were put in place to drive participation in screening and enrolling on treatment. Key activities or improvements include:

- **Optimising clinical processes:** data trawling, proactive counselling, and follow-up and treatment initiation. Site support included regular visits, bi-weekly teleconferences and ad hoc interaction
- **Additional resource allocation:** to leapfrog to our target of 85% to 90% ART uptake in 2017, additional resources were provided to the healthcare delivery platform
- **Streamlined managed-care processes:** to deal with complex healthcare arrangements, managed-care processes were streamlined to ensure all employees had access to screening services and were referred to appropriate points of care (irrespective of medical insurance cover). To achieve this aim, managed-care processes were reviewed with participating medical schemes
- **Wellness campaigns and incentivised screening:** wellness campaigns were conducted throughout the year and wellness screening was incentivised
- **Reporting parameters and system reconfiguration:** to align with the 90:90:90 definitions, reporting parameters were changed to monitor against the new way of reporting.

SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

For 2017, the following results were achieved:

- 80% (20,173) of employees know their status: of these, 5,894 are HIV-positive. We will continue to focus on the level of participation and, as part of the 2018 review, seek to identify and remove any barriers to participation
- 86% (5,073) HIV-positive employees are on treatment. Although the stretch target of 90% was not achieved, this performance must be viewed in light of the test and treat approach which changed the criteria for ART initiation. At the beginning of the year, 3,569 (66%) of HIV-positive employees were on treatment, rising to 5,073 (86%) by year end. Ultimately, the clinicians hope to enrol all HIV-positive employees on treatment
- Adherence to treatment is monitored by the clinicians and forms part of our disease-management programme.

Chronic diseases and lifestyle factors

Chronic diseases (particularly hypertension and diabetes) and lifestyle factors, such as smoking, remain major health concerns in the workforce. Of the determinants of health, high salt intake and tobacco smoking are among the most prevalent lifestyle factors. Promotional messages on healthy lifestyles are being reinforced at occupational health and dressing station clinics, during toolbox talks and wellness campaigns and via health posters.

Nutrition

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%, and the intake of fat, protein, carbohydrates and micronutrients is closely monitored. Food safety remains a priority and all suppliers go through a vetting process that involves supply chain and public health. Food storage and preparation conform to recommended standards.

Wellness initiatives

In addition to HIV, TB and chronic disease, we continue to focus on mental health, drug and alcohol abuse, and other health issues. We are reviewing the findings from recent safety behavioural surveys and health data analytics in terms of our current healthcare and clinical processes.

Key initiatives in 2017 included:

- **(Financial wellness) Nkululeko programme:** To date, 11,866 (2,608 in 2017) employees have signed up, of which 989 signed up for debt relief solutions. A total of R57 million has been saved by employees on the programme (see page 37)
- **Employee assistance programme:** Amplats continues to offer assistance to employees and family members who need psychosocial support. The programme is run by social workers, clinical psychologists and psychiatrists
- **Wellness campaigns:** In addition to routine screening offered at our occupational health and primary-care facilities, regular wellness campaigns were held at all sites. These focus on health promotion and screening for HIV, TB and lifestyle diseases
- **Wellness ambassador project:** The objective is to increase knowledge and awareness of common health issues among employees through wellness ambassadors (typically health and safety representatives) who serve as 'go-to' people for the workforce in referring them to the correct point of care or service. To date, we have developed training material for 17 modules and 13 short videos,

with 70 ambassadors at six sites trained

- **Advocacy:** We participate in national and industry tripartite structures working on TB and HIV initiatives. For example, Amplats participated in projects organised via Masoyise TB Initiative.

Community health

In addition to various healthcare-related initiatives, Amplats contributes to community health via specific services, summarised below:

Rustenburg mobile clinics

In partnership with the North West Department of Health, Amplats operates two mobile clinics providing primary-care services to informal settlements near our operations. For 2017, 9,672 consultations were recorded.

Emergency medical services

Our emergency medical resources continue to respond to community emergency calls. These include vehicle accidents on public roads, medical emergencies in the community and cases associated with community violence. In 2017, 31% and 19% of Mogalakwena and Amandelbult's respective emergency responses were community-related.

TB contact-tracing

In partnership with district TB coordinators, our facilities continue to focus on TB contact tracing.

Alchemy project

Health-related initiatives are included in SHE targets for the Alchemy project. As example, The Laduma Awareness stage performance on healthy living, career guidance, safety and HIV stigma was presented at Ramoko Primary School, linked to the Twickenham Community Trust. The SHE programme is extended to the benefit community, in collaboration with the Alchemy project, to improve the quality of life in the host community.



SAFETY AND HEALTH OF EMPLOYEES AND COMMUNITIES continued

Nkululeko financial wellness programme – addressing the need

Our Nkululeko programme has been running for five years. In 2017, as part of renewing the contract with Summit Financial Partners, we conducted a survey to determine the financial health status of our employees and their needs in terms of overindebtedness and the financial assistance required.

A total of 1,135 employees participated in the survey, with results indicating:

- 53% have their debt situation under control
- 38% are struggling to pay their monthly debt commitments
- 50% believe the basic cost of living is too high
- For those who borrow money, 65% do so via a commercial bank or smaller personal lenders, 23% borrow from their employer (encashment of accumulated leave days), and 10% from unregulated community lenders (known as mashonisas)
- 44% need to borrow money for essentials, leading to recurring monthly borrowing needs.

Implications of these results

It was evident that Nkululeko needs to shift its focus from indebtedness to financial wellbeing as over half the participating employees indicated a need for services other than debt assistance.

We will therefore relaunch Nkululeko with a broader scope of services for employees, including:

- Educational training on budgeting through this time of economic pressure
- Provide tools for those employees currently managing their debt to prevent possible indebtedness later. These tools include: credit checks, investments, savings, budgeting and managing spend through a web-based app "6 cents"
- Proactive assistance in planning for emergencies, ie savings accounts, insurance and funeral cover
- Educate against borrowing from family and ways of effective budgeting to minimise impact on family.

Progress at end-December 2017

- 2,608 employees have signed up – 48% of contractual target of 5,381 – including 116 for debt-relief solutions (on average, these employees are paying R4,983 (56%) less every month on their debt commitments largely due to reduced interest rates (24% to 5%) – saving R6 million in disposable income annually

- R22.3 million saved annually on reduced instalments; interest rates reduced from 22% on average to 5%; savings/refunds on irregular orders totalling R570 172
- 7,429 (37%) employees attended the 15-minute induction sessions
- 400 cadets and 84 employees completed eight hours of financial literacy training
- 6,600 employees had face-to-face interactions with Nkululeko consultants

Underscoring its effectiveness, our Nkululeko programme received an excellence rating in the International Association of Business Communicators (IABC) Gold Quill awards.

Nkululeko's top focus for 2018

In addition to its ongoing focus on exposing unscrupulous credit providers, Nkululeko will concentrate on:

- **Campaign to increase use and market benefits**
 - Relaunch peer-to-peer ambassadors to showcase benefits of debt-relief solutions
 - Drive for employee wellness by rolling out safety representative wellness ambassadors at sites
 - Wealth-creation drive – ensure all employees have the opportunity to qualify for a housing bond, in collaboration with Standard Bank
 - Reduce overindebtedness stigma to # I CHOOSE. Encourage personal accountability aligned to aims of organisational culture transformation
 - Market additional services, ie post-retirement investment, 6 cents self-help web-based solution, tax return assistance, and more.
- **Proactive approach to safeguard employees against indebtedness**
 - Proactively tracking and monitoring employees' financial health status
 - Proactive assistance to employees issued with clearance certificates to ensure financial health.

OUR PEOPLE

HIGHLIGHTS

- Stable relationships with labour unions
- 6.2% of payroll on training and development.

CHALLENGES

- Representation at certain senior levels

RELATED MATERIAL ISSUES

- Modernisation
- Stakeholder engagement

INVESTING IN OUR SKILLS BASE

We invest in developing our people, giving them the skills and resources they need to grow within our industry and our company. In addition to the skills required for their current roles, we provide development opportunities for potential future roles.

Our training initiatives are also a key element of our organisational transformation, with diverse programmes providing a pipeline of suitably qualified, skilled and diverse professionals for Amplats:

Initiative	Description
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.
Mining learnerships	Supports employees in gaining the necessary competence to perform mining tasks. This is currently provided in both conventional and mechanised disciplines.
Engineering learnerships	Mitigating the skills shortage in various engineering artisanal levels that Amplats requires.
Fast-tracking programmes	These programmes address the underrepresentation of employees from designated groups in technical fields, focusing on supervisory and management categories.
Skills programmes	Skills programmes comprise groups of unit standards that allow learners to become employable for a specific role. These are recognised by the Mining Qualifications Authority.
Cadetships	This initiative focuses on training individuals from local communities in skills for specific jobs (such as rock-drill operators) to be employed immediately in permanent positions or later as needed.
Schools project	Amplats adopts schools to bolster education and ensure a pipeline of educated youth to employ in future.

We have a good pipeline of skills, particularly at entry level, through our graduate and fast-tracking programmes. As we shift to mechanised mining, our operating and training departments are working closely to understand the new skills our workforce will need and provide appropriate training. This transition will be managed in collaboration with employees, labour unions and government to expand the skills base.

Expenditure on training and development was 6.2% (excluding expenditure on applicable research and development) of total payroll in 2017 (2016: 6.0%) and each employee received an average 90 hours of training (2016: 91 hours).

Our performance in selected training and development programmes in 2017 is summarised below:

Engineering training	239 learners enrolled in various engineering training schemes (2016: 210), and 78 qualified (2016: 64). 2,072 participated in six specialised trade-related short courses (2016: 2,053).
Leadership development	94 employees attended management and leadership development initiatives: <ul style="list-style-type: none"> ▪ Junior management programme, 22 delegates ▪ Programme for management excellence, 41 delegates ▪ Senior leadership programme, 25 delegates ▪ Anglo American sustainability management programme, five delegates ▪ Bain Academy for Executive Development, one delegate. 749 supervisors attended programmes targeting specific supervisory-level performance skills (2016: 1,067).
Developing our young professionals	Bursaries and graduate-in-training programmes in specific fields for 257 people (2016: 379).
Operational risk management process	15,332 completed the programme (2016: 15,914). 391 employees completed required training as occupational health and safety representatives (2016: 268).
Access to adult basic education and training (ABET)	ABET was provided to 202 employees (2016: 790) as well as: <ul style="list-style-type: none"> ▪ 32 contractor employees (2016: 60) ▪ 63 community members (2016: 334). This is provided part-time and full-time to accommodate shift workers.

OUR PEOPLE continued

Transforming our workplace

The company is committed to creating and maintaining an environment that provides equal opportunities to all employees, particularly historically disadvantaged groups.

Our transformation programme aims to create a workforce that reflects the diversity of South Africa's population and complies with the requirements of the mining charter.

We are diversifying our workforce through talent acquisition and development strategies for women in mining, historically disadvantaged South Africans (HDSAs) and people with disabilities.

We focus on rewarding good performers, developing skills and implementing succession plans, providing opportunities for career

advancement, and developing leadership capacity. We continue to improve levels of representation in all these groups.

By the end of 2017, 76% of our managers were HDSAs (2016: 74%), well above the current mining charter requirement of 40%. Similarly, HDSA representation in core and critical skills remained at 85% against the current mining charter target of 40%.

Female participation in the workforce over the past five years has increased by 33%, although representation at senior management levels remains a challenge. By year end, women made up 23% of our management (2016: 22%), and 16% of our workforce (2016: 15%), with 13% in the core disciplines of mining, engineering, projects and metallurgy (2016: 12%).

Employment equity per occupational level

(2017 employment equity statistics as per Employment Equity Act requirements)

Occupational levels	Male				Female				Foreign nationals		Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	Male	Female	
Top management	0	0	2	5	2	0	0	0	0	0	9
Senior management	38	4	12	73	7	0	9	8	6	0	157
Professionally qualified and experienced specialist and mid-management	564	19	19	442	186	5	17	137	32	5	1,426
Skilled technical and academically qualified workers, junior management, supervisors	2,427	26	5	692	744	10	3	170	172	2	4,251
Semi-skilled and discretionary decision-making	13,757	8	0	81	2,287	2	1	11	1,951	2	18,100
Unskilled and defined decision-making	560	0	0	1	310	0	0	0	49	0	920
Total permanent employees	17,346	57	38	1,294	3,536	17	30	326	2,210	9	24,863
Temporary employees	280	3	2	32	59	2	3	17	26	0	424
Grand total	17,626	60	40	1,326	3,595	19	33	343	2,236	9	25,287

Note: All numbers are for the year ended 31 December 2017.

Labour relations

Meeting our strategic objectives depends on maintaining positive relations with our employees and trade unions, giving us access to the skills required to meet our business needs, and the systems to develop and retain talent. Our key indicators for human resources appear on page 145 of our integrated report.

Engaging with unions to benefit our employees

Labour instability is an issue in all sectors of South Africa and often exacerbated by inter-union conflict, a new feature of the labour relations environment. Some 92% of our permanent workforce in bargaining

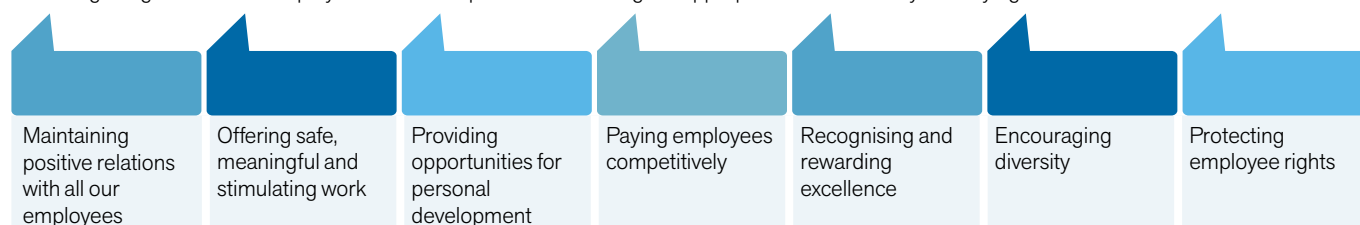
units is represented by trade unions under collective bargaining agreements. This stakeholder relationship is key to our ambition of fostering mutually beneficial relationships with our employees.

We strive to develop strong relationships with union representatives at all operations through continual, open and meaningful dialogue. We focus on developing collaborative relationships with the four representative unions in a multi-union environment (this includes training union leaders and addressing inter-union rivalry). We ensure relevant changes to our organisation or practices are tabled with unions for discussion before implementation and that, in turn, any employee concerns are raised before they become the subject of disputes.

OUR PEOPLE continued

Developing stronger employee relations

Achieving our goal to be the employer of choice depends on achieving the appropriate balance in key underlying elements:



We are implementing a number of longer-term initiatives for our employees, including:

- A proactive programme to improve communication and relationships with our employees directly
- Building the people leadership skills of our supervisors and mine managers to enable them to engage effectively with employees and build trust and respect
- Rolling out a values and culture change programme
- Giving employees the training necessary to deliver sustainable value as we mechanise operations.

Employee accommodation and living conditions

Decent housing and living conditions are both a fundamental right and vital to productivity. Amplats has a range of housing benefits for its employees, with one of the most popular being the employer-assisted housing scheme, which promotes and facilitates home ownership.

This scheme assists qualifying employees to acquire home loans for residential properties close to our operations and to be integrated into existing communities.

In terms of the scheme, Amplats buys well-located residential land and installs bulk infrastructure (power, water, sanitation, roads) to stands at its own cost. Employees are allocated stands to build their own houses, with the building process facilitated by our group housing unit with the assistance of construction firms. Employees fund construction by acquiring mortgage loans from commercial banks. They can then apply for a home ownership allowance, which is paid monthly by the company to assist in paying off their mortgages.

One of the homeownership projects that was recently completed (FY16) comprised 309 housing units in Northam Extension 6 in Thabazimbi. As part of this project, six employees who went through the Nkululeko debt rehabilitation programme secured credit to buy their own houses.

In addition, the group housing unit also assists qualifying employees to apply for the government housing subsidy. Those whose salaries range from R3,500 to R15,000 a month are assisted to apply for a finance-linked individual subsidy programme (FLISP) grant from the provincial governments of Limpopo and North West. In the Northam Extension 6 project, over 190 employees were allocated FLISP housing grants totalling more than R11 million by the Limpopo provincial department of housing.

Amplats converted hostels into family units years ago. At present, 2,562 (2016: 3,182) employees reside in these single-accommodation villages, with the level of occupancy steadily decreasing.

Our organisational cultural transformation (OCT) journey

In recent years, Amplats has been fundamentally transformed to remain viable, with an associated impact on our people. The company is now stable and positioned for a sustainable future – the OCT process ensures our people are equipped and supported to take this journey too. Parallel interventions are under way to support the intrinsic behavioural shift to our desired organisational culture. The three pillars of leadership, values and engagement guide and focus us on the key ingredients (or behaviours) that will enable a sustainable culture transformation for Amplats.

This parallel focus is working at different levels:

- **Top-down** – leadership development support, capacity and skills development for the required behavioural shift. Line managers go on a journey of self-discovery via a 360° assessment, feedback, development planning and on-the-job practice and experiential learning. This also allows them to do peer-to-peer coaching and facilitate coaching circles that support their preparedness to lead in the organisation where leadership of significance is part of our culture.
- **Bottom-up** – enabling the behavioural shift for all employees, starting at a personal level. This is supported by:
 - Cascading the Amplats culture journey and desired outcome to all employees on multiple engagement and communications platforms
 - Enhancing receptiveness to the culture transformation work under way by facilitating an 'all-Inclusive' initiative, where employees are again sensitised on diversity and inclusion, and how to deal with unconscious bias
 - Addressing all symbols in our workplaces that may detract or enable the culture shift, to ensure it is sustainably embedded
 - Building capability and skills for all to know, practice and live in line with the behaviours defined for our desired culture.

We continue to monitor our progress in the culture shift (systemic) and behaviour shift (intrinsic transformation) through periodic culture surveys, as well as leading and lagging systemic indicators in our business.

Embedding the culture shift and desired behaviours will be reinforced through various mechanisms in the business (including reward and recognition, performance management, development processes).

OUR COMMUNITIES

HIGHLIGHTS

- Election of new community engagement forum members at Twickenham with the support of relevant parties including traditional authorities, local political counsellors in the Fetakgomo-Tubatse municipality, SAPS and communities
- Mogalakwena mines reached agreements with Ga-Molekana and Sekuruwe communities on compensation for ploughing fields
- Seven schools, three clinics and centres for orphans and vulnerable children handed over to government departments in Limpopo.

CHALLENGES

- High unemployment rates, mainly Sekhukhune and Waterburg districts, as mines downscale
- Additional stakeholder groupings, all requesting independent engagement with mines despite agreed platforms and creating tension between the parties
- Slow service delivery from municipalities putting pressure on mines to deliver services.

RELATED MATERIAL ISSUES

- Political and regulatory environment
- Modernisation
- Socio-economic conditions
- Ethics, integrity and reputation
- Stakeholder engagement and communications

The future of our business is linked with the future of local communities in our operating areas. Investing in their wellbeing is, therefore, an investment in the sustainability of our business. We strive to invest in our communities by creating social and economic benefits that meet explicit needs during and beyond the life of a mine.

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. In 2017, there was significantly less community unrest around our operations, highlighting the importance of engaging proactively with our communities. We recognise more needs to be done to manage and build relationships, if we are to maintain the trust and acceptance of our stakeholders.

In striving for better stakeholder engagement, two 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, 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 in the 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, we have established business forums in our communities, 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.

OUR COMMUNITIES continued

CASE STUDY: CARING FOR OUR PEOPLE

Given ongoing cash shortages in Zimbabwe, people are spending hours queueing in banks to withdraw their cash. Our Unki employees were not immune to these challenges. Given the shift nature of their working hours, most employees faced the option of taking time off from work to join the bank queues or going without the cash to manage their personal finances.

Clearly, this situation could affect productivity. More importantly, it was affecting the overall wellbeing of our people in various ways. Unki management therefore collaborated with the mine's bankers, Stanbic Bank Zimbabwe, and agreed to share the costs of installing an ATM at the mine in Shurugwi in 2017. As a result:

- Some 350 employees – almost a third of the workforce – who are also Stanbic customers benefit from the facility, and more employees are migrating their accounts to that bank
- Employees from contractor companies and the Shurugwi community are also using the ATM, which is located outside the mine's premises
- Between USD30 000 and USD40 000 is dispensed by the ATM weekly.

The presence of the ATM has also been welcomed by the broader community, with some travelling over 60km to use the facility.



OUR COMMUNITIES continued

CASE STUDY: SOLAR ENERGY CONTRIBUTES TO COMMUNITY SAFETY

To combat the high rates of crime that ravage communities at night, we have worked closely with stakeholders such as local municipalities and community policing forums to prioritise communal lighting and village electrification.

The Mantserre and Rustenburg communities were the first to benefit from high-mast lighting. After numerous efforts to connect these lights to the energy grid and the high cost of this form of lighting, we began investigating alternative energy sources.

Solar high-mast lights were found to be three times more affordable than standard electrical fittings. The project was an opportunity to link these remote communities to the green economy, and to create jobs for unemployed youth who have since been trained on installation and maintenance to ensure the programme remains sustainable. Over 60 jobs have been created in host communities.

The solar lights programme that started in June 2016 has since reached eight communities where Amplats operates, benefiting over 10,000 residents. The project also links with the integrated development plans of local municipalities, reflecting real partnerships for service delivery to our communities.

Following extensive consultation with participating communities on the technology and roll out, residents have safeguarded solar panels in every village, confirming that the engagement was effective and that residents have taken real ownership of this vital infrastructure. While data is still being collected on whether crime has decreased, overwhelming feedback from communities is that they feel safer and their quality of life has improved.

As more and more communities are requesting assistance with solar lights, additional villages were included as part of our social and labour plans to 2020.



OUR COMMUNITIES continued

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 – employing people, paying taxes to governments and procuring from host communities – we make our most significant contribution to the South African and Zimbabwean economies.

The value disbursed directly by Amplats in 2017 was R21 billion (2016: R22 billion). Based on the dividend of R3.49, the Alchemy Trust will receive a dividend payment of R8.8 million. Through the multiplier effect, the positive economic contribution of our operations extends significantly further.

To support our transformation goals, we have a number of empowerment transactions and joint ventures. As an example, project Alchemy provides direct participation in Amplats by local communities, with progress summarised below.

Alchemy: A sustainable future beyond mining, through mining

2011	<p>Amplats announced its commitment to concluding a groundbreaking R3.5 billion BBBEE ownership transaction, Alchemy, designed to promote long-term sustainable development through direct participation in Amplats by local communities around the Twickenham, Mogalakwena, Rustenburg and Amandelbult operations and key labour-sending areas.</p> <p>A holding trust, Lefa La Rona, was established to facilitate the formation of development trusts in host communities. At the end of 2011, Amplats put subscription shares into this inheritance trust as a conduit for development trusts in each of the four benefit areas and the Zenzele Itereleng non-profit company (NPC) in labour-sending areas.</p>
2013	In December, the Dikuno Tsa Sechaba Development Trust was established to serve host communities around our Tumela and Dishaba mines.
2014	Rustenburg Community Development Trust established in June.
2015	<p>In October, we launched the Bohwa Bja Rena Developmental Trust to serve communities around the Twickenham project. The trust will be responsible for promoting sustainable community development in surrounding areas.</p> <p>A technical working group was established in consultation with the Twickenham community engagement forum, representing neighbouring communities, local government, community structures and nine traditional authorities. The working group is responsible for advising Amplats on the structure and operation of the trust and assisting in refining defined operating procedures to suit local circumstances. Through the recommendations and commitment of the working group, a guiding trust deed has been concluded.</p>

2016	<p>The final representative structure, Ditholwana Tsa Rena Development Trust at Mogalakwena Mine, was completed in October. Since inception, the trusts have received R100 million in dividends and another R108 million in supplementary CSI funding from Anglo Platinum. To date, the trusts have approved and delivered over 20 projects in the communities with a key focus to fill the pipeline based on available funds. The following foundation projects have been completed by the respective trusts:</p> <p>Dikuno: Thebang children's home.</p> <p>Zenzele: King Sebata Dalindyabo municipality maize project; Khululeka community education project; Mercy Ships project, retired healthcare project; rural education access programme; Donald Woods Foundation project; Lesotho water infrastructure project; Axiom Education; Thembaletu Development NPC – Mohaleshoek Food Security; and Umtata child abuse resource centre.</p> <p>Ditholwana: Bohlapa Kolobo Primary School (mobile classrooms) and Mabuela Primary School (four classrooms renovated).</p> <p>Bohwa: Ntwampe school project is in the initiation phase.</p>
2017 into the future	29 new community development projects under way.

COMMUNITY DEVELOPMENT INITIATIVES

In South Africa, Amplats invested R295 million (2016: R331 million) in community development, in line with mining charter requirements, and in Zimbabwe we spent R5.7 million (2016: R1.8 million).

Since 2010, we have initiated 114 projects related to our SLPs. By the end of 2017, we had completed 111, with another two due for completion in 2018. Most completed projects have been handed over to the relevant beneficiaries. The remaining projects are in Twickenham and we continue to report progress to the DMR as required. After submitting new SLPs in 2015, we began implementation in 2016. We committed to deliver 89 projects from 2016, 17 of which have since been transferred as part of the Rustenburg disposal. To date, 16 have been completed.

Mine community development expenditure in South Africa in 2017 was allocated to the following projects:

	Rm
Education and training	40.1
Health and welfare	(14.1)*
Water and sanitation	59.4
Institutional capacity development	26.0
Community infrastructure	83.7
Enterprise development and agriculture	29.4
Other	70.9

* Account was credited with provision made in 2016.

OUR COMMUNITIES continued

Some of our community development focus areas

Focus area	Progress
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.	North West province We donated ambulances to the Department of Health's Bojanala district from the Union JV and Rustenburg pooling-and-sharing agreement. Limpopo province We handed over three clinics to the provincial department of health – Sekuruwe, Naledi and MaSeven. These clinics include nurses' accommodation as they will operate for longer hours to ensure continued access by communities. In addition, Mogalakwena renovated the Ga-Mabuela clinic.
Education and training We invest in education as the most effective way of reducing poverty and making a sustainable difference in the lives of our communities.	We invest in youth development and education programmes in communities near our mines that contribute to 70 community members and 42 attended hospitality learnerships (2016: 70 and 42 respectively). In 2017, over 1,200 matric learners from Limpopo and North West participated in winter support camps. Amandelbult complex Amandelbult hosted over 2,000 matric students from surrounding areas to engage on careers in mining and general leadership. Amandelbult constructed sanitation facilities in four schools around the mine. It also completed a R13.1 million water reservoir in partnership with the Thabazimbi municipality. Limpopo province Mogalakwena Mogalakwena Mine completed construction of additional blocks of classrooms and administration facilities at John Pedro and Langalibalele schools. We continue to provide water and build decent sanitation facilities at schools around our mine. In 2017, four schools benefited from a total investment of R4.2 million. A total of 540 learners participated in the afterschool leadership and character-building initiative implemented in partnership with faith group leaders around Mapela. The project will be rolled out to over 10 schools in Mogalakwena, Amandelbult and Twickenham in 2018. The ten 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 and construction will begin in 2018. Twickenham and Der Brochen Our Twickenham and Der Brochen projects handed over six schools (Setlamorago, Moseki, Mpetje and Mogale-wa-Bagale, Mmahlagare and Gobetse) to the Limpopo department of education. To date, R20 million has been spent on school infrastructure in the area.
Agriculture and environment This economic segment offers significant employment opportunities and livelihood resilience. Our agricultural projects seek to support farmers in launching new agricultural businesses on their own or communal land.	We invested R18 million in agriculture in North West province, supporting four farms managed by different cooperatives that have created 46 permanent and 92 temporary jobs. The Rustenburg and Moses Kotane municipalities, together with Bakgatla-Ba-Kgafela, have been central in establishing and managing these farms. Mogalakwena Mine sponsors and supports 20 eco-schools in the area. The mine's Groenfontein farm and training centre offers courses in permaculture and cattle management to local communities. For the youth, it offers a sustainable development course linked to the international eco-schools programme. In 2017, Mogalakwena trained 95 local entrepreneurs through its supply chain. Its highly successful Groenfontein community farm and training centre has been developed into an agri-ecological incubator to support agricultural and sustainable development projects in neighbouring communities. This has been extended to Twickenham, and currently comprises seven SLP projects. In addition to the incubator projects, two farms around Der Brochen were developed for the St George and Kalkfontein communities. The Amandelbult farm is progressing well and now employs 15 cooperative members who supply vegetables to the local market. A total of R8.2 million was invested in agriculture in Limpopo.

OUR COMMUNITIES continued

Focus area	Progress
<p>Enterprise development</p> <p>This takes place through various programmes and in conjunction with our supply chain team. We also draw on Zimele, the Anglo American-wide initiative. Zimele is a catalyst for emerging black businesses in South Africa, supporting commercially viable small and medium enterprises by providing skills training and funding.</p>	<p>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 58.</p> <p>Businesses supported in 2017 include:</p> <ul style="list-style-type: none"> ■ Tlholo Mining Industrial Proprietary Limited – importing and supplying Debstoko safety material/ equipment and other PPE = R974,515 ■ Pick and Go CC – importing and assembling of snatch blocks = R2,100,000 ■ XL Education Proprietary Limited – hosting of summer/winter schools for Grade 12 learners = R6,350,645. 1,200 learners participated in this project ■ Minthiro Business Enterprise CC – construction of clinic at Mogalakwena = R3,054,546 ■ Mamothebele Trading CC – three-year contract for domestic waste management at Mogalakwena Mine = R2,766,384 ■ Papanyana Development CC – supply of plant cleaning services at Mogalakwena Mine = R4,514,093 ■ Moagi Civil and Building Construction CC – building maintenance and refurbishment of winder house at Thembelani and Khuseleka = R1,953,198 ■ Gagasi Consulting Proprietary Limited – underground construction and palisade fencing at Khuseleka = R3,072,030.
<p>Infrastructure (roads, housing, water and sanitation)</p> <p>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.</p>	<p>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.</p> <p>Last year, we finalised an agreement with the Road Agency Limpopo and Department of Public Works to construct a 20km D road at Twickenham. Amplats will contribute R47 million to the project, which is expected to create over 100 local jobs. The Road Agency has appointed a local contractor to begin construction. In addition, the mine completed another 2km road in Twickenham.</p> <p>Twickenham continues the project to electrify over 700 households in Ga-Mampa and Phasha-Makgalanoto villages. We handed over high-mast lights in Sefikile near Union JV, Photosaneng, Mfidikoe and Thekwane in Rustenburg. We have installed solar street lights in six villages around our operations in Mogalakwena, Twickenham and Der Brochen, with growing demand to reach more villages. This has reduced the costs of street lights significantly.</p> <p>The Amandelbult complex has invested in water provision and sanitation initiatives to meet critical needs (especially in dry months) and raise community living standards. It has also installed solar-power units and high-mast lights in specific areas to make daily life easier and safer for community members. Equally, replacing dilapidated toilets means greater hygiene and convenience for Schilpadnest communities, and restored dignity. The mine invested in a mobile wastewater treatment plant, water purification plant, a waste disposal unit and water tanker to bring clean water to the community. These plants are maintained by the mine and will be handed over to the Thabazimbi municipality once it has made the necessary financial allocations.</p>

OUR COMMUNITIES continued

Focus area	Progress
<p>Institutional capacity building</p> <p>Our capacity development activities focus on facilitating productive employment, strengthening skills, competencies and the abilities of our employees and community members to promote robust, self-sufficient local economies long after the life of mine.</p>	<p>In 2017, we invested R4 million (2016: R9 million) in institutional capacity development:</p> <ul style="list-style-type: none"> Public-private partnerships with the Development Bank of Southern Africa (DBSA) to support capacity building and service delivery in host municipalities We also engaged DBSA to develop and deliver leadership and governance training for 540 members of traditional councils on 29 sites where we operate. A total of R20 million was invested in the project over five years (2014 to 2018). <p>Three years ago, we introduced our municipal capacity development programme aimed at advancing government's development agenda for our country's municipalities. As part of this programme, municipal capability has been enhanced by developing and implementing procedures to improve billing systems and controls, and reduce electricity and water distribution losses. The programme also addressed municipal infrastructure plans, asset registers and coordination of sector policies, and provided technical support to establish infrastructural needs to enhance basic service delivery.</p> <p>Revenue enhancement, including data cleansing, billing systems, and water and electricity loss reduction have been among the main focus areas of this programme. There has also been comprehensive infrastructure planning and focused operations and maintenance, including replacing water and electricity meters. In addition, the programme emphasises improving internal communications and modifying, reinvigorating and upskilling personnel behaviour. Projects in this initiative are now complete.</p> <p>We continue to support the work of the premier's employment and growth advisory council in Limpopo in conjunction with our partners, through detailed needs analysis and, where necessary, resource support. For instance, at the Greater Tubatse municipality, based on the needs identified, there are three resources available to the municipality: an engineer, a financial resource and an administrator. We are considering options to support the council further by ensuring skills transfers and capacity building at Tubatse and the two other municipalities we support.</p>
<p>Sports, arts, culture and heritage</p> <p>Protecting culture and heritage is important to our host communities. As such, our social performance framework explicitly focuses on culture and heritage, and our CSI programmes support activities that maintain and build social identity and cultural heritage.</p>	<p>Last year, we handed over the Sefikile community centre, which comprises an 800-seater hall, sports centre, computer centre and library. The centre accommodates business, recreational, cultural and youth activities such as weddings and other community events and is used as a pay point for pensioners. We invested R27 million.</p> <p>Unki mine is protecting centuries-old rock art as a tourist attraction. The mine continues to lead platinum sites in complying to the requirements of the Anglo Social Way (ASW).</p> <p>To build sports in our communities, Mogalakwena Mine held soccer tournaments involving 36 villages and aimed at the youth. The finals were held at the Mogalakwena Mine sports field, specially developed for use by the community. The mine spent R5.4 million to build this five-in-one sports facility. Over 3,000 community members attended the tournament, reflecting the fact that sport remains a unifier for these communities. Amandelbult also donated soccer kits to clubs around the community and hosted soccer tournaments to bring communities together. The Mantserre soccer stadium was upgraded with artificial turf to the value of R5.4 million.</p>
<p>Community trusts (including Alchemy)</p> <p>Alchemy is our R3.5 billion BBBEE ownership programme (see page 25). 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.</p>	<p>Community trusts are an important means to support community development initiatives. Four have been established to date.</p> <p>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.</p>

OUR COMMUNITIES continued

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 2017, 147 community complaints were submitted through formal procedures at our operations (2016: 23), mostly on 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.

Update on Motlhotlo resettlement

Background

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 this 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 June 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 demographic and socio-economic information characterising 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.

During the year, incidents of community discontent included demonstrations at the Mogalakwena, Amandelbult, Rustenburg, Twickenham and Der Brochen projects. We aim to resolve grievances through effective engagement with community leadership.

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.

An independent review of all our resettlements should be completed by the third quarter of 2018.

The 2012 agreements set out three resettlement options available to the Motlhotlo households:

- 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. Two households indicated that members would remain on the land.

A separate charter was issued to formalise the relocation project for the remaining 63 households.

After five years of effort to rezone Tobias Zyn Loop farm for relocation purposes, the option was withdrawn. After extensive consultation with the community, on 15 January 2018, Extension 14 in Mokopane was proposed as an alternative option to the community. The vast majority of remaining households have signed an approval to relocate to Extension 14. Currently, an addendum to the 2012 agreement, an amendment to the relocation action plan and a new livelihood restoration plan are being drafted.

OUR COMMUNITIES continued

The community has expressed their urgency to relocate and suitable land is being sought in the Mokopane area. The municipality identified five parcels of land which it owns and is willing to make available for the relocation. Between the five parcels, the most suitable are being explored. Our town planner is working with the town-planning department of Mokopane municipality to determine the process of land alienation, rezoning and development. Once the most suitable plots have been identified, these will be shown to the community so that they can choose the most appropriate.

The community is aware of the process and is waiting for Amplats to show them the selected land. Once this process is complete, the resettlement plan will have to be updated as well as the livelihood restoration plan. Work on the latter has started. The rural development foundation LIMA has worked with the community to identify projects that could be run on the two farms. Feasibility studies for the projects must still be conducted. The community property association however made it clear that their main interest is relocation. They are not interested in starting any of the livelihood projects before relocation.

CASE STUDY: MULTIPURPOSE HUBS IMPROVE COMMUNITIES' ACCESS TO INFORMATION AND SERVICES

To improve engagement with host communities and local businesses, and bring our services closer, Amplats has set up multipurpose hubs in Rustenburg and Mogalakwena. The Rustenburg hub has been operational since April 2016, and the Mogalakwena hub will be operational in the first quarter of 2018. The company will also set up a hub in Northam.

The pilot in Rustenburg has proved that multipurpose hubs are much needed in our host communities. It serves as a one-stop source for local businesses and community members to access information on our enterprise and supplier development opportunities, recruitment, bursaries, community economic development, CSI requests and funding through Anglo Zimele. The communities and business owners also use the hub to log grievances and complaints while the boardroom is ideal for meetings.

In 2017, an average 282 visitors per month used the Rustenburg hub for a variety of reasons. More importantly, jobs were secured:

■ Permanent Amplats positions	10 appointed
■ Contractors	90 appointed
■ Learnerships	4 appointed
■ Total	104 jobs secured

Value of loans = R16 million

Number of companies funded = 22 through 43 transactions

Combined turnover of companies funded = R39 million

Number of jobs created = 191 new jobs and 230 sustained jobs = 421 jobs

Benefits of a multipurpose hub

- Centralised and easily accessible point of coordination for community-based activities offered by Amplats
- Improved two-way communication and information sharing with the community about mining or opportunities and service offerings available at Amplats. We have realised that some community members may not be aware of the benefits and services we can provide
- Improved relationship building between the company and our host communities
- Improved and visible community service
- Fewer walk-ins at operations.

Partnering with other service providers

To improve service excellence, we keep growing our relationships with external partners working for the betterment of our communities. When there are requests that fall outside our services, we can direct community members and local businesses to government agencies and other service providers who can assist them. For example, we link our community to agencies offering training that we do not provide, as well as funding for services that we do not cover.



OUR COMMUNITIES continued

CASE STUDY: A COMPANY WITH A HEART

"PlatinumForGood shows that we are a company with a heart." This is how one of the many registered users of the Amplats online volunteering platform explains her involvement.

This platform is harnessing the enormous potential of employee volunteerism to unlock the goodwill of our host communities, building trust and mutual understanding. By driving targeted volunteerism campaigns in support of approved not-for-profit causes, the platform:

- Encourages employees to volunteer time and donate goods to meet individual needs identified by these causes
- Enables them to offer their talents in serving causes relevant to them and their communities
- Makes employees' volunteerism activities visible – setting an example for others to follow.

ForGood (www.forgood.co.za) is the largest public volunteering and corporate social investment (CSI) platform in South Africa. It has over 500 non-profit causes already on the system and is adding an average of ten a day, which can be tailored to a client's geographical presence and CSI focus areas. We have linked with the platform, launching PlatinumForGood on Madiba Day (18 July 2017). To date, 176 employees have registered online and have:

- Cooked for hungry children
- Donated printing paper to an academy for children with special needs
- Donated food to the Gift of the Givers schoolchildren's feeding schemes
- Volunteered for career guidance and motivational talks
- Donated mattress protectors to a boys' camp
- Financially supported a charity that cares for children with cancer
- Donated food to a cause caring for abandoned dogs
- Donated tracksuit pants for children and adults with intellectual disabilities.

Employee volunteers have also supported causes through various offers. One has offered to present spinning classes and group exercises; another "to spend time with children under the age of two who may not speak much, but need cuddles and fun play. I am happy to spend time with very small babies, even newborns...".

Two targeted volunteerism campaigns were launched in 2017. The first aimed to collect 300 pre-loved books for the Ruchanyu Secondary School library in Zimbabwe (the school was built in 2012 by our Unki mine) to foster a culture of reading among learners. More than 700 books were donated and, while the campaign ended in November 2017, the books keep on coming.

The second campaign was linked to the annual Telkom 947 Cycle Challenge and, in partnership with Qhubeka, aimed to raise funds to buy bicycles for rural learners who have to walk long distances to school every day. Enough money was raised to buy 170 bicycles.

In 2018, the platform will be rolled out to all operations in the company.



OUR STAKEHOLDERS

HIGHLIGHTS

- Stakeholder mapping improves engagement

CHALLENGES

- Rising activism

RELATED MATERIAL ISSUES

- Political and regulatory environment
- Modernisation
- Socio-economic conditions
- Stakeholder engagement and communication
- Ethics, integrity and reputation.

MANAGING STAKEHOLDER EXPECTATIONS AND MAXIMISING COMMUNITY BENEFIT

Our social licence to operate is the heart of our social management framework.

As an industry, mining faces growing demands for meaningful economic, social and environmental sustainability in operational areas. The challenge we face is advancing South Africa's mining industry amid growing – and often conflicting – expectations from a wide range of stakeholders.

The solution in this complex operational context lies in finding the balance between meeting the diverse needs of our stakeholders while remaining productive and profitable. While we still have a long way to go in achieving this goal, we are focused on meaningful engagement as the most important tool to bridge the gap between where we are and where we want to be.

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 the ever-changing landscape of 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.

A summary of key stakeholder engagements in 2017 is shown below, and detailed on page 22 of our integrated report.

The Anglo American social way

The Anglo American social way is the governing framework for social performance, of which stakeholder engagement is an integral part at Amplats. It sets out clear requirements to ensure systems are in place to:

- Engage with affected and interested stakeholders
- Avoid, prevent, mitigate and, where appropriate, remediate adverse social impacts
- Maximise development opportunities.

CASE STUDY: DEVELOPING LOCAL SKILLS FOR THE GLOBAL MARKET

Over the past 18 years, the Anglo American Platinum PlatAfrica Awards have enabled hundreds of local jewellery designers to work in platinum and develop skills and expertise for the global market. This was taken a step further in 2017 when Amplats and Platinum Guild International India collaborated to take the 2016 winners to India to participate in the design-sourcing process for the prestigious Evava brand. The 2017 winners will get the same opportunity to visit India to expand their creative horizons and further their careers.

An agreement was also concluded with another PlatAfrica partner, Metal Concentrators, to administer the Amplats jewellery scheme and extend its scope to offer greater opportunities for domestic jewellers to compete in local and international markets. The new scheme will provide a more holistic development approach to the local industry through access to a consistent supply of metal, financial terms that support effective cash-flow management, and developing business management skills for approved companies. The aim is to take promising local jewellery manufacturers and develop their business skills to enable them to effectively manage and grow sustainable businesses.

Announcing the winners of the 2017 PlatAfrica Awards, Amplats CEO Chris Griffith said that PlatAfrica forms an integral part of the company's vision to develop the platinum jewellery industry, and driving platinum as the jewellery metal of choice.

Ulandie Jonas from Uwe Koetter Jewellers won the professional category with her piece themed The Family Bond. In the student and apprentice category, Anke van der Linden from the Durban University of Technology won with her piece Undulation.

Bold minimalism was the overarching theme of the 2017 competition, aiming to pair timeless platinum with on-trend design for the target market of Indian millennials.



OUR STAKEHOLDERS continued

Understanding our stakeholders

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 will enable us to improve future engagements.

Amplats	Our key stakeholders	Striving to meet needs
We want to create sustainable profit. This requires the following from our stakeholders:	Our stakeholders want sustainable benefit. This requires the following from Amplats:	We need to demonstrate our commitment to 'sharing value' to all our stakeholders. All our stakeholder interests are important to us, and we demonstrate our commitment by treating them with equal attention and resourcing for plans and strategic activities.
Continually engaging with shareholders, investors and analysts	Our investors Clear, transparent engagement and long-term value creation.	Our strategy is to create long-term value for our shareholders. We engage with shareholders, investors and analysts through annual results presentations, annual general meetings, individual meetings with investors, investor roadshows and site visits. We adhere to the JSE Listings Requirements, and release all necessary updates and information on the Securities Exchange News Service (SENS) of South Africa to ensure the wider market has access to key information on the company.
Continued efforts of a productive and engaged workforce	Our employees Our employees want to work in a safe and healthy environment, assured of the security and increasing benefit of their employment.	<p>The mining industry in South Africa has faced several extreme periods of labour unrest over wages, affecting exports and causing concern among some investors.</p> <p>We are steadily introducing more modern equipment and machinery to enhance our work environments while improving operational efficiency. The flip side of this process is that certain jobs done by people before can now be done by machinery. Although this significantly benefits our people by protecting lives, it affects job security in certain categories. We try to mitigate this impact by upskilling our workforce to meet the needs of the modern mechanised mining industry.</p> <p>Complexities in the PGM industry also create an environment where it is difficult to meet our employees' needs. We have had to restructure our organisation to secure our sustainability, resulting in a number of jobs becoming redundant or impacted in some way. Prior to any action, we consult extensively with stakeholders in terms of section 189A of the Labour Relations Act. To mitigate the financial and emotional impact on affected employees, we offer voluntary severance packages and comprehensive support programmes, such as:</p> <ul style="list-style-type: none"> ▪ Psychological support (including trauma debriefing sessions, employee assistance programme) ▪ Career support (career assistance workshops) ▪ Financial support and workshops, including entrepreneurial support and workshops ▪ Academic support (own skills development at an accredited institution or bursary support for one dependant for one year) ▪ Healthcare support (for clinically indicated illness) ▪ Transitioning support (life coaching sessions).

OUR STAKEHOLDERS continued

Amplats	Our key stakeholders	Striving to meet needs
Social licence to operate	<p>Our communities</p> <p>Our communities expect sustained and fair distribution of social and economic benefit from our mines, especially employment; effective management of potential negative impacts; and meaningful engagement with us on matters relating to the mine and of concern or interest to them.</p>	<p>Our social licence to operate (SLO) – the ongoing acceptance and approval of our operations by local communities and other stakeholders that can affect our profitability – is the heart of our social management framework and Anglo American's social strategy. The central tenet to the SLO model is trust, the confidence that our behaviour as a company matches the expectations of those communities and other stakeholders. Key means to establish trust are: the fair distribution of social and economic benefit from our mines, especially employment; effective management of potential negative impacts; and meaningful engagement with us on matters relating to the mine and of concern or interest to them. In late 2015 and early 2016, we worked on identifying better ways to deliver on these key elements of trust. We explored ways to improve our community equity participation model and access as well as involvement in our supply chain. We looked at how we could contribute more through strategic regional socio-economic and environmental development. We examined how we can better engage and involve our stakeholders, especially communities, in maximising opportunities relating to our mines. We analysed how we can better communicate with our stakeholders. Lastly, we reviewed our approach to risk and impact management throughout our supply chain; and managing community health, safety and security.</p> <p>Much work remains to turn this informed review into best practice, but we believe the foundation is there. We are committed to delivering on these value levers to increase levels of trust and improve our SLO.</p>
A conducive legislative environment	<p>Government</p> <p>The government seeks to enhance societal value by creating jobs and supporting the national development plan.</p>	<p>We aim to create and protect existing jobs as far as economically sustainable. We align our social and infrastructural investment projects with the national development plan and seek to continually collaborate with relevant government stakeholders on national goals.</p>



Community newspapers that are distributed to local communities around the mines.

OUR STAKEHOLDERS continued

Respecting human rights

Human rights describe rights that are inherent to all human beings, despite differences in ethnicity, religion, language, sex, colour or any other status, to which everyone is equally entitled without discrimination.

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 United Nations' 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 was conducted in 2016.

In addition, in-depth 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 by holding interviews and workshops with key personnel to identify related impacts, evaluate the effectiveness of existing management measures and identify additional measures where required.

Security and human rights

Amplats has long committed to upholding the voluntary principles on security and human rights.

A due diligence was conducted in October 2017 to identify and manage the most critical issues that may have human rights impacts from a security perspective.

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.

Meeting our obligations to governments and society

Government

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.

Our strategic approach

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, our approach is to go beyond mere box-ticking to ensure we make a substantive difference.

Entrenching compliance in our business

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. Amplats is committed to complying with all applicable legislation. We are also committed to complying with a range of voluntary codes and guidelines to manage the social and environmental risks of mining.

Regulatory uncertainty is an ongoing risk that we address through active engagement, both as a member of the Anglo American group and through the Chamber of Mines. Regulatory matters relating to a specific material issue are discussed in the relevant section of this report or cross-referenced to our integrated report.

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 United Nations 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 United Nations 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.

OUR STAKEHOLDERS continued

Specific issues

Davis tax committee

The committee is assessing the South African tax policy framework and its role in supporting the objectives of inclusive growth, employment, development and fiscal sustainability. In its final report on hard-rock mining (published in November 2017), the committee acknowledges the mining industry's importance as a vital sector in terms of job creation and foreign exchange generation for South Africa's balance of payments. It also acknowledges that mining involves very substantial upfront investment costs, typically followed by a prolonged time lag before mining production (and income generation) begins, as well as heightened risks posed by adverse changes in commodity prices and geological risks.

The committee was broadly in favour of retaining the status quo by taxing mining companies at the same rate as other corporate taxpayers. Based on its review of existing mining taxes, the committee's recommendations were to:

- Reject the call for resource rent or similar windfall tax
- Retain the mineral royalty, subject to various clarifications and improvements
- Reject the request to channel a portion of royalties directly to mining communities
- A template contract should be devised for contract mining relationships
- Eliminate the 100% year 1 tax deduction for capital expenditure and align with manufacturing industries, ie allowance over four years
- Remove the current ring-fence at a future date to compensate for the change to the capital expenditure allowance
- Remove requirement for DMR approval when mining companies dispose of mining assets
- Conduct an investigation on tax relief for rehabilitation funding mechanisms
- Mining charter expenses to be deductible for tax purposes.

The committee is advisory in nature and the minister of finance will consider the report and recommendations, and make any appropriate announcements as part of the normal budget and legislative processes. Any tax policy proposals will be subject to normal consultative processes and parliamentary oversight once announced by the minister.

MPRDA review

Amplats provided extensive input into the MPRDA amendment bill, through the Chamber of Mines and Anglo American, when it was first considered by parliament in 2014. After the bill was referred back to parliament in 2015 on concerns about its constitutionality, an amended bill was approved by the national assembly and is still being considered by the national council of provinces' select committee on land and mineral resources. We are closely monitoring developments.

Through the chamber and Anglo American, we have raised our concerns on protracted regulatory uncertainty and will continue to engage with the DMR to ensure that the final amendment act is balanced and preserves our rights.

Mining charter

The mining charter was introduced in 2004 (under by section 100(2) of the MPRDA) to facilitate transformation of the industry. It was assessed by the DMR in 2009 and again in 2015.

The reviewed mining charter 2017 (known as MCIII) was gazetted in June 2017 by the minister of mineral resources, Mosebenzi Zwane. Apart from being poorly drafted, the mining sector was shocked to find that the ownership element in MCIII had been substantially changed from the draft of April 2016. The Chamber of Mines immediately indicated its intention to interdict the implementation of MCIII. On 13 September 2017 (a day before the urgent interdict was heard by the High Court), the minister furnished a written undertaking that:

- Neither he, nor his delegates or other officials and functionaries of the DMR, would implement the provisions of MCIII pending judgment in the review proceedings brought by the chamber to set aside MCIII and
- The minister would, when referencing MCIII in public, note this undertaking and the review application.

The undertaking also recorded the agreement between the chamber and the minister that the review application would be heard on an expedited basis by a full bench and the agreed procedural timetable. The minister's undertaking was noted by the High Court on 14 September 2017.

The review application was filed with the High Court on 17 October 2017, with respective answering affidavits from the minister and union NUM (which the parties agreed could join the review application) filed on 10 November 2017.

On 18 February 2018 the Chamber of Mines and the Department of Mineral Resources agreed to postpone (indefinitely) the hearing of the review application that was scheduled to be argued between 19 to 21 February 2018, as a result of intervention by the newly elected President of South Africa.

OUR STAKEHOLDERS continued

Mining charter scorecard

Although the current charter's reporting period ended in early 2015, Amplats remains committed to its principles and continues to report against it.

Description	Measure	2017 progress against target	Compliance target
Reporting			
Has the company reported the level of compliance with the charter for the calendar year?	Documentary proof of receipt from the department	Reports submitted to the DMR annually	Annually
Ownership			
Minimum target for effective HDSA ownership	Meaningful economic participation	<p>To advance ownership by HDSAs, Amplats has concluded several asset disposals and joint ventures, resulting in HDSAs acquiring a portion of our business</p> <p>Communities hold a direct interest in the shares of Amplats and employees participated in a share ownership scheme that has now vested</p> <p>A large percentage of Amplats' publicly held listed shares are owned by collective investment schemes (mandated investments) of which a meaningful percentage of shareholders are HDSAs. These collectively represent 35% held by HDSAs</p>	26%
Housing and living conditions			
Conversion and upgrading of hostels to attain the occupancy rate of one person per room	Percentage reduction of occupancy rate towards 2014 target	100% of employees in single-room accommodation	Occupancy rate of one person per room
Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	All hostels converted into family units	Family units established
Procurement and enterprise development			
Procurement spend from BEE entity	Capital goods	67%	40%
	Services	70%	70%
	Consumable goods	76%	50%
Multinational suppliers' contribution to the social fund	Annual spend on procurement from multinational suppliers	Awaiting establishment of social fund from Department of Mineral Resources	0.5% of procurement value
Employment equity			
Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management (board) level	42%	40%
	Senior management (exco)	51%	40%
	Middle management	67%	40%
	Junior management	80%	40%
	Core skills	85%	40%
Sustainable development and growth			
Improving the industry's environmental management	Implementing approved environmental management programmes	Environmental commitments, ie performance assessments, closure liability, monitoring, etc are complied with and progress continuously assessed. See our environmental performance on pages 61 to 72	All at 100%
Improving the industry's mine health and safety performance	Implementing the tripartite action plan on health and safety	Implementation of action plans is aligned	100%
Using South Africa-based research facilities for analysis of samples across the mining value chain	Percentage of samples in South African facilities	100%	100%

OUR STAKEHOLDERS continued

Description	Measure	2017 progress against target	Compliance target
Beneficiation			
Contribution towards beneficiation (from 2012)	Additional production volume contribution to local value addition beyond the baseline	The company continues to implement its beneficiation strategy. The offset guidelines have not been finalised by the DMR and therefore the group cannot calculate what offsets it qualifies for. Also, the DMR has released its beneficiation strategy with no reference to baseline levels or targets	Section 26 of the MPRDA (% above baseline)
Human resource development			
Development of requisite skills, including support for South African-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation, and environmental conservation and rehabilitation	Human resources development expenditure as percentage of total annual payroll (excluding mandatory skills development levy)	6.18% achieved (this excludes expenditure for South African-based research and development initiatives)	5%
Mine community development			
Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis	Implement approved community projects	Projects implemented in communities close to our operations to the value of R295.4 million (excluding overhead costs and Unki)	1% of pre-tax profit

Maintaining effective relations with government

Amplats engages constructively with the South African government at all levels, both directly and through industry bodies such as the Chamber of Mines. Key issues include:

- Financial state of the platinum sector
- Compliance with our mining licence and related requirements
- Labour relations and safety
- Contribution to national developmental priorities such as 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 and repositioning.

During the year, we strengthened relations with the South African government through proactive and transparent engagement and by encouraging joint ventures and collaboration for social upliftment. Our key partnership in 2017 was with the Road Agency Limpopo and Department of Public Works to build road infrastructure around Twickenham. After the Memorandum of Understanding (MoU) was signed, over R40 million was spent directly on the road, excluding design and consulting fees. The construction of the 20km road has been divided into four stages and overall progress on the project is at 37% completion.

In 2017, the National Council of Provinces visited an agricultural project in Sebilong community in Amandelbult, as part of its focus on advancing collective efforts in creating work opportunities for the people. The project was rated as the best of the three visited in the Waterberg district.

In 2017, we signed a memorandum of understanding with the Department of Small Business Development focused on sustainable community development and improving the standard of living for members of communities affected by our mining activities. The department and Amplats will collaborate on various mutually beneficial infrastructural initiatives.

We support the principles of the Extractive Industries Transparency Initiative on disclosing payments. In 2017, R3.9 billion was paid to the South African government as taxes (2016: R3.4 billion); and US\$6 million to the Zimbabwean government (2016: US\$13 million). We do not support any political party and make no political donations.

In Zimbabwe, we face uncertainty on indigenisation. We therefore maintain regular contact with government officials, ensure full legal and regulatory compliance in a changing environment, and invest in community and social development initiatives.

Partnering to align goals

South Africa is a well-developed mining jurisdiction, with comprehensive legislation. 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.

OUR STAKEHOLDERS continued

We continue to partner with government in contributing to the goals of the national development plan (NDP) and support the deputy president's framework agreement for a sustainable mining industry. We work with the integrated development plans of government at provincial and local level. As it remains challenging to align our projects to maximise benefits for intended recipients, we focus on working across departments internally and aligning projects across multiple government departments.

Specific issues we are engaging on include providing input, through the Chamber of Mines, into the third mining charter, amendments to the Mineral and Petroleum Resources Development Act, amendments to the 2017 draft financial provision regulations and proposed carbon taxes in South Africa.

Transforming our supply chain

Amplats makes a valuable contribution to our country's transformation, economic growth and empowering South African businesses through inclusive procurement and supplier development as well as industry-wide enterprise development.

We have exceeded mining charter II targets. Although that charter's reporting period ended in 2015, we avoided a business-as-usual approach. Instead, we adopted an approach of empowerment not driven by compliance to any legislative framework by incorporating stretched and escalated mining charter targets in our social and labour plans for 2016 to 2020.

As implementation of mining charter III has been suspended, we have made a step-change towards empowerment resilience by introducing two elements aimed at maximising our contribution to socio-economic development (known as ESD):

- **Inclusive procurement:** strategic procurement of goods and services from local companies (South African), implement programmes that incubate, support, develop and mentor (by awarding contracts) previously disadvantaged individuals, incorporating host

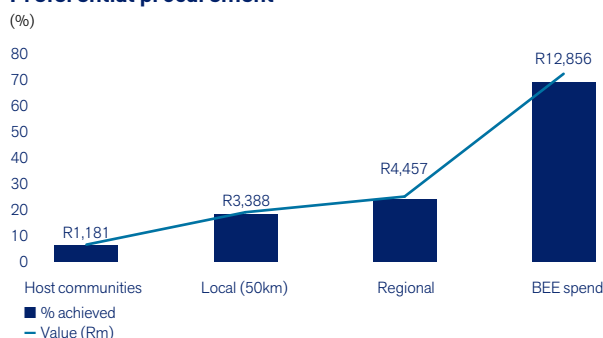
community-based suppliers to our operational value chains and working with large/corporate suppliers to leverage host community enterprise development.

- **Industry-wide enterprise development:** our strategic approach to address low socio-economic development in areas around our operations is to partner with other industries to jointly fund and support programmes to create mining/non-mining job and business opportunities. We are currently participating in agriculture, agro-processing, tourism and manufacturing. We have also partnered with government, CSIR, United Nations, Technoserve, Absa and others to maximise efforts and share resources to achieve this goal (see strategy and case study in our integrated report on page 33).

Procurement progress 2016 to 2017

- 72% of our 2017 discretionary spend was with black-owned and black-empowered suppliers, including 25%, 19% and 7% on regional (province), local (district) and post-community suppliers respectively.
- Against the mining charter II targets of 40% for capital goods, 50% for consumables and 70% services, we achieved 79%, 82% and 76% respectively.

Preferential procurement



Host community supplier development

52 new contracts were awarded to host community SMMEs in 2017, as summarised below. These were in addition to longer-term opportunities put in place in prior years:

Operation	Number of opportunities	Estimated value (per annum)
Amandelbult	13	R6,463,430
Eastern Limb	1	R2,500,000
Modikwa	10	R11,455,107
Mogalakwena	13	R67,436,254
Mototolo	2	R466,667
Rustenburg	5	R489,010
Rustenburg processing – RBMR	2	R541,398
Union	2	R24,326,433
Western Limb	1	R2,500,000
(SP Projects)	3	R3,227,699
Grand total	52	R119,405,997

OUR STAKEHOLDERS continued

	Amandelbult	SLP targets	Mogalakwena	SLP targets	Union	SLP targets
Actual performance (number)	2017		2017		2017	
Local supplier gap analysis	268	70	629	0	18	10
Number of courses for local suppliers	4	2	12	2	2	2
Supplier development partners	5	2	11	3	3	2
Rolemodels created	5	2	4	10	4	2
New contract with local HDSA	5	5	13	10		2
Unbundling opportunities		4	6	10	3	2
Training local suppliers	82	75	849	120	14	10
Youth-owned companies		3	8	5	3	2
Women-owned companies	2	2	10	5	3	2
Total: supplier development	372	165	3,138	165	51	34

• Twickenham on care and maintenance

• Der Brochen in project phase

Procurement strategies and plan

Anglo American is completing a group inclusive procurement strategy that will assist all South African operations to achieve their empowerment and transformation goals.

Enterprise development (Anglo American Zimele)

Amplats continued to support small and medium enterprises through mentorship and various Zimele funding models. Through this, we were able to:

- Provide funding to 55 enterprises (through 89 transactions) to the value of R44 723 427 in 2017
- Create 866 jobs through funding (500 new and 366 jobs sustained).

Second tier enterprise and supplier development

Realising that most of our local small suppliers/enterprises are interested in and equipped to provide only low-risk and non-critical supplies and services, we have adopted various initiatives to expand their participation:

- **Subcontracting:** primarily in capital procurement. All main capital contractors/bidders are compelled to have enterprise development plans for each contract we are awarding. The plan outlines procurement packages the main contractor will subcontract to smaller local enterprises. Examples of these projects include the Amandelbult chrome recovery plant and Mareesburg tailings dam project. We are currently implementing a similar strategy for Polokwane and Mortimer smelters SO₂ abatement projects.

- **Anglo American social way – contractor management:** our supply chain team will assess each Amplats contract as well as new (tender process) contracts for having a material social impact. If yes, the contractor will be provided with social requirements and targets, particularly for local procurement and enterprise development.

Responsible sourcing

Responsible sourcing is a key component in delivering our sustainability ambition, supporting supply chain teams to prioritise ethical decisions when purchasing goods and services. Our aim is for our entire supply chain to embrace our commitment to sustainable development.

Anglo American and its suppliers have obligations to a broad range of stakeholders, including employees, communities, customers, business partners and shareholders to ensure that business relationships are transparent, fair and able to meet societal needs. Within our collective supply chains, this compels us to consider our daily decisions and ensure that we buy goods and services without causing harm, inadvertently exploiting people or harming our environment. Practices which demonstrate this ensure that our businesses continue to operate legitimately.

Responsible sourcing	
Self-assessment questionnaires requested	15
Suppliers audited	13
SMMEs trained on responsible sourcing risk	31

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 complex industry regulations and customer requirements, resulting in excessive costs 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 generally do not 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 our Mogalakwena operation, we piloted an ambitious programme to create awareness of, and build, SMME capacity to identify and manage legal and sustainability risks. The programme ran from October 2016 to November 2017.

Programme design

Nineteen SMMEs were identified to participate in the programme, including existing suppliers and those being considered for future sourcing. The SMMEs represented businesses exclusively located in our mining host communities, in line with our supplier development approach. Their areas of activity 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 four phases:

Phase 1

- Initial awareness workshops (October 2016): intensive three-day training session highlighting compliance requirements of South African law, including basic conditions of employment, BBBEE, health and safety, and appropriate environmental regulations. SMMEs then completed the responsible sourcing self-assessment questionnaire, giving them insights into customer requirements
- Initial SMME assessments: six SMMEs were selected for independent audits against our responsible sourcing standard for suppliers. The audit process included 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
- Review of issues/status with SMMEs: Over ensuing months, our supplier development team and external auditors checked progress of issue closure and provided feedback to the SMMEs.

Phase 2

- Secondary SMME assessments (November 2017): 12 SMMEs were selected for independent audits (three SMMEs that were initially reviewed and nine that had not participated in the 2016 audits). Through this process, the auditors noted a marked improvement in the understanding and implementation of systems and processes compared to the initial visit. This illustrated that SMMEs were committed to improving their business activities when given appropriate levels of support and clarity
- Practice workshop and shared learnings (November 2017): Based on experiences from the audit processes, and a better understanding of daily operational gaps, a one-day interactive workshop was held with the SMMEs. This went into detail on basic human resource management functions – ranging from recruitment and management processes to maintaining discipline and fostering healthy labour relations in the workplace. The SMMEs were given materials and sample tools to support their compliance efforts.

Phase 3 (2018)

- Implementation manuals: Practice workbooks are being developed to support SMMEs in closing out additional risk areas. These workbooks contain extracts from legal publications, implementation guidance and tools. The intention is to share these manuals with the SMMEs, and potentially with other businesses not included in the pilot
- Ongoing management support and mentorship: While the SMMEs that participated in the pilot were already demonstrating great progress, by contrast, sites that were not exposed to this programme in 2016 were significantly behind the development curve – highlighting the need to enhance our supplier development capacity to help them progress and proactively manage their risk.

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.

ENVIRONMENT

HIGHLIGHTS

- Zero level 3 to 5 environmental incidents
- Environmental authorisation granted for Mareesburg tailings storage facility (TSF) – construction under way at Der Brochen
- Complied with internal waste, water and energy targets
- Established bioremediation plant at Mogalakwena.

RELATED MATERIAL ISSUES – ENVIRONMENT

- Tailings dam stability
- Discharges
- Rehabilitation provision
- Energy savings
- Availability of water
- Environmental incidents
- Emissions.

CHALLENGES

- Seepage at Helena TSF (Mototolo concentrator) required emergency measures, ie buttressing
- Polokwane smelter slag reuse approval and potential exclusion as hazardous waste
- Excess water discharge at Twickenham project resulted in community complaints
- Judicial review of SO₂ postponement limit at Polokwane smelter.

OUR APPROACH TO ENVIRONMENTAL STEWARDSHIP

Our aspiration is to support Amplats' long-term sustainability by effectively managing resources, reducing our impact on the environment and communities, and complying with legislation.

We are committed to minimising our impact on the natural world by integrating environmental considerations through research, planning and responsible management. Accordingly, as detailed on page 31, our environmental strategy has been revised into the key focus areas of:

- Water
- Climate change and energy
- Land stewardship
- Rehabilitation
- Waste.

Key environmental indicators are on page 147 of our integrated report.

Based on our code of conduct, we aspire to:

- Adhere to legal requirements and Anglo American's standards
- Use natural resources, including water and energy, sparingly in recognition of the needs of others with whom we share these resources, as well as the economic benefits to our business
- Not accept that mining should compromise the wellbeing of communities who depend on services provided by ecosystems and their components: water, soil, nutrients and organisms
- Understand our potential biodiversity impacts and to avoid, minimise and, where necessary, offset any material biodiversity impacts
- Work in partnership and consultation with all relevant stakeholders to help address the causes and impacts of climate change
- Create innovative partnerships that generate net socio-environmental benefits.

Engaging with our communities and partners – national and international – to reduce pollution, and improve waste and resource use remains a priority. Locally we are actively engaging with our communities and municipalities on aspects such as offset projects on emissions and

biodiversity. Other initiatives involve collaborating with the Chamber of Mines on programmes that extend locally (mine residue dump studies; influencing rehabilitation/closure policies) and globally (GHGs, PCBs or polychlorinated biphenyls, international conventions). Further examples of ongoing collaboration include:

- Ongoing meetings with the World Wildlife Fund for Nature on its draft mining policy and possible areas of collaboration to promote conservation/sustainable development, especially for communities close to mining areas
- Mogalakwena Mine signed a memorandum of understanding with the Recycling and Economic Development Initiative of South Africa (Redisa) in a pilot project to remediate waste tyres and historical stockpiles. After some delays, the team started recycling some 1,500 used tyres in 2017. Unfortunately, the project was temporarily halted when Redisa was liquidated and we await feedback its successor, the Waste Bureau, on the next steps
- The Mogalakwena incubator continues to develop and implement sustainable projects in surrounding communities. As this gains momentum, some new agricultural projects have been identified at Twickenham. These are in the final stages of approval.

Adherence¹ and certification

In 2016, we reviewed the process of ISO 14001:2004 certification of environmental management systems (EMSs) at our managed operations, deciding that Rustenburg Base Metals Refinery (RBMR) and Precious Metals Refinery (PMR) need to remain certified as they are responsible for product delivery and complying to external requirements.

As a result, PMR was certified against the new ISO 14001:2015 standard in October 2017, while RBMR had a surveillance audit (only due for recertification against the new standard in 2018) to maintain its certification against ISO 14001:2004.

All other operations will focus on implementing the new SHE way (based on different internal ISO standards and best practice) between 2018 and 2020. These operations are expected to be certified against the new ISO 14001:2015 standard in 2020. This does not apply to our joint ventures or project partners.

As an example of auditing obligation, our environmental performance assessments are conducted annually (or biannually) against commitments in our environmental management programme reports (EMPRs) as required by legislation (Mineral and Petroleum Resources Development Act (MPRDA) regulation 55(3)). The compliance status of our operations remains consistent with previous years at 88% for mining (including concentrators) and 96% for process (smelters and refineries). To ensure improved focus on compliance status in going forward, Amplats is capturing all legal commitments (as per approved environmental authorisations) on an electronic management system (Enablon). By the end of 2017, most commitments have been captured and operations are entrenching the new process to actively manage the tasks. This will enable us to track and report compliance for all our operations. Capturing environmental authorisations is ongoing and new or revised commitments will be added as they are authorised.

Findings and related plans from internal reviews/audits are continuously renewed, tracked and managed. All reviewed findings are also discussed with senior management at each operation and key findings are reported continuously to our exco and operations committee.

¹ Adherence refers to meeting our stated commitments ahead of any compliance deadline or assessment.

ENVIRONMENT continued

Our operations continually engage the authorities on relevant legislation to obtain or renew the necessary permits or environmental authorisations to ensure we can manage our environmental impacts responsibly.

Our right to operate is directly related to environmental permits and authorisations under relevant sections of:

- The MPRDA (environmental management programme report)
- NEMA (environmental impact assessments, basic assessments, waste licence and air emission licence)
- NWA (water use licence).

Each authorisation contains the relevant pieces of legislation considered part of the process. In December 2014, the Minister of Environmental Affairs published regulations on environmental impact assessments (the EIA regulations) and regulations listing activities that may not be conducted without an environmental authorisation (listing notices). The EIA regulations were aimed at creating the so-called One Environmental System. These and relevant amendments to the MPRDA and NEMA fundamentally change the way environmental approvals for prospecting, exploration, production, mining projects (prospecting and mining projects) will be managed.

During the year, no 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.

Incident management

To manage reporting, reviewing and remediating environmental impacts (unplanned events that affect the environment) from incidents or substandard acts and conditions, we use a five-tiered scale with only level 3 and above (significant incidents) reported publicly.

The criteria for incident classification were reviewed in 2017 by Anglo American and introduced to all operations from January 2018. This will introduce significantly more rigour to the classification process, with tighter control and more consistent classification. As a result, Amplats may report more high-severity (level 3) incidents than in the past. It is important to note that this predicted change reflects an improved method for classifying incidents – not deteriorating performance.

All incidents are investigated internally, and steps taken to remediate impacts and prevent repeat incidents that could lead to legal action or environmental fines. Reporting and managing substandard acts and conditions is an important leading performance indicator and makes us more proactive about potential incidents. Incident trends are tracked to monitor performance and progress.

In 2017, no significant environmental incidents (level 3 and up) were recorded (2016: nil). There were nine complaints/grievances classified as having an environmental impact. Four related to emissions, two to water, two to blasting impacts and one concerned heritage resources and livestock. Each complaint was investigated and feedback provided to the complainants, with remedial action where required.

Environmental expenditure and provisions

Environmental expenditure for our managed operations in 2017 was:

- R26.7 million for waste disposal, emissions treatment and remediation (2016: R24.6 million)
- R61.7 million for preventing pollution and environmental management (2016: R72.0 million).

Total environmental expenditure of R88.3 million was R8.2 million lower than 2016, reflecting divestments, cost savings, reduced water/energy use and operations now on care and maintenance. This excludes the costs of non-product output as defined in the International Federation of Accountants' guidance document on environmental management accounting.

Using water responsibly

Our mining, processing or refining operations depend on water. To maintain our licence to operate, we cannot degrade water quality, or compromise other users' right of access to this precious and finite commodity.

All Amplats operations in South Africa and Zimbabwe are in water-stressed areas. Increasing water scarcity in South Africa as a result of rising demand, deterioration of bulk infrastructure and intermittent droughts, exacerbated by the El Niño weather effect, will continue to pose a challenge to our operations and future expansions.

In 2017 Amplats and Anglo American commissioned the strategic Limpopo regional source-water project in collaboration with the Department of Water Affairs and Sanitation, to restate regional water balances of quaternary catchments in Limpopo. The objective is to understand water deficits and surpluses before undertaking a conceptual source-water project to meet shortfalls in collaboration with other industry partners and government. Preliminary findings indicate significant supply shortfalls in 2022 and the importance of water supply and demand management at our operations, other mining operations and municipalities. The project is currently evaluating source-water options. It will be completed by the end of 2018 and inform our water strategy update.



ENVIRONMENT continued

Our approach to water stewardship

Our ten year strategy on water resilience was launched in 2010, focusing on water security while reducing our fresh-water consumption, technical innovation and building bulk water infrastructure through proactive partnerships.

In 2017, Anglo American rolled out a revised water management standard, with key differences including:

- Risk-based water management
- Single person for all multidisciplinary aspects of water management at each operation
- International Council on Mining and Metals (ICMM) catchment-based approach to water management
- New reporting requirements aligned with ICMM guidelines and key performance indicators (KPIs).

Rationale for the change	Impact
<ul style="list-style-type: none"> ▪ Recognising water as a critical future management parameter ▪ Aligning with Anglo American risk-based management ▪ Aligning with global water standards demanded by our shareholders and stakeholders ▪ Consistency with global water reporting requirements of GDP, GRI, ICMM and others ▪ Improved best practices to achieve water resiliency at all operations ▪ Provide management tools for operations and meet external reporting requirements 	<ul style="list-style-type: none"> ▪ Converting to risk-based water management programme and standards relies on understanding the operational water balance, the basis of a coherent multidisciplinary plan ▪ Basin-wide water balance required, plus operating site-wide water balance ▪ Sites having a defined water management project to achieve water resilience, in support of the mine plan ▪ Water security ▪ Efficiency ▪ Mine dewatering and stormwater management ▪ Discharge management ▪ Changes to water governance, with a single water accountability at operations coordinating multidisciplinary input from processing, mining, engineering, mineral residue facility management, environmental and social ▪ All existing water KPIs and reporting requirements revised to align with water management standard.

The implementation of the new technical water management standard is supported by group projects' global water initiatives, focused on developing dynamic site water balances, refined hydrogeological and geochemical models, and a water information management system to improve monthly water reporting.

The reporting period is considered a transition year and we have agreed with Anglo American to report against the 2020 WETT targets (detailed below) in the interim, while operational water balances are being refined. Site-wide water balances are complemented by updated groundwater and surface-water models to understand the operational water situation and liabilities site by site. Water balances are now 70% complete and will be used to implement risk-based water management to trade off water security versus flood management in on-site water infrastructure design and management. These balances will be used to develop site-specific water management KPIs for 2019.

In 2018 we will continue to reduce our fresh-water consumption and incrementally improve water efficiency. New water KPIs to achieve stretched sustainability targets will be set in 2019 after completion and approval of the water strategy and complementary water efficiency, source water and other strategic water projects.

The 2017 Amplats targets were based on total water used (primary + non-primary) in 2016 and used to track current water consumption (water use by source, including all new water – groundwater, surface water, third-party raw and grey water – but excluding new water added by precipitation).

Sharing the resource

We strive to reduce fresh-water consumption and pollution of water sources to avoid competing with others for the same resource, and to maintain the environmental reserve. Our approach aims to prevent material impacts on the environment, downstream ecosystems and food security.

To minimise our impact on water resources and achieve no long-term net harm, we strive to:

- Reduce our fresh-water consumption
- Increase recycling and reuse of water at our operations
- Achieve zero discharge
- Establish new water resources and secure alternative resources for mutual benefit
- Identify and secure post-consumer domestic effluent for use as industrial-grade water
- Achieve water-use targets
- Protect water resources by managing water quality in our operations.

Progress is driven through the Anglo American strategic water programmes, supported by the mandatory Anglo American water management standard and delivered through operational action plans. In 2017, each operation was still working towards a 2020 water-reduction target using our water-efficiency target tool (WETT), which forecasts business-as-usual demand of individual operations and registers water-saving projects. Operational targets are aggregated at business-unit level, and included in the performance contracts of the chief executive officer and other executives. These targets will be replaced by new operational water targets in 2018, dictated by risk-based water priorities for each operation derived from climatic water balances and the regional Limpopo water strategy.

ENVIRONMENT continued

Interim quantitative targets for fresh and particularly potable water reductions and increased water intensity at our operations will be set for 2018. Key qualitative water management targets for 2018 include:

- Ensuring all operations have water competent personnel
- Appointing water competent persons at operations
- Implementing the Anglo American technical water management standard
- Functional water balances
- Installing critical monitoring equipment.

Performance

In 2017, Amplats was well below its internal water withdrawal target of 29.1 million cubic metres (Mm³), with actual withdrawal of 26.5Mm³. Of this, 9.4Mm³ is potable water and 5.6Mm³ grey water.

No water source, ecosystem (eg Ramsar-listed wetland) or habitat is materially affected by our extraction and use of water. No level 3 water-related incidents were reported in 2017.

For our total operational water requirements, 52% was met by recycling/ reusing water (2016: 63%) from internal sewerage plants, tailings return-water dams, mine service water and other internal sources, such as pollution control and stormwater dams. The total quantity of recycled water used in 2017 was 28.8Mm³, down from 54.6Mm³ in 2016, as we

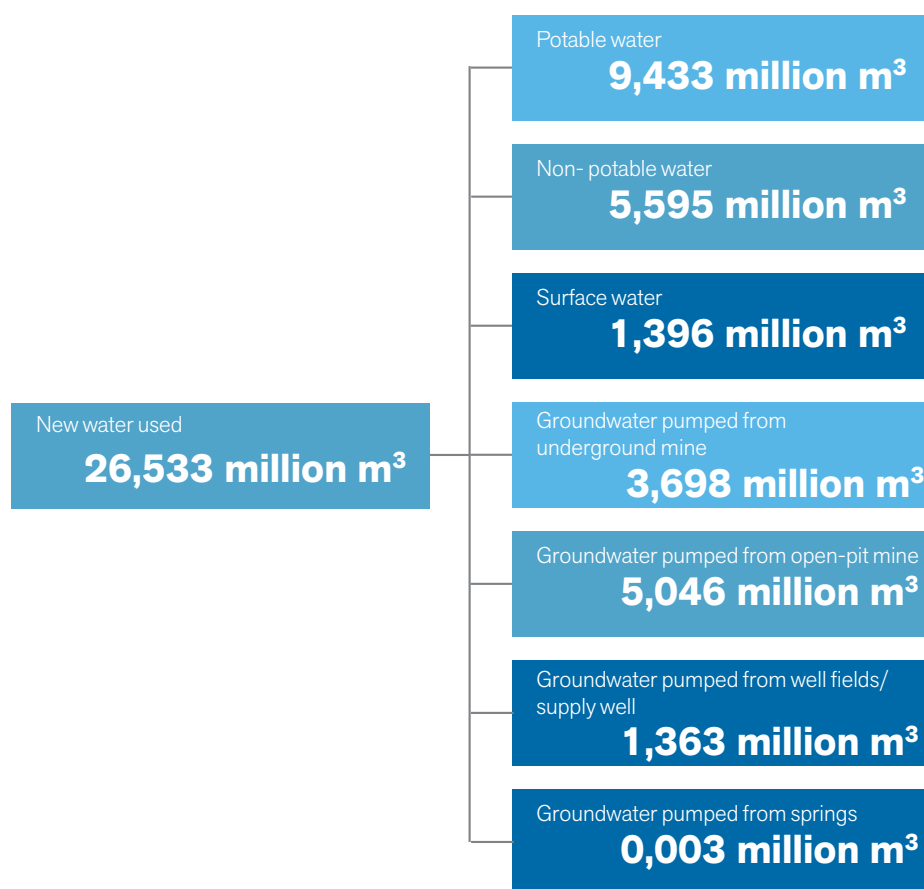
begin the process of aligning with ICMM parameters and KPIs. Additional data on our water use is on page 147 of our integrated report.

Our operations aim to reduce their dependency on high-quality water by using treated sewage water where feasible. They are also at different stages of implementing and upgrading stormwater management plans and systems to comply with regulations.

Our total water withdrawal target for 2017 was 29.10Mm³, while our WETT target calculated from 2016 to 2020 is to achieve a 9.5% water saving (1.8Mm³) against 2020 business-as-usual projected demand (18.8Mm³). Clearly, the sale of our Rustenburg assets influenced the WETT business-as-usual demands. The overall water intensity (m³/tonne milled) decreased to 1.02 in 2017 from 1.03.

Our operations aim to reduce their dependency on high-quality water by using non-potable treated sewage water where feasible. They are also at different stages of implementing and upgrading stormwater management plans and systems to comply with regulations.

Total actual withdrawals decreased from 32.69Mm³ in 2016 to 26.5Mm³ in 2017. By the end of the period, we had achieved a 19% reduction in water withdrawals, including a reduction in potable water consumption from 12.3Mm³ to 9.4Mm³.



In 2017, for each refined ounce of PGMs and gold from managed operations (excluding toll refined):

- Total water withdrawal intensity improved by 45% to 5.74m³ per ounce (2016: 10.53m³ per ounce)
- Potable water-use intensity from an external resource improved by 50% to 2.0m³ per ounce (2016: 4.0m³ per ounce).

ENVIRONMENT continued

All managed operations have water use licences. We continually engage with the Department of Water and Sanitation (DWS) to review some licence conditions, which could become a risk if left unattended. We are currently requesting water amendments at Polokwane and Mortimer smelters, Twickenham mines and Rustenburg process operations, and have plans to deal with specific excess water issues at Twickenham through a joint community forum, chaired by DWS.

Amendments to NEMA regulations in 2015 on water and waste management, and regulatory interpretations, have cost implications for our business. After extensive engagement through the Chamber of Mines in 2016 and 2017, and after a risk-based approach was agreed, we could not continue constructing our Mareesburg Tailings Storage Facility (TSF) without an approved liner to protect the groundwater resource.

The groundwater models for all managed operations are being refined to understand post-closure water volumes, qualities and liabilities. This will support developing improved operational management plans to reduce risk and understand post-closure water management liabilities (cost, reputation, etc).

In line with our commitment to transparent performance, we again participated in the annual water disclosure project of the National Business Initiative. Amplats achieved an A- score, again confirming that a range of best-practice actions to manage water and mitigate related risk (both in our operations and beyond) has been implemented. Our submission is available at www.cdproject.net.

Securing water supply

Assessing water security considers the needs and availability at each facility to inform our growth strategy. Our water strategy is embedded in our business plan for each region, over 40 to 50 years, and considers predicted water demand by all other users as well as potential supply. The overall business strategy is reviewed each year, and the production portfolio is evaluated against the availability of resources. After that, budgetary constraints are assessed and specific water targets set for each operation.

Given the growing water-security risks, we assessed our long-term water operating plan against available supplies and developed a strategy to establish new water sources and augment current supplies with post-consumer treated wastewater. This will allow us to grow our existing operations sustainably without compromising water to our neighbouring communities. New long-term targets to increase water efficiency and reduce fresh-water abstraction, while ensuring water security at all our operations, will be set in 2019.

The Northern and Eastern Limb water-supply strategy is being revised based on the outcome of the strategic Limpopo regional water project. This has highlighted the potential need to reduce mine water demand across the region and reallocate water from the Olifants River water resources development project (ORWRDP) from the Eastern to the Northern Limb. The current water strategy includes the existing Lebalelo Water Users Association infrastructure and ORWRDP infrastructure, of which only phases 1, 2A and 2C have been implemented.

DWS has gazetted the disestablishment of Lebalelo Water Users Association and directed Lepelle Northern Water to be the water service provider. In consultation with DWS, the mining sector applied for water-use allocations from the scheme in 2016 but these are still being reviewed. The execution strategy of phase 2B is still to be decided by DWS.

Water supply to the Rustenburg and Thabazimbi circles has been a concern for years, given rising demand for potable water by other users and water-supply disruptions at our Rustenburg process operations. Water supply to Rustenburg remains vulnerable in spring and summer when demand outstrips supply. No substantial water disruptions were observed at Union and Amandelbult complexes since upgrades were commissioned by Magalies Water Board in 2017.

As part of our strategy, we are assisting in various catchment, municipal and operational water-demand management initiatives to reduce water losses and potable water consumption. Our infrastructure and operational personnel are working with municipalities, offering financial support and technical expertise to optimise water-supply management. These range from studies to identify additional water sources at Thabazimbi to meter installation and water-supply optimisation at Rustenburg and developing the regional Limpopo water strategy in collaboration with DWS.

Drought conditions across southern Africa have affected our operations. By monitoring source-water supplies, consulting service providers and specific water-conservation actions, we have mitigated the impacts of the drought. In addition, formal restrictions were imposed by DWS on the Vaal and Limpopo catchment management areas, and we have responded accordingly.

We are also participating in key water-related forums, such as the South Africa strategic water partners network, which aims to address the country's water shortages.

Monitoring water discharge and quality

Poor-quality water that is harmful to the environment and human health can affect mining and processing equipment and may present closure liabilities. Accordingly, 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. The results of groundwater monitoring are used to model related flows and contaminant plume migration over time, if any, and all monitoring results are compared with regulatory standards.

Assessing water-quality requirements and status is an integral part of the water-risk assessments noted above. The quality of water being supplied to Mogalakwena concentrators from Polokwane and Mokopane wastewater treatment works has been identified as a high risk. A new water use licence for the treatment works at Polokwane (belonging to the local municipality) was approved in 2016. This will support the following actions:

- Defined-blend scenarios of new source waters to mitigate the effects of poor-quality effluent
- Amplats will support Polokwane municipality in upgrading the treatment works, now expected to be complete in April 2018.

We also monitor surface waterbodies. Our tailings return-water dams are habitats for fish, birds and plant life. At some operations, the quality of groundwater is affected by seepage from TSFs 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 groundwater models and management measures are considered where required, eg drilling extraction and monitoring boreholes.

ENVIRONMENT continued

As required by their water use licences, our operations are implementing integrated water and waste management plans, which include a risk assessment and specific actions to address potential risks.

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.

No level 3 or higher water-related incidents were reported in 2017. The Twickenham complex currently has surplus water, of which 0.7Mℓ/d is released into the environment. Plans are in place to reroute this water to the sewerage plant for partial treatment before being discharged. A new proposal with specific actions for water treatment and reuse was tabled with DWS in 2016 to minimise the impact of the discharge, pending approval of the section 21(f) water use licence authorisation. Following discussions with DWS in February 2017, a revised water use licence application was submitted in January 2018.

CLIMATE CHANGE AND ENERGY CONSUMPTION

Climate change has significant implications for our activities through associated risks, potential impact on the environment and socio-economic implications.

Our approach to energy

Our climate-change strategy guides our response to key issues. Our main aims are to:

- Reduce our exposure to emerging carbon regulation and increase in energy costs
- Improve our ability to influence effective government policy development
- Capitalise on commercial opportunities in our markets
- Drive greater resilience to the physical impacts of climate change.

This period was the seventh in our ten year strategy, aligned with the Anglo American group strategy. Our approach focuses on three areas: reduce energy consumption; recover and reuse some of that energy; and alternative energy sources. Achieving our long-term milestones

in energy management rests on identifying and implementing innovative, step-change technologies. We also continue to investigate opportunities for carbon offsetting.

We are making progress with operational energy and carbon management through a focused programme, ECO2MAN. This enables us to analyse our performance; identify where energy is being used and opportunities for energy savings; and report performance consistently. ECO2MAN is supported by a mandatory Anglo American carbon and energy technical standard.

Amplats completed the annual carbon disclosure project, which was benchmarked against over 2,400 other companies that responded to CDP's 2017 climate-change information request. CDP is the only global disclosure system for companies to manage their environmental impacts and for investors to access environmental information in making financial decisions. We received an A- score and our submission is available at www.cdproject.net.

CDP's 2017 global climate report is the second in a series tracking progress towards the goals of the Paris Agreement by 2020. Also known as the 21st Conference of Parties (COP21), the Paris Agreement aims to:

- Hold the increase in global average temperatures to well below 2°C
- Pursue efforts to achieve 1.5°C above pre-industrial levels
- Improve the ability to adapt to adverse climate change and foster low-carbon emissions development
- Support funding, consistent with a pathway to low-carbon emissions and climate-resilient development.

The agreement was a milestone in climate negotiations, establishing for the first time a regime to limit global warming to below 2°C. The negotiated outcomes will influence national policies and energy technology choices for decades. All countries in which Amplats operates will be required to contribute to the global effort to deliver on the Paris Agreement (including Zimbabwe). Domestic policies will probably follow where they are not already in place. For Amplats, the Paris Agreement provides further confirmation that the global economy is becoming increasingly carbon-constrained and, as such, we need to focus on reducing our direct and value-chain emissions to remain competitive.



ENVIRONMENT continued

The key risks of climate change to our business include:

- Changing demand and markets for our products: reduced demand for cars and therefore platinum-based autocatalysts
- Increasing disclosure and regulatory compliance: energy and GHG emissions policies will establish more stringent reduction goals, affecting our global operations
- Site impacts: integrating our adaptation to the physical impacts of climate change, such as water scarcity and more frequent extreme weather, with local planning.

Carbon tax

South Africa's National Treasury has issued a second draft carbon tax bill setting out the design for the initial phase of the scheme to 2022.

The proposed carbon tax will be imposed on the direct source of greenhouse gas (GHG) emissions, except for Eskom, which is allowed a pass-through to end users. Eskom will include the cost of the tax in the electricity bill to customers, substantially limiting the environmental benefit of the scheme. In the first phase of the carbon tax to 2022, Treasury will offset the increase in Eskom tariffs by reducing existing environmental levies (eg electricity/environmental levy). However, it is uncertain if this will have a neutral impact on the price of electricity. Over the longer term, there is uncertainty about the additional pressure from carbon tax, which has implications for industry competitiveness, investments and related socio-economic impacts.

Amplats is engaging with industry and government on the bill, which is expected to be raised in parliament for public comment.

CASE STUDY: ALTERNATE ENERGY

Our journey to sustainable energy

Amplats wants to optimise the value of its overall portfolio, including improved energy management and planning for future energy sustainability given rising cost pressures in the mining sector. Efficiency measures implemented since 2013 have reduced energy costs by 15% but this is not enough to counter the projected increase in cost and to address the requirement for sustainable energy.

In early 2017, we began formalising our energy strategy to identify suitable alternate energy options, timeframes for implementation and a potential roll-out plan. Included in this was a workshop with internal and external stakeholders, including subject-matter experts, industry role players, academics, technical and financial consultants, and energy advocacies.

The energy strategy will ensure alignment and agreement on the terms of reference, alternate energy options and priorities that will drive the implementation process. This in turn includes identifying and documenting high-priority options and scenarios covering value, risk, stakeholders and activities.

Our energy strategy proposes:

To transition to sustainable energy sources that reduce carbon emissions and provide predictable cost and energy efficiency, in conjunction with our communities, while supporting the development of new markets for PGMs.

The objectives for pursuing alternate energy options include:

- Cost reduction and efficiency improvements
- Security of supply via sustainable energy alternatives
- Improved economic viability and sustainability of our communities
- Reduced emissions (carbon footprint)
- Develop new markets for PGMs in the renewable energy sector.

No single technology can resolve all our sustainable energy requirements and we recognise that the ideal energy mix will comprise various solutions that will only be viable depending on site conditions, operational requirements, land and other resource availability. Also, the development of fuel cell and battery-storage technology is important for Amplats and may offer a solution in the longer term for both energy sustainability and creating new markets.

The near-term programme focuses on alternates for electricity and diesel, being the current main energy sources at our operations. Work under way includes a desktop analysis of alternate options identified to establish if they are viable and able to deliver on our objectives, including asset screening per site to identify if a business case exists to integrate alternates/renewables at that site.

The most suitable technology that will deliver the greatest impact at present is solar photovoltaic (PV). A solar PV plant project for the Mogalakwena complex, which is currently in study phase will provide excellent lessons to be incorporated into the next phase of the roll out. In parallel, a pilot-scale solar PV plant is being procured for Unki Mine in Zimbabwe.

The imperative to consider alternates for electricity and diesel, as a minimum, will provide the impetus to roll-out the strategy.

Other technology alternatives that will need to be further evaluated include wind, gas-to-power, discard coal, biomass/biogas, waste-to-energy, rubber-to-energy, agriculture-solar solutions (solar farming concept) and co-generation.

Critical success factors for implementing the programme include complying with the legal and regulatory framework and approvals, community engagement and tangible community benefit mechanisms. Amplats remains largely dependent on Eskom until alternate baseload solutions are available, so working with the power utility and regulatory bodies will be critical to the success of implementing this strategy.

ENVIRONMENT continued

Meeting our energy and carbon targets

We achieved our initial target to reduce energy consumption per unit of production by 7% against a 2010 baseline by 2015. An additional 3% reduction target has been set for 2016 to 2020. Our 2017 target was to reduce energy used per unit of production by 1% against the 2015 baseline.

Our 2017 performance shows continued energy savings, with 21.5 million GJ consumed against the annual business target of 22.9 million GJ.

Similarly for CO₂ emissions, our performance in 2017 resulted in emissions of 4.6Mt CO₂e against the annual business target of 5.05Mt CO₂e.

All Amplats operations have energy management plans and projects under way, with performance tracked monthly. We also continue to participate in energy-efficiency tax-allowance incentives (section 12L) offered by government.

For more detail, see page 147 in the integrated report.

Becoming more energy efficient and securing our supply

Overall we expect demand for platinum to grow because of climate change. We are actively managing our energy use and emission of GHG at our Zimbabwean operations. As we progress with building a smelter in that country, we are considering GHG impacts and actively engaging with government on the environmental impacts of this facility. Costs form part of general operating and, in the case of the smelter, construction costs.

Our ECO2MAN energy and GHG management programme identifies and drives GHG reduction initiatives, while the Anglo American operating model provides the framework for integrating energy and emissions management into business processes, particularly the 'analyse and improve' and 'service strategy' elements.

Over the longer term, the potential introduction of electric vehicles is both a challenge and opportunity for PGM demand. Electric vehicles are seen as one method of lowering urban emissions and improving systems efficiency and several governments are working on implementing this technology. These technologies have considerable commercial potential and the Chinese government, in particular, has shown great interest in introducing so-called new energy vehicles into the car fleet. Our current expectation is that the negative impact of this change would be outweighed by continued growth in the number of vehicles sold, but there is some risk to our sales if adoption rates are faster than projected at present. Similarly, government regulation or social change (eg through increased use of car-sharing services) could limit sales of internal combustion engine vehicles and the associated demand for PGMs in their catalytic converters.

Our global PGM market-development initiatives continue to focus on increasing demand in the industrial, jewellery and investment segments, both in the short and long term. We support South African beneficiation objectives as part of these market-development activities. We invest in market development and beneficiation across four broad demand segments:

- Global and local development of platinum jewellery markets
- Product development, commercialisation and marketing activities for platinum-containing fuel cells

- Equity investments in early-stage industrial applications or technologies that use or enable the use of PGMs
- Stimulating platinum investment demand through the World Platinum Investment Council (WPIC).

Energy and CO₂ reduction targets are in place, with various energy-saving projects completed or under way. Renewable energy initiatives are being actively pursued, with several options for solar photovoltaic power plants being considered to improve our security of supply, and establish a manageable price path for energy. Opportunities being considered include:

- 70MW solar farm for the Mogalakwena mining complex
- Liquid petroleum gas optimisation at smelter operations
- Fuel management at Mogalakwena.

Managing air quality

Our approach to safeguarding air quality

Our operations generate gaseous and particulate emissions, and we constantly aim to minimise our impacts on air quality and adhere to legislative requirements. Our most material air quality issue is sulphur dioxide (SO₂) emissions from our three smelters in South Africa. These fall under the Air Quality Act, which stipulates reduced SO₂ levels by 2015, with a further reduction by 2020.

Our subsidiary, Rustenburg Platinum Mines Limited (RPM) had applied for a postponement of the 2015 minimum emissions standards (MES) for the Polokwane and Mortimer smelters, while it prepares for compliance with 2020 MES, as required by national legislation. While the postponement was granted, an onerous condition was included on the interim limit imposed on the Polokwane smelter. After an unsuccessful appeal to the Minister of Environmental Affairs, RPM launched a judicial review to set aside this interim limit. While this process continues, RPM remains committed to achieve compliance with the 2020 MES.

As required by the DEA, Amplats reported its process and mining emissions data into the national air emissions inventory system (NAEIS) database by March 2016. A later publication (June 2016) stipulated that this data now include greenhouse gases. The next annual data entry is 31 March 2018.

Atmospheric emission licences

Licences for the Rustenburg smelter and refineries were renewed in April 2016 and are aligned to legislated emissions standards for South Africa. Renewal of the licence for the Polokwane smelter is under way.

Waste management

Our operations produce significant quantities of non-mineral waste. We strive to manage these impacts effectively to prevent potential harm to the environment and human health, and adhere to legislation.

Our approach

Our waste risks and activities are managed against mandatory performance standards in the Anglo American environment way – spanning mineral residue, non-mineral waste, hazardous substances, rehabilitation and water. We apply the 'avoid, reduce, reuse and recycle' management hierarchy during operational and post-closure phases to minimise the impact.

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Managing regulatory change

In 2015, additional regulations were promulgated under the National Environmental Management: Waste Act on planning, management and reporting of residue stockpiles and residue deposits. The list of waste-management activities requiring a licence was also amended.

The regulations require new pollution-control infrastructure and mine-residue facilities to be lined, which will reduce potential groundwater liabilities but has a cost impact. After these concerns were raised with DWS officials, they confirmed that the 'equivalent of a prescribed barrier system' that will prevent pollution (section 19 of the NWA) would be considered. However, DWS also confirmed that the focus would be on 'preventing pollution' and 'equivalent of a prescribed barrier system'. As a result, no alternative options – secondary controls like cut-off trenches (supported by modelling), etc as part of a risk-based approach – would be considered. The matter has not been resolved and engagement continues through the Chamber of Mines.

Mineral waste

Given the nature of our business, we focus on mineral residue as our most material waste-related risk.

We regularly inspect the structural stability of tailings storage facilities, supplemented by frequent internal and third-party risk assessments and audits. Where significant risks are identified, these are addressed.

At Mogalakwena Mine, some waste-rock dumps are a source of low-grade PGMs and are remined, crushed and reprocessed. The waste rock is also processed into aggregates for construction and road building. Waste rock at the Rustenburg, Amandelbult, Twickenham and Union operations supports small-scale crushing projects that reduce the waste-rock footprints at these operations, and decrease our closure liability.

Non-mineral waste

Our vision is zero hazardous and general waste to landfill by 2020. Although total elimination of waste will not be feasible, we aim for a point where waste recovery, reuse and recycling, as well as alternative technologies, exceed landfills as the preferred method of disposal.

Our non-mineral waste is categorised as hazardous and non-hazardous waste. In 2017, we reduced total waste to landfill 32% (6,000t) compared to 2016, excluding the Rustenburg carved-out section. If this is included in the 2016 figure, total waste to landfill declines 40% (8,500t) in the review period.

Key projects in 2017 to reduce waste to landfill included:

- Mogalakwena soil bioremediation project – instead of disposing of contaminated soil as hazardous waste, remediated soil can now be reused
- Mogalakwena tyre project initiated with Redisa but now working with the Waste Bureau (detailed below)
- Sodium sulphate quality at RBMR was improved and offtake contracts amended to ensure this product is sold and not disposed of as hazardous waste.
- Combustible material from PMR was tested in a successful pilot study for treatment and potential recoveries, eliminating disposal of this material to hazardous landfill
- Improved sorting and recycling of domestic waste across the business units.

Waste collected for recycling

Tonnes	2017	2016
Waste paper	318	312
Glass	47	21
Steel	7,294	12,052
Plastic	324	446
Hazardous and non-hazardous waste reused/recycled	6,900	8,815
Used oil recycled to external companies (kt)*	0,065	27.5

* Due to the focus on zero waste to landfill and cost savings, water was separated from oil and recycled, reducing recycled oil volumes significantly

To encourage recycling non-hazardous waste and support related goals, we have introduced consistent colour coding for non-hazardous waste recycling at all operations.

To manage waste tyres on site, the Mogalakwena complex had an agreement with Redisa, the South African government's tyre recycling agency, to cut and chip nearly 2,000 tyres. After Redisa was liquidated in June 2017, the project was placed on hold. The DEA informed us that the Waste Bureau is now in charge of operations and engagement will continue in 2018.

Managing hazardous substances is strictly regulated and controlled at our operations and at the receiving waste facilities, which are regularly audited by third parties.

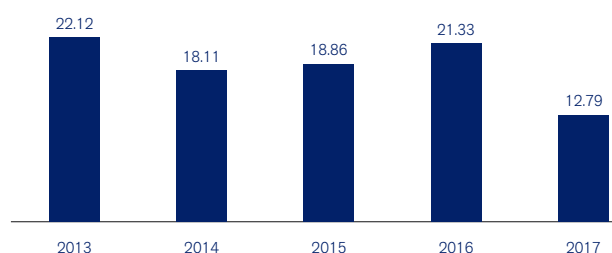
We report hazardous and non-hazardous waste separately and against targets.

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Kilotonnes	2017 target	2017 actual	2016 target	2016 actual
Non-hazardous waste to legal landfill	3.8	3.6	9.7	5.8
Hazardous waste to legal landfill	22	9.2	9.4	15.5

Total waste to landfill

(Kilotonnes)



We faced several challenges, including:

- **Mogalakwena** – disposing of hydrocarbon-polluted soil. A new bioremediation facility was fully operational in September 2017, reducing the quantity of hazardous waste to landfill while enabling the operation to reuse bioremediated soil. This initiative has also saved the mine considerable costs: treating 1 tonne of hydrocarbon-polluted soil now costs R1,097 compared to R4,928 before, which included transport and disposal costs. In 2017, the operation bioremediated 435 tonnes. At full operation, the bioremediation site can treat 200 to 250 tonnes per month
- **Rustenburg Base Materials Refinery** – sodium sulphate, sold as a by-product, did not meet specification and had to be disposed as hazardous waste. After investigation, our production and marketing teams implemented corrective measures to ensure the final by-product was within specification for the market
- **Precious Metals Refinery** – the incinerator used for hazardous waste was offline and expected to remain offline for most of next year. Alternative treatment options for one of the combustible waste streams have been investigated and implemented, eliminating the waste stream to landfill with a positive financial impact.

Being a responsible land steward

We own large areas of land, with some operations in environmentally sensitive areas. Ensuring responsible land stewardship through the life cycle of an operation can improve our future access to land and capital, and our legal and social licence to operate. It also reduces our operational risks and mine-closure liabilities.

Our approach to land stewardship and mine closure

We focus on sustainable use of the land we operate on and rigorously applying the mitigation hierarchy by first assessing, seeking to avoid, minimising and implementing ecological restoration to potential environmental impacts arising from our activities. In some cases, we may

be required to offset and/or compensate for residual impacts to achieve our objectives.

Equally, we aim to capitalise on ecosystem-related opportunities and use managed land for wider benefit. Through our environmental education initiatives, we also empower and encourage surrounding communities to improve their use of the land.

Responsible and proactive land stewardship practices can mitigate the risk and impact of social disruption, land disputes and resettlement issues that have arisen at some operations.

All our mines are underground operations, except the open-pit Mogalakwena Mine. Our most significant surface disturbances are tailings storage facilities (TSFs) and waste-rock dumps, as well as roads and infrastructure and Mogalakwena's open pits. Disturbed land is rehabilitated concurrently, where possible, to planned end land-use specifications. Rehabilitation is a key regulatory and strategic requirement for Amplats and linked to annual closure liabilities, which are reviewed and updated annually in line with regulations. All our mining operations have rehabilitation plans that are reviewed annually and updated.

Mine-closure planning is governed by specific performance requirements. We aim to reduce long-term risks and liabilities from an environmental and socio-economic perspective, and ensure we leave a positive legacy when our mines end their operational lives. The Anglo American mine-closure toolbox is designed to be used with the socio-economic assessment toolbox (SEAT) for an integrated approach to mine-closure planning, in consultation with communities around our mines and other stakeholders.

Our performance and focus areas

Amplats has 43,240ha of land under management control, of which 8,600ha have been disturbed. In 2017, we recorded no significant environmental incidents involving land or biodiversity.

All TSFs have concurrent rehabilitation plans that include revegetation as well as dust and water management. Our South African operations follow prescribed standards for remediating contaminated land as per the Waste Act. As noted on page 69, Mogalakwena has conducted trials to bioremediate soil contaminated by hydrocarbons and its bioremediation site treated 435 tonnes of polluted soils in 2017.

Mogalakwena Mine, the Der Brochen project and Twickenham project pose a moderate risk to biodiversity, while the rest of our operations pose a low risk to biodiversity. All at-risk operations have biodiversity action plans incorporated into their environmental management

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systems. A framework assists all operations to understand relevant biodiversity issues, while guidelines are in place for invasive plant species and conserving important plant species. Initiatives in 2017 included:

- Mogalakwena is offsetting its biodiversity risk by managing three farms as conservation areas and for environmental education. Studies are under way with affected communities to understand the possibilities of future sustainable land use. The mine is also running rehabilitation trials to guide future programmes
- To manage its biodiversity risk, Twickenham began eradicating all exotic vegetation on site. Five different species were removed successfully
- As the Der Brochen project is in a biodiversity-rich area, it focuses on removing alien and invasive species while protecting indigenous and endemic fauna and flora. Its biodiversity action plan was revised in 2015 after updated specialist studies. The operation has recently finalised the first draft of its new land management plans
- On all operations, the impact of alien invasive plant species is a key risk to biodiversity. Whiskey Creek, Mototolo, Der Brochen and Mogalakwena all have ongoing eradication programmes. Other operations eradicate exotic invader species as required.

We support the annual Arbor Week in South Africa, with year-round tree planting across our operations and neighbouring communities.

Following an intensive awareness programme, a large number of suitable indigenous trees were planted on site and in communal areas.

The Mogalakwena sustainable development incubator and environmental training centre continue to support our sustainable development initiatives by training community members of all ages in sustainable land-use practices. This successful initiative is now being extended to communities around Twickenham.

All our mining operations have up-to-date mine-closure plans aligned to the Anglo American mine-closure toolbox and SEAT requirements. Our operations also have detailed closure liability assessments, used to determine the required financial provision for the DMR (where applicable).

The financial provision assessment was previously governed under regulations 53 and 54 of the Mineral and Petroleum Resource Development Act 28 2002 (MPRDA). In November 2015, new financial provision regulations were promulgated under National Environmental Management Act 107 1998 (NEMA), followed by an amendment in October 2016. These changes have been the focus of much comment and debate in the mining, oil and gas industries. With the 2016 amendment, compliance to these regulations was postponed to February 2019. In the meantime, the DEA released the revised version of regulations for review and comments from the mining industry and other stakeholders. The final 'revised' version is expected to be published in the first half of 2018 so that 2018 closure liability assessments by mining companies can conform to new regulations.

All operations are assessed annually for their closure liability and the financial provision is updated. As a result of the divestment of Rustenburg operations by the end of 2016, the total estimated undiscounted rehabilitation liability for our managed mining operations (excluding process operations and joint ventures) at the end of 2017 was significant lower at R1.36 billion (2016: R2.80 billion).

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CASE STUDY IN RISK MANAGEMENT – HELENA TAILINGS STORAGE FACILITY

In April 2017, seepage was observed on the first bench on the south-eastern flank of the Helena tailings storage facility (TSF) at the Mototolo concentrator. Investigations to manage the situation began immediately. Preliminary mitigation measures included installing a trench drain system, specialised testing and further stability analysis of the TSF. An additional and rapid mitigation measure was to lower the rate of rise of the facility. Information on the incident and progress were regularly shared with the communities and relevant government departments to ensure alignment and support for our remedial measures.

Further technical assessments and modelling were undertaken by Anglo American plc's mineral residue facilities team, SRK Consulting (engineer of record), John Wates Consulting (technical review panel) and Klohn Crippen Berger on the dam's stability-related monitoring data and safety factors, which culminated in the decision to stop tailings deposition at Helena TSF until the safety factor complied with Anglo American's technical standards.

The decision was taken to temporarily stop the concentrator on 15 August 2017 to address the risk and implement remedial measures. The safety of employees and communities, and our determination to prevent any environmental hazards, informed the decision to close the concentrator despite delaying production from the mine.

Given the potential stability risk of the Helena TSF, horizontal drains were immediately laid and trailed along the seepage area and areas with a low factor of safety. To further improve stability and the drainage issue, we decided to construct a buttress wall in two phases to provide

additional support. The first phase of buttressing, which began immediately, was safely completed by 1 December, and achieved an acceptable factor of safety of at least 1.3 under undrained conditions. This allowed tailings deposition on the TSF to resume. The cost of this remedial work was R47 million and the concentrator was restarted on 7 December after a complete and safe ramp-up was implemented.

In the second phase, which will be completed in 2018, buttressing and tailings deposition will occur concurrently. Level 3 buttress work will be completed to further improve the factor of safety to at least 1.5.

To ensure the risk is sufficiently mitigated, daily detailed monitoring and reporting of all stability indicators of the TSF, including key measures such as deposition rates, drain flows, dam-wall condition, pool position and rainfall, have been implemented as part of the normal course of business. Comprehensive quarterly updates are also provided to ensure that the deposition plan, buttress construction, and structural integrity are within design parameters.

An important part of risk management is stakeholder engagement. To deal with this, a comprehensive communication plan and engagement with relevant regulators and key stakeholders was implemented to inform them of the risk and remedial steps.

Through ongoing monitoring, as part of the operational risk management system, a risk with potentially severe consequences was identified and mitigation plans immediately implemented to address the risk. The quick and professional response of the team to the risk has undoubtedly prevented a potential tailings dam failure that could have had significant safety and environmental consequences.



GRI INDEX

Amplats has early adopted GRI's new standards protocol at the 'core' application level. The required index guides readers to relevant data or notes reasons for omission as permitted by GRI.

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		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	

GLOSSARY

ACP	Amplats converting process, a pyrometallurgical process used at the Waterval smelter complex in Rustenburg.	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.
Aids	Acquired immune deficiency syndrome, a disease of the immune system caused by HIV infection.	Equivalent refined platinum	Mine production and purchases of metal in concentrate, converted to equivalent refined platinum production using Amplats' standard smelting and refining recoveries.
AMCU	Association of Mineworkers and Construction Union.	Energy use	Sum of energy from electricity purchased, total energy from fossil fuels and total energy from renewable fuels.
Au	The symbol for gold.	FIFR	The rate of fatalities, calculated as the number of fatalities per 200,000 hours worked.
Base metal	A common metal that is not considered precious, eg copper, tin or zinc.	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.
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.	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 ₂ O); 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 reemit infrared radiation.
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'.	GJ	Gigajoule (109 joules).
Bio-remediation	Treatment or waste-management technique that uses naturally occurring organisms to break down hazardous substances into less toxic or non-toxic substances.	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.
BRPM	Bafokeng Rasimone Platinum Mine.	Greenhouse gas emissions, CO₂ 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).
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.	Hazardous and non-hazardous waste to landfill	The non-mineral waste we generate is categorised as domestic (non-hazardous), industrial or hazardous waste. 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.
CO₂	Carbon dioxide.	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.
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).		
Corporate social investment (CSI)	Social investment as defined by the London Benchmarking Group includes donations, gifts in kind and staff time for administering community programmes and volunteering in company time.		
Cu	The symbol for copper.		
DMR	Department of Mineral Resources.		
DWS	Department of Water and Sanitation.		
EBIT	Earnings before interest and tax.		

GLOSSARY continued

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	<p>Amplats committed to the new 90:90:90 UNAIDS targets. Based on this:</p> <ul style="list-style-type: none"> ▪ Know your status: 90% of our employees should know their HIV status ▪ Treatment: 90% of our HIV-positive employees are receiving ART.
Level 1 incident	An unplanned or unwanted event that results in minor impact, defined as: lasting for a week or less; and/or affecting a small area (measured in metres); and/or impacting a receiving environment that is highly altered with no sensitive habitats; and/or occurring in an area with no biodiversity value (urban/industrial area). All level 1 incidents should be classified and investigated to the appropriate level of detail to determine the root cause and prevent a repeat occurrence. They do not have to be reported to the authorities. Repeat or continuous level 1 incidents must be escalated to level 2 if the impact is not mitigated within the scheduled time appropriate to the severity.
Level 2 incident	An unplanned or unwanted event that results in low impact, defined as: lasting for weeks; and/or affecting a limited area (measured in hundreds of metres); and/or impacting a receiving environment that is altered with little natural habitat; and/or occurring in an area with low biodiversity value. All level 2 incidents should be classified and investigated to the appropriate level of detail to determine the root cause and prevent a repeat occurrence. They do not have to be reported to the authorities. However, repeat or continuous level 2 incidents must be escalated to level 3 if the impact is not mitigated within the scheduled time appropriate to the severity.
Level 3 incident	An unplanned or unwanted event that results in medium impact, defined as: lasting for months; and/or affecting an extended area (measured in kilometres); and/or impacting a receiving environment that comprises largely natural habitat; and/or occurring in an area with moderate biodiversity value (determined using the Anglo American guideline for preparing biodiversity action plans). All estimated level 3 incidents should be classified and internally investigated to the appropriate level of detail to determine the root cause and prevent a repeat occurrence. Repeat or continuous level 3 incidents must be escalated to level 4 if the impact is not mitigated within the scheduled time appropriate to the severity. A level 3 incident triggers specific reporting and investigative procedures. It is reported to senior Amplats management and the authorities in terms of the National Water Act and National Environmental Management Act.
Level 4 incident	This is a significant incident and refers to an unplanned or unwanted event that results in major impact, defined as: having a long-term and/or affecting the catchment on a sub-basin scale; and/or impacting a receiving environment that has a sensitive natural habitat; and/or occurring in an area with high biodiversity value (determined using the Anglo American guideline for preparing biodiversity action plans). All estimated level 4 incidents will trigger a formal independent investigation as covered in Anglo American's procedure for incident reporting and investigation, and will be subject to specific reporting and investigation protocols. Reporting to the authorities is done in terms of the National Water Act and National Environmental Management Act.
Level 5 incident	This is a significant incident and refers to an unplanned or unwanted event that results in major impact, defined as: having a permanent impact on the environment; and/or affecting a catchment area on a whole-basin scale; and/or impacting a receiving environment classified as having highly sensitive natural habitats; and/or occurring in an area with very high biodiversity value (determined using the Anglo American guideline for preparing biodiversity action plans). All estimated level 5 incidents trigger a formal independent investigation as covered in Anglo American's procedure for incident reporting and investigation, and will be subject to the same reporting and investigation protocols. Reporting to the authorities is done in terms of the National Water Act and National Environmental Management Act.
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 200,000 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.
New water used	New water used (1,000m ³) 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, etc).
NEMA	National Environmental Management Act 107 1998.
NEMWA	National Environmental Management: Waste Act 59 2008.

GLOSSARY continued

NEMAQA	National Environmental Management: Air Quality Act 39 2004.	Scope 1 and 2 emissions	Total CO ₂ emissions from fossil fuels and electricity purchased.
Ni	The symbol for nickel.	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.
NIHL	Number of employees diagnosed with NIHL during the reporting period. New cases are recorded when: <ul style="list-style-type: none"> ▪ The rules for diagnostic criteria for occupational disease in Anglo American have been met ▪ There is a pattern consistent with NIHL on the audiogram ▪ The 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 pre-placement audiogram recorded on employment by Anglo American ▪ The employee has not been previously counted as NIHL. 	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 South Africans, while ensuring economic growth and socio-economic development in the country.
NOx emissions	Emissions of nitrogen oxides from diesel engines.	SO₂ emissions	Mass of SO ₂ released from point sources and fugitive emissions to atmosphere in the reporting period.
NWS	National waste strategy (South Africa).	Tailings	That portion of ore from which most valuable material has been removed by concentration, and which is therefore low in value and rejected.
OHSAS 18001	Occupational Health and Safety Assessment Series, which provides specifications for management systems for occupational health and safety.	TB	Pulmonary tuberculosis refers to tuberculosis of the respiratory organs, confirmed by positive sputa microscopy or culture for mycobacterium tuberculosis.
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.	Terajoule	Measure of energy, one terajoule = 1,000,000,000,000 joule (10 ¹²).
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.	Tonne	Unless otherwise defined, this refers to a metric tonne (1,000kg).
PJ	Petajoule (1,015 joules).	Total water consumed (mega m³)	Total withdrawals or abstractions (total inflow excluding estimate of surface run-off or precipitation harvested).
Primary activities	Activities in an operation to produce product(s), including dust suppression in the operational area.	tpm	Tonnes per month.
Pt	The symbol for platinum.	TRCFR	Total recordable case frequency rate. The sum of medical treatment cases plus lost-time injuries plus fatal injuries per 200,000 hours worked. 2018: Changing reporting on injury frequency rates per 200,000 hours to 1,000,000 hours. From 2018, we will report injury frequency rates per million hours worked to align with ICMC 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.
Pt oz	Equivalent refined platinum ounce(s). Equivalent ounces are mined ounces expressed as refined ounces.	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.
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.		

ADMINISTRATION

DIRECTORS

Executive directors

C Griffith (chief executive officer)

I Botha (finance director)

Independent non-executive directors

MV Moosa (independent non-executive chairman)

RMW Dunne (British)

NP Mageza

NT Moholi

D Naidoo

JM Vice

Non-executive directors

M Cutifani (Australian)

S Pearce (Australian)

AM O'Neill (British)

AH Sangqu

Alternate directors

PG Whitcutt (alternate director to R Médori)

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HR-RELATED QUERIES

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Bursaries, email: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers/working-at-anglo-american-platinum

Anglo American Platinum Limited

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