



## Developing social capital



Our approach to socio-economic development is based on the understanding that a business cannot be successful in the longer term if its surrounding communities are not economically viable, socially uplifted and environmentally sound. In addition to the significant socio-economic value-added resulting from our core activities, we make further specific social investments into the communities that are home to our employees and their families through our extensive corporate social investment programme. Collectively we believe that our various activities contribute to the establishment of communities that are viable – economically, socially and environmentally – beyond the life of our mines.

### Our commitment to developing social capital involves the following key focus areas:

- Continually building our economic value-add
- Promoting socio-economic development through investing in communities
- Continuing our strong focus on the provision of housing
- Promoting development and transformation through our procurement practices.

### During FY2012, we created significant value for our various stakeholders in the form of:

- Employee wages and benefits – R6 940 million
- Skills and training – R354 million at the South African operations
- Taxation and royalties amounted to R1 871 million
- Dividends paid to shareholders – R3 364 million
- Payments to providers of capital – R3 731 million
- Investments in socio-economic development initiatives in our communities – R90 million in South Africa and US\$9 million at our Zimbabwean operations
- Payments to suppliers and contractors – R9 449 million.

Over the past five years our investment into our local communities has grown by more than 180% to R90 million in FY2012 (FY2007: R32 million), reaffirming our commitment to and support of our labour-sending areas. Our investment strategy focuses primarily on infrastructure, health, education, community empowerment and income-generating projects, and complements our housing initiatives, through the provision of schools, clinics and other amenities.

### Highlights of FY2012:

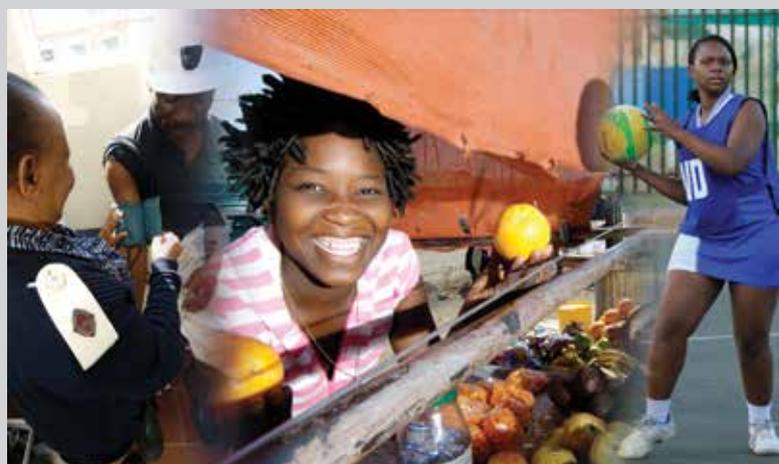
- Our *socio-economic development expenditure* for FY2012 benefited more than 68 000 people in South Africa and 800 in Zimbabwe; of these, more than 16 000 were community members that benefited from improved infrastructure arising from Implats' investments. These include: the establishment of libraries, and the electrification of houses in the South African areas of operation; reconstruction of a primary school in Zimbabwe; extensions to a clinic in Zimbabwe; construction of a police station in Zimbabwe; and electricity connections to 2 900 houses in the villages around our Marula operations. Our flagship infrastructure project, the development of houses for our Rustenburg employees, benefited a further 10 000 people, many of whom became homeowners for the first time.

- **Infrastructure projects** created 1 600 temporary construction jobs during the review period. Commissioning of Marula electricity project in Ward 8 and 10 employed 27 temporary jobs and 14 of the 27 went to local labourers. The Zimbabwean school construction project employed 31 labourers, 26 of them from the local area
- A further **110 permanent jobs were created or sustained** through our enterprise development initiatives. This included funding for a business support unit in Marula that facilitated the employment of 145 people in mining and construction, as well as Implats' support of six enterprises: two farms, a brick-making organisation, a composting operation, supporting local SMMEs that do business with Implats, and a chrome plant. During July 2012 the essential oils farm that we had supported since 2009 was handed over to the Eastern Cape Department of Agriculture
- We are particularly proud of **Makgomo Chrome**, which is 50% owned by the local community and that employs 31 people, 15 of them from the communities surrounding the Marula operation. The community has received R15 million in dividends from the chrome plant to date and on the back of this project Implats was awarded the 2011 Sunday Times Corporate Social Investment Leadership Award

- More than 68 000 people benefited from our **social projects** in the areas of education, health, sports development and general community welfare. Beneficiaries in this category include bursary recipients, home-based care patients, and learners involved in literacy and sports programmes. In many of these programmes Implats is not the sole funder and therefore the total benefit may not be attributable to Implats, even though all the beneficiaries are counted
- The **demographic of beneficiaries** shows that over 96% of the beneficiaries of our socio-economic development projects were black. Over 57% of these were youth (35 years of age and under), making them the greatest pool of beneficiaries
- Geographically, most of the beneficiaries (39%) were in and around our **Rustenburg operations**. In addition, 431 people in the Eastern Cape benefited from projects in the region in line with our SLP commitments, while a further 22 000 in Limpopo benefited from projects around Marula Platinum.

**Typical projects include:**

- School upgrades and maintenance
- Educational support systems
- Basic infrastructure
- Upgrading of clinics and investments in healthcare support infrastructure and systems.



South African operations socio-economic development expenditure

	FY2012	FY2011	FY2010	FY2009
<b>Programme</b>	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
Empowerment of community structures	17	31	21	18
Health, safety and environment	2	2	1	2
Education	15	17	16	14
Government and municipality support infrastructure	34	38	12	4
Sport development	10	11	15	11
Enterprise development	9	28	19	10
Community welfare, arts and culture	3	3	4	1
<b>Total socio-economic development</b>	<b>90</b>	<b>130</b>	<b>88</b>	<b>60</b>
Housing and living conditions	430	277	552	917
<b>Total sustainable development</b>	<b>520</b>	<b>407</b>	<b>640</b>	<b>977</b>

Socio-economic development projects – South Africa FY2012

<b>Name of project</b>	<b>Location</b>	<b>Programme</b>
Impala Sports Academy	North West	Sport development
Home Ownership	North West	Housing
Divine Inspirations Garden Services	North West	Enterprise development
Donation of shoes	North West	Community welfare
KwaNyathi Library	Eastern Cape	Infrastructure
Springs External Sport	Gauteng	Sport development
Mathematics Science Schools Incubator Program	Gauteng	Education
Marula Community Chrome	Limpopo	Enterprise development
Electricity connections	Limpopo	Infrastructure