

Web-based Sustainable Development Report

For the year ending 30 September 2009

LONMIN

Preparing for recovery...

Lonmin Plc



LONMIN IS THE WORLD'S THIRD LARGEST PRIMARY PRODUCER OF PLATINUM GROUP METALS.

OUR PRODUCING ASSETS ARE ALL BASED IN SOUTH AFRICA, WHICH CURRENTLY CONTRIBUTES NEARLY 80% OF GLOBAL PLATINUM PRODUCTION.



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We welcome your response to this Web-based Sustainable Development Report to ensure that our reporting meets your expectations. Please either complete the online feedback form on www.lonmin.com or send feedback or requests for further information to:

Rob Gurner
Head of Investor Relations
Lonmin Plc
4 Grosvenor Place
London, SW1X 7YL
Tel: +44 (0) 20 7201 60 or Rob.Gurner@lonmin.com



Message from our Chief Executive Officer

In 2009, Lonmin management took a number of actions which aimed to stabilise operational performance, improve our position on the cost curve and preserve cash. These actions were initiated to help mitigate the impact of general macro-economic factors and specific South African PGM industry-related challenges.

Whilst initiating and implementing these actions, we have remained committed to the values of our Charter and our Safety and Sustainable Development Policy and we have not deviated from our belief in the compelling business case for sustainable development. Safety, in particular, continues to be a major priority for the Company. Our stance towards safety remains uncompromising and we have continued to focus on aiming to eliminate fatalities, injuries and unsafe behaviour. Loss of life is our single greatest concern and I regret to report the deaths of three of our employees at our operations in 2009. During the year, we slightly improved our lost time injury frequency rate (LTIFR) to 6.21, but this fell short of our target to improve this rate by 15% in the year. Going forward we are targeting a further improvement of our LTIFR by 10% by 2010.

In 2009, we completed a major restructuring programme, which led to around 7,000 full time employees and contractors leaving the business. We implemented employee assistance programmes and portable skills training to reduce the impact of the restructuring on affected employees. The restructuring process has impacted on our progress towards increasing the number of Historically Disadvantaged South Africans (HDSA) and female employees in the Company. Nevertheless, in 2009, 41.3% of management comprised HDSA and female employees and this exceeds our target of 40%. Due to the reduction in the availability of financial resources, we will not achieve our targets to construct 5,500 houses and undertake 85 hostel conversions by 2011 and are engaging with relevant stakeholders on revised targets. We continue to exceed our targets of total discretionary spend with HDSA suppliers, which in 2009 amounted to 66.6%.

In 2009, we have continued with the implementation of our HIV/AIDS programmes, including early diagnosis and intervention, education and effective treatment through our wellness and anti-retroviral treatment (ART) programmes. In 2009 our number of new Noise Induced Hearing Loss (NIHL) cases have reduced substantially by 80.9%, and as one of the most significant occupational health risks faced by our employees and contractors, we continuously strive to reduce noise exposure. We are nearing the completion of the rollout phase of silencing 4,000 rock drills.

In common with the rest of the mining industry, our key environmental challenges include the access to and management of water and energy resources in an efficient and responsible manner as well minimising closure costs and environmental risks through integrated environmental management and closure planning. We remain committed to our targets to improving our resource use efficiency by integrating efficiency considerations into our business and planning strategies, improving efficiency at current operations and investigating alternative energy and water sources.

We remain dedicated to empowering our host communities and improving their quality of life by contributing to their long term social, economic and institutional development. US\$5.7 million was spent in 2009 on community development projects, of which US\$3.2 million was on local economic development projects as per our approved Social and Labour Plans.



We remain committed to our Charter and our Safety and Sustainable Development Policy and we have not deviated from our belief in the significant business case for sustainable development.

As a member of the International Council for Mining and Metals (ICMM) we fully support its goal of establishing a global sustainability benchmark for the mining industry and are committed to implementing their principles through the Sustainable Development Framework. Furthermore, as a member of the United Nations Global Compact (UNGC) we support their principles and initiatives and strive towards our commitments in the areas of human rights, labour practices, environmental management and anti-corruption.

We realise that our performance is of interest to a diverse range of stakeholders. We are dedicated to publicly reporting a balanced review of our approach and performance on our broader economic, social and environmental risks to enable our stakeholders to obtain an objective overall assessment of our achievements. Our reporting for financial year ending September 2009 comprises both a Sustainable Development Review as a component of the Annual Report as well as a web-based version which provides a comprehensive coverage of sustainable development in the Company. The contents of the reports have been largely defined by risks facing the Company and interests and expectations of our stakeholders.

This report has been prepared using the guidance of the Global Reporting Initiative's 2006 Sustainability Reporting Guidelines (GRI) and the Mining and Metals Sector Supplement. External assurance supports the integrity of our report content and has been provided by KPMG over selected parameters, reporting principles as well as on progress made against the requirements of the ICMM Sustainable Development framework. We declare that this report is aligned with the GRI B+ application level.

A handwritten signature in black ink, appearing to read 'Ian Farmer'.

Ian Farmer
Chief Executive Officer

Lonmin Charter

LONMIN

We are Lonmin, a primary producer of Platinum Group Metals. We create value by the discovery, acquisition, development and marketing of minerals and metals.

We respect the communities and nations that host our operations and conduct business in a sustainable, socially and environmentally responsible way.

Our Mission

To grow and build our portfolio of high quality assets.

To deliver the requirements of the South African broad-based socio-economic Mining Charter and we welcome the opportunity to transform our business.

To build a value-based culture, which is founded on safe work, continuous improvement, common standards and procedures, community involvement and one that rewards employees for high performance.

We are successful when

Our employees live and work safely and experience the personal satisfaction that comes with high performance and recognition.

Our shareholders are realising a superior total return on their investment and support our corporate sustainability values.

The communities in which we operate value our relationships.

We are meeting our commitments to all business partners and our suppliers, contractors, partners and customers support our Charter.

Our Values

Zero Harm

We are committed to zero harm to people and the environment.

Integrity, Honesty & Trust

We are committed ethical people who do what we say we will do.

Transparency

Open, honest communication and free sharing of information.

Respect For Each Other


Embracing our diversity enriched by openness, sharing, trust, teamwork and involvement.

High Performance

Stretching our individual and team capabilities to achieve innovative and superior outcomes.

Employee Self-Worth

To enhance the quality of life for our employees and their families and promote self esteem.



Roger Phillimore
Chairman



Ian Farmer
Chief Executive

May 2009

Safety and Sustainable Development Policy

LONMIN

We are Lonmin, a primary producer of Platinum Group Metals. We create value by the discovery, acquisition, development and marketing of minerals and metals.

We respect the communities and nations that host our operations and conduct business in a sustainable, socially and environmentally responsible way.

To honour our Charter, to fulfil our Vision and to create sustainable value for our stakeholders, Lonmin is committed to improving the quality of life of current and future generations through the integration of economic prosperity, social development and environmental protection by:

Honouring our health and safety values and sustaining an environment that promotes the safety, health and wellbeing of our employees and their families, contractors and the communities where we operate.

Providing adequate and appropriate resources to implement effective management systems and risk management, based on valid data and sound science, during all phases of our operations to ensure the reduction of risks and the adoption of best practices.

Respecting and valuing the fundamental human rights, cultural heritage and indigenous traditions of our employees, communities and other stakeholders where we operate.

Integrating safety and sustainable development into the decision making process during all phases of our operations.

Upholding ethical business practices, sound corporate governance and transparency, while meeting or exceeding applicable legislation, standards and other requirements.

Implementing the principle of equal opportunity and equity while maintaining an appropriately skilled and diverse workforce.

Empowering our host communities and improving their quality of life by contributing to their long term social, economic and institutional development and promoting the beneficiation of our minerals.

Implementing effective material stewardship to manage the lifecycle of our products in a socially and environmentally responsible manner.

Promoting the sustainable use of natural resources and the reduction, re-use and recycling of waste.

Preventing pollution and environmental degradation in order to reduce our impact on the environment and the communities where we operate.

Responding to climate change and driving the reduction of greenhouse gases by adopting best practice technology, alternative energy sources, improved control systems and management practices.

Promoting integrated land use management and biodiversity conservation by applying a precautionary approach during all phases of our operations, including mine closure.

Maintaining transparent and ongoing consultative relationships with all stakeholders and incorporating this engagement into the decision making process.

Fostering the commitment of all employees and contractors to this policy through training and awareness programmes.

Seeking continual improvement to achieve a high level of performance through a framework of setting and reviewing our policy, objectives and targets.

Reporting publicly our sustainable development performance in accordance with the ICMM Sustainable Development Framework and utilising the guidance of the Global Reporting Initiative Sustainability Reporting Guidelines.



Ian Farmer
Chief Executive

October 2008

Our Sustainable Development Reporting

WE ARE COMMITTED TO REPORTING PUBLICLY OUR SUSTAINABLE DEVELOPMENT PERFORMANCE. WE REALISE THAT OUR PERFORMANCE IS OF INTEREST TO A DIVERSE RANGE OF BOTH NATIONAL AND INTERNATIONAL STAKEHOLDERS, INCLUDING OUR EMPLOYEES AND CONTRACTORS.

This year we have made use of the following formal reports to communicate our sustainable development performance:

- Our 2009 Annual Report provides a summary of our sustainable development performance, focusing on key strategic risks to the Company, to our broader stakeholder group, including our employees, business partners, shareholders, local communities, government, suppliers, contractors, customers, industry specialists and non-governmental organisations;
- This more extensive, Web-based Sustainable Development Report provides detailed information on our sustainable development strategy and profile, management approach, performance and case studies for those requiring more in-depth information.

Report content

Timeliness

Our annual reporting provides a reflection of our operational activities and covers our performance for the financial year ending 30 September 2009. The reports have been prepared using the guidance of GRI.

Materiality and stakeholder inclusiveness

The content of this Web-based Sustainable Development Report has been largely defined by:

- Sustainable development risks facing the Company;
- Taking into consideration interests and expectations from a range of stakeholders obtained from various engagement initiatives and reporting on risks that would substantively influence their perceptions and decision;
- Taking into account legislation and issues that society at large consider relevant to our operations; and
- Reporting best practice.

The Sustainable Development Review in the Annual Report in turn provides information pertaining to our risks, of higher priority, as identified by the Company and by our stakeholders. We have compiled the reports conscious of the fact that our stakeholder groups are varied.

Sustainability context

We have clearly outlined our approach to sustainable development in a local and global context. Where necessary we have referenced our performance data to global and national sustainability initiatives and principles.

Balance and clarity

The reports reflect a balanced approach highlighting positive and negative aspects. We have endeavoured to present data and information in a clear and unambiguous manner to ensure that the information in our reports are readily understandable and accessible to our stakeholders.

Comparability

We are committed to presenting information and data in a consistent manner to enable comparative analysis. Trend information is presented for all key sustainability information from 2005 and where changes in data measurement or collection methodologies have occurred, we have stated the basis, calculation and assumptions in the text. Where data has been restated, it is indicated as such and the implications where necessary are clearly described. Definitions of indicators are provided in this report on page 93. All monetary amounts reflected in the report are expressed in United States dollars (US\$), using a South African Rand/US\$ exchange rate of R8.99/US\$. A value of 1,267,529 Platinum Group Metals (PGMs)/oz constitutes the basis of efficiency calculations, this including total production and part-processed material.

About this Report (continued)

Application levels

Based on our own assessment of the report contents against the criteria provided in the GRI application levels, we declare that in combination, the Web-based Sustainable Development Report and the Sustainable Development Review in the Annual Report fulfil the requirements of a B+ application level. The GRI table referencing information per GRI indicator is presented on page 85.

Application level

		2002 in accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		Report Externally Assured
	Third Party Checked							
	GRI Checked							

Report boundaries and report completeness

Our previous report reflected performance for the twelve-month period 1 October 2007 to 30 September 2008, and since then, there has been no significant change in our size, structure ownership or products that would materially influence the scope or boundary of this report. Although there have been no significant changes in this regard, it is to be noted that in 2009, we withdrew from our exploration activities in Tanzania, placed our Limpopo mining operations on care and maintenance and closed our Marikana opencast operations. We are confident that the report provides a complete and balanced view of our performance for the twelve month reporting period and does not omit material information that would influence stakeholder's assessment of our operations. The report boundary includes all Lonmin owned entities and those joint ventures or partnerships over which we have exercised management control during the twelve-month period ending 30 September 2009. We do not report on indicators, other than key employee and safety statistics for our head offices or satellite offices as the limited size and impacts of these offices render them not material to our reporting processes. In 2009, we have recorded and for the first time reported on LTIFR of our exploration activities, which are wholly owned or managed by the Company.

Reliability and accuracy

Independent external assurance of our publicly reported sustainable development performance is a key element of our sustainable development framework. External assurance supports the integrity of our report content and has been provided by KPMG over selected parameters, the application of the reporting principles as outlined by GRI, as well as assurance relating to our progress towards the alignment of our policies and business practices with the ten principles of the ICMM. We have endeavoured to identify and confirm the accuracy of our original sources of information and have provided evidence to support our assumptions and calculations to the satisfaction of our external assurer. The scope of the assurance includes the Web-based Sustainable Development Report and the Sustainable Development Review in the Annual Report.

About this Report (continued)

Scope of the report and assurance statement					
Entities	Ownership	Components	Report scope	Assurance on selected data	Data reported
Exploration	Wholly owned and managed by Lonmin.	Gabon*	✓	✗	Employee data; Safety data
		Kenya*			
		Ireland			
	Joint Ventures, with Lonmin as managing partner.	Loskop			
	Joint Ventures and not managed by Lonmin.	Canada	✗		✗
Operations	Wholly owned and managed by Lonmin.	Lonmin Platinum Marikana	✓	✓	100%
		Precious Metal Refinery (PMR)		✓	
		Lonmin Platinum Limpopo*		✓	
		Akanani*		✗	
	Joint Ventures, with Lonmin as managing partner.	Pandora Joint Venture	✓	✓	100% data reported as part of our Marikana operations.
		Dwaalkop Joint Venture*		✓	100% data reported as part of our Limpopo operations.
Head offices		Johannesburg	✓	✗	Employee data; Safety data
		London			

* Activities on site are limited.

Independent Assurance Report to Lonmin Plc on Sustainability Information



We have been engaged by the Directors of Lonmin Plc ('Lonmin') to provide assurance over selected sustainability performance information presented in the Web-based "Sustainable Development Report for the year ending 30 September 2009" at the same date as this report ("the Report").

The Directors of Lonmin are responsible for preparing and presenting the Report and the information, statements and commitments with respect to sustainability performance contained herein, as well as for identifying stakeholders and stakeholder reporting requirements and material issues, and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Directors are also responsible for the selection and application of the following criteria used in the evaluation of the selected sustainability performance information:

- The Lonmin internally developed sustainability reporting guidelines applied to the selected sustainability performance information, which are available on request from Lonmin;
- The GRI G3 Guidelines requirements for the B+ application level (ICMM Subject Matter 5); and
- The ICMM's ten sustainable development principles (ICMM Subject Matter 1), as described in the ICMM sustainable development framework.

Our responsibility is to express assurance conclusions on the selected sustainability performance information based on our work performed.

Our report is made solely to Lonmin in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Lonmin those matters we have been engaged to state in this report and for no other purpose. We do not accept or assume liability to anyone other than Lonmin, for our work, for this report, or for the conclusions we have reached.

We comply with the appropriate requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants and have systems and processes in place to monitor compliance with the code and to prevent conflicts regarding independence. Our work was carried out by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

We do not express any assurance in relation to the 2009 sustainable development performance indicators in the Report not included below. We believe that the evidence obtained from our work performed provides an appropriate basis for our reasonable and limited assurance conclusion expressed below.

Assurance standards used

We conducted our engagement in accordance with the ISAE 3000¹.

The scope of our assurance engagement

The scope of our engagement includes the provision of:

1. Assurance, as described below:
 - (a) Reasonable assurance on the following sustainability performance data:
 - social performance parameters – total spend on local economic development projects in 2009 in terms of the Social and Labour Plan (page 76), fatalities (employees and contractors) (page 39), LTIFR (employees and contractors) (page 41) and NIHL compensated (page 44);
 - environmental performance parameters – greenhouse gas emissions (direct and indirect) (page 62), total energy use (direct and indirect) (page 62) and total fresh water intake (page 64).
 - (b) Limited assurance on the following sustainability performance data:
 - social performance parameters – new cases of tuberculosis diagnosed and treated (page 42), percentage women at the mine (page 47), percentage women in mining (page 49) and percentage designated groups in management (page 47);
 - environmental performance parameters – SO₂ emissions (fugitives and stack emissions) (page 57).
2. Limited assurance on Lonmin's self-declaration of the GRI B+ application level (ICMM Subject Matter 5) (page 5);
3. Limited assurance on Lonmin's assertions with regards alignment of policies and business practices with the ICMM ten sustainable development principles as described in the ICMM sustainable development framework (ICMM Subject Matter 1) (page 14).

¹ International Standard on Assurance Engagements 3000: Assurance engagements other than Audits or reviews of Historical information, issued by the International Auditing and Accounting Standards Board.

Independent Assurance Report to Lonmin Plc on Sustainability Information (continued)

Work performed

Our work included the following evidence-gathering procedures:

- Interviewing management and senior executives at group level to assess the application of the GRI G3 principles and ICMM's ten sustainable development principles and to obtain an understanding of the general control environment;
- Evaluating and testing processes and systems and reviewing of documentation in place at group level and at site level to support the generation, collation, aggregation, monitoring and reporting of the selected sustainability performance information for the year;
- Visiting a risk based selection of operation sites from the Marikana Operation;
- Conducting an application level check on the Report to ensure all disclosure requirements of the GRI B+ application level have been adhered to;
- Obtaining an understanding of the alignment of Lonmin's sustainability policies to ICMM's ten sustainable development principles;
- Evaluating whether the information presented in the Report is in line with our overall knowledge and experience of sustainability management and performance at Lonmin.

Unqualified conclusions

1. On the selected sustainability performance information

In our opinion the performance information set in 1(a) above for the year ended 30 September 2009, is fairly stated in all material respects on the basis of the Lonmin internally developed sustainability reporting guidelines;

Based on our work described above, we have no reason to believe that the performance information set out in 1(b) above for the year ended 30 September 2009, is not fairly stated in all material respects on the basis of the Lonmin internally developed sustainability reporting guidelines;

2. On Lonmin's self-declaration on the GRI B+ Application Level

Based on the work described above, we have no reason to believe that management's self-declaration of a B+ application level (ICMM Subject Matter 5), is not fairly stated in all material respects on the basis of the GRI G3 Guidelines;

3. On the ICMM's ten sustainable development principles

Based on the work described above, we have no reason to believe that management's assertions with regards to alignment of policies and business practices with the ten principles of the ICMM (ICMM Subject Matter 1), is not fairly stated in all material respects on the basis of the ICMM sustainable development framework.



KPMG Services (Pty) Limited

Per PD Naidoo

Director

Johannesburg

11 November 2009

Lonmin at a Glance

WE ARE LONMIN, THE THIRD LARGEST PRODUCER OF PGMS, WITH A VALUABLE RESERVE AND RESOURCE BASE IN THE BUSHVELD COMPLEX IN SOUTH AFRICA, WHICH CONTAINS MORE THAN 80% OF THE WORLD'S KNOWN PGMS.

We are Lonmin, the third largest producer of PGMS, with a valuable reserve and resource base in the Bushveld complex in South Africa, which contains more than 80% of the world's known PGMS.

We have a scarce, valuable and lasting reserve and resource base. All of our operations are based in the Bushveld complex in South Africa, which contains more than 80% of the world's known PGMS reserve base. We are one of only three major integrated mine-to-market PGM businesses.

In 2009, our total platinum production amounted to 683,359 oz and our total PGMS produced amounted to 1,267,529 oz. We are listed on the London Stock Exchange, with a secondary listing on the Johannesburg Stock Exchange. Our South African headquarters are located in Johannesburg, with our United Kingdom headquarters based in London. Our main operating subsidiaries, in which we have an 82% interest, are Western Platinum Limited and Eastern Platinum Limited. We operate two key business units, namely the Mining and Process Division.

Mining Division

Our mining operations comprise Marikana mining in the North West Province of South Africa and Baobab Shaft in the Limpopo Province. We also manage the Pandora Joint Venture to the east of our Marikana operations. Our Marikana mining operations currently contributes around 100% of our annual production. At both our operations, we mine the Upper Group 2 and Merensky PGM-bearing reefs. In 2009, we closed our Marikana opencast operations and placed our Limpopo operations on care and maintenance.

Process Division

Our Processing Division, including eight concentrators, a smelter and a base metal refinery (BMR) is located primarily in Marikana. The PMR is located near Johannesburg in the Gauteng Province.

Other operations

Our two major acquisitions during the last few years were Akanani and Limpopo, including the Dwaalkop Joint Venture, all located in the Northern Bushveld.

Exploration activities

We also have a focussed exploration portfolio which includes the following projects:

- Kenya: Wholly owned and managed by Lonmin;
- Canada: Joint ventures with Vale Inco and Wallbridge Mining Company in the Sudbury Basin; both of which are managed by these partners.
- Gabon: Wholly owned and managed by Lonmin;
- Ireland: Wholly owned and managed by Lonmin; and
- South Africa: Loskop Joint Venture with Boynton and the Vlaktefontein project wholly owned by Western Platinum and managed by Lonmin.

In March 2009 we withdrew from the joint venture with IMX Resources in Tanzania. We are currently seeking to vend our non-core exploration projects in Kenya and Gabon.

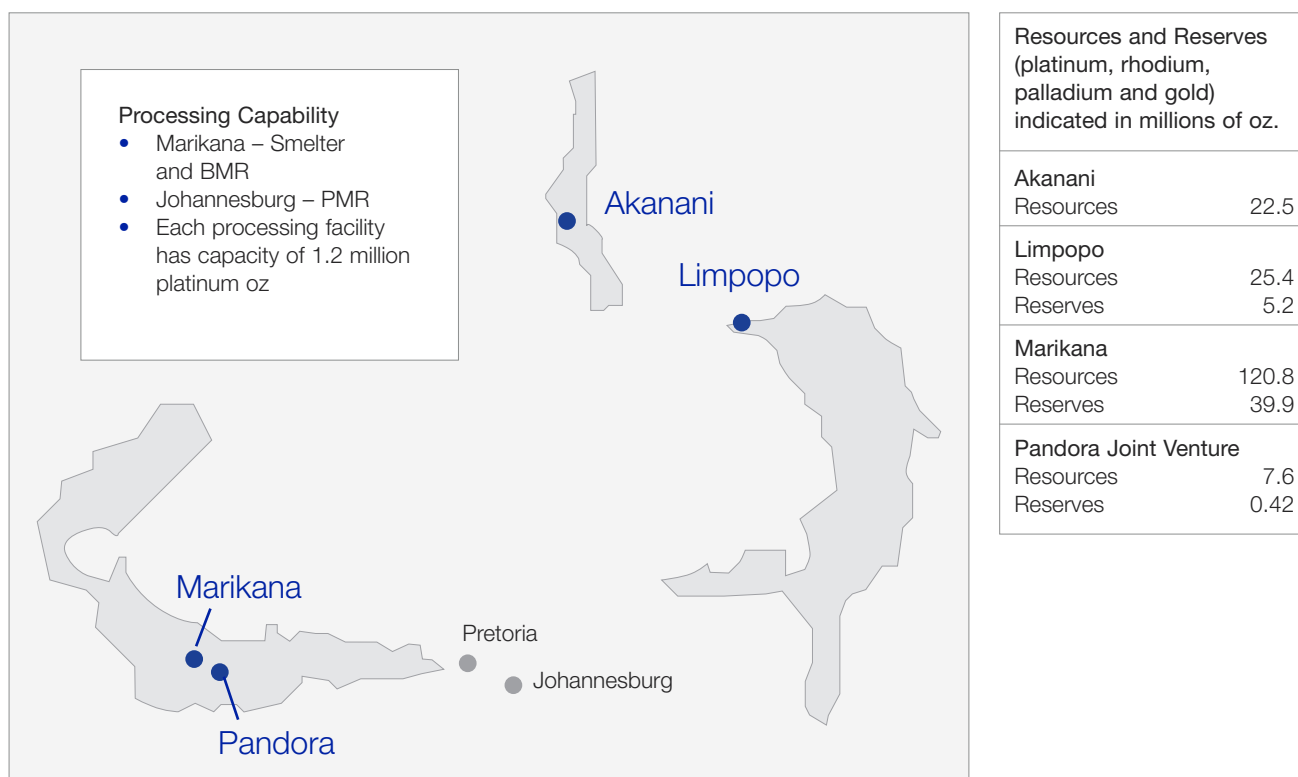


Our Baobab Shaft is located in the Limpopo Province.



Our Marikana operations are located in the North West Province.

Lonmin at a Glance (continued)



Percentage shareholding in our operations			
Entity	Companies	Equity	Partners
Marikana Mining	Western Platinum Limited	82% held by Lonmin	18% Incwala Resources
Process Division	Eastern Platinum Limited	South Africa (UK) Limited	Pty Limited.
Limpopo	Messina Platinum Limited	100% held by Western Platinum Limited	18% Incwala Resources Pty Limited in Western Platinum Limited, thus 18% indirect shareholding.
Akanani	Metals Technology Incorporated (wholly owned subsidiary of Lonmin Plc)	74% held by Metals Technology Incorporated	26% Incwala Resources Pty Limited.
Pandora Joint Venture	Eastern Platinum Limited	42.5% held by Eastern Platinum Limited	42.5% Rustenburg Platinum Mines Limited.
			7.5% Bapo Ba Mogale Mining Company Pty Limited.
			7.5% Mvelaphanda Resources Limited.
Dwaalkop Joint Venture	Western Platinum Limited	50% held by Western Platinum Limited	50% Mvelaphanda Resources Limited.

Governance of Sustainable Development

WE ARE COMMITTED TO UPHOLDING ETHICAL BUSINESS PRACTICES, SOUND CORPORATE GOVERNANCE AND TRANSPARENCY, WHILE MEETING OR EXCEEDING APPLICABLE LEGISLATION, STANDARDS AND OTHER REQUIREMENTS.

We are fully committed to the highest standards of corporate governance which, we believe helps create the business integrity needed to deliver robust and sustainable business results. The governance of the Company is underpinned by the values set out in the Lonmin Charter and supported by the Lonmin Code of Business Ethics. In terms of the governance of sustainable development, the Lonmin Safety and Sustainable Development Policy define our commitments. Management standards form the foundation of the management system for implementation of these sustainable development commitments. As a member of the ICMM and the UNGC, their principles are integral to our sustainable development governance.

The Board

The Company is led and controlled by a unitary Board of Directors. The Board currently has ten members, comprising a non-executive Chairman, seven independent non-executive Directors, and two executive Directors. An independent Director is a person who is independent in character and judgment and free from relationships or circumstances which could affect their judgment. All non-executive Directors at the Company are regarded as independent by the Board, as per the requirements of provision A.3.2 of the Combined Code.

King III Corporate Governance Report

We acknowledge that the third South African report on corporate governance (King III) was released on 1 September 2009 and becomes effective on 1 March 2010. The philosophy of the King III revolves around leadership, corporate governance and sustainability. The report is a set of corporate governance principles and guidelines in which numerous topics such as ethical leadership, governance of risk, codes and standards as well as internal auditing are addressed. The codes of corporate governance apply to all South African entities, including private companies and are to be applied on a "comply and explain" basis. Entities are required to make a statement as to whether or not they apply the principles and then to explain their practices.

The Board meets regularly, normally on six occasions during the year and more frequently as required, including two meetings in South Africa. The Board provides the entrepreneurial leadership, direction and control of the Company; is the custodian of the Company's strategic aims vision and values; and assesses whether the necessary financial and human resources are and will continue to be in place to enable the Company to meet its objectives. It has a formal schedule of matters reserved for its decision, the most material of which fall into the key areas listed below:

- Strategy and management;
- Financial reporting and control;
- Social, environmental and ethical matters;
- Contracts and financial commitments;
- External communications;
- Corporate governance;
- Remuneration; and
- Board composition and membership.

Whilst all Directors have equal responsibility in law for managing the Company's affairs, it is the role of executive management to operate the business within the parameters laid down by the Board and to produce clear, accurate and timely reports to enable the Board to monitor and assess management's performance. The executives make full use of the expertise and experience that the non-executive Directors bring from their business careers. The Chairman routinely holds discussions with non-executive Directors without the executive Directors being present.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer (CEO) are clearly distinguished and set out in writing. The Chairman, who is an independent Director, is responsible for leadership of the Board, ensuring their effectiveness, setting their agenda and for ensuring that there is effective communication with all shareholders. The Chairman also facilitates the effective contribution of all Directors and ensures that there is a constructive relationship between the executive and non-executive Directors. The role of the CEO is to provide leadership to the executive team in managing the business, to develop proposals for the Board to consider in all areas reserved for their judgment and oversee the efficient and effective implementation of Board approved actions.

Governance of Sustainable Development

(continued)

Board balance

The Board believes that they have sufficient members to contain a balance of experience and skills and to manage succession issues. The quality of the individual Directors and the Board's composition is a key contributor to the Board's effectiveness, with no individual or group of individuals being able to dominate the decision-taking. The Board keeps the membership of their Committees under review, to ensure gradual refreshing of skills and experience. The Board is satisfied that all Directors have sufficient time to devote to their roles and that it is not placing undue reliance on key individuals. The Company on an annual basis implements a Board performance evaluation process which is designed to identify whether the Board possesses the relevant skills, knowledge and experience to fulfil their mandate, so enabling them to manage succession issues. Whilst the Board recognises that externally facilitated evaluations can provide a useful and impartial feedback mechanism, the Board decided that it would not be appropriate to have such a review at this time in view of our Chairman and CEO's relatively short tenures in their respective positions. Instead, in 2009 our Chairman had one to one discussions with each of the Directors to assess their views on a wide range of issues including the Board's overall effectiveness. In addition, discussion centred on board and committee dynamics, interaction and contribution of directors, board and committee composition, process and support and whether the annual work plan focussed on the most appropriate issues. Feedback from each of those discussions was provided to the Board. Whilst no material issues were identified during the process, the Board decided to add a third day to each of the bi-annual Board visits to South Africa in order to afford more time with local senior managers. The Board is considering the appointment of an external facilitator during the course of 2010.

Engaging with shareholders

The Directors have regular discussions with institutional shareholders following which detailed feedback from these visits is shared with the Board. In addition, the Chairman routinely offers key shareholders the opportunity of meetings with either himself, the Deputy Chairman or the Senior Independent Director to discuss governance, strategy or any other matters shareholders wish to raise. A number of such meetings were held with shareholders during the financial year and general areas of discussion with institutional shareholders included governance, strategy performance and remuneration. The Combined Code urges companies to use the Annual General Meeting to communicate with private shareholders and to encourage their participation. The Board has followed these principles for many years. The Board, as a matter of course, provides shareholders the opportunity

to vote on every substantially different issue by proposing separate resolutions and uses electronic poll voting on all resolutions. This enables the votes of all shareholders to be taken into account, whether they are able to attend the meeting or not, as well as providing a more discreet and democratic method of voting at the meeting. The results of all poll votes are displayed on our website (www.lonmin.com), together with a range of investor relations materials, including up to date information on the Company's activities, copies of all materials given to institutional shareholders and further explanation of the matters contained in the annual reporting documents.

Additionally, all shareholders have the right under the United Kingdom's Companies Act 2006 to requisition resolutions to be moved at the Company's Annual General Meeting provided the requisition is made by 100 or more shareholders or such number of shareholders who hold together not less than 5% of the Company's voting share capital. In certain circumstances, the Company is required to issue a circular that relates to such a resolution to all shareholders.

At the 2009 Annual General Meeting, statements or questions on the following sustainable development aspects were raised by shareholders:

- Preferential procurement, in particular female owned companies;
- Black economic empowerment; and
- HDSA, including disabled persons.

The Board Committees

The Board has established four Committees and provides sufficient resources to enable them to undertake their duties. The Board Committees meet quarterly, as a minimum basis and reviews the Company's performance. Detailed information on the Board Committee's terms of reference and governance policies can be accessed in our 2009 Annual Report.



Our business ethics are grounded in the Company's stated values, which promote integrity, honesty and trust.

Governance of Sustainable Development

(continued)

Committees of the Board		
Committee's of the Board	Composition	Mandate
Audit and Risk	2 non-executive Directors 1 non-executive Chairman	<p>The primary purpose of the Audit and Risk Committee, is as follows:</p> <ul style="list-style-type: none"> • To monitor the integrity of the Company's financial statements and announcements relating to its financial performance and reviewing significant financial reporting judgments; • To keep under review the effectiveness of the Company's internal controls and risk management systems; • To monitor the effectiveness of the internal audit function and review its material findings; and • To oversee the relationship with the external auditors including the agreement on their remuneration and terms of engagement, monitoring their independence, objectivity and effectiveness and ensuring that policy surrounding their engagement to provide non-audit services is appropriately applied.
Nomination	7 non-executive Directors 1 non executive Chairman	<p>The primary purpose of the nomination Committee, is as follows:</p> <ul style="list-style-type: none"> • To ensure a regular, rigorous and objective evaluation of the structure, size, composition, balance of skills, knowledge and experience of the Board is undertaken; • In consultation with the Chairman, recommend any proposed changes to the composition of the Board and to instigate and manage the recruitment process; • To oversee the Company's adherence to applicable legal and regulatory requirements in relation to the above; and • To oversee compliance with the Combined Code and other applicable corporate governance regulation.
Safety and Sustainability	1 non-executive Chairman 3 non-executive Directors 1 executive Director	<p>The primary purpose of the Safety and Sustainability Committee, is as follows:</p> <ul style="list-style-type: none"> • To provide advice to the Board and, as necessary to the Audit and Risk Committee, on safety and sustainability matters; • To assess the Company's effectiveness in managing these risks; • To review significant safety and sustainable development incidents and performance indicators; and • To report to the Board on developments, trends and/or forthcoming significant legislation on safety and sustainable development matters which may be relevant to the Company's operations, assets or employees.
Remuneration	3 non-executive Directors 1 non-executive Chairman	<p>The primary purpose of the remuneration Committee, is as follows:</p> <ul style="list-style-type: none"> • To make recommendations to the Board on the Company's framework of executive remuneration; • To determine individual remuneration packages within that framework for the executive Directors and certain senior executives; • To oversee the administration of the Company's incentive schemes; • To review Directors' expenses; and • To oversee the Company's executive pension arrangements, all of which the Committee carries out on behalf of the Board.

Governance of Sustainable Development (continued)

The Board Committees and sustainability

In 2009, the Safety and Sustainability Committee of the Board met five times. Membership comprises three non-executive Directors and one executive Director and is chaired by an independent non-executive Director. A number of senior executives also regularly attend these meetings, including the Chief Operating Officer (COO) and the Executive Manager Mine Services.

The Remuneration Committee of the Board believes that participation in a short-term incentive scheme enhances the focus of the executive Directors and key senior executives by providing a meaningful incentive to outperform and helps ensure that the management team is appropriately focussed on business critical outcomes (refer to the box below).

The Lonmin Charter and Safety and Sustainable Development Policy

The Lonmin Charter and the Lonmin Code of Business Ethics provide a framework for all business practices. The Safety and Sustainable Development Policy, which is aligned with the principles of the organisations we support including the ICMM and UNGC, outlines our commitments to sustainable development.

Safety and Sustainable Development Management Standards

The Safety and Sustainable Development Management Standards clearly outline the minimum operating requirements for the Company. The requirements of the standards drive us to deliver on policy commitments in a methodical and consistent way. They are aligned with the requirements of South African National Standards, ISO 14001 and ISO 9001 and OHSAS 18001.

Significant issues discussed at the meetings of the Safety and Sustainability Committee in 2009

- Safety and sustainability organisational structures and reporting lines;
- Incident Cause Analysis Method reports on fatalities occurring within reporting period;
- Overview of results of presidential safety audits;
- Update on safety legislation;
- Key safety performance indicators;
- Key environmental risks and non-conformances;
- Key environmental performance indicators and performance against targets;
- Updates on environmental legislation;
- Key health performance indicators and performance against targets;
- Review of budgetary spend and progress on community projects;
- Sustainable development reporting in terms of GRI and assurance; and
- Review of our performance against our Social and Labour Plan targets.

Performance related pay for executive Directors

	Percentage of bonus opportunity on offer for target performance	Actual payment for the year (percentage of bonus opportunity)
Safety and Sustainable Development Matters (20%)		
Safety – improvement in LTIFR	10%	0%
Community – improvement on Social and Labour Plan targets	10%	10%
Total	20%	10%

Governance of Sustainable Development (continued)

External organisations and public policy positions

We are recognised for our approach to sustainable development by being included in the FTSE4 Good Index and Johannesburg Stock Exchange Responsible Investment Index. We participate in a number of organisations or forums which we believe will further our performance in terms of our values, principles or commitments or enable us to influence policy and decision making both nationally and internationally. On affiliation with an organisation we are committed to aligning our business practices with the principles or requirements of such an organisation, with the accountability residing with our Board of Directors and our CEO. In order to participate and add value to these organisations, we provide the necessary training or skills development to our employees who either participate or who are responsible for the implementation of the criteria or requirements of these organisations.

We report our progress in terms of these affiliations on an annual basis. We have been members of the ICMM since 2004 and continue to value our membership. The ICMM is a CEO-led organisation representing leading international mining and metals companies as well as association members. As a voluntary member of the ICMM, we support their vision of a respected mining and metals industry that is widely recognised as essential for modern living and a key contributor to sustainable development. Our Safety and Sustainable Development Policy is aligned with the 10 principles of the ICMM and progress on these principles are detailed in various sections of this report. Through our participation in the ICMM, we also endorse the Extractive Industries

Transparency Initiative. The Extractive Industries Transparency Initiative is a coalition of governments, companies, civil society groups, investors and international organisations which aims to strengthen governance by improving transparency and accountability in the extractive sector.

In 2009 we have remained a signatory to the UNGC and continue to support the principles of the voluntary initiative. The UNGC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

We are members of and participate in the International Platinum Association, International Chamber of Commerce, South African Chamber of Mines and a number of forums in a local context applicable to our individual operations. In 2009 we have continued to participate in the Carbon Disclosure Project. In 2009, although we have participated in public policy development, we have not been involved in any significant lobbying on an organisation level.

Management systems

The purpose of our management system is to provide tools to support the management of the business in a systematic and controlled way, with the aim of delivering consistent performance. We also use these tools to implement the Safety and Sustainable Development Management Standards in order to achieve the commitments of our Safety and Sustainable Development Policy and so deliver robust and sustainable business performance.

Certified management systems			
Operations	Occupational Health and Safety Standard (OHSAS) 18001	International Standards Organisation (ISO) 14001	International Standards Organisation (ISO) 9001
Shared Business Services		✓	
Marikana Mining		✓	
Limpopo Mining		✓	
Concentrators		✓	
Smelter	✓	✓	
BMR	✓	✓	
PMR	✓	✓	✓
Assay Laboratory*			
Training Academy		✓	✓

* We aim to reinstate the Assay Laboratory's OHSAS 18001 and ISO 14001 certification by December 2009.



Our Chairman Roger Phillimore visiting our Merensky Concentrator in 2009 as part of one of the regular Board visits to our operations in South Africa.

Governance of Sustainable Development (continued)

Among the key constituents of our management system are our Company risk management and incident reporting and investigation processes. All operations are responsible for reporting, rating and investigating incidents. Incidents which are rated as level three to level five incidents are investigated by applying the Incident Cause Analysis Method, with the objective that root causes are identified and appropriate corrective and preventative actions are taken. The outcomes of all level three and higher investigations are presented to the Executive Committee and the Safety and Sustainability Committee of the Board. Six Sigma process improvements constitute an important component of our management systems, by providing us with a continuous improvement methodology.

In 2009, all our operations remained ISO 14001 certified, other than the Assay Laboratory whose certification expired in 2009. We expect this certification to be reinstated by December 2009. We endeavour to have the management systems at all operations certified in terms of OHSAS 18001 by 2011.

Auditing and assurance

The Audit and Risk Committee of the Board approves the annual Company-wide internal and external audit plan. Audit findings are updated monthly and progress on corrective management plans is reviewed by the Executive Committee on a monthly basis and the Audit and Risk Committee of the Board on a biannual basis. External auditing of ISO 14001, ISO 9001 and OHSAS 18001 management systems, at operational level, ensures continuous improvement. Environmental Management Programme Reports form part of the annual external Environmental Performance Assessment audits, which is a legal requirement under the Minerals and Petroleum Resource Development Act 28 of 2002.

As part of the assurance engagement, we ensure that our assurance providers are independent from the Company, have the necessary individual and organisational competencies and that the engagement process is based on best practice guidelines. External assurance is provided on selected parameters in this report, the alignment of our policies and business practices with the ICMM principles and our reporting in accordance to the GRI reporting principles. In preparation for this report, we have conducted an internal audit on selected key sustainability indicators to monitor the effectiveness and inclusiveness of our systems.

Stakeholder engagement and reporting

Identifying and responding to the expectations of our stakeholders and incorporating their feedback into our decision making processes is a strategic commitment which defines the way we do business. Our approach to stakeholder engagement varies with the nature of the stakeholder and the specific matters at hand, ranging from legally required, formal engagement platforms to ad hoc informal engagement processes and site specific projects to general aspects affecting the Company at large.

Our 2008 sustainable development reporting

In 2009, we were acknowledged with the following awards based on our 2008 sustainable development reporting:

- Winner of the Building Public Trust Award 2009 for Sustainability Reporting in the FTSE 100, which recognises trust and transparency in corporate reporting; and
- We were awarded first place in the Ernst and Young Excellence in Reporting Award for 2009, which recognises excellence in the quality of reporting by South Africa's top companies.



We are fully committed to the highest standards of corporate governance, which we believe helps create business integrity needed to deliver robust and sustainable business results.

Stakeholder Engagement

WE ARE COMMITTED TO MAINTAINING TRANSPARENT AND ONGOING CONSULTATIVE RELATIONSHIPS WITH ALL STAKEHOLDERS AND TO INCORPORATING THIS ENGAGEMENT INTO THE DECISION-MAKING PROCESS.

We appreciate the importance of sound relationships with our stakeholders in growing our operations, in delivering consistent operational performance and in working towards long-term sustainability. We understand the inherent risk associated with poor engagement and unstable relationships with our stakeholders and will continue to improve our engagement approaches by evaluating our practices.

Our approach

Our stakeholders are all individuals, communities or groups that influence our operations or are affected by our existence. We engage with those who are directly affected by our operations through the nature of our business or through proximity to our locations, and with those stakeholders who demonstrate an interest in our business. We engage with our stakeholders in order to improve relations; understand their perspectives and expectations; and communicate our plans and vision.

We respond to our stakeholders concerns and requests for information in a number of ways. We respond formally in the event that a formal concern or query is lodged with the Company and where concerns are raised in relevant stakeholder forums, feedback is either provided at the forum itself or subsequent to the event. Feedback is dependant on the type of concerns or information required and may take the form of formal written feedback or more informal telephonic discussions.

We also take into consideration the interests and expectations from a range of stakeholders obtained from various engagement initiatives, in terms of the content of our annual sustainable development reporting.

Risks or issues that are material to our stakeholders

In 2009, we have engaged with a diverse range of stakeholders with varying frequencies and with different approaches. The table below identifies the stakeholders with whom we have engaged with in 2009, how we engage with them, how often, and some of the more important issues identified. The risks or issues which have been identified below are not exhaustive and are focussed on the more prominent risk or issue raised within that category of stakeholders. These risks or issues have been identified through direct engagement processes and our ongoing stakeholder communication channels inherent to the management of our operations.

Our stakeholders include:

- Employees;
- Contractors;
- Business partners;
- Trade unions;
- Shareholders
- Communities, including adjacent mineral and surface land owners;
- Suppliers;
- Tribal structures;
- Local, provincial and national government;
- Non-governmental organisations;
- International and national organisations;
- Industry peers; and
- Customers.



Left: Jerry Makgau, the coach of Segwethane soccer team reading the Lonmin GLC Voice newspaper.

Right: Barnard Mokwena, Executive Vice President Human Capital and External Affairs addressing stakeholders at the Rekopane Development Forum.



Stakeholder Engagement

(continued)

Engagement with our stakeholders in 2009			
Stakeholders	Method of engagement	Frequency	Summary of issues that are material
Safety and Sustainability Committee of the Board	Meetings regarding the review of safety and sustainable development performance within the Company.	Quarterly	<ul style="list-style-type: none"> • Safety and sustainability organisational structures and reporting lines; • Safety performance, risks and legislation; • Environmental performance, risks, and legislation; • Health performance, risks and legislation; • Community development projects; and • Sustainable development reporting in terms of GRI and assurance.
Employees	Lonmin intranet; containing a library of information for all employees.	Ongoing	<ul style="list-style-type: none"> • Safety in the workplace; • Reorganisation and closure of operations; and • Retrenchment and impact on employees.
	Platinum Conversation, an employee newsletter distributed in three languages providing general information to employees on safety performance and other operational aspects.	Monthly	
	The COO's newsletter, a communication medium from the COO providing general information to employees on safety, market news, performance and strategic matters.	Weekly	
	Mining optimisation newsletter, an employee newsletter distributed to employees, providing information on performance within the Mining Division.	Monthly	
	Further engagements include shop-floor briefings, regular internal announcements (including daily safety statistics), meetings and annual performance reviews.	Ongoing	
	CEO stakeholder feedback forum.	Bi-annual	
Trade unions	Union engagement forums.	Monthly	<ul style="list-style-type: none"> • Employment equity; • Safety in the work place; • Market related remuneration; • Retrenchment process; • Employee training and development; and • Engagement with trade unions and the workforce.
	Employment equity forum.	Monthly	
	Stakeholder forum.	Quarterly	
	Discipline specific meetings covering aspects of safety, health and remuneration.	As required by the project	
	Central restructuring forum.	As required (as often as weekly within retrenchment period)	

Stakeholder Engagement

(continued)

Engagement with our stakeholders in 2009 (continued)			
Stakeholders	Method of engagement	Frequency	Summary of issues that are material
Shareholders	Financial and non-financial reporting.	Quarterly and annually	<ul style="list-style-type: none"> • Safety in the workplace, particularly in terms of improvement and benchmarking; • Maintaining sustainability efforts with reduced financial resources; • Employment equity and black economic empowerment; • Engagement with government agencies and trade unions; • Ethics and whistle-blowing; • Availability, use and securing of water resources; • Availability, use and security of energy resources; and • Community development in terms of employment, education housing and health.
	Annual general meeting.	Annually	
	Performance and strategy meetings.	Quarterly and annually	
	Face to face or telephonic discussions with a variety of shareholders.	As required by the project	
Business and project partners	Board meetings with our business partners, which include amongst others, Incwala Resources Pty Limited, Anglo Platinum Mvelaphanda and the Bapo Ba Mogale. We also engage with the Independent Development Trust as a business partner.	Quarterly	<ul style="list-style-type: none"> • Safety in the workplace; • NIHL; • Retrenchment /restructuring processes; • Black economic empowerment; • Retaining a skilled workforce; • Availability of housing for employees/contractors; • Availability and security of water resource; • Availability, use and security of energy (electricity) resources; • Environmental authorisations; • Rehabilitation of opencast mining; and • HIV/AIDS awareness and training.
	Meetings with project specific business partners, including the IFC.	As required by the project	
Traditional Authorities	We engage with the Traditional Authorities in the regions where we operate. The Authorities meetings include the Bapo Ba Mogale, Mapela, Mphahlele, Ledwaba, and Zebediela Ndebele.	Quarterly meetings (monthly in the case of Zebediela Ndebele)	<ul style="list-style-type: none"> • Equity and shareholding; • Royalties; • Employment; and • Community engagement process.
	Project specific meetings.	As required by the project	
Greater Lonmin Communities (GLC)	GLC area meetings with area representatives, during which community development and engagement is discussed and project performance tracked.	Monthly	<ul style="list-style-type: none"> • Reorganisation/retrenchment processes; • Safety/security of the community; • Air quality management and health issues; • Availability of potable water; • Management of water resources and pollution; • Archaeological artefacts and management thereof; • HIV/AIDS awareness in the community;
	Project specific meetings, including meetings as required by social and environmental impact assessments, with relevant community members.	As required	
	Akanani and Mapela community committee meeting.	As required	
	Environmental stakeholder forum.	Six monthly	

Stakeholder Engagement

(continued)

Engagement with our stakeholders in 2009 (continued)			
Stakeholders	Method of engagement	Frequency	Summary of issues that are material
Greater Lonmin Communities (GLC) (continued)	Community health meeting.	Monthly	
	CEO stakeholder feedback forum.	CEO stakeholder feedback forum	
	GLC Voice, a community newsletter providing general information to communities at large on aspects relating to the Company and to the GLC.	Every second month	
Local, regional and national government	Direct ongoing engagement on environmental and social issues with amongst others the local municipalities, the Department of Mineral Resources, the Department of Environment and Water Affairs, the Department of Health, the Department of Basic Education, Department of Higher Education and Training and the Department of Agriculture, Forestry and Fisheries.	Ranges from monthly, quarterly, annually to ongoing	<ul style="list-style-type: none"> • Safety in the workplace; • Social and Labour Plan; • Employment equity; • Retrenchment processes; • Availability of potable water resources; and • Environmental policies, strategies and legislation and performance in this regard. • Health care delivery; • Community development and engagement; and • Change management and delivery of commitments.
	Environmental open day.	Annually	
	Project specific meetings, including meetings as required by social and environmental impact assessments.	As required	
Contractors and suppliers	We continuously engage with our contractors and suppliers on safety, health and environmental requirements and preferential procurement.	Ongoing dependent on type of contractor or supplier	<ul style="list-style-type: none"> • Preferential procurement; • Safety in the workplace; and • Environmental performance.
Non-governmental organisations	Project specific meetings, including meetings as required by social and environmental impact assessments, with relevant community members.	As required	<ul style="list-style-type: none"> • Contractor management; • Air quality; • Engagement with non-governmental organisations; and • Availability, use and securing of water resources.
	Environmental stakeholder forum.	Six monthly	
	CEO stakeholder feedback forum.	CEO stakeholder feedback forum	
Industry associations	We actively engage in various industry associations such as the South African Chamber of Mines, ICMM, the South African Mining Biodiversity Forum, the International Platinum Association, the Extractive Industries Transparency Initiative and the UNGC.	Dependent on the association, changes from monthly to twice per annum	<ul style="list-style-type: none"> • Safety in the workplace; • Environmental legislation amendments; • Sustainable development reporting assurance; and • Registration, Evaluation, Authorisation and restriction of Chemicals.
Customers	Research and Development.	Annual	<ul style="list-style-type: none"> • Development of new potential applications for PGMs.
	Customer satisfaction surveys.		

Risk and Impact Management

WE ARE COMMITTED TO PROVIDING ADEQUATE AND APPROPRIATE RESOURCES TO IMPLEMENT EFFECTIVE RISK MANAGEMENT BASED ON VALID DATA AND SOUND SCIENCE, DURING ALL PHASES OF OUR OPERATIONS TO ENSURE THE REDUCTION OF RISKS AND THE ADOPTION OF BEST PRACTICES.

The timely identification, assessment and management of risks is critical to the success of our business. The Lonmin Risk Management Policy and Risk Management Standard provide the framework for integrated and dynamic risk management in the Company.

Our approach

Risk management encompasses both a bottom-up and top-down approach with the objective to have employees actively involved in the management of risks to the business and in the workplace. The top-down approach involves senior executives of the business reviewing strategic risks facing the business and our ability to meet our strategic objectives. The bottom-up approach involves management within each business unit reviewing risks that may prevent achievement of the business specific objectives. These reviews are conducted annually and on an ad hoc basis as business changes or the risks change so as to support business decisions. Progress on management plans is tracked on a monthly basis and internal audits undertaken on a frequent basis. The Board, the Audit and Risk Committee of the Board and the Executive Committee receives a six monthly report on the high level business risks and progress in mitigating or reducing these risks.

Sustainable development risks, of a higher priority which are presented in the Annual Report:

- The global economic downturn;
- Fatalities, serious injuries and unsafe behaviour;
- Empowering HDSA;
- Skilled work force;
- Housing of our employees;
- NIHL;
- HIV/AIDS and tuberculosis;
- Water resources;
- Energy resources;
- Minimising closure costs and environmental risks through integrated environmental management and closure planning;
- Local economic development; and
- Stakeholder engagement.

The precautionary approach is inherent in the risk management framework. It identifies all risks that could affect the Company and its partnerships, using a standard framework to assess risks and prioritise actions. The Company embeds risk management as a line responsibility, while monitoring progress on actions to mitigate the impact of the risks on a monthly basis; and implementing a structure that facilitates continuous improvement and shares best practice. Each risk is identified and assessed in terms of pure risk or the gross financial exposure of the risk, the overall effectiveness of the control environment, the shortcomings with the controls in place, the severity and likelihood of the risk occurring, the residual risk or risk score, the priority of each of the risks and action plans to mitigate the risk. Factors taken into consideration in the identification of risks include the Lonmin Charter and policy commitments, critical business success factors and legislation.

Additionally we take into consideration the interests and expectations of the stakeholders with whom we engage. Page 17 outlines the stakeholder engagement initiatives which we have undertaken in 2009, along with the key issues which have been identified through these engagement processes.

In 2010, third party assurance will be sought, as aligned with the requirements of the ICMM Sustainable Development Framework Assurance Procedure, on the process of identification and prioritisation of our material sustainable development risks and opportunities.

Our risks and impacts






Whilst the Sustainable Development Review in the Annual Report provides details around our more significant sustainable development risks as identified through the Company wide risk management process and taking into consideration the risks which our stakeholders believe are material, this report provides further information on risks and issues facing the Company that we believe are material. They are not presented in any order of significance in the report.

The next section provides a summary of our targets on our key issues, our performance against targets in 2009, as well as targets for the next reporting periods. Explanation around our performance as well as the main processes in place to manage these risks is detailed in the various sections of the report.








Summary of our Performance against our Targets

WE ARE **COMMITTED TO CONTINUAL IMPROVEMENT** IN OUR PERFORMANCE THROUGH A FRAMEWORK OF SETTING AND REVIEWING OUR POLICIES, OBJECTIVES AND TARGETS.

We are committed to continual improvement in our performance through a framework of setting and reviewing our policies, objectives and targets. The table below summarises our performance against our key targets and outlines our targets going forward, with 'X' indicating not achieved and '✓' indicating achieved.


Issue	Progress	Targets for 2009 and beyond	Performance and additional targets
Management systems		We will maintain our current management systems certification for the reporting year.	All operations maintained ISO 14001 certification, other than the Assay Laboratory whose certificate expired in 2009. In 2009, the BMR, Smelter and PMR maintained their OHSAS 18001 certification. We will achieve OHSAS 18001 management system certification at all our operations by 2011.
		We will receive zero fines and prosecutions for the reporting year.	We received no fines and prosecutions in 2009.
Human capital		We will comply with the principles embodied in the United Nations Declaration for Human Rights (recurring target).	In 2009, there has been no reported incident of violation of the principles.
		We will increase the literacy rate of our employees to 50% by 2009.	We have increased the literacy rate of our employees to 47%. We will aim to improve the literacy rates of our employees by 2% in 2010 based on our performance in 2009.
		We will ensure that 40% of senior and middle management comprise employees from designated groups by 2009.	In 2009, 41.3% of senior and middle management comprised employees from designated groups. We will increase the participation of employees from designated groups within senior and middle management to 53% by 2014.
	Not on track	We will increase women in mining to 10% by 2012.	In 2009, we have increased the number of female employees at the mine to 6.8% and have increased the number of women in mining to 2.9%. Although we were not on track to achieve our targets in 2009, we have implemented initiatives to enhance the participation of women in our workforce and thus believe that we will achieve our targets in 2012. We will increase female participation at the mine to 11.6% in 2012.

Summary of our Performance against our Targets (continued)

Issue	Progress	Targets for 2009 and beyond	Performance and additional targets
Procurement		We will increase our total discretionary spend with HDSA suppliers to 60% ¹ by 2009.	In 2009, we have increased our total discretionary spend with HDSA suppliers to 66.6%. We aim to maintain at least 65% of our total discretionary spend with HDSA suppliers by 2012.
	On track	We will have 63% of our total discretionary spend with HDSA suppliers by 2010.	
Safety		We will achieve zero fatalities at our operations each year.	In 2009, regrettably three fatalities occurred at our operations.
		We will improve our LTIFR by 15% by 30 September 2009 (baseline year 2008).	As at the end of September 2009, we have improved our LTIFR by 0.96%. We will improve our LTIFR by 10% by 30 September 2010 (baseline year 2009).
Health		We will increase participation of patients in our wellness programme by 20% by 2009.	In 2009, the participation of patients in our wellness programme decreased by 51%, this partially being attributed to the restructuring and reorganisational process that was undertaken in 2009, with 17% of patients exiting as a result of restructuring, 28% defaulting from the programme and 6% commencing with ART. We aim to increase participation of patients in our wellness programme by 20% in 2010 (2009 baseline year).
		We will train one workplace peer educator for every 75 employees by 2009.	In 2009, we have one trained workplace peer educator for every 71 employees. In 2010, we aim to maintain one active workplace peer educator for every 75 employees.
		We will reduce our number of new NIHL cases by 30% by 2009 (2008 baseline year).	In 2009, we have reduced our new diagnosed NIHL cases by 80.9% from our 2008 baseline year. We will reduce our number of new NIHL cases by 10% in 2010 (2009 baseline year).
		All operations to implement a baseline survey on occupational exposure hazards and establish occupational hygiene monitoring and health surveillance programmes by 2009.	All operations have implemented baseline surveys on occupational exposure hazards and have established occupational hygiene monitoring and health surveillance programmes.

¹ The target of 50% stated in the 2008 Web-based Sustainable Development Report was incorrect and has been rectified to 60% by 2009.

Summary of our Performance against our Targets (continued)

Issue	Progress	Targets for 2009 and beyond	Performance and additional targets
Environment	On track	We will reduce our aggregate fresh water intake by 15% per unit of production (2007 baseline year) by 2012.	We have reduced our aggregate fresh water intake by 12.16% per unit of production since 2007.
	Not on track	We will reduce our aggregate energy consumption per unit of production by 10% by 2012, thereby reducing greenhouse gas emissions by 5% (2007 baseline year).	We have increased our aggregate energy consumption by 3.77% per unit of production and our greenhouse gas emissions by 10.32% per unit of production since 2007.
	On track	We will reduce our quantities of waste disposed of to landfill by 15% (2008 baseline year) by 2012.	We have increased our quantities of waste disposed of to landfill by 23.4% since 2008. This increase can be attributed to the increased disposal of calcium sulphite at landfill until such a time that alternative disposal options are implemented. Excluding the contribution of calcium sulphite, we have reduced our waste disposal to landfill by 2% in 2009.
Housing		We will convert five hostel complexes into bachelor and/or family accommodation in 2010.	We remain committed to the ultimate construction of 5,500 houses within the GLC. However due to financial constraints the target date for completion of these houses is under review and will be discussed with the Department of Mineral Resources.
Community		We will spend 41% of our five year financial commitments on local economic development projects as per the Social and Labour Plan by 2009.	We have spent 41.1% of our five year financial commitments on local economic development projects as per the Social and Labour Plan. We aim to spend 58% of our five year financial commitments on local economic development projects as per the Social and Labour Plan by 2010.

Creating Wealth

WE **CREATE VALUE** BY THE DISCOVERY, ACQUISITION, DEVELOPMENT AND MARKETING OF MINERALS AND METALS FOR COMMUNITIES, SHAREHOLDERS, BUSINESS PARTNERS, EMPLOYEES AND SUPPLIERS.

Summary of our 2008 performance

- The global economic downturn in 2009 has had a significant negative impact on the Company's performance;
- Net cash distributed in 2009 amounted to US\$619 million;
- In 2009, our total platinum production amounted to 683,359 oz and our total PGMs produced amounted to 1,267,529 oz;
- The largest percentage shareholders of the Company include M&G Investment Management and Xstrata Zinc BV, which own 19.41% and 24.67% respectively as at 30 September 2009;
- US\$2.6 million was spent on local infrastructure development in 2009;
- In 2009, we have achieved and exceeded our target of 50% total discretionary spend with HDSA suppliers, with a 66.6% spend totalling our spend to US\$523 million; and
- The local supplier development programme has been successful, with 215 contracts to date being awarded to GLC suppliers, to the value of US\$31.5 million.

Introduction

Our economic impacts are both of a direct and indirect nature. Our mission is to grow and build our portfolio of high quality assets and to enable our shareholders to realise a superior total return on their investments and to improving the quality of life of current and future generations through the integration of economic prosperity, social development and environmental protection.

Additionally, we support the ICMM's Resources and Economic position paper and acknowledge that mineral resources have the potential to promote economic development and contribute to poverty reduction. Additional information on our financial performance can be obtained from our 2009 Annual Report, which is located on www.lonmin.com.

The global economic downturn

The global economic downturn in 2009 has had a significant negative impact on the Company's performance as a result of economic uncertainty, significant impacts on the PGM pricing, Rand/US\$ exchange rates, share price and difficulties in credit markets.

The Company derives substantially all of its cash flow from the production, processing and sale of PGMs based on market prices. As a result, the

Company's financial performance is significantly affected by the market prices of the PGMs that the Company produces, particularly the prices of platinum and rhodium. Along with other commodities, the pricing environment for PGMs has changed significantly over the last 12 months. The platinum price peaked at US\$2,276/oz in March 2008, mainly as a result of supply side challenges arising from power generation concerns in South Africa and a growing number of industry safety stoppages, alongside a strong demand environment. Since then, the platinum price declined to a low of US\$756/oz in October 2008, but subsequently rose to US\$1,287/oz as at 30 September 2009. We believe that the fall in PGM prices was driven initially by the worsening outlook for the global automotive industry and was sustained by a fall in the demand for automotive vehicles and other PGM-containing consumer goods as a consequence of the global financial crisis, as well as a reduction in investment holdings. This effect has been exacerbated by de-stocking amongst industrial consumers of PGMs and some sales of inventories. The continuing market downturn has had a major impact on pricing, resulting in our average PGM basket price during the first half of the 2009 financial year declining by 55% to US\$699/oz. Pricing has, however, improved during 2009 with the PGM basket increasing by nearly 20% to US\$861/oz in the second half of 2009.

Actions to improve operational performance

We remain one of the lower cost producers of PGMs and have recently taken a number of significant actions to improve operational performance, achieve cost savings and preserve cash, to help mitigate the impact of the global economic downturn. These steps include a major restructuring programme at our core operations at Marikana, a renewed emphasis on low cost production and an extensive cash conservation programme across the business, specifically as follows:

Elimination of non-value-adding ounces: We have ceased production from our higher unit cost operations, specifically at our opencast operations at Marikana and at our Baobab Shaft at Limpopo, which has been placed on care and maintenance. As part of these actions, we have completed a significant restructuring and retrenchment programme at our Marikana operation.

Change of mechanisation strategy: We are in the process of switching from mechanised to hybrid mining at a number of our shafts, with conventional stoping supported by mechanised development.

Creating Wealth (continued)

Cost reduction, performance improvement and capital rationing: Approximately 7,000 full time employees and contractors employed at the Company exited as at 30 September 2009. The cost savings relating to this headcount reduction are expected to deliver annualised cost benefits of US\$90 million for 2009. Additionally we have implemented a number of programmes across our operations to improve performance going forward. In addition, capital expenditure programmes at the Limpopo Phase Two Project and Akanani were placed on hold. As part of our restructuring programme, we have also significantly curtailed our exploration activities.

Simplification of organisational structure with clear accountability: We have implemented a new simplified management structure which enhances focus and accountability, giving the operations more ownership of the functions required to ensure efficient and effective delivery. The Company's new simplified management structure places the operational management emphasis firmly in South Africa.

We have also taken action to improve its financial flexibility, including not paying a final dividend for 2009 and refinancing US\$575 million of existing facilities to maintain the aggregate quantum and lengthen significantly the tenure of the Company's facilities.

We expect the pricing environment to continue to be unpredictable in the short term while significant economic uncertainty prevails but are confident that the positive balance between supply and demand in the PGM sector will return in due course. We remain confident of the longer term potential of the Company, with our high quality asset base and low cost position, and in the fundamentals of the PGM industry, and our primary focus continues to be on preserving and enhancing value for all our shareholders.

Impacts of the downturn on sustainable development

In 2009, the Company's profitability and cashflows were negatively impacted by the global economic downturn. Consequently, management initiated a major restructuring programme during the year, resulting in the voluntary separation and forced retrenchments of employees. This impacted on our progress towards increasing the number of HDSA and female employees within the Company and retaining key skills within the workforce. Furthermore, due to the adverse change in our financial situation, we will not achieve our targets to construct houses and undertake hostel conversions by 2011.

Additionally, the completion deadlines for a number of environmental and social projects have been extended in an attempt to reduce operational expenditure. However, we have taken steps to ensure that this will not have a material impact on the business, our compliance or impacts to the environment or communities where we operate.

Despite the impact of the global economic downturn on our financial flexibility, we have not deviated from our belief in the business case for sustainable development and the associated business benefits. Furthermore, we remain fully committed to the values of our Charter and our commitments within the Safety and Sustainable Development Policy.

Further information on the effect of the economic downturn on each of these sustainable development aspects has been provided within the body of this report.

Direct economic impacts

The 2009 Annual Report, which is located at www.lonmin.com, details all direct economic risks, opportunities and key strategies on our economic performance.

Operational performance

In 2009, our total platinum production amounted to 683,359 oz and our total PGMs produced amounted to 1,267,529 oz.

Economic performance

We recognise that as a leading global producer of PGMs, a finite resource, the impact our business has on the economic conditions of our stakeholders including employees and communities is extremely important. The value added statement for Lonmin Plc as at 30 September 2009 depicts our direct economic impact.

Creating Wealth (continued)

Value-added statement for Lonmin Plc as at 30 September 2009			
	2009 US\$ million	2008 US\$ million	% Variance
Net cash generated			
<i>Customers, consumers and investment income</i>			
Cash received for products	1,138	2,270	(50)
Cash returns on investment	3	13	(77)
<i>Suppliers¹</i>			
Cash payments for materials and services purchased	(488)	(445)	10
Cost of borrowings	(34)	(23)	48
Net cash flows	619	1,815	(66)
Cash distributed			
Human capital (salaries and benefits)	499	557	(10)
Social capital	6.2	7.3	(15)
– Donations	0.5	0.7	100
– Other community projects ²	5.7	6.6	(14)
Government taxes	55	245	(78)
Directors remuneration	7	9	(22)
Shareholders distribution	–	186	(100)
Cash retained for sustainable growth	52	811	(94)
Net cash distributed	619	1,815	(66)

1 We have a 30 day payment policy on services and procurement.

2 Inclusive of salary and administrative costs.

Payments to government

Neither the South African nor United Kingdom governments are present in the Company's shareholding structure. The Extractive Industries Transparency Initiative is a coalition of governments, companies, civil society groups, investors and international organisations that aims to strengthen governance by improving transparency and accountability in the extractive sector. The Extractive Industries Transparency Initiative has a robust yet flexible methodology that ensures a global standard is maintained throughout the different implementing countries. We are one of 37 companies from the oil, gas and mining industry that supports and actively participates in this initiative. By committing to support the initiative, we have submitted an International-Level Company Self Assessment form and commit to reporting publicly on an annual basis, any payments made to government. Government taxes in 2009 amounted to US\$55 million.

Assistance from government

In 2009, the Company received a skills development grant, amounting to US\$2.4 million from the Mining Qualifications Authority on evidence of the execution of our training programmes.

Our employees

In 2009, the Company employed a combined total of 21,623 employees and 10,497 contractors were registered on our database. Where possible, we employ persons from our local communities. Employees, including executive Directors, received salaries to the value of US\$499 million.



The skills development grant is used to further our training initiatives, such as our operators' training.

Creating Wealth (continued)

Our shareholders

The figures to the right illustrate a breakdown of our shareholders by type of fund and geographic location. The percentages provided for the geographic location of our shareholders excludes Xstrata Zinc BV. The largest percentage shareholders of the Company include M&G Investment Management and Xstrata Zinc BV who own 19.41% and 24.67% respectively as at 30 September 2009.

Indirect economic impacts

We, as a Company have both positive and negative economic impacts at a local, regional and often national level, examples including creating wealth through local market presence and community development and the impact of our workforce on the availability of housing and our physical impact on the environment. Within this report we have reported on the significance of these impacts and where relevant, in the context of external benchmarks, such as international standards and protocols. We identify and assess our indirect impacts through amongst others, baseline assessments, needs analysis, stakeholder surveys and environmental and social impact assessments.

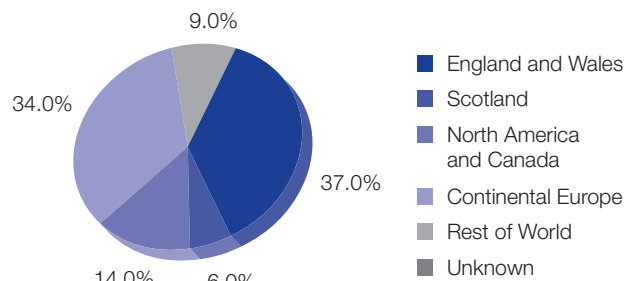
Indirect economic impacts are defined as intangible benefits that emanate from the secondary effects of capital investment, mine development and employment in the local community. We are committed to local employment, developing local suppliers and investing in local infrastructure to stimulate and attract further economic development in the areas where we operate. Our Social and Labour Plans provide for opportunities for employee and community development as aligned with the local government development plans. Risks associated with non-compliance to these plans may include compromised stakeholder relations, penalties and even temporary closure.

Preferential procurement

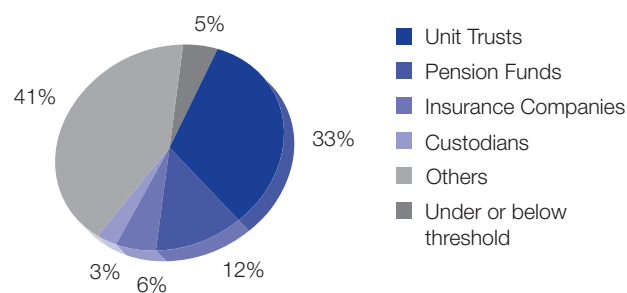
We support the transformation programmes of the South African government to address previous inequalities and to create stability and prosperity for all. A key component of transformation is enhancing the participation of HDSA companies, and in particular our local HDSA companies, in the procurement chains of our operations, in terms of consumables, services and capital.

As part of our Social and Labour Plan, we have set targets to increase our total procurement spend with HDSA suppliers to 60% by 2009, 63% by 2010, 64% by 2011 and 65% by 2012. In 2009, we have achieved and exceeded the 2009 target, with a 66.6% HDSA procurement spend. In 2009, our HDSA procurement spend was US\$523 million and our spend as from 2007 amounts to US\$1,310 million. Our procurement strategy targets HDSA companies and where this is not possible, we encourage existing suppliers to form partnerships with HDSA companies and to capacitate these companies. Aligned with our vision to create stable and economically independent communities, we are also focusing on developing supplier opportunities for local HDSA community members residing in the GLC.

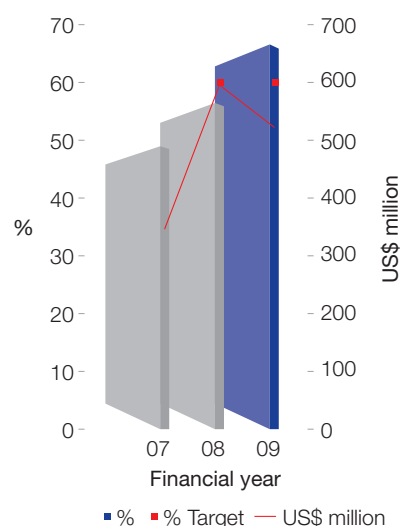
Shareholders by geography in 2009



Shareholders by type in 2009



HDSA Spend



Creating Wealth (continued)

Bons Construction prospers!



Our local supplier, Bons Construction has continued to prosper with an additional 46 contracts awarded in 2009. Bons Moeng and Minah Maduma from Bons Construction.

One of the companies that we reported on in 2008 that have benefited from our GLC supplier development programme is Bons Construction. Bons Construction has continued to grow and prosper as a construction company and in 2009 were awarded an additional 46 contracts under our local supplier development programme, totalling the number of contracts to date to 65. These contracts have included road repairs in Mooiooi, maintenance at Andrew Saffy Hospital and refurbishment of the Karee adult basic education and training (ABET) classrooms. Additionally as a result of advertisements been placed in local newspapers and the distribution of copies of their business profiles, they were awarded the contract for general maintenance at the Bethanie Police Station. Bons Construction makes use of our supplier development incubation centre, and aims to further develop their business opportunities in 2010.

The GLC supplier development programme

Although we have exceeded our target to increase our total discretionary spend with HDSA suppliers to 60% by 2009, the achievement of this target has not resulted significantly in the empowerment of the local community to our satisfaction, as HDSA suppliers from the metropolitan areas of Johannesburg and Pretoria have primarily benefited from this policy. To this end, we have also focussed on developing the social and economic standing of local communities residing within the GLC through local supplier development. In 2007, we commenced with an initiative with the International Finance Corporation (IFC), the duration of which is over a period of three years. The strategic objective of this programme is to tap the entrepreneurial skills of communities who reside in the GLC and develop 60 locally owned supply companies, thirty of them sustainable during the next three years and award them with contracts

from the Company at a value exceeding US\$44.5 million. In addition to the geographical location of the supplier as well as the HDSA status, factors that influence our supplier selection include costs, financial credibility, environmental performance and social performance. The intent of this programme is to promote sustainability by contributing significantly to the development of the communities through enhancing knowledge, skills and entrepreneur development of the communities and community self reliance. The basis for success is for these suppliers to extend their services, not only to other mining organisations in the regions, but also to non-mine related customers.

Thirty months have lapsed since the commencement of the local supplier development programme. The programme has been successful with 215 contracts to date being awarded to 34 local suppliers, to the value of US\$31.5 million in the disciplines of construction, ore and concentrate transport, training and catering. In 2009, 0.8% of total discretionary spend on goods, materials and services or an amount of US\$6.6 million was spent on GLC suppliers. In 2009, 117 additional contracts and orders were awarded to local suppliers. In order to identify opportunities within the GLC, we have conducted business landscape assessments during which available and potential businesses were identified and assessed. To date we have identified more than 200 potential suppliers who have registered companies of which the majority require development prior to participating in the programme. The supplier development programme has identified three ways of matching potential suppliers in the GLC with business opportunities, namely:

- 100% GLC owned companies. This is the preferred approach although it is often not possible due to a shortage of existing companies and skills;
- 100% GLC owned companies as sub contractor. This approach is to enable GLC companies, the opportunity to develop their skills and gain practical experience; and
- Joint ventures. The majority of established businesses will entertain joint ventures with GLC suppliers, affording them the opportunity to promote their own black economic empowerment and to be accepted as suppliers of services or products to the Company.

The programme requires, in order to be successful a range of partners, including training institutions, financial institutions and community groups. In order to develop the GLC companies in the most effective manner, in 2009, we established an incubation centre, thus providing a structured process for training, support and monitoring of these suppliers and potential suppliers.

Creating Wealth (continued)

Incubation centre for supplier development

In 2009, in partnership with the IFC, we have established an off site incubation centre to afford GLC Companies who have contracts with the Company in excess of five months with fully furnished office facilities and business and financial training. Facilities include office furniture, personal computers, internet usage, telephones, faxes, printing facilities as well as meeting room facilities. Entrepreneur development initiatives comprises facilitation for financing, assistance with the commencement of businesses, enterprise evaluations, enterprise system setups, training on 22 modules, coaching and mentoring opportunities.

To date, 104 individuals have participated in the incubation centre representative of 70 companies. These enterprises have been evaluated, 31 training sessions have been completed and 51 days of training have been held. The incubation centre and the training that has been conducted to date have been at an expense of US\$5.9 million to the Company. Going forward, we aim to privatise the incubation centre to enhance independence from the Company. This will be achieved through the participation of other mining houses in the immediate area in establishing an independent transformation trust to which suppliers of the mining houses will be able to make donations in order to meet their broad based black economic empowerment obligations. These trust funds will be managed by external auditors, whilst fund allocation will be managed by the trustees of the trust.



Local supplier companies receiving business and financial training at our supplier development incubation centre.

Infrastructure development

We also have indirect economic impacts on the communities where we operate through our social development programmes, which encompass capital investment in public infrastructure development, education and health programmes. The social development programmes are aligned with the requirements of our Social and Labour Plans that are in turn aligned with the Integrated Development Plans of the municipal areas in which we operate. In 2009, US\$2.6 million was spent on community infrastructure development projects of which the significant projects are outlined. Please refer to page 78 for further information on these programmes.

Infrastructure development expenditure in 2009

Project	Lonmin Investment
North West water and sanitation project	US\$781,795
Water and sanitation (Eastern Cape)	US\$61,179
Silindini bridge (Eastern Cape)	US\$336,485
Health care delivery	US\$34,734
School facilities upgrade	US\$769,805
Personal computer laboratories	US\$14,987
Agisanang farming project	US\$532,722
Itireleng community co-operative	US\$24,244

Creating Wealth (continued)

The Platinum Group Metals market

We are South Africa's third largest producer of PGMs. South Africa is the largest producer of platinum and rhodium in the world and contributes 76% and 83% of global supply respectively. We are committed to growing the market for PGMs. PGMs are used in applications that depend on their unique physical and chemical properties such as catalysis, inertness, conductivity and biocompatibility. PGMs are used in catalytic converters to reduce noxious emissions from vehicle exhausts, gasoline, diesel, bio-fuels and hybrid engines. Their superior performance in such applications protects against substitution. The long-term demand fundamentals for platinum and other PGMs have remained positive although platinum and other PGM prices have shown significant declines in the past twelve months. This volatility has an impact in the consumption and purchase behaviour of PGMs. Although auto catalyst sector continues to be the primary demand driver for platinum, palladium and rhodium, primarily as a result of robust long-term automotive demand as emerging market vehicle production grows, tightening emissions legislation and continued growth in clean air legislation globally, there continues to be a strong demand growth in PGMs in the jewellery industry, which represents around 18.6% of global demand for platinum, as well as increasing usage across a range of other industrial applications. There is also an increase in demand for stationary fuel cell applications to deliver on global energy saving and clean air commitments. We serve the same markets as is broadly served by all platinum producers or refiners worldwide, including companies that manufacture auto catalysts, industrial and chemical companies, as well as glass companies and jewellery manufacturers.

Product responsibility

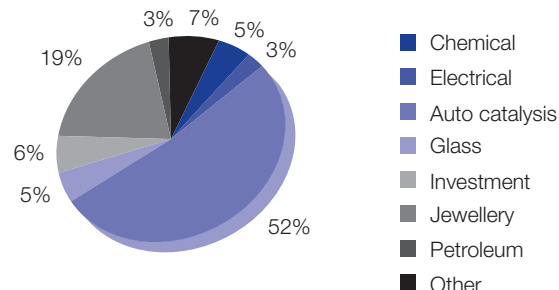
We undertake mining and processing activities in an environmentally and socially acceptable manner, which in turn gives rise to a responsible product. We are committed to responsible product design and promoting the use, reuse, recycling and disposal of our products and where relevant, assess the health and safety impacts of the life cycle of our products. Our Company values and policy commitments underline our approach to marketing and selling of our products; we choose our customers based on their business ethics and sustainable development values and approach and relate to our customers as partners.

Accountability for product responsibility ultimately resides with our CEO. Although aspects relating to product quality are managed by the Executive Manager Marketing, the responsibility for product management, and training and awareness thereof, lies within each operational unit contributing to the lifecycle of our products.

Product classification and labelling

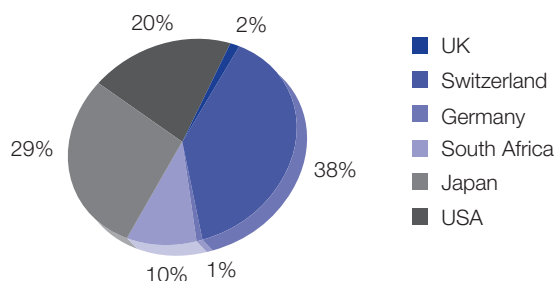
We are a founder member of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) PGM consortium and strive to adhere to the codes and practices in respect of product

Platinum demand by industry



Source: Johnson Matthey Platinum 2009 Report

PGM market by geographical breakdown



classification and labelling adopted by the consortium. We actively participate and attend forums and submit and share data relating to the content and chemical composition to promote responsible distribution and management of our material. For more information on REACH and our participation in this regard, please refer to page 69.

Whilst there are no legislative requirements for our products, service information and labelling, information regarding the content of all of our material, particularly with regards to substances that may result in an environmental or social impact, is provided upon delivery to our customers.

Customer satisfaction

Although no external auditing in respect of customer product complaints is conducted at this stage, we have a comprehensive internal product concern monitoring process that is strictly adhered to by all stakeholders. In terms of customer health and safety, there are no material health or safety complications related to the final product produced and marketed by the Company. Although the health and safety impacts of our post production product in its various stages of the life cycle has not been formally assessed, consistent efforts are made to address all health and safety issues as they relate to our products.

We assess our customer's satisfaction on our final products through annual surveys in which our customers provide feedback and a rating in respect of their product satisfaction. Our performance in terms of delivery, product quality, responsiveness, communications, labelling and packaging is assessed.

Creating Wealth (continued)

Although the ratings from the annual surveys are confidential, we have performed well as per the results of these surveys. We respect the privacy of our customers and to this end, we have confidentiality agreements in place with all our customers. No complaints regarding breaches of customer privacy or losses of data were recorded in 2009.

In 2009 there were no incidents of non-compliance with voluntary codes concerning the health and safety impacts of products and services. Due to the business-to-business nature of our niche customer base, we assess compliance to voluntary codes with our customers in the form of structured discussions. No incidents of non-compliance with regulations were reported in 2009. No incidents of non-compliance with regulations or voluntary codes concerning marketing communications, advertising, promotion or sponsorship were reported in 2009. Our sales are largely business to business and as a result no definitive codes are followed for the purposes of marketing communications, promotions and sponsorships. Additionally in 2009, no fines were received in respect of non-compliances in the process of the provision and use of the product.

Five incidents of non-compliance with voluntary codes involving slight discrepancies in the composition of impurities contained in the product were reported in 2009. We responded and managed the concerns accordingly.

Product research and development

We seek to promote the use of PGMs and promote beneficiation within the South African context. To this end, we supply financial support for research and

development efforts of our current customer base with a primary directive to find new applications for PGMs and opportunity to bring the ideas and concepts into the South African landscape for the benefit of the South African community and workforce. We were a key founder of the Platinum Beneficiation Committee in 2007 and continue to participate in the shaping of the beneficiation policies and developments within our industry. We have actively participated in the formulation of a response to the revised beneficiation strategy and policy document presented to industry in May 2009. We will continue to support and seek opportunities to create value and growth for the people of South Africa through its product streams.

Product promotion

We are particularly mindful of the fact that the jewellery industry is a key demand sector within the PGM consumption arena, yet one that is significantly impacted by the metal price and believe therefore that extra attention and promotional activity is needed to sustain this very important segment of the platinum industry. We have been a primary sponsor to the Platinum Guild International for the past 10 years and 2009 was no exception. In 2009, the jewellery industry embraced the new lower prices and as an industry the jewellery industry became the one shining light in an otherwise challenging environment, validating our firm belief that our support and activity within the jewellery industry is well placed and should continue unabated. As such we were the primary sponsors for the six consecutive year of the Platinum Collection Design Innovation Awards.

Lonmin, a proud sponsor of the Design Innovation Award

We are committed to excellence, both in ethical practices and design innovation. In 2009, we were the primary sponsor of the Lonmin Design Innovation Award, which is a platinum-based competition organised by Blue Incorporated who are the publishers of the Platinum Collection, aimed at designers who are looking to drive forward contemporary jewellery design. The Design Innovation Award was set up seven years ago to recognise and reward outstanding design in platinum. On a more general level, the competition aims to enhance the design standards of all contemporary jewellery to greater heights. Within the competition, there are two categories; emerging designers who have less than five years experience as a jewellery designer and established designers who have more than five years of experience.

In 2009, there were eight winners, four in the Emerging Designer category and four in the Established Designer group for the most creative and innovative designs. The prizes include a £300 contribution to the production of their winning design, features in the Platinum Collection and on the Lonmin Design Innovation Award website, promotion with the editorial in the Platinum Times and other leading jewellery trade titles and an invitation to showcase their designer piece on the Johnson Matthey stand at International Jewellery London 2010.



Top: The Aeon earrings designed by Fei Liu.
Bottom: The Geo. Galactica ring designed by Tom Rucker.

Upholding Ethical Business Practices

WE ARE **COMMITTED TO THE HIGHEST STANDARDS** OF SOCIAL AND BUSINESS PRACTICES BY UPHOLDING ETHICAL BUSINESS PRACTICES, SOUND CORPORATE GOVERNANCE AND TRANSPARENCY.

Summary of our 2009 performance

- Our Lonmin Charter outlines the values to which we ascribe as a Company and the Lonmin Code of Business Ethics provides the framework within which all Company business practices must be conducted, managed and regulated;
- We have continued to identify, assess and manage risks relating to corruption at all operations as part of our Company formal risk assessment;
- We report on our performance and significant investigations to the Executive Committee and to the Risk and Audit Committee of the Board monthly and bi-annually respectively;
- We continue to provide training to all employees and contractors on our Code of Business Ethics;
- In support of the Code of Ethics, we continue to make available the Ethics Hotline, to any employees, contractors, customers or suppliers who wishes to report activities that they feel are not consistent with the spirit of this Code;
- In 2009, we did not receive any legal action for anti-competitive behaviour, anti-trust or monopoly practices; and
- As part of the screening process on all potential vendors to assess their suitability, there have been a number of incidents when contracts with business partners have not been renewed due to violations related to corruption.

Our approach

Our business ethics are grounded in the Company's stated values, which promote integrity, honesty and trust. Our Lonmin Charter outlines the values to which we ascribe as a Company and the Lonmin Code of Business Ethics provides the framework within which all Company business practices must be conducted, managed and regulated. This Code of Business Ethics has been compiled in accordance with the common values shared by all involved in the Company, the general principles of law and internationally accepted ways of doing business ethically. The Code encompasses aspects of fraud, corruption, theft, conflicts of interest, disclosure of gifts, intellectual property and political support. In addition, systems of control have been introduced to ensure that in attaining our objectives, we behave legally, ethically and appropriately.

In support of the Code of Ethics, we have instituted an Ethics Hotline, with is available to all employees, contractors, customers or suppliers who wish to report activities that they feel are not consistent with the spirit of this Code. The Ethics Hotline is a safe and secure channel whereby any information can be reported without fear of recrimination. In addition the failure to "blow the whistle" in cases where employees know of misconduct arising under this Code is regarded as a serious offence. The Ethics Hotline is operated by a third party and all reports made are fully confidential and the option to remain anonymous is available. All reports made are referred to the Company Secretary and the Group Internal Audit and Investigation's Department, whom then takes action as deemed appropriate to investigate any violations of this Code reported through the Ethics Hotline.

We were one of the founding members of the Institute of Business Ethics; a United Kingdom based non-profit organisation encouraging high standards of business behaviour through research, advisory services, reporting and education. We are also a member of the Ethics Institute of South Africa, an independent, non-profit organisation that promotes ethical practices in South Africa. Additionally, we partake in a number of forums to contribute to government decision-making and to create a platform to collaborate with industry peers and government.

We report on our ethical business performance and in particular, significant investigations, to the Executive Committee and to the Risk and Audit Committee of the Board monthly and bi-annually respectively.



Our business ethics are grounded in the Company's stated values, which promote integrity, honesty and trust.

Upholding Ethical Business Practices (continued)

Anti-corruption

We do not tolerate any behaviour that is corrupt. Risks relating to corruption are encompassed within our formal risk assessment and management processes in place for all (100%) of our operations. Risk assessments include risks facing our operations as well as risks applicable to the business. These risks are monitored on an on-going basis and the progress on management plans is monitored and reviewed on a monthly basis. Responsibility for the elimination of corrupt behaviour for our operations resides with line management. All employees and contractors receive training pertaining to business ethics, including that of anti-corruption, on an annual basis as part of the induction and refresher training.

Ethical value chains

Our procurement policy is to procure third party goods and services from partners who we believe to be ethical in their business practices and to have good human rights, safety and sustainable development practices in place. Our conditions of contract with our suppliers and contractors include clauses reinforcing these practices. We have the necessary systems and checks in place to enforce our policies, including security clearances that are undertaken on potential suppliers and contractors prior to engagement. These checks include company registration, credit and tax information, black economic empowerment status and financial judgments. Full evaluations of suppliers and contractors are also conducted on request.

Anti-competitive behaviour

Upholding the principle of fair and open competition forms an important component of our approach to business. While we will compete vigorously and honestly to get the best outcome for our shareholders, we will never do so by illegal, dishonest or unfair means or by using information gained unfairly. We will work with competitors where we believe we have common interests and can achieve the best outcome for the Company, but will never collude with competitors, suppliers or customers in any form of deception or other improper activity. We will respect the confidentiality of any information gained from these dealings and never use it to the disadvantage of the other party. Meetings with competitors where sensitive matters could arise are policed by qualified attorneys, and we believe that we adhere to all relevant legislation and avoid anti-competitive behaviour at our operations. Responsibility for ethical business practices resides with line management, although our CEO remains accountable. Employees and contractors receive training pertaining to business ethics as part of the induction and annual refresher training.

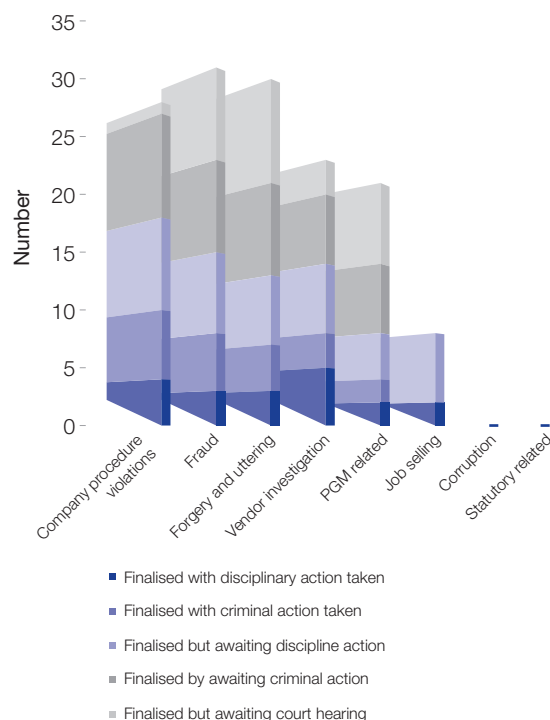
Compliance with legislation

We are committed to complying with all relevant legislation of the countries where we operate in the sphere of environmental management, safety, human capital, health, business ethics, human rights and community development. We have internal monitoring and internal and external auditing plans in place to determine compliance to the legislation, with supporting reporting methods. Responsibility for compliance to these issues resides with line management. We have training and awareness programmes in place across all operations to reduce risks associated with legal non compliance.

Our performance

In 2009, 70% of identified unethical behaviour cases were reported directly to the Security Department by employees and other stakeholders. The incidents are then reported to the Investigations Department for further investigation. In addition, a number of calls are made directly to the in-house investigations team, and other ethical breaches become apparent in the course of internal audits or other investigations. Cases reported by the Ethics Hotline are negligible, totalling 18 cases in 2009. We have embarked on an initiative in 2009 to enhance the awareness on the Ethic Hotline. Priority one unethical behaviour cases are reported directly to the Board, priority two cases to the Audit and Risk Committee of the Board and priority three cases to the Executive Committee on a monthly basis. The priority rating of the cases is based on inherent monetary value to the Company. The figure below outlines the finalised number of priority one, two and three cases reported per category and the results of these cases for 2009.

Categories and status of cases
of unethical behaviour in 2009



Upholding Ethical Business Practices (continued)

Anti-corruption

In 2009, there were eight incidents which resulted in eight employees being disciplined and ultimately dismissed for dishonesty. There have been a number of incidents when contracts with business partners were not renewed due to violations related to corruption. We routinely screen all potential vendors to assess their suitability. A number of these matters are either still within the legal process, or confidentiality obligations preclude further disclosure. Accepting or giving bribes in all forms is prohibited in business transactions undertaken directly by the Company or through third parties, including subsidiaries and joint ventures. We do not directly or indirectly participate in party politics nor make any financial contributions to any party or individual. In 2009, the Company received a skills development grant, amounting to US\$2.4 million from the Mining Qualifications Authority on evidence of the execution of our training programmes. We also support the Extractive Industries Transparency Initiative, promoting transparent reporting by extractive resource companies of their dealings with, and payments to government.

Anti-competitive behaviour

In 2009, we did not receive any legal action for anti-competitive behaviour, anti-trust or monopoly practices.

Compliance with legislation

In 2009, we conducted numerous audits of the various risks within our business to determine compliance to relevant legislation. The objective and results of these audits are provided within the context of each issue in this report. In 2009, we were issued with a number of notifications in relation to the Mine Health and Safety Act 29 of 1996. Marikana received 35 such notifications. These notifications are evidence of a renewed stance by the government on safety in the mining industry, which we fully support. However, the notifications result in temporary closure for inspection of the individual shaft under review.



As part of our annual refresher training our employees receive training on business ethics.



Respecting and Valuing Fundamental Human Rights

WE ARE COMMITTED TO RESPECTING AND VALUING THE FUNDAMENTAL HUMAN RIGHTS, CULTURAL HERITAGE AND INDIGENOUS TRADITIONS OF OUR EMPLOYEES, COMMUNITIES AND OTHER STAKEHOLDERS WHERE WE OPERATE.

Summary of our 2009 performance

- We continue to have a zero tolerance stance to any behaviour that may compromise the principles of human rights and we endeavour to promote these principles within our sphere of influence;
- We achieved our target in 2009 to comply with the principles embodied in the United Nations Declaration for Human Rights;
- We are committed to upholding the freedom of association and the effective recognition of the right to collective bargaining. In 2009, the trade unions have had a strong presence in our areas of operation with 80.3% of our employees being members of trade unions; and
- In 2009, no discrimination cases were reported as part of the grievance reporting procedure at the Company.

Our approach

We support and respect the protection of internationally proclaimed human rights. We have a zero tolerance stance to any behaviour that may compromise the principles of human rights and we endeavour to promote these principles within our sphere of influence. These principles are fundamental to the success of the Company and integral to our Company values. The responsibility for all aspects of human rights ultimately resides with our CEO, who is supported in terms of policies and standards by our Executive Vice President Human Capital and External Affairs and Company Secretary. Adherence to policy commitments and requirements reside with line management.

Our Company Values, Human Rights Policy and Standard provide the framework for compliance to legislation and the principles of human rights. Our policy is aligned with the principles enshrined in the Universal Declaration of Human Rights, the International Labour Organisation, the ICMM and the UNGC. Human rights forms an integral part of the company risk management approach. Any risks pertaining to the compromise of human rights are identified, prioritised and managed accordingly. The Ethics Hotline supports our initiatives to abide to the commitments within our Human Rights Policy.

All of our employees and contractors (100%) receive training on the key principles of human rights as part of the induction programme and through refresher courses. We do not report on the total number of hours devoted to training on human rights, as it is a component of our training material and courses. The material is translated into Afrikaans, Xhosa and Setswana, and illiterate employees are briefed verbally in their mother-tongue languages. In addition, we have 'a manager's guide to implementing sound human rights, business principles and ethics' in place. We have the necessary mechanisms and grievance and corrective action procedures in place to enable the reporting and monitoring of incidents.

Working conditions

Our Human Rights Policy as well as our employment policies explicitly prohibits the employment of persons under the age of 18 years. All employees are engaged freely in their chosen employment at the Company and have the right to freedom of movement. Employees are expected, where necessary, to work overtime to the national permitted level.

Security services and human rights

With regards to our security services, we comply with relevant national legislation and with the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials. All of our security employees as well as contractors receive induction training on Company policies, including those of human rights, prior to commencement of employment or contractual agreements and thereafter on an annual basis.

Freedom of association and collective bargaining

We are committed to upholding the freedom of association and the effective recognition of the right to collective bargaining. Our Human Rights Policy and our Recognition Agreement, as aligned to the Labour Relations Act 66 of 1995, sets out our support for the principles of freedom of association and collective bargaining. We are actively interested in the welfare and opinions of our employees and union membership provides employees with an established mechanism to voice their opinions and grievances. We regularly engage with all our recognised trade unions, both on a corporate level and at a business unit level.

Respecting and Valuing Fundamental Human Rights (continued)

Discrimination and grievance practices

We have the necessary grievance and corrective action procedures in place to enable the reporting of grievances and to implement effective corrective actions. The Ethics Hotline also provides a means of reporting of activities that persons feel are not consistent with the ethics and values of the Company and of the countries where we operate.

Ethical value chains and investments

Our procurement policy is to procure third party goods and services from partners who we believe to be ethical in their business practices and to have good human rights, safety and sustainable development practices in place. Our conditions of contract with our suppliers and contractors include clauses reinforcing these practices. We have the necessary systems and checks in place to enforce our policies, including security clearances that are undertaken on potential suppliers and contractors prior to engagement. Full evaluations of suppliers and contractors are also conducted on request. We have instituted a capital investment procedure that addresses social impacts and human rights risks during the pre-feasibility stage of each project. All major and minor capital investment project proposals are scrutinised to assess the risks and impacts associated with the project.

Indigenous rights

We respect the rights and interests of indigenous people and strive to fully understand the interests and perspectives of indigenous people when seeking to develop or operate mines and to engage with potentially affected indigenous people during all stages of new mining development activities.

Our performance

Our target in 2009 was to comply with the principles embodied in the United Nations Declaration for Human Rights. We are not aware of any aspects of the business that do not comply with these principles.

Working conditions

No incidents of child labour or forced or compulsory labour were recorded at any of our operations in 2009, nor are our operations at risk of such occurrences.

Security services and human rights

In 2009, a total of 150 security personnel were employed by the Company and further supported by 211 security contractors.

Freedom of association and collective bargaining

Through our risk management process, we have not identified employee rights to exercise freedom of association or collective bargaining as a risk at any of our operations either as a result of our type of operations or the countries where we operate. Unions have a strong presence in our areas of operation with 80.3% of our employees participating in trade unions. A range of minimum notice periods extending from three days to 12 weeks are provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them, this dependent on the nature of change. These notice periods and/or provisions for consultation and negotiation are specified in collective agreements. In 2009, we experienced no protected or unprotected industrial action.

Number and percentage of total employees as members of trade unions in 2009					
Union/Association	2009 (number)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
National Union of Mine Workers	15,360	71.1%	70.7%	69.7%	64.0%
Solidarity	588	2.7%	2.3%	2.1%	1.7%
United Association of South Africa Trade Union	820	3.8%	3.7%	3.7%	4.0%
Other Unions	580	2.7%	2.8%	4.2%	3.4%
Total unionized workers	17,348	80.3%	79.4%	79.7%	73.5%

Respecting and Valuing Fundamental Human Rights (continued)

Key health and safety aspects are integral to our formal agreement with our largest trade union, namely the National Union of Mine Workers. This agreement promotes the basis for acceptance of responsibilities by both trade unions and by the Company and defines the roles and responsibilities of Health and Safety Representatives and Committees. Safety and health topics that are covered within our formal agreements with trade unions include Health and Safety Representatives and Committees, training and dispute resolution procedures. Additionally we have formal Health and Safety Committees in place at each operation as per the requirements of the Mine Health and Safety Act 29 of 1996 that represents more than 75% of our total workforce. These committees operate at an operational level and provide a formal platform for the discussion on aspects relating to health and safety including but not limited to safe work behaviour, risks associated with NIHL, standards and code of practices.

Discrimination and grievance practices

In 2009, there were no discrimination cases reported as part of the Company's grievance reporting procedure.

Ethical value chains and investments

In 2009, our top ten significant suppliers and contractors contributed 27% of the Company's spend. There were no contracts with these suppliers and contractors declined or additional performance conditions imposed as a result of their human rights performance. In 2009, no significant investments or agreements were implemented by the Company, significant referring to any investment exceeding US\$20 million which requires CEO approval and signature in terms of the delegation of authority.

Indigenous rights

In 2009, no incidents of non-compliance against indigenous people were formally lodged against the Company.



We respect the culture of the communities where we operate. This cultural dance was performed at the Wonderkop Stadium.



We have a maternity policy in place, which respects the rights of pregnant women in our workforce. Tara Anderson our Air Quality Specialist.

Eliminating Fatalities, Serious Injuries and Unsafe Behaviour

WE ARE COMMITTED TO HONOURING OUR SAFETY VALUES AND SUSTAINING AN ENVIRONMENT THAT PROMOTES THE SAFETY OF OUR EMPLOYEES AND CONTRACTORS.

Summary of our 2009 performance

- We regret to report the deaths of three of our employees during 2009 as a result of fatal injuries sustained from electrocution, fall of ground and an incident involving track bound mobile equipment (locomotive);
- Our LTIFR has decreased by 0.96% in 2009 as compared to our performance in 2008, thus we have not achieved our target of a 15% reduction;
- In 2009, our severity rate was 249.1 and days lost were 18,486;
- We were issued with a number of notifications in relation to the Mine Health and Safety Act 29 of 1996. Marikana received all of the 35 notifications in 2009; and
- In 2009, we were acknowledged by the Association of Mine Managers of South Africa for our leading industry safety performance and we were awarded a number of prizes.

Zero harm to our employees and contractors is a core value of our business and we are committed to the wellbeing of our employees and contractors, and maintaining a culture of safe behaviour. Fatalities and serious injuries at our operations resulting from fall of ground, use of track bound mobile equipment, scraping and rigging are our key safety risks.

Our approach

Our CEO is ultimately accountable for the safety of our employees and contractors on site. The Safety Departments provide the minimum safety standards and training material as well as audit the implementation of these requirements. Line management remains accountable for ensuring effective implementation of these requirements through supporting systems and procedures. We are members of the South African Chamber of Mine Committees as well as a member of the ICMM working groups.

Our Safety and Sustainable Development Policy, Safety and Sustainable Development Management Standards and Fatal Risk Control Protocols provide a risk based management framework for company-wide safety management, continual improvement and alignment with international best practice. In 2009,

we have made progress with regards to the development and implementation of the environmental, health and safety SAP database to support the implementation of our management systems. We remain committed to achieving OHSAS 18001 certification for all our operations by 2011.

Visible leadership is crucial to our success in safety and is a powerful aid in creating an interdependent safety culture. To this end, we practice safe behaviour observations as a lead indicator to our safety performance and conduct continuous risk assessments to minimise unsafe behaviour or situations. Training and awareness campaigns form an important component of our safety management systems. In 2009, we continued the implementation of the "Laduma Score a Goal for Safety Campaign", a soccer match learning map that seeks to reinforce safe behaviours and adherence to safety procedures to achieve serious injury free workplace by 2010. This campaign has proven to be both popular, in the light of the imminent 2010 World Cup in South Africa.

We continue to rigorously investigate incidents and near-miss incidents through the Incident Cause Analysis Method. Findings from these incidents are critical to our efforts in eliminating fatalities and are communicated across our operations. We report our safety incidents to the Department of Mineral Resources as required by the Mine Health and Safety Act 29 of 1996, which is aligned with the International Labour Organisation's Code of Practice on Recording and Notification of Occupational Accidents and Diseases.

We have highly trained surface and underground rescue teams, fire fighters and emergency medical services available on a 24 hour basis to support our operations, while our exploration activities are assisted by international emergency service providers. We regularly review our emergency and disaster management plans and conduct training drills to optimise our responses to emergency situations.

Our safety campaigns and emergency response extends beyond the boundaries of our operations including extensive regional road safety initiatives, the impact of life style on the working environment and community assistance.

Eliminating Fatalities, Serious Injuries and Unsafe Behaviour (continued)

Our performance

In 2009, we were acknowledged by the Association of Mine Managers of South Africa for our leading industry safety performance. On the 20 June 2009, the association issued seven awards of which the company won four, as follows:

- Four million fatality free shifts was awarded to Lonmin Marikana;
- Three million fatality free shifts was awarded to 4 Belt Shaft;
- Three million fatality free shifts was awarded to K3 Shaft (UG2 section); and
- Three million fatality free shifts was awarded to East 1 Shaft.

During the year we were also recognised for our leading safety practice with regards to zero harm and K3 Shaft and Rowland Shaft were acknowledged for two million fatality free shifts and E2 Shaft for one million fatality free shifts.

We take pride in accepting our commitment to zero harm by living a safe day, every day, and ensuring that all unsafe acts are eliminated. Through the implementation of our safety management systems, we continually strive to eliminate fatalities, reduce injuries and near miss incidents, encourage positive behaviour and enhance our training and awareness programmes. The impact of our safety programmes, management and leadership on our performance is reflected by the number of fatalities, LTIFR and severity rate, as key safety performance indicators.

Responding to emergencies affecting the communities where we operate

On the 4th of November 2008, over 80 women and children sustained injuries and 357 Rural Development Programme houses in Marikana West, one of our GLC communities, were destroyed by a devastating storm. Our emergency and disaster management team arrived at the scene, providing emergency medical treatment and dispatching all injured women and children to local hospitals within two hours. Our team in association with local government erected an overnight centre at the Marikana Community Hall to provide accommodation for those whose homes were destroyed in the storm. The affected area was visited by the South African President, Mr Jacob Zuma as well as the former premier of the North West Province, Ms Edna Molewa who commended our emergency and disaster management team for their dedication and efficiency in responding to the disaster. As at the end of June 2009, all houses which were affected by the storm were repaired and within which dwelling by the community resumed.

Work related fatalities in 2009

Loss of life is our single greatest concern. It is with regret that we report the death of three of our employees during 2009 as a result of fatal injuries sustained from an incident involving track bound mobile equipment (locomotive), electrocution and fall of ground. We extend our sincere condolences to the families and friends of our colleagues.

In 2009, our Company wide fatality frequency rate amounted to 0.04, which is the equivalent of our 2008 rate. This achieved rate of 0.04 is aligned with international trends as determined and monitored by the Department of Mineral Resources.

Work related fatalities in 2009			
Name of deceased	Date	Location	Cause of accident
Mantelana Mvela	16 February 2009	K3 Shaft	A loaded locomotive collided with a stationary locomotive, resulting in injuries which ultimately proved to be fatal.
Lorenzo Joseppe Myburgh	10 March 2009	K4 Shaft	Contact with an unguarded electrical cable, resulting in an electrical flash with subsequent burn wounds to 80% of his body.
Clement Tshidiso Motlotla	15 July 2009	K3 Shaft	A fall of ground occurred whilst conducting entry examinations that resulted in fatal injuries.

Eliminating Fatalities, Serious Injuries and Unsafe Behaviour (continued)

Lost Time Injuries

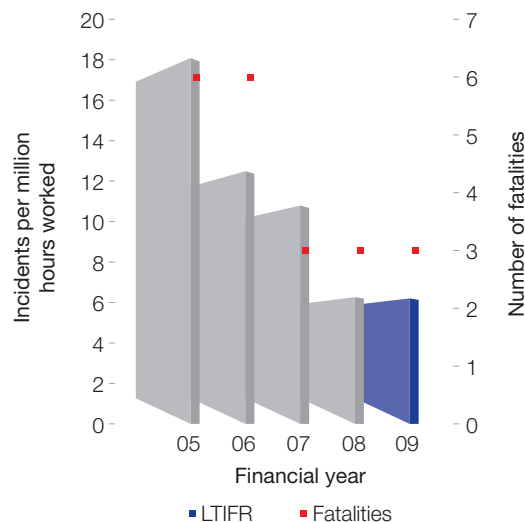
The Company completed a restructuring programme across our operations resulting in the reduction of our workforce by approximately 20%. This exercise inevitably impacted employee morale and created a significant distraction amongst the organisation. The reduction in headcount occurred mainly in 'low safety risk' areas and hence there was no real reduction in the number of employees in the "higher risk" areas of the organisation, such as the working faces. Whilst the actual number of LTIs reduced by 7.8% from the total in 2008, the significant reduction in the total number of employees and therefore man hours worked affected the calculation of LTIFR, which consequently only showed a reduction of 0.96% from our 2008 rate of 6.27 to a rate of 6.21. We thus did not achieve our target for 2009 to improve our LTIFR by 15%. In 2009, 33% of our LTIs were as a result of material handling, followed by 15% as a result of fall of ground. In 2010, we are committed to reducing our LTIFR by 10% from our 2009 baseline. In 2009, the severity rate was 249.1 which is an increase of 28% from 2008.

In 2009, following a number of underground locomotive collisions, research was commissioned to seek an engineering solution as part of the measures to minimise possible collisions. Locomotive anti-collision devices have been purchased and installed on a number of our locomotives on a trial and test basis. The principle of the operation uses radio frequency transmitters and receivers that trigger alarms in the driver's cabin warning the driver of the close proximity of another locomotive. Further investigations are underway to establish if these transmitters can be placed at strategic hazards or obstructions in haulages to trigger alarms. Additionally, in 2009, we commissioned a Personal Protective Equipment Steering Committee which focuses on the enforcement, standardisation and optimisation of personal protective equipment Company wide.

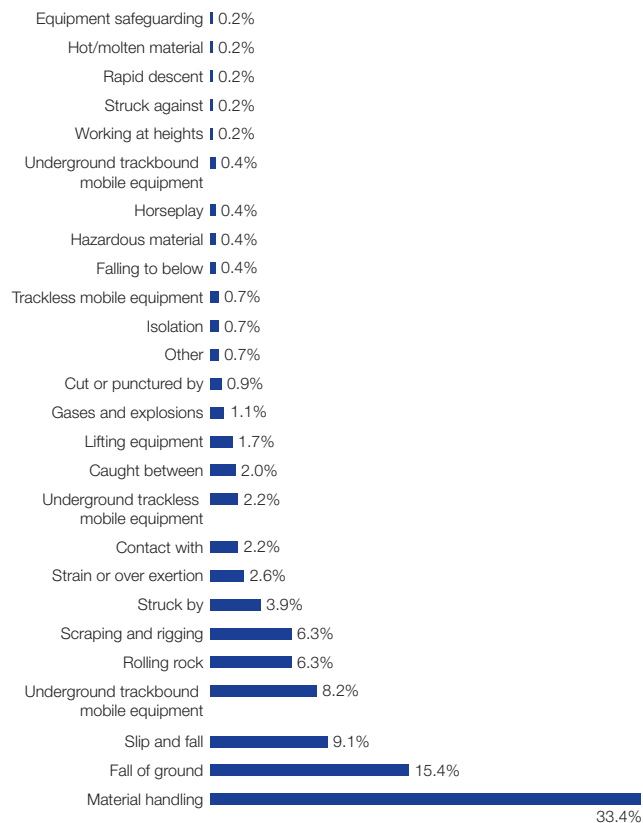
Notifications in terms of the Mine Health and Safety Act 29 of 1996

In 2009, we were issued with a number of notifications in relation to the Mine Health and Safety Act 29 of 1996. Marikana received 35 such notifications, including section 54 notifications in terms of the Act. These notifications are evidence of a stance by the government on safety in the mining industry, which we support.

LTIFR and fatalities in 2009



LTI agents for 2009



Health

WE ARE COMMITTED TO **HONOURING OUR HEALTH AND SAFETY VALUES** AND SUSTAINING AN ENVIRONMENT THAT PROMOTES THE SAFETY, HEALTH AND WELLBEING OF OUR EMPLOYEES AND THEIR FAMILIES, CONTRACTORS AND THE COMMUNITIES WHERE WE OPERATE.

Summary of our 2009 performance

- All employees have medical aid coverage;
- In 2009, we refurbished five clinics within the Marikana GLC to the value of US\$34,734, thereby enhancing the efficiency of health service delivery in the GLC;
- In 2009, we have reduced our new diagnosed NIHL cases by 80.9% from our 2008 baseline year to 45 cases;
- Our number of in-service deaths since 2006 are continuing to decrease, illustrating the success of our HIV/AIDS prevention and treatment programmes;
- As at the end of 2009, we have 962 patients on anti-retroviral treatment (ART) and 518 patients on our wellness programme;
- We have made a commitment to ensure that free ART is offered to the employee for life, regardless of whether or not they remain employed by the Company;
- In 2009, we have continued our partnership with global mining companies to finance the research and development of a new HIV therapeutic vaccine, VIR 201, which is in stage three of research and development; and
- In 2009, 472 of our employees were diagnosed with tuberculosis, which is an 11.4% decrease from 2008. 374 employees contracted pulmonary tuberculosis whilst 19 of our employees contracted multi-drug resistant tuberculosis. No new cases of extreme drug resistant tuberculosis were identified in 2009.

On an international and national scale, we partake in a number of forums to contribute to government decision-making and to create a platform to collaborate with industry peers and government in issues pertaining to occupational hygiene and health. We are a member of the South African Chamber of Mine's Health Policy Committee as well as members of the ICMM working groups.

Our main risks in terms of employee and contractor health remain NIHL, HIV/AIDS and pulmonary tuberculosis. We have internal targets in place for these risks and monitor our performance on a monthly basis. Our performance is underpinned by extensive training programmes to reduce exposure to these risks and to provide affected employees with knowledge to manage and reduce the impacts that the disease may have in their lives.

Managing health risks

In 2009, all operations implemented a baseline survey on occupational exposure hazards and refined occupational hygiene monitoring and health surveillance programmes. These are aligned with relevant legislation including those of the code of practices, as well as best practice such as the ICMM's 2009 Good Practice Guidance on Occupational Health Risk Assessments.

Although we continue to assess and monitor exposure to occupational diseases such as pneumoconiosis, occupational asthma, silicosis, occupational dermatitis and platinosis, incidents of the disease within our workforce are low. The table below indicates how many of our employees and contractors are diagnosed with the various diseases per 100,000 employees.

Introduction

The health and wellbeing of both our employees and the communities where we operate is essential to our success as a Company. In line with our zero harm value and with the realisation that employees are the foundation of our business, addressing health concerns for all of our employees is paramount. Whilst our CEO is ultimately accountable for the health and wellbeing of our employees, health care delivery and occupational health and hygiene policies, standards, monitoring and the auditing thereof is the responsibility of the Company's Health Department. Responsibility for the implementation of these occupational health and hygiene requirements resides with line management.

Rate of diseases in 2009

Occupational disease	2009
Rate of NIHL cases diagnosed	140/100,000
Rate of NIHL cases compensated	140/100,000
Rate of tuberculosis	2,183/100,000
Rate of pulmonary tuberculosis	1,730/100,000
Rate of extra pulmonary tuberculosis	453/100,000
Rate of extreme drug resistant tuberculosis	0/100,000
Rate of multi-drug resistant tuberculosis	88/100,000
Rate of pneumoconiosis	0/100,000
Rate of occupational asthma	3/100,000
Rate of occupational dermatitis	3/100,000
Rate of platinosis	3/100,000

Health (continued)

Employees exposed to hazardous work environments, or required to perform arduous tasks, are medically examined each year to allow early detection of occupational diseases, prevent potential deterioration and ensure they have the physical ability to work safely in working environments. To assess an individual's fitness for underground mine work, all new recruits, as well as current employees whose fitness levels require reassessment, are evaluated at our functional capability facility. In 2009, comprehensive risk assessments were undertaken on risk exposure to women in the work place. This included workplace hazards identification, needs analysis as per women interviewed, job placement guidelines and recommendations to enhance the employment and retention of women in the workplace.

Health care delivery

Occupational and primary health care and medical services are available to all employees. Our healthcare delivery structure is supported by an onsite hospital, three clinics in Marikana, an onsite clinic in Limpopo and a highly skilled 24 hour emergency team. All employees are covered by a company subsidised medical aid scheme and have the option for family cover as well. In 2009, we implemented a disaster management plan to enhance the preparedness of Medical Services to respond to and manage potential disaster situations.

An employee's physical fitness to perform his or her occupation is fundamental to our value of zero harm in a mining industry where heavy manual labour is required. It is critical to establish a novice employee's capability of performing physical labour

requirements in the mining environment. Our Rehabilitation and Functional Assessment Centre which was established in 2008 provides both functional and physical quantitative assessments of individuals' capabilities.

We offer various assistance programmes to manage the health of our employees, their families and community members. Preventive measures for, or risk-control of, serious diseases are provided to community members through our partnerships with the Department of Health and other role players. In 2009, campaigns to provide information to the community on cholera and tuberculosis were undertaken and training was provided to communities on nutrition, including food preparation, hygiene and the importance of good nutrition to combat effects of diseases such as HIV/AIDS and tuberculosis. Following an outbreak of cholera in the Limpopo Province of South Africa in 2009, the Company donated US\$11,123 to the National Department of Health, to assist with cholera prevention and treatment programmes.

Fresh fruit and vegetables were provided by the Company to 22 schools within the GLC on a daily basis to supplement the nutrition programmes of the Department of Education, ensuring that children receive daily balanced meals. The two mobile clinics donated by the Company to the Department of Health in 2008 continue to provide school health services to the communities where we operate. In 2009, we refurbished five clinics within the Marikana GLC to the value of US\$34,734, thereby enhancing the efficiency of health service delivery in the GLC.

Assistance programmes				
Programme recipients	Education/Training	Counselling	Prevention/ Risk Control	Treatment/Care
Employees	✓	✓	✓	✓
Employees' families residing within GLC	✓	✓	✓	✓
Community members	✓	✓	✓	✓

Eliminating Noise Induced Hearing Loss

WE ARE COMMITTED TO HONOURING OUR HEALTH AND SAFETY VALUES AND SUSTAINING AN ENVIRONMENT THAT PROMOTES THE HEALTH AND WELLBEING OF OUR EMPLOYEES AND CONTRACTORS.

NIHL is the most significant occupational disease in the platinum mining industry, and one of the most significant occupational health risks faced by our employees and contractors. NIHL has far reaching effects on the quality of lives of our employees and has financial implications for the Company. To this end, we will continue to honour our value of zero harm, endeavour to sustain an environment that promotes the wellbeing of our employees and contractors and strive towards continual improvement of our health management systems.

Our approach

Whilst we acknowledge that by the very nature of mining operations, our employees are exposed to high levels of noise, we are committed to eliminating the exposure of our employees and contractors to noise levels exceeding the noise exposure limit of 85 decibels (dB)(A). The focus is to reduce noise levels in the work place through engineering interventions and to effectively utilise personal protective equipment. We continue to support and work toward the philosophy of the directive issued by the Department of Mineral Resources in 2007 to realise zero new cases of NIHL and to reduce the total noise emitted by all equipment installed in any workplace to a sound pressure level of 110dB(A) by December 2013.

We have a comprehensive hearing conservation programme in place supported by a group-wide risk management framework and the guidelines of the South African mandatory Code of Practice for noise. Although the accountability for eliminating employee's exposure to unacceptable noise levels resides with line management, the Occupational Health and Hygiene Departments and the Engineering Department work in conjunction with line managers to identify and implement these programmes. Our hearing conservation programme focuses on workplace noise assessment, personal exposure monitoring, education and training, medical surveillance reporting and review of these programmes.

Our performance

We have achieved our target of reducing our number of new NIHL cases by 30% by September 2009. In 2009 we reduced our number of new diagnosed and submitted cases with NIHL from 236 in 2008 to 45 in 2009 this representing an 80.9% reduction in cases diagnosed with NIHL. The total number of cases compensated in 2009 amounts to 45, including outstanding cases from previous years, which is a 80.4% decrease from 2008. Seven cases from 2009 are pending qualification by Rand Mutual. These decreasing trends are evidence of the success of our hearing conservation programmes. To date, our mining and processing operations have baseline occupational hygiene risk assessments, exposure monitoring programmes for significant hazards as well as medical surveillance programmes in place.

Reducing noise through re-engineering and equipment substitution

In 2009, we have focussed on reducing the causes of NIHL by noise attenuation of equipment which have sound pressure levels exceeding that of 110dB(A) through re-engineering and sourcing of alternative equipment. We have assessed high risk equipment for the potential of noise reduction through re-engineering and substitution and have taken into consideration factors associated with efficiency, practicality, costs and reliability. Although these initiatives are ongoing and in line with the target for 2013, in 2009 we have completed the research and development for silencers on stoping rock drills, have purchased 4,000 silencers at a cost of US\$445,000 and are nearing completion of the rollout phase of silencing the drills. The rollout will be completed by December 2009.

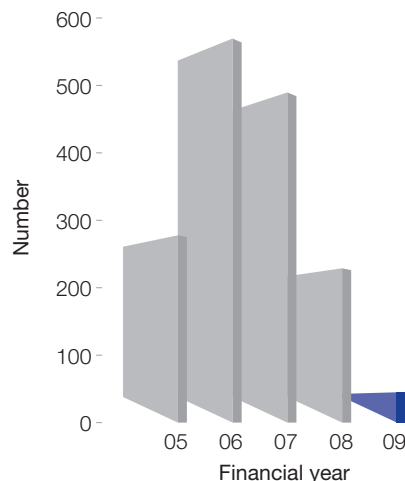
The use of personal protective equipment

We have extensive area noise and personal noise exposure monitoring programmes in place across our operations. Hearing protection devices are mandatory in work places that are exposed to noise levels exceeding 85dB(A) and which are demarcated as such. We offer our employees custom fit hearing protection devices. Our approach to training and awareness is geared towards changing the behaviour of each employee and instilling a culture of responsibility for their own health.

Screening and diagnoses

All employees and contractors who are exposed to risks associated with elevated noise levels are screened annually to allow early detection of hearing loss and to prevent potential deterioration of hearing loss thresholds. In 2009, we initiated six monthly monitoring audiograms of selected high risk employees so as to further enhance the detection and early diagnoses of hearing loss. We have management systems in place to enable us to understand the relationships between each employee's exposure levels, health records and employment data, thus assisting with diagnosis and treatment.

Number of NIHL cases compensated



Managing HIV/AIDS in the Workplace and in the Greater Lonmin Communities

WE ARE COMMITTED TO PROMOTING THE HEALTH AND WELLBEING OF OUR EMPLOYEES, CONTRACTORS, THEIR FAMILIES AND OF THE COMMUNITIES WHERE WE OPERATE, THROUGH OUR VALUES OF ZERO HARM AND RESPECT.

HIV/AIDS is a serious and debilitating disease that has widespread social and economic consequences within South Africa and in the communities where we operate. Given national statistics we estimate that about one out of five of our workforce is HIV positive. A risk to our business.

Our approach

We continue to respond to the HIV/AIDS epidemic in a responsible, non-discriminatory and supportive manner and strive to minimise the social and economic implications within our business and within the GLC. Our strategic approach to managing HIV/AIDS is two-fold, firstly the prevention and secondly the treatment of the disease. Our approach is founded on the principles of confidentiality. Our HIV/AIDS policy, which was revised in 2009, provides an equitable and consistent approach to the management of HIV/AIDS, through awareness and prevention, management of the disease amongst those who are infected and support for them. Our awareness and prevention campaigns extend into the communities that host our operations. Through our membership of the ICMM and in conjunction with other companies we participate in the development of leading practices and industry benchmarking in health care in a drive to improve our health systems. In partnership with the IFC, we have initiatives on work place peer education training, community health education and home based care. In 2009, we have continued our partnership with global mining companies to finance the research and development of a new HIV therapeutic vaccine, VIR 201, which is in stage three of research and development.



In 2009, a ceremony for our peer educators was held during which Charlene Muller, a Programme Manager from Epicenter handed out certificates to the educators who completed their training in HIV/AIDS.

Our performance

In 2009, 110 or 68% of our in service deaths were the result of AIDS. Although HIV/AIDS does represent a risk that will have to be managed on a continuing basis, we believe that the epidemic does not pose a significant threat to the long-term sustainability of our operations.

Testing, prevention and educational programmes

Free testing, education and awareness programmes are in place across the Company in an effort to prevent the spread of the disease, to eliminate the associated social stigma and to provide employees with sensitive, accurate and up to date information on risk reduction in their personal lives. These programmes take the form of Voluntary Counselling and Testing (VCT), mine induction programmes and ongoing awareness campaigns by peer educators. In 2009, 4,680 of our workforce participated in our VCT programmes, of which 13% were tested as HIV positive. To date, we have 380 trained peer educators for the workforce, one for every 71 employees which exceeds our target of one peer educator for every 75 employees. In 2009, 206 active peer educators held 4,008 education sessions and numerous one on one meetings reaching over 78,000 people and have distributed over 700,000 condoms.

In addition to our robust workplace programme, we have intensive community testing, prevention and care programmes in place at our Marikana, Brakpan, and Limpopo operations. In 2009, 1,999 community members were counselled and tested for HIV/AIDS of which 18% tested positive, 14% of males and 22% of females. To date, we have 58 active home based carers trained in an intensive training programme of 69 days. Currently over 1,200 patients and 640 orphans are being cared for on a regular basis, with over 50,000 visits made in the past year. In total, 1,856 patients benefited from the home based care programme.

Managing HIV/AIDS in the Workplace and in the Greater Lonmin Communities (continued)

Treatment and support programmes

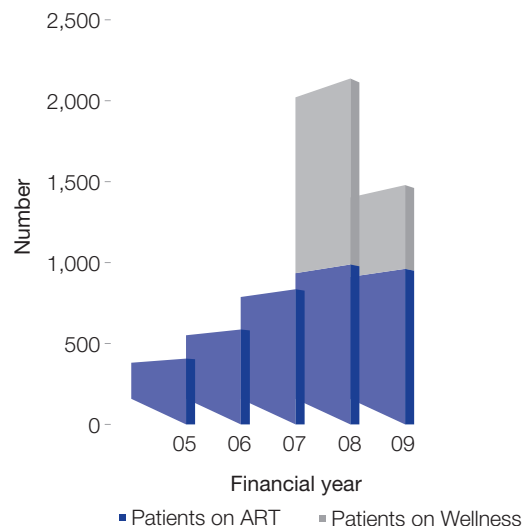
Our wellness programme is designed to cater for the physical and emotional needs of HIV positive employees. Once their CD4 T-lymphocyte count is below the acceptable limit, employees may join the ART programme, which is made available by the Company through the employee's medical aid without additional cost. We have made a commitment to ensure that free ART is offered to the employee for life, regardless of whether or not they remain employed by the Company, this being particularly relevant during the recent restructuring and reorganisational processes.

In 2009, an additional 276 employees joined our wellness programme, totalling the active participation to 518 employees which is a 51% decrease since 2008. To date, we have 962 patients on ART, which is a 3% decrease from 2008. The reduction in the participation of both our wellness and ART programmes are partially as a result of the restructuring and reorganisational process and employees defaulting from the programme. Of concern to us, is the approximate 10% of patients who defaulted from ART on a monthly basis in 2009. Although the treatment is voluntary, we continuously strive to reduce defaulting through education and awareness.

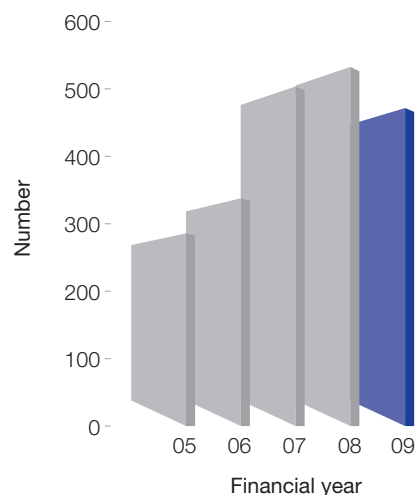
Tuberculosis

Tuberculosis is one of the leading opportunistic illnesses associated with HIV/AIDS. We have an effective tuberculosis control programme in place, in addition to targeted medical surveillance programmes. These programmes comprise early identification and appropriate treatment with quality drugs and lifestyle management through directly observed treatment, which is a World Health Organisation intervention to improve adherence to tuberculosis treatment. In 2009, the Company's Tuberculosis Policy was reviewed and amended. We continue to be vigilant with the identification and treatment of extreme and multi-drug resistant tuberculosis through our tuberculosis control programme. In 2009, 472 of our employees were diagnosed with tuberculosis, which is an 11.4% decrease from 2008. Of the 472 cases, 374 cases were pulmonary tuberculosis and 19 multi-drug resistant tuberculosis. No new cases of *extreme* drug resistant tuberculosis were identified in 2009. Multi-drug resistant tuberculosis is exhibiting an increasing trend in our workforce.

ART and wellness programme participation



Number of tuberculosis cases



Our Employees

WE ARE SUCCESSFUL WHEN OUR EMPLOYEES LIVE AND WORK SAFELY AND EXPERIENCE THE PERSONAL SATISFACTION THAT COMES WITH HIGH PERFORMANCE AND RECOGNITION.

Summary of our 2009 performance

- As at 30 September 2009, we employed a total of 21,623 employees which has reduced by 16.7% in 2009 as compared to 2008 due to the Company's reorganisation and restructuring process;
- As at 30 September 2009, we have a total number of 10,497 contractor personnel who are registered on our database, and which includes all contractor types including ad hoc contractors, external consultants, labour brokers, service providers and volume contractors;
- In 2009, in response to the global financial crisis and resultant impact on the commodity businesses, Company reorganisation and restructuring was undertaken which resulted in 3,427 voluntary separation applications being approved and 306 employees being affected by compulsory retrenchments;
- In 2008, we have exceeded our target of 50% discretionary spend on HDSA suppliers, amounting to a 66.6% discretionary spend on HDSA procurement. Additionally we have an intensive programme in place to support, train, and develop local HDSA companies;
- 41.3% of our management employees comprised employees from designated groups, which resulted in us achieving our 2009 target of 40%;
- Women at the mine accounted for 6.8% of our workforce and disabled persons 0.6% of our workforce;
- We have successfully implemented portable skills training at our operations, with 1,658 employees registering in 2009;
- Due to the global financial crisis and resulting financial constraints, the target to convert all existing hostels into family and bachelor accommodation and construct 5,500 houses in the GLC by 2011 will not be achieved and is in the process of being reviewed in discussion with the Department of Mineral Resources; and
- In March 2009, the Marikana Housing Development Corporation passed a resolution to sell the 1,149 houses owned by the Corporation to legal occupants of the houses.

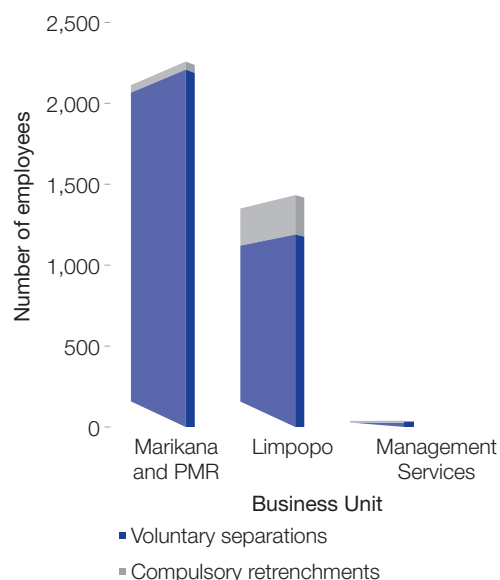
Introduction

Our employees are the foundation to our business and by investing in our employees' wellbeing; we are investing in the Company's long-term future, through enhanced attraction retention and employee morale. Our CEO is ultimately accountable for the wellbeing of our employees and achieving equal opportunity and equity while maintaining an appropriately skilled and diverse workforce and he is supported by the Executive Vice President Human Capital and External Affairs. Whilst the Human Capital Department provides policy standards, requirements and audits the implementation thereof, line management remains responsible for implementation of these requirements.

In November 2008, we commenced with a restructuring and reorganisation process in response to the global economic downturn and resultant impact on the commodity businesses. Restructuring and the potential savings on labour was viewed as a significant element in cost and production efficiency. Consultation with the trade unions and the relevant government authorities were extensive and encompassed the identification of areas of improvement and cost saving initiatives, with the consideration of compulsory retrenchment of employees as a last option. The restructuring and reorganisation process was undertaken as prescribed by the Labour Relations Act 66 of 1995 and within the Restructuring Framework Agreements as approved by trade unions in respect of Marikana, Akanani and our Limpopo operations. In 2009, 3,427 voluntary separation applications were approved, 258 employees were successfully redeployed and 306 employees were affected by compulsory retrenchments. The retrenchment process considered a number of factors, including employee experience and qualifications, time employed at the Company and HDSA status. Although diversity indicators were taken into consideration, 0.7% of voluntary separation packages and 6.9% of compulsory retrenchments comprised designated group employees in management positions and 3% of voluntary separation packages and 12% of compulsory retrenchments comprised women.

In terms of the success of the Company and employee wellbeing and satisfaction, the key risks facing the Company remain the empowerment of HDSA, the attraction and retention of a skilled workforce and the provision of affordable housing to our employees. Each of these risks have objectives and targets in place in order to mitigate the impacts of these risks to the Company, the performance of which is monitored and audited on a frequent basis.

Voluntary and compulsory retrenchments



Empowering Historically Disadvantaged South Africans

WE REMAIN COMMITTED TO IMPLEMENTING THE PRINCIPLE OF EQUAL OPPORTUNITY AND EQUITY WHILE MAINTAINING AN APPROPRIATELY SKILLED AND DIVERSE WORKFORCE.

Historically the South African mining industry has excluded many groups from participating in mainstream economic activities including black South Africans, mining communities, disabled persons and women. The South African government has promulgated legislation to redress the persisting uneven distribution of wealth and opportunity. We support the government's initiatives and are committed to implementing the principle of equal opportunity and equity by maintaining an appropriately skilled and diverse workforce.

Our approach

In line with the Constitution of South Africa, the legislative requirements and our Charter, we are committed to providing the necessary resources to deliver the requirements of the South African Broad-based Socio-economic Mining Charter. We welcome the opportunity to transform our business into a model for fairness and equality in the new South Africa. We intend to empower HDSAs by means of these measures:

- Ownership in our existing or future mining prospecting, exploration and beneficiation operations;
- Expanding and developing skills;
- Promoting the employment of HDSAs within the Company at professional and management level;
- Involving HDSAs in our procurement supply chains; and
- Improving socio-economic development in host communities and major labour-sending areas (refer to page 76 for further information).



We, as a Company report on the number of women at our operations, as a indicator of our diversity.

Our performance

Ownership and joint ventures

The Mining Charter of South Africa requires that at least 15% of the equity of mining companies (or equivalent units of production) must be owned by HDSAs by May 2009, and at least 26% at May 2014. Incwala Resources (Proprietary) Limited is a South African registered company specifically incorporated for the purposes of enabling broad-based equity participation by HDSAs in Lonmin Platinum. Incwala Resources Pty Limited has an 18% holding in the share capital of our Marikana and Limpopo operations and a 26% stake in our Akanani project. During the year, discussions commenced regarding the future ownership of Incwala Resources Pty Limited, involving the HDSA shareholders of Incwala Resources Pty Limited, their providers of finance and Lonmin. Our other business partners include Mvelaphanda Resources, which own 7.5% of the Pandora Joint Venture and 50% of the Dwaalkop Joint Venture; and the Bapo Ba Mogale Mining Company which own 7.5% of the Pandora Joint Venture.

Preferential procurement

We continue to work towards enhancing the participation of HDSA companies in the procurement chains of our operations, in terms of goods, services and consumables. As part of our Social and Labour Plan, we have set targets to increase our total procurement spend with HDSA suppliers to 50% by 2009 and to 63% by 2010. In 2009, we have achieved and exceeded the 2009 target with a 66.6% HDSA procurement spend. In 2009, our HDSA procurement spend was US\$523 million and our spend as from 2007 amounts to US\$1,310 million. Our procurement strategy targets HDSA companies and where this is not possible, we encourage existing suppliers to form partnerships with HDSA companies and to capacitate these companies. Aligned with our vision to create stable and economically independent communities, we are also focusing on developing supplier opportunities for local HDSA community members residing in the GLC.

Employment equity

We are committed to helping all employees develop their talents and enjoy rewarding careers, regardless of gender, ethnicity, race, age or disability. We promote the participation and development of employees from designated groups within our workforce. Employees classified as designated groups are persons disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, Act 200 of 1993, came into operation. The definition of designated groups includes employees who are disabled, woman or employees classified as African, Asian or Coloured and who are South African citizens. 84% of our workforce is South African citizens, whilst approximately 16% are non South African citizens.

Empowering Historically Disadvantaged South Africans (continued)

In 2009, as a result of the global financial crisis and associated reorganisation and the results of an audit which was undertaken by the Department of Labour, our employment equity plan has been revised, with our revised targets and targets from the Social and Labour Plan as follows:

- 53% participation in management by designated groups by 2014;
- 10% of women in mining (at our core mining and processing operations and applicable to certain employment categories) by 2012 and 11.6% of women at the mine Company wide by 2012.

We have an Employment Equity Forum and sub committees of the forum in place, which consists of representatives of all major trade unions and management. The forum convenes on a monthly basis and reviews performance against these targets.

Designated groups

We have policies and procedures in place to support employment of designated groups in a non discriminatory manner. In 2009, 41.3% of our management employees comprised employees from designated groups, thus achieving our target of 40% by 2009. Additionally a number of initiatives have been taken in 2009 to manage and expedite our performance, namely:

- Recruitment decree for the employment of internal and external HDSA candidates as a priority over internal candidates who are not HDSA;
- Integration of employment equity targets to key performance areas of line management and appropriate support personnel;
- Strengthening of our talent management and mentorship programme in developing designated employees;
- Enhanced succession planning by gender, race and category; and
- Earmarking of positions in the Company for employment by women.

In 2009, no discrimination cases were reported as part of the grievance reporting procedures at the Company.

Employment of women

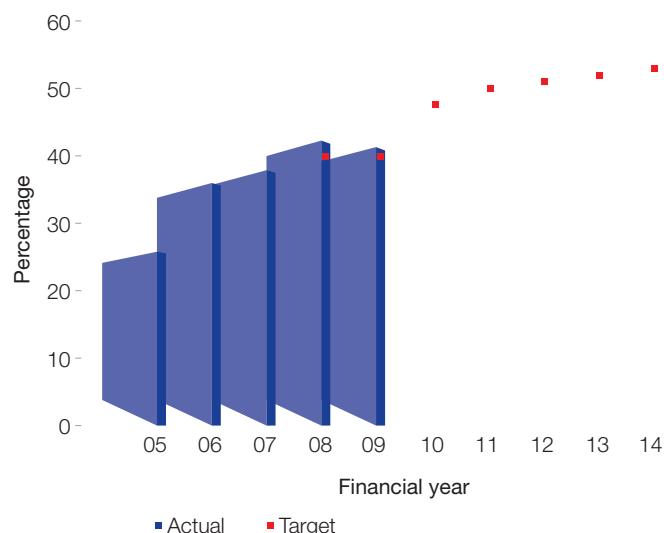
Historically, mining has not been a career easily accessible to women. This is reflected nationally with only 5% of all employees in the mining industry being female. We are committed to increasing the number of women employed at our operations, retaining current female employees and to creating a culture that empowers women in the workforce. We have the relevant policies procedures and programmes in place to support the participation of women in our Company. As aligned with our Social and Labour Plan, we measure our performance against set targets in terms of two indicators, namely the total percentage of women employed by the Company (women at the mine) and the percentage of women employed in core positions within the Company (women in mining).

To date, we have not achieved our 2009 targets of female participation in the Company. We have 6.8% women at the mine and 2.9% women in mining at our operations. In 2009, 268 women exited the Company, primarily has a result of voluntary separation.

Although we have not reached our target for the employment of women at the Company, we have made progress in our attraction and retention programmes focussed on the employment of women in the last few years. Since 2007, there has been a 46% increase in the number of women employed by the Company and a total of 15 projects have been implemented to expedite the employment of women in the Company, with the highlights provided below:

- **Structures and policies:** Eight policies have been revised and approved; a Lonmin's women's union committee has been established and employment of women has been included as part of the annual performance reviews.
- **Facilities and employment:** To date; 12 change houses have been constructed to accommodate female underground workers, 200 toilets installed and maintained, two piece overalls issued to women and an alternative job placement system for pregnant and breastfeeding has now been established. The basic salary of men and women in the Company per employment category do not differ.
- **Retention and recruitment:** Systems have been implemented to track progress in terms of the employment and retention rates of female employees. The retention of female employees has increased significantly, with current rates indicating that women stay at the Company at twice the rate of their male counterparts.

Percentage employees from designated groups in management



Empowering Historically Disadvantaged South Africans (continued)

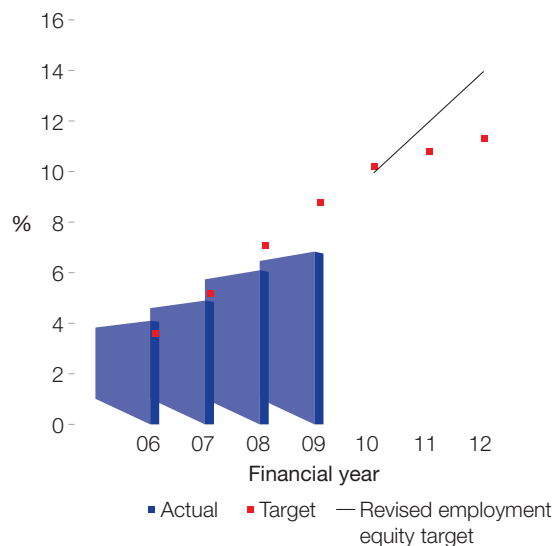
Female representation at the Company (percentage)	2007	2008	2009
Board of directors	9	9	10
Executive committee	20	20	0
Management	20	20	20
Total Lonmin employees	4.9	6.1	6.8

- Organisational culture:** A 'women in mining' communications campaign was launched; training was included as part of the annual employee training programmes and training on our sexual harassment policies and programmes have been initiated. Additionally, research has commenced on the impact of female wage earners on family well being and on the safety records of female workers.

Disabled persons

People with disabilities have historically not been a clearly recognised group, despite the fact that we do employ a number of people with disabilities. In 2009, 0.6% of our workforce comprised people with disabilities, which is equivalent to our composition in 2008. In 2009, we have further refurbished facilities to cater for disabilities within the Company.

Percentage women at the mine



Working at Lonmin as a woman: Ponny Khumalo, Night Shift Supervisor, E1 Incline

Ponny Khumalo has been an employee of Lonmin for a period of 15 months. As a result of her hard work, and opportunities which have realised for many women in the Company over the period of the last few years, Ponny was appointed in 2008 as a Night Shift Supervisor at E1 Incline, subsequent to being a general mine worker at her previous employer. She has in excess of 40 people reporting to her and she is responsible for her team's safety, health and the production within her area. Ponny experiences the mining environment as a challenging and interesting place to work. Today, the income she earns from her job at the Company offers her with the freedom and ability to provide her four children with a good education and development opportunities. Ponny concluded that even though mining is not traditionally viewed as a women's sector, she would like to encourage all women to try mining out as a career as she believes that although women aren't always as physically strong as men, they are emotionally strong. I believe that with passion and with the right attitude, women quickly earn respect from their teams and can do well in the mining industry.



Ponny Khumalo, a Night Shift Supervisor at E1 Incline.

Attracting and Retaining a Skilled Workforce

AN APPROPRIATELY SKILLED AND DIVERSE WORKFORCE IS THE FOUNDATION TO THE SUCCESS OF OUR BUSINESS AND WE ARE COMMITTED TO MAINTAINING THIS BALANCE.

As a result of the ever-increasing demand and competing interests for skilled recruits nationally and within the international mining industry, our success is dependent on our ability to attract talented employees to our operations, while retaining and developing our existing employees. We are successful when our employees live and work safely and experience the personal satisfaction that comes with high performance and recognition.

Our approach

There is a continued shortage of critical skills in the mining industry. To combat this, our Human Capital Strategy, designed for skills development and retention, includes a three-fold approach namely attracting employees who value the Company's Charter and have the appropriate competencies for current and future needs, retaining current employees who are performing well or have the potential to perform well and developing the skills of our existing employees.

Attracting employees

We employ whenever possible, people from our local communities, employees from designated groups and persons with disabilities. Our recruitment programmes are customised for local and national level recruitment. In 2009, we have set ABET level four as a minimum entry level of education for our employees. For skilled labour, recruitment is coupled with pre-employment psychometric and competency assessments to ensure that the correct person is aligned with the job profile. Market-related remuneration, as well as employee benefits are key elements of our recruitment success. In the absence of a minimum wage within the mining sector, we work from the applicable national minimum wage for employees with basic skills. Additionally, the remuneration of scarce skills is assessed regularly in the market place, and salaries adjusted, to ensure we attract the required skills. Benefits provided to full-time employees include, but are not limited to, healthcare, life insurance, disability insurance retirement provisions, share incentive programmes, maternity and family responsibility leave. We have no defined benefit/final salary pension programmes but we operate defined contribution plan and pension schemes for our employees. It is mandatory for our employees to participate in either industry based or company defined contribution provident funds or pension schemes. Our obligation in terms of these plans is directly met by our general resources and we contribute between 3% and 21% of these funds. Additionally we have committed to providing our HIV positive employees with ART for life.

Retaining employees

To retain employees with talent, those who deliver high performance and HDSA employees in management positions, we have financial and non-financial retention programmes.

Developing our employees

In addition to legislated requirements, the development of our employees is critical to the establishment of a competent workforce and future leadership for the Company. Employee development is facilitated by both the Human Capital and the Organisational Development Departments. Organisational Development comprises the Lonmin Training Academy, the Centre of Leadership and Business Development and facilitates training and skills development, whilst the Human Capital Department provides the framework for talent management as a component of employee development. We have extensive employee development programmes in place encompassing both personal and professional development requirements of which the key interventions are summarised below.

Talent management

We have an entrenched talent management programme in place for management and professional employees to identify and develop employees who are high performing or employees with development potential. HDSA employees are specifically earmarked for participation in this programme. The talent management programme comprises talent review, performance management, career development, succession planning and mentoring.

Training programmes

We have extensive training programmes in place, including but not limited to the following:

- ABET remains a national priority in South Africa and an integral element of our employee development. We offer each employee through the Lonmin Training Academy, an opportunity to become functionally literate and numerate with a variety of full-time and part-time ABET courses, varying from level one to four. We also offer the communities where we operate, access to the training programme;
- The Lonmin Training Academy also provides employees with the opportunity to further their development with technical skills training through a wide range of courses specific to mining, processing and shared business services. Safety training is also integral to our technical skills training programmes;
- We continue to drive Six Sigma, as a tool to define and implement business improvements throughout the Company;

Attracting and Retaining a Skilled Workforce (continued)

- We have a variety of training and development interventions in place to increase the performance of managers and performance within work teams, these including management and supervisory training and mission-directed work team training;
- We have a study assistance programme in place to support our employees with further studying at institutions independent to the Company. The Study Assistance Policy provides the framework for financial funding as well as the provision of sabbatical time from work; and
- In 2009, we have focussed on the implementation of the portable skills training programmes, which are available to employees exiting the Company due to retirement or retrenchment. Training programmes include skills such as brick laying, welding and electrical skills. These skills are easily transferable to learners and useful in the current socio-economic climate to secure a stable income and to locate re-employment.

Our performance

Attracting employees

As at 30 September 2009, we employed a total of 21,623 employees which has reduced by 16.7% in 2009 as compared to 2008 due to the Company's reorganisation and restructuring process. Additionally as at 30 September 2009, a total number of 10,497 contractor personnel who are registered on our database, were employed by the Company. Due to improvements in data capturing systems, our contractor figures in 2009 include all contractor types including ad hoc contractors, external consultants, labour brokers, service providers and volume contractors. All of these contractors do not necessarily work on a full time basis at our operations, but from a good governance perspective they are registered on our database. 99.9% or 21,592 of our employees reside in South Africa. We do not report on the number of supervised workers as we consider employees and contractors as employment categories. In 2009, we recruited 1,136 employees of which 110 were female. Of the 1,136, 28 were management employees of which four were in HDSA. We report on HDSA and women at our operations as indicators of diversity, and thus the percentage of employees from minority groups or varying age groups are not material to our business. Although we employ, wherever possible, persons from local communities it is not possible to indicate the percentage of senior management originating from local communities.

New talent is essential to the success of our business and we provide attractive career opportunities within the mining industry for graduates. We have partnered with academic institutions to attract young professionals to the mining industry and to the Company through our bursary and intern programmes, with 183 and 118 participants in 2009 respectively.

Bursary and intern programme

Year	Number of interns	Number of bursars	Number of sponsorships
Cumulative target (2012)	216	209	None
2009	24	41	30
2008	41	45	63
2007	39	36	52
2006	4	33	26
2005	10	19	20
2004	0	9	0
Total	118	183	191

Retaining our employees

In 2009, as a result of the restructuring and reorganisation, the Company's net labour loss was 4,121, a significant decrease in labour from levels prevailing in 2007 and 2008. In 2009, the total employee turn over of employees younger than 30 was 598, between 30 and 50 years of age was 3,493 and older than 50 years of age was 1,620. We do not report on turnover by regions as there is no regional trend or differentiation in this regard.

In 2009, 58 cases were submitted to the Commission of Conciliation, Mediation and Arbitration, and of these claims, 32 cases were resolved and with 23 cases in the Company's favour. Of the total cases submitted, 24% were as a result of the reorganisation and restructuring process. Severance pay for retrenched personnel is provided and takes into account years of service at the Company. We do not offer job placement services for those employees who are retrenched. In addition to resignations, a high rate of absenteeism affects productivity and we work continuously to reduce this rate. In 2009, our absenteeism rate was 11%, a 38% improvement from 2008.

Group labour turnover (permanent employees)

	2009	2008	2007	2006
New recruits	1,136	3,815	2,831	1,424
Resignations	(322)	(506)	(471)	(363)
Deaths (not work related)	(208)	(223)	(237)	(231)
Dismissals	(942)	(780)	(956)	(887)
Retirements	(52)	(126)	(147)	(80)
Retrenchments	(3,733)	(2)	(15)	(133)
Net gain/loss	(4,121)	1,729	1,005	(270)

Attracting and Retaining a Skilled Workforce (continued)

Employee development

All supervisors, management and professionally qualified employees are subject to an annual performance review process that guides performance management and identifies employee development areas. In 2009, this accounted for 1,367 or 6.3% of our employees of which 46.5% were employees from designated groups. Career development plans are reviewed annually and are based on career pathways for various disciplines, outlining qualifications and experiences required for employees to progress in their chosen careers. To date, 6.3% of employees have completed this process. In 2009, we have 512 registered mentees and 210 mentees in active relationships.

In 2009, US\$9.3 million was spent on training interventions Company wide and an employee received an average of 25.7 hours of training during the year. In 2009, 47% of our employees were considered functionally literate and numerate, thus not achieving our target of 50%. In 2010, we aim to increase the functional literate and numerate rate by 2%.

In 2009, 667 full time employees, 60 community members, 173 contractors and 299 part time employees attended ABET courses at a total cost of US\$6.2 million which includes costs relating to replacement labour. Six Sigma has been decentralised to the operations subsequent to the reorganisation and restructuring process. Six Sigma continues to focus on embedding continual improvement into business culture. In 2009, we continued with the Front Line Supervisory Development Programme, aimed at equipping supervisory employees with necessary supervisory and management skills with 63 registering and 28 completed this course to date. In 2009, US\$667,555 was spent on business leadership development interventions. In 2009, transition training programmes, focusing on portable skills have proven to be successful, with 1,658 exit employees registering for the training. The training has been made available to all employees who exit the Company due to retrenchments.

Average hours of training per employee per occupational category	
Categories	Average hours of training per employee per annum
Contractors	17.2
Unskilled and defined decision making	23.6
Semi-skilled and discretionary decision making	26.2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	16.4
Professionally qualified and experienced specialists and mid management	9.7
Senior management	5.6
Top management	0



Dineo Seruwula, from the local village, Tornado, attending ABET four.



Happy Mahlala, a Training Facilitator, providing machine safety training to Louis Bawane and Malefetsi Mahase at our Eastern Platinum Training facility.

Attracting and Retaining a Skilled Workforce (continued)

Portable skills training proving to be a success

In 2009, in light of the recent reorganisation and restructuring of the Company, we have a legislated and moral obligation towards our employees and contractors to reduce the impact of this process on their livelihoods and to enhance transition to often non-working lives. We offer each employee with the opportunity to participate in our portable skills training programmes. A portable skill is defined as a transferable expertise on a specific craftsmanship. These skills are easily transferable to learners and useful in the current socio-economic climate to secure a stable income and to locate re-employment. The portable skills training that we offered in 2009, included building (bricklaying, carpentry, plumbing, plastering, tiling and painting); basic motor mechanics; welding and torch cutting; computer skills; business skills; basic electrical repairing; sewing and beadwork; agricultural skills; water purification and driving skills.

In 2009, we partnered with our service provider, Train the Nation, to offer not only a selection of skills development programmes but also to assist in rendering suitable employment for successful trainees of the programme who exit the Company. Additionally, local community suppliers also contributed to the programme. The training is provided at our Marikana and Limpopo operations and is an average of 20 days in duration. In addition to the specific skills training offered, a two day business management workshop is offered to all employees to enhance financial management skills, this being particularly important in the event of severance pay.

In 2009, 1,658 exiting employees attended the training. At our Limpopo operations, 844 exiting employees registered for the training, with the most popular selection being welding and computer skills. At our Marikana operations, 814 exiting employees registered for the training and 289 trainees successfully completed the courses. The programme was at a cost of US\$961,233 to the Company. At Marikana, Train the Nation identified five trainees who were successful in their training programme to assist with the renovations of Tebogo Primary School in the Marikana GLC. To date the roofs, ceilings, cracked walls and windows are been repaired and the burglar bars have been erected on the doors. As with any programme, we have experienced challenges in the implementation phase, mainly due to suboptimal attendance of the programme and failure of trainees to complete the courses.

In March 2009, Mr. Stoffel Mbale, an Assistant Planner at the Western Platinum Salvage Yard, who has worked for the Company for 30 years made a decision to accept a voluntary separation package from the Company and to retire to his family. Stoffel was aware that he would still need to continue providing financial support to this family and wanted to be trained in a craft which he could do from home. Stoffel successfully completed the welding course offered by the Company and was awarded his certificate on the 3rd July 2009. He is very impressed with the supervisors at the training facilities. "I am very happy with the supervisors, because they really want to teach and not just get the job done." Stoffel aims to approach potential employers in the vicinity of his home with his welding certificate and some items which he has made, including cooking equipment. Stoffel and two other trainees, Castigo Samba and Reginaldo Ernesto, established their own company, Cape Gannet properties, and to date have installed gas bottle cages at 21 schools and have commenced with a project to repair broken school furniture at reduced costs. The sense of empowerment is the very focus of these training programmes, which is enhanced by making tangible items that can remind them that they are skilled in a specific craft.



Top: Mgwai Mgwiliko, attended the welding course as part of the portable skills training initiatives.

Bottom: Stoffel Mbale demonstrating his welding skills.

Availability and Affordability of Housing for our Employees

WE ARE COMMITTED TO ESTABLISHING SUSTAINABLE HOUSES THAT PROVIDE SHELTER, SECURITY, SERVICES AND A SENSE OF PLACE FOR ALL OUR EMPLOYEES AND THEIR FAMILIES.

We are successful when our employees live and work safely. The regions in which we operate are characterised by an estimated 50% of the population living in informal dwellings. The shortage of housing is a critical issue on both a national and regional scale and a concern that needs to be addressed. The magnitude of this challenge for the Company is underlined by statistics indicating that a significant number of our own employees reside in these informal settlements.

Our approach

Our approach to housing is centred around the delivery of affordable houses which impact positively on our employees' quality of lives in terms of reuniting employees with their families, enhanced security and experiencing sustainable community living.

We currently have 1,429 houses, 635 family units and 85 hostel complexes, available for our category 3-8 employees. We also provide a living out allowance to those employees who prefer not to stay in the hostels.

In recognition of the shortage of available and affordable housing and the social imbalances that the legacies of single sex hostels pose, we have committed to addressing these shortfalls through the following targets presented in our Social and Labour Plan:

- The conversion of all our 114 hostels blocks into family and bachelor accommodation; and
- The construction of 5,500 houses within the GLC.

Our performance

Marikana hostel conversions

We acknowledge that hostels are not an acceptable form of accommodation for our employees, and thus we have made a commitment that in the future no employee of the Company will reside in hostels. No new hostels will be constructed and in terms of existing hostels, we are committed to converting all our 114 single sex hostel complexes into 1,500 family and/or bachelor accommodation for category 3-8 employees. Additionally, in order to promote the ownership of these houses by the occupants, a portion of the accommodation will be as a long term plan converted from rented accommodation into sectional title ownership.

We are committed to the following in terms of our housing programmes:

- Houses are to be affordable to our employees and home ownership is pivotal to the success of our housing programme;
- Houses are to be secure, have access to services and infrastructure and provide a sense of place for all our employees and their families;
- Within practical boundaries, we endeavour to provide choice to our employees and to make available show houses, maps and models;
- Houses are to be designed in a sustainable manner in terms of energy and water efficiency;
- Taking into consideration location, as a critical factor when sourcing accessible land for our housing programme;
- Our employees are to be equipped with the knowledge and skills required to manage personal finances and to own a home; and
- Unrealistic expectations and perceptions are to be managed through effective two-way communication channels with our employees.

Due to the global financial crisis and resulting financial constraints, the target to convert all existing hostels into family and bachelor accommodation by 2011 will not be achieved and will be discussed with the Department of Mineral Resources. To date, phase one of the conversions have been completed by a consortium of GLC women contractors, with a total of 29 hostels converted into 412 bachelor or family accommodation at a total cost of US\$5.56 million. In 2010, we expect to recommence with our hostel conversion programme and aim to convert five hostel blocks into family and bachelor accommodation.

Mooi-nooi housing

In 2009, the programme to design and construct 80 houses in Mooi-nooi was terminated due to a continued shift in focus to rental accommodation and facilitation of development by property developers in Mooi-nooi as opposed to direct construction of houses by the Company.

Availability and Affordability of Housing for our Employees (continued)

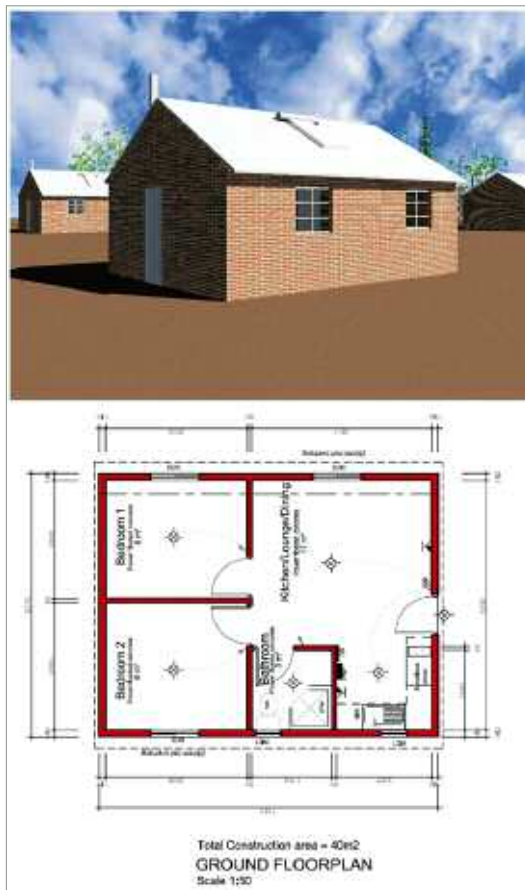
Marikana housing

We remain committed to the construction of 5,500 houses within the GLC. Due to financial constraints and certain challenges facing the housing programme, the target date for the completion of these houses by 2011 will not be achieved. Although the target is under review and will be discussed with the Department of Mineral Resources, it is expected that the rate of construction of these houses will be based on employee demand for home ownership.

The housing needs assessment undertaken in 2008 outlined the importance of plans, models and show houses to enable our future home-owners to visualise the houses prior to making a financial commitment and to afford them with the opportunity to provide feedback on the design. In 2009, show houses of varying designs were constructed and will be exhibited to potential home owners and other stakeholders. The designs have taken into consideration the preferences of our employees as highlighted in the housing needs assessments. These include stand-alone houses made of brick and the affordability of choice in terms of size. The design and costs of the houses are inclusive of solar geysers and gas stoves to enable more energy efficient dwellings. Prior to the selling of the houses, the home owners will be provided with education on aspects associated with home ownership, including financial management.

We have continued our focus on securing land for future housing developments as well as securing access to electricity and water resources. To date, we have secured land for 2,500 houses in Marikana of which 800 stands have been serviced and proclaimed and 1,700 stands have been approved by the Rustenburg Local Municipality for township establishment. Trade Unions and the internal Housing Steering Committee continue to convene at a monthly Housing Forum, providing a platform for effective communication.

In March 2009, the Marikana Housing Development Corporation, a Lonmin Group Company passed a resolution to sell the 1,149 houses owned by the Corporation to legal occupants of the houses.



An architectural drawing and model of one of the show houses.

Environment

WE ARE COMMITTED TO THE VALUE OF ZERO HARM TO THE ENVIRONMENT, TO MINIMISE OUR MINING FOOTPRINT AND TO CONTINUALLY IMPROVE OUR PERFORMANCE WITHIN ALL ENVIRONMENTAL DISCIPLINES.

Summary of our 2009 performance

- All operations, other than the Assay Laboratory maintained ISO 14001 certification in 2009;
- One level four and seven level three environmental incidents were reported in 2009;
- In 2009, we have initiated a Company wide climate change strategy to quantify corporate, financial and operational risks and to align our management plans with international and national agreements, strategies and targets;
- In 2009, we have increased our aggregate energy consumption by 3.77% per unit of production and our greenhouse gas emissions by 10.32% per unit of production since 2007;
- In 2009, we have undertaken a number of initiatives to secure energy for our operations, improve energy efficiency at existing operations and investigate alternative, low emission energy sources;
- In 2009, we have continued to voluntarily participate in the Carbon Disclosure Leadership Index;
- Our average sulphur dioxide (SO₂) emissions were calculated at 11.1 tonnes/day, which is slightly higher than the 2008 average daily emissions;
- In 2009, we have reduced our aggregate fresh water intake by 12.16% per unit of production since 2007;
- In 2009, as part of our storm water management plan, the storm water storage facilities were constructed at the UG2 Concentrator, BMR and at the Smelter at a total cost of US\$3.1 million;
- In 2009, the new Wonderkop waste water treatment plant was commissioned at a cost of US\$3.2 million;
- On the 1st of July 2009, the National Environmental Management: Waste Act 59 of 2008 was enacted and we have been proactive in the implementation of the requirements;
- In 2009, we have increased our quantities of waste disposed of to landfill by 23.4% since 2008. This increase can be attributed to the increased disposal of calcium sulphite at landfill until such a time that alternative disposal options are implemented;
- We have finalised an integrated risk based mine closure strategy for our Marikana and Limpopo operations to provide a strategic framework within which all closure planning for all our operations can be managed; and
- We are represented at the Precious Metals and Rhenium Consortium to ensure that our products and intermediates are correctly classified, tested and registered in terms of REACH.

Introduction

By nature of our mining and processing activities we have an impact on the environment where we operate. Producing PGMs whilst limiting degradation of the environment and using resources more efficiently is at the core of the sustainable development business case for the Company. We share global anxiety around environmental degradation and resource scarcity in particular water and energy resources as we are dependant on these resources in order to function. By adopting new or cleaner technologies, we make production processes more efficient, reduce costs and improve quality environmental degradation. Our approach to environmental management is founded on our value of zero harm to the environment, best international environmental practice and compliance with legislative and other requirements. Management of our environmental aspects and risks is underpinned by our Safety and Sustainable Development Policy and supported by group targets, standards and guidelines.

In response to the global financial crisis, the Environmental Departments were restructured and focus given to efficient in-house consulting as opposed to the utilisation of external consultants, which has cumulated in approximate savings of US\$589,544. Accountability for environmental management resides with the Board of Directors and our CEO. They are supported by the Environmental Department, which provides the Company policy, minimum standards and guidelines and audits the implementation of these requirements whilst line management remains accountable for ensuring effective implementation of these requirements through management systems.

On an international and national scale, we partake in a number of forums to contribute to government decision-making and to create a platform for collaboration with industry peers and government on issues pertaining to environmental management. We are a member of the South African Chamber of Mine's Environmental Policy Committee and specific working groups, the Steering Committee for the Centre of Sustainability at the University of the Witwatersrand and of the ICMM working groups. We are also represented on a number of government committees, focusing on the development of policy and legislation.

Environment (continued)

Corporate and operational environmental risks are identified as part of the Company risk management programme on both a formal and an ad hoc basis. Our material issues in terms of environmental aspects include the following:

- Obtaining or maintaining ISO 14001 certification at all operations;
- Compliance with legislation, regulations and permits;
- Access to, security of and improving efficiency in the use of energy resources;
- Access to, security of and improving efficiency in the use of water resources;
- Minimising impacts of our operations on air quality;
- Understanding the risks and opportunities presented by climate change;
- Eliminating waste disposal to landfill;
- Responsible materials stewardship;
- Supporting biodiversity and minimising impacts on land resources; and
- Minimising closure costs and environmental risks through integrated environmental management and closure planning.

Key environmental risks and opportunities relating to each discipline within environmental management along with key strategies, targets and procedures for implementation, successes and challenges are discussed within the respective sections on the environmental disciplines. Initiatives to mitigate significant impacts of our products and services are reported on, and where possible the extent to which impacts have been mitigated.

We assess the eco-efficiency and health, safety and environmental impacts as well as the effects of incorporating best practice, more responsible behaviour and cleaner more efficient technology in the various stages of our products through numerous impact assessments, internal and external auditing, data trend analysis and life cycle assessments.

Management systems

In 2009, all our operations, other than the Assay Laboratory maintained their ISO 14001 certification. The Assay Laboratory's certificate expired in 2009 and is expected to be reinstated by December 2009.

Training and awareness

Environmental training programmes and awareness campaigns form an important component of our environmental management system. In addition to general environmental induction training received by all employees and contractors on an annual basis, each operation conducts site-specific training on environmental aspects according to training matrices and schedules. In 2009, we have amended the environmental induction training material which now provides in-depth information on operational environmental control.

Monitoring programmes

We have monitoring programmes in place to monitor our impacts on the environment including those relating to water, air quality, waste, land and biodiversity management and our performance in terms of our policy commitments, objectives, targets, legal and other requirements. Monitoring of compliance of contractors and suppliers to our requirements form an integral component of these programmes. These programmes comprises operating procedures, the analysis of monitoring results, the identification of corrective and preventative actions and the subsequent reporting thereof.

We are committed to the ICMM position statement on Mercury Risk Management, and in line with the requirements of the statement, we will report on mercury emissions in 2010.

Communication and reporting

We engage with stakeholders on both an informal and formal basis. In 2009, we have formally engaged with our stakeholders primarily through workshops facilitated by third party consultants as required by the environmental impact authorisation processes as well through a bi-annual environmental stakeholder forum where we provide stakeholders with feedback on our performance. We report on our performance to government departments as required by our Environmental Management Programme Report and other license conditions.

Legal compliance and auditing

We continue to strive for full compliance to South African environmental legislation, our Environmental Management Programme Reports and other licenses and permits. In 2009, we achieved our target to receive no fines or prosecutions relating to environmental management. We have both internal and external audit programmes in place.

Incident reporting and management

The transparent reporting of incidents and the effective mitigation of the impacts of these incidents through corrective and preventative actions is a fundamental aspect of our approach to environmental management and we have ensured that it is mandatory at all our operations. We continue to rigorously investigate incidents through the Incident Cause Analysis Method and report on incidents to the relevant government departments. In 2009, one level four and seven level three incidents were reported as outlined by the table on the next page.

Environmental expenditure

In 2009, Company wide expenditure on environmental management amounted to US\$16.6 million. In 2010, we will report on expenditure per discipline.

Environment (continued)

Level three and four environmental incidents in 2009					
Date	Location	Type of incident	Description of incidents	Impacts of incidents	Mitigation of the impacts
23 October 2008 (level 3)	Marikana Mining (Hossy Shaft)	Water management	Blockage of a sewer pipe resulting in the discharge of sewerage into the environment.	Soil and possible ground water contamination. The contaminated water did not enter directly into the surface water regime.	The burst pipe was repaired and the impacted area remediated.
30 November 2008 (level 3)	Marikana Mining (Newman Shaft)	Water management	Seepage of process water from unlined settling dams.	Soil and possible ground water contamination. The contaminated water did not enter directly into the surface water regime.	Investigations into the location of the seepage and potential solutions were conducted. An action plan to implement further storm water management measures was established and the resultant budget requirements have been submitted for approval.
31 December 2008 (level 3)	Marikana operations	Waste management	Burning of the contents of ten drums (2100m ³) of waste containing yellow phosphate material (used in the food industry) by a private waste company.	Burning of the material was done in close proximity to a ventilation shaft, resulting in possible exposure to toxic fumes.	On identification, the burning of the waste was immediately stopped and on the same day, the waste was cleaned up by the company who illegally disposed of the waste. Future disposal options by the company have been agreed to in writing.
12 May 2009 (level 3)	Marikana Mining (B4 Shaft)	Water management	Seepage of process water from unlined settling dams.	Soil and possible ground water contamination. The contaminated water did not enter directly into the surface water regime.	An action plan to install an effective lining system in the dam was developed and the capital application has been submitted for approval for commencement in 2010.
5 June 2009 (level 3)	Marikana Mining (E3 Shaft)	Water management	Seepage of process water from unlined settling dams.	Soil and possible ground water contamination. The contaminated water did not enter directly into the surface water regime.	An action plan to install an effective lining system in the dam was developed and the capital application has been submitted for approval for commencement in 2010.
25 June 2009 (level 3)	Marikana Mining (E3 Shaft)	Waste management	Historical and continuous poor house-keeping at the storage and waste separation facility.	Limited impact on soil resources.	Intensive cleaning and remediation of the affected surface area was undertaken. Construction of infrastructural requirements is complete resulting in the containment of hazardous waste spills and surface drainage issues. Housekeeping has improved with large amounts of industrial wastes removed to the salvage yard.

Environment (continued)

Level three and four environmental incidents in 2009 (continued)					
Date	Location	Type of incident	Description of incidents	Impacts of incidents	Mitigation of the impacts
8 July 2009 (level 3)	Marikana Process Division (Tailings Complex 5)	Water management	Discharge of process water into the environment from the return water pipeline as a result of a burst pipe.	Soil and possible ground water contamination. The contaminated water did not enter directly into the surface water regime.	Pipe was replaced immediately and an inspection schedule compiled to verify pipe thickness on a six monthly basis.
9 September 2009 (level 4)	Marikana Process Division (Tailings Complex 5)	Waste management	Illegal disposal of hazardous waste on the top of the number five return water dam wall.	Run-off from the placement of hazardous waste on the dam wall, into the return water dam, caused by a rain event, resulted in the death of fish and aquatic organisms in the dam. A possibility exists that soil and ground water contamination derived from residual waste and leachate might be present.	Samples of the waste have been taken for classification for disposal and all visible waste has been removed and stored until disposal options have been verified. Underlying norite, soil and water samples were taken for analysis. The possible origin of the waste could not be established but there are investigations underway in terms of this. In situ treatment options for water and soil are being investigated.

Accessing and Managing Energy Resources

WE ARE COMMITTED TO PROMOTING THE SUSTAINABLE USE OF NATURAL RESOURCES, RESPONDING TO CLIMATE CHANGE AND DRIVING THE REDUCTION OF GREENHOUSE GASES BY ADOPTING BEST PRACTICE TECHNOLOGY, ALTERNATIVE ENERGY SOURCES, IMPROVED CONTROL SYSTEMS AND MANAGEMENT PRACTICES.

Energy is indispensable to mining and industrial wealth generation. As a result of the growing demand and competing interests for energy both internationally and within South Africa, our success is dependent on our ability to secure access to sufficient energy resources and to manage them in a responsible and sustainable manner for our current operations and growth opportunities. PGMs are globally strategic metals for a number of crucial applications worldwide. Given the importance of South Africa's role in the PGMs market, the security of power supply remains a strategic issue for the industry. Energy management is also our primary focus to manage our impact on climate change.

Our approach

81% of our energy profile is attributed to the use of electricity from the national grid, of which 90% is supported by non-sustainable fossil-fuel-based carbon. The nature of this fuel, coupled with electricity shortages faced by South African mining industries, has resulted in energy management and efficiencies being regarded as a critical business imperative. Our approach to energy management is centred on securing the availability of sufficient energy for our current and future mining operations, reducing our energy consumption by improving energy use efficiencies and ultimately minimising our carbon footprint. These initiatives will inevitably contribute to reducing greenhouse gas emissions from direct and indirect sources. Short term, our focus with regards to energy management involves integrating energy efficiency considerations into our business and planning strategies, improving energy efficiency at existing operations and investigating alternative, low emission energy sources. This is being undertaken through the adoption of best practices, efficient energy technologies and mechanisms that focus on alternative sources with the least cost and greatest long term potential. Efficient, real-time electrical energy and demand management monitoring and control systems effectively monitor our maximum demand and consumption across the Company.

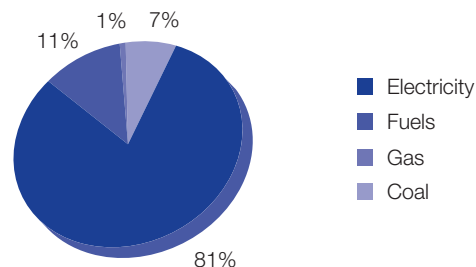
We are committed to minimising the impacts of transportation of our ore, products and workforce on the environment. Training and monitoring initiatives with regards to transportation are included as components within our broader environmental management programmes. We have identified energy use and associated greenhouse gas emissions as significant impacts of all transportation undertaken directly or indirectly by the Company, based on a review of potential environmental impacts.

Our performance

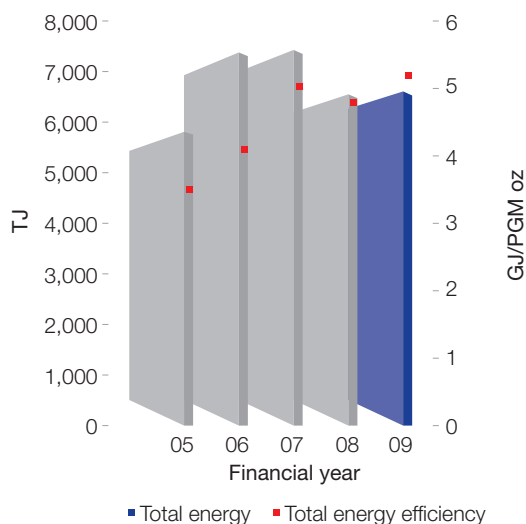
Energy use

We have a set target to improve our energy efficiency by 10% by 2012 based on our performance in 2007. In 2009, electricity usage amounted to 81% of our energy consumption and Company wide use amounted to 1,481,744.75MWh, which is a 6% decrease from our consumption in 2008 and 9% from our 2007 baseline year. The Company wide electricity consumption per unit of production has however increased since 2007 and 2008 primarily due to enhanced infrastructure use and limited production output at K4, Hossy and Saffy Shafts in preparation for production build up. In 2009, we have improved the power factor to 0.98, as required by Eskom following the South African power crisis experienced in 2008.

Energy profile in 2009



Total energy use



Accessing and Managing Energy Resources (continued)

In 2009, our total energy use, of which all is non-renewable, amounted to 6,613TJ which is an 11.0% decrease from our consumption in 2007. Our energy per unit of production has increased by 3.77% on our 2007 consumption to 5.22GJ/PGM oz. Although our total energy use has improved since 2007, our consumption and efficiency since 2008 have deteriorated. In 2009, 6.6% of our total energy consumption was direct energy whilst 93.4% or 5,334TJ was indirect energy. From a Company wide perspective our energy footprint is changing with the continued focus on the operation of newer shafts which have been designed taking into consideration energy efficiency as opposed to the older less energy efficient shafts. The placement of our Limpopo operations on care and maintenance also resulted in a lower energy footprint for the operation. There were no incidents of energy being exported outside the reporting boundary.

In 2009, in terms of our initiatives to secure energy for our operations, improve energy efficiency at existing operations and investigate alternative, low emission energy sources we have undertaken the following:

- In 2009, we received provisional approval from Eskom for our application to obtain funding with regards to demand site management projects which have the potential to reduce our Company wide energy footprint by 5%. The project entails the implementation of a control and monitoring system for compressed air usage at our shafts;
- We are in the process of exploring options regarding geothermal energy use and bio-energy generation;
- Continued focus on demand control management by shifting on-peak energy use to off-peak periods;
- Further replacement of low energy efficiency motors with high energy efficiency motors and other initiatives such as extending the use of solar water heaters and the disconnection of geysers where possible; and
- Continued our drive to secure permanent or temporary energy for our future mining and processing activities, including our Pandora, Akanani and Limpopo operations.

Additionally in 2009, we have further refined our measurement systems thus enabling a relationship to be established between business units, production activities and energy efficiency.

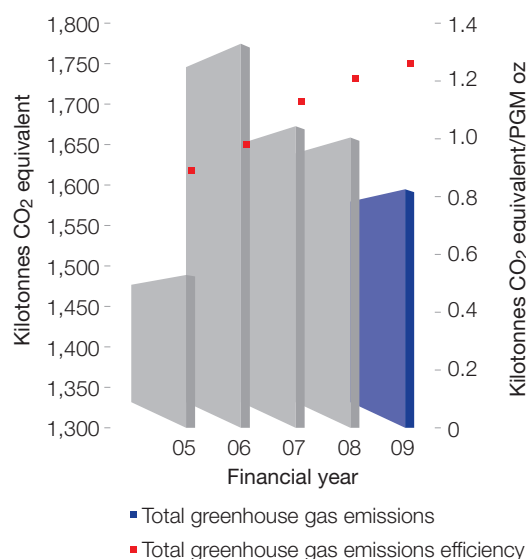
Greenhouse gas emissions

We have set targets to improve our greenhouse gas efficiency by 5% by 2012, based on our 2007 performance. In 2009, we emitted 1,594,827 tonnes CO₂ equivalent of greenhouse gases, in accordance with our 2007 scope of activities. Although we have decreased our greenhouse gas emissions by 4.7% and 3.9% since 2007 and 2008 respectively, our greenhouse gas emissions per unit of production since both 2007 and 2008 have deteriorated, primarily as a result of lower production. In 2009 our greenhouse gas emissions efficiency amounted to 1.26 tonnes CO₂ equivalent/PGM oz. In 2009, it has not been possible to quantify the reduction in

emissions as a result of initiatives undertaken to improve our efficiency, of which the majority of our current initiatives are associated with electricity reduction.

We have evaluated our 2009 greenhouse gas reporting boundaries and have apportioned emissions according to the best practice in quantification and reporting as per the figure on page 63. The assessment covers all six Kyoto greenhouse gases and encompasses scope one, two and three emissions. Given that 2009 is the first year of apportioned reporting with the data available in terms of emissions scope, the data boundary for this is subject to change going forward. We are in the process of reviewing, ascertaining and confirming our reporting boundary in this regard to ensure that our reporting is, in totality, reflective of our operations. Consolidated scope apportioned reporting will be undertaken by 2014. Data should be viewed in light of improved disclosure.

Total greenhouse gas emissions



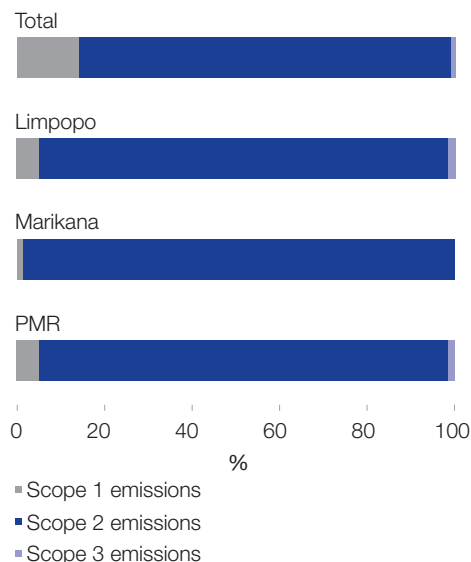
Jacob Kobela, taking stock of the gas cylinders at the Marikana Stores.

Accessing and Managing Energy Resources (continued)

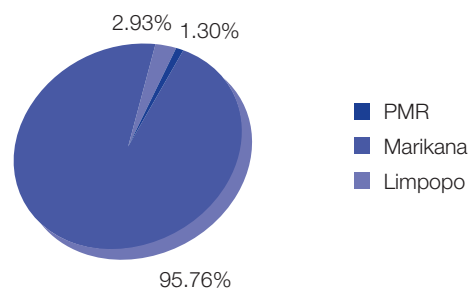
Our Marikana operations constitute the greatest source of greenhouse gas emissions with 95.8% of emissions emanating from this site. For 2009, and subsequently previous years, the dominance of scope two emissions remains our greatest source of greenhouse emissions. It is for this reason that our energy management has primarily focussed on the initiatives as mentioned previously. For 2009 data reporting our indirect and direct greenhouse gas emissions amounted to 1,514,275 tonnes CO₂ equivalent and 81,277 tonnes CO₂ equivalent respectively in 2009.

In terms of the direct and indirect transportation (undertaken by the Company or by our contractors) of our ore, concentrate and product by air and road as well as the transportation of our employees by on site buses and Company owned vehicles, energy and greenhouse gas emissions amount to 347TJ and 26,123 tonnes CO₂ equivalent respectively. Initiatives to reduce our carbon footprint related to transportation are included in our Company wide efficiency initiatives. For further information regarding standards used and methodologies associated with greenhouse gas emissions, please refer to page 93.

Percentage apportionment of scope of greenhouse gas emissions per site



Percentage greenhouse gas emissions apportioned to site



Climate change

Our approach to climate change remains aligned with that of the ICM, and as a member company we recognise the significance of climate change on a global, national and local scale. As a PGM producer, our products play a critical role in emission reduction technologies.

As a Company we are currently undertaking various projects under the climate change umbrella including the development of an integrated water and waste management plan adopting the principles of reduce, reuse and recycle; reducing our freshwater intake through the increased reuse of industrial water; implementation of water conservation and demand management principles; compilation of a biodiversity management plan to inform closure planning and end land use; and energy management initiatives.

We have commenced with the development of a Climate Change Strategy for the Company which is envisaged to be completed in 2010 and will include the status quo of the business; the identification of risks (environmental, financial, operational, regulatory, and physical amongst others) and priorities going forward. The implementation of priorities is to be instated by 2012. We are revising our carbon footprint to 2009 baseline data for an organisational assessment, a business operations footprint and a product footprint to inform our climate change strategy.

We have continued to voluntarily participate in the Carbon Disclosure Leadership Index which ranks companies with regards to the quality of their disclosures around climate change.

Accessing and Managing Water Resources

WE ARE COMMITTED TO PROMOTING THE SUSTAINABLE USE OF NATURAL RESOURCES AND TO PREVENTING POLLUTION AND ENVIRONMENTAL DEGRADATION IN ORDER TO REDUCE OUR IMPACT ON THE ENVIRONMENT AND THE COMMUNITIES WHERE WE OPERATE.

Our mining operations are located in water-scarce regions of South Africa. Access to adequate water resources remains essential for our mining operations. We strive for continual improvement in our environmental performance and we promote the sustainable use of natural resources.

Our approach

Our management of water resources is an integrated three-fold approach to secure the availability of sufficient water for our current and future mining operations; to reduce our freshwater consumption by improving water use efficiencies and water recycling; and to prevent the contamination of ground and surface water resources in the regions where we operate. As a result of the growing demand and competing interests for water both internationally and within South Africa, we need to secure sufficient water for our operations without adversely affecting communities' access to potable water. We support the United Nations Millennium Development Goal to reduce by 50% the number of people without access to safe drinking water by 2015. Our effort to reduce fresh water consumption and minimise contamination of ground and surface water increases the availability of water resources to both communities and mining operations.

Our performance

Securing water for our operations

We have currently secured access to water resources which we expect to be sufficient for our current and planned mining and processing needs at our Marikana operations, assuming no major divergence from expected rainfall patterns. We continuously seek opportunities to further reduce fresh water consumption through securing access to waste water or water of poorer quality. We are in the process of securing further water resources for our Akanani operations in the Limpopo Province.

Reducing fresh water consumption

Fresh water usage at our operations in Marikana and at our PMR is sourced from the regional water utility, while our Limpopo operations access freshwater from a regional well-field. Ground water usage is limited to exploration activities. At our Limpopo operations, the yield of the aquifer from which we obtain our freshwater is 30,000m³/day, of which we have the authorisation to utilise 17% of this yield. On average, based on four years of consumption, we utilise 7% of the yield of the aquifer. The aquifer is not designated as a protected area and the biodiversity value is currently unknown. No water from surface resources is utilised in our operations.

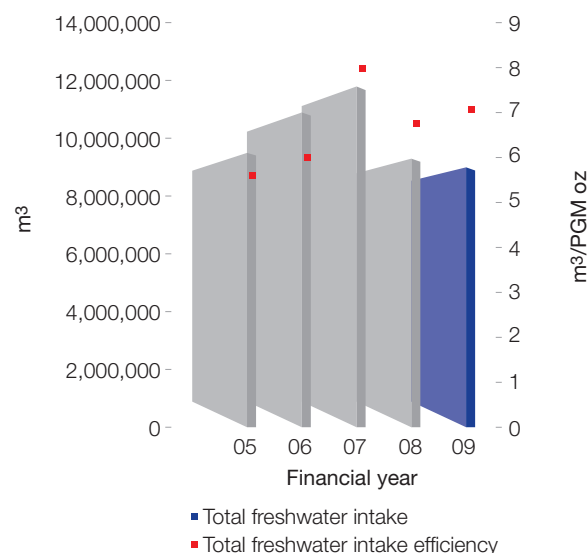
We have set a target to reduce our aggregate fresh water consumption by 15% per unit of production by

September 2012 as at the baseline consumption in 2007. In line with this target, we continue to implement water management programmes, maximise water re-use and recycling to ensure sustainable resource utilisation, with key initiatives outlined below:

- Implementing further measures to enforce the zero surface discharge policy to maximise water recycling through closed system reticulation;
- Capturing groundwater contamination resulting from our tailings facility at our Limpopo operations for re-use and to prevent further movement of the ground water contamination plume;
- Researching the availability, sustainability and practicality of utilising contaminated groundwater from our tailings facilities at our Marikana operations to reduce our reliance on fresh water consumption and to minimise ground water contamination. In 2009, the completed study was reviewed to verify yield and water qualities, which to date indicates a good potential of the water source in terms of availability, sustainability and practicality; and
- Establishing a Company wide real time water balance model, which is to be completed by 2012, which will enable us to report accurately and comprehensively on the percentage and volumes of recycled and reused water as well as all sources of water withdrawal.

In 2009, our total fresh water intake from the regional water utility and from the wellfield in Limpopo amounted to 8,885,360m³ which is a decrease by 24.7% and 4.0% from the total intake in 2007 and 2008 respectively. The total fresh water efficiency has improved by 12.16% from 7.98m³/PGM oz in 2007 to 7.01m³/PGM oz in 2009.

Total freshwater intake



Accessing and Managing Water Resources (continued)

Ground and surface water resources

We strive to prevent pollution and environmental degradation to surface and groundwater resources, mitigate and remediate where contamination has historically taken place and to continue monitoring the impacts of our operations on water resources and the effects of our remediation efforts. Our water licenses provide the regulatory framework for the management of our water resource qualities. We have proactive management programmes in place which aim to reduce the possibility of pollution and provide us with early warning of any incident, so that we can take appropriate mitigating action, with the following initiatives in place:

- Implementing storm water measures over a five-year period at our Marikana operations to comply with the National Water Act 36 of 1998. In 2009, the storm water storage facilities were constructed at the UG2 Concentrator, BMR and at the Smelter at a total cost of US\$3.1 million;
- Implementing the Company lining specification guideline for all newly constructed dirty water storage facilities to minimise seepage to the receiving environment. In 2009, the lining mechanisms at two high risk water storage facilities at our Marikana operations have been earmarked for replacement;
- Implementing a policy of zero surface discharge. In 2009, five level three unplanned and unpermitted discharges to surface water resources occurred as detailed on page 59, which were reported to relevant authorities as per legislated requirements. Volumes of these discharges are unknown and the quality of the discharged water was inherently poor, particularly with high electrical conductivity levels. No fines were incurred due to these discharges; and
- In 2009, the new Wonderkop waste water treatment plant was commissioned, replacing the individual, older and often legally non complying waste water treatment plants at our Marikana operations at a cost of US\$3.2 million.

In order to monitor our impact on the receiving water resources, we have extensive surface and groundwater monitoring programmes in place at all operations. To this end we monitor in excess of 260 groundwater monitoring boreholes and 135 surface water monitoring points in total. The results of the monitoring programmes and annual groundwater modelling are interpreted to effectively monitor impacts of our operations on the receiving environment. There are five river catchments spanning our Marikana operations, most of which are small tributaries to the Crocodile Marico River, including the Hoedspruit catchment in the west, the Sterkstroom and Maretlwane catchments centrally and the Modderspruit and Kareespruit catchments in the east.

We continue to make progress in terms of the remediation of groundwater and soil contamination at the PMR, as reported on in both 2006 and 2007. In 2009, we have completed an independent peer review process to consolidate and verify the quality of the investigations completed to date. Additionally we have undertaken resistivity studies to further enhance our understanding of the pollution plume. The results of these investigations have identified the requirement for further monitoring, the installation of additional monitoring boreholes and the remediation of the plume source which is scheduled for 2010.



The construction of the storm water dam in close proximity to Rowland Shaft amounted to US\$3.1 million.

Responsible Materials Stewardship and Waste Management

WE ARE COMMITTED TO THE PHILOSOPHY OF **ZERO WASTE TO LANDFILL AT ALL OUR OPERATIONS** THROUGH THE REDUCTION, RE-USE AND RECYCLING OF WASTE AND RESPONSIBLE PRODUCT DESIGN IN ORDER TO REDUCE OUR IMPACT ON THE ENVIRONMENT.

Our approach

Our approach to material stewardship and waste management is founded on our value of zero harm to the environment, best international environmental practice and compliance with legislative and other requirements. Company wide management of waste and materials is underpinned by our Safety and Sustainable Development Policy and supported by group targets, standards and guidelines.

Material stewardship

Minimising the use of hazardous material in mining and processing operations is the basis of our materials and waste management. We continue to seek opportunities to make use of non-hazardous alternatives and to reduce quantities of hazardous materials utilised. Where these substances cannot be substituted, reduced or eliminated, there are operating procedures that outline responsible purchasing, separation of wastes and storage, and the use and disposal of waste.

The percentage of products sold and their packaging materials that are reclaimed is not material to the Company as products sold and their packaging material reclaimed is insignificant in the context of PGM production and thus not an impact or risk to the Company. Additionally, the percentage of materials used that are recycled or classified as secondary input material is not material to the Company as quantities of materials used which are recycled input materials are insignificant in the context of PGM production. In 2010, we will report on our significant materials used by weight or volume at our operations.

Eliminating waste

We continually seek opportunities to prevent waste generation, minimise the generation of waste and enhance waste re-use and waste recycling. All waste streams that cannot be eliminated at source, re-used or recycled are sent to permitted waste disposal facilities. General waste is disposed of either at off site landfill sites or at our on-site permitted Mooinooi Landfill, whilst hazardous wastes are removed by authorised waste contractors to permitted off-site hazardous landfill facilities. Where off-site disposal takes place, disposal is confirmed by the waste contractors through the issuing and recording of waste manifest documentation or waybills and safe disposal certificates. Mineral waste, comprising mostly waste rock and tailings, is disposed of on-site on waste rock dumps and tailings facilities respectively.

The National Environmental Management: Waste Act 59 of 2008

On the 1st of July 2009, the National Environmental Management: Waste Act 59 of 2008 was enacted. The waste sections within the Environmental Conservation Act 73 of 1989 have been repealed by the Waste Act, with this Act laying the foundation for the regulation and management of pollution and waste. This Act has adopted the waste hierarchy prioritisation system of promoting prevention and minimisation measures at source, thereafter reuse and recycling and disposal as a last resort and provides for reasonable measures for consumption of natural resources, adherence to adequate waste management practices, remediating contaminated land and integrated waste management planning and reporting. We are committed to legal compliance and have been proactive in the implementation of the requirements.

We are currently in the process of compiling an integrated waste management plan, which will address issues such as waste minimisation, recycling, reporting, systems development and promote research and development, especially for the reduction of our hazardous waste streams to landfill. In terms of the Act, we have appointed a waste specialist to ensure alignment and compliance with the requirements and to manage waste and soil contamination issues. We have identified certain waste activities which require licensing and have commenced with the legal and administrative process. We are continuing to liaise with government on issues pertaining to the Act and in particular the classification and definition of waste within a mining right area. Many of the reporting requirements are already in place. Our waste management services on site are based on an integrated approach, where all potential avenues for recycling, reduction and treatment are explored and introduced into the conventional waste management cycle.

Responsible Materials Stewardship and Waste Management (continued)

Managing waste disposal facilities

Effective and responsible management of waste disposal facilities is imperative as it is mostly in the vicinity of these facilities that the potential for pollution exists. We operate a number of waste disposal facilities at our operations, including landfill facilities, a waste incinerator, waste rock dumps and tailings facilities, of which we have the necessary permits and authorisations in place. We operate our waste facilities in accordance with permit conditions and relevant environmental legislation. We have external audits conducted by qualified external landfill auditors, verifying our compliance to our permits for the three GSB- landfills owned by the Company. Audit reports are sent to the relevant government authorities together with landfill reporting requirements and our waste minimisation and reduction strategy. We also use off-site facilities that are not owned or operated by the Company, to recycle and dispose of waste streams, and thus have a vested interest in the responsible management of these facilities. Third party verification audits scrutinise off-site facilities where hazardous waste is treated, recycled and disposed of, to confirm and ensure that we maintain our duty of care responsibility.

Tailings, a by-product of the concentrating process, are disposed of at tailings facilities situated at our operations. We have five dormant and six operational tailings facilities at our operations. These facilities are managed according to legislated codes of practices. Site inspections and formal audits are undertaken on the facilities to ensure compliance with the code of practices. Once a tailings facility is classified as dormant, various dust suppression and re-vegetation programmes are undertaken. We have 13 waste rock dumps, 12 at our Marikana operations and one at our Limpopo operations. These exclude temporary opencast rock dumps. Waste rock dumps are managed in accordance with legislated code of practices. Internal and third party auditing forms an integral component of the management of the waste rock dumps.

The codes of practices and operational procedures of our residue deposits, such as tailings facilities and waste rock dumps outline management requirements which are adhered to, and audited against, in terms of required risk assessments, stability tests and leachate tests. Records of these requirements and subsequent audits are maintained.

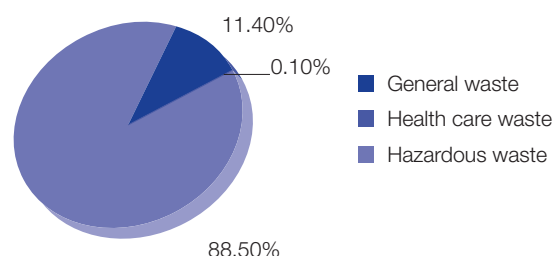
Our performance

We commenced in 2009 with the compilation of an Industry integrated waste management plan for the management, minimisation and where possible, the elimination of general and hazardous waste disposal across the operations.

Materials stewardship

In 2009, we completed the safety, health and environmental guideline for the handling and management of hazardous materials which is based on legal compliance and best practice and provides operational units with minimum requirement for responsible materials stewardship.

Percentage waste type disposed and incinerated



Managing waste disposal facilities

In order to minimise pollution at our Mooi-nooi Landfill, in 2009 we have extended the bentonite geosynthetic lining system on the side slopes of the site and have installed an extensive leachate collection system.

Eliminating waste generation and minimising disposal

We have set a target to reduce the quantity of waste disposed of by landfill, by 15%, by 2012. This target pertains to combined quantities of hazardous and general waste as defined by the National Environmental Management: Waste Act 56 of 2009. In 2009, we have disposed 63,107 tonnes of general and hazardous waste to landfill sites, thus increasing our disposal of waste by landfill by 23.4% since 2008. This increase can be attributed to the disposal of calcium sulphite to landfill, while undertaking the necessary studies to substantiate the disposal of this low hazardous waste to tailings. With all other hazardous wastes and general waste generated, there has been a 2% decrease on generation from 2008 mainly due to the suspension of certain operations on site, greater awareness to the unnecessary generation of waste through training initiatives and cost drivers to decrease unnecessary expenditure. We have made a concerted effort to reduce illegal dumping on our land with the introduction of signage, policing and development of procedures and systems for reporting, documenting and monitoring of incidents and offenders.

General waste recycled, refurbished and re-used (tonnes)

Waste type	2009
Recycled	
Ferrous and non-ferrous scrap	4,837
Paper	7
Rubber	915
Plastics	222
Tyres	143
Food	19
Refurbishment	
Steel	154
Re-use	
Wood	6,381
Plastic	1

Responsible Materials Stewardship and Waste Management (continued)

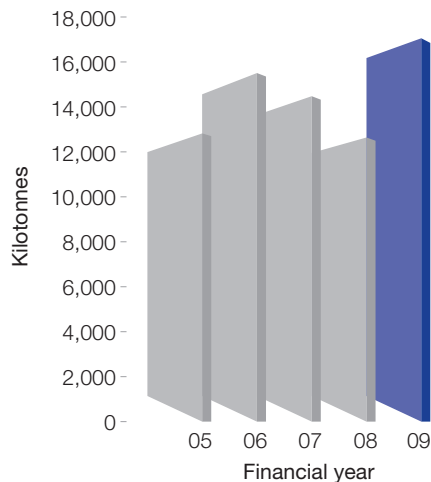
In 2009, 7,199 tonnes of general waste were disposed of to landfill sites and five tonnes were incinerated at the licensed incinerator at the PMR. Garden waste is treated by means of composting, but these quantities have not been recorded for 2009. In 2009, 59 and 55,847 tonnes of hazardous waste were disposed of by incineration and disposal at landfill sites respectively, with calcium sulphite contributing 53% to the weight of hazardous waste to landfill. A detailed Environmental Management Report Amendment and environmental impact assessment was completed and approved by the Department of Mineral Resources in 2009 for the proposed disposal of calcium sulphite onto tailings disposal facilities. Research continues in terms of long term alternative disposal, reuse or minimisation options for this waste material. We have also furthered our research and development to minimise the liquid hazardous waste streams at the PMR and Assay Laboratory.

In 2009, we recycled 12,679 tonnes of general waste and 160 tonnes of hazardous waste, which amounted to US\$1.1 million gained through these recycling initiatives. In 2009, a composting plant at the Wonderkop waste water treatment plant has been commissioned whereby sewerage sludge and garden waste is converted to compost for use on the tailings facilities side slopes to fertilise vegetation to minimise dust generation. In 2009 US\$6.7 million was spent on Company waste disposal, excluding the financial benefits of recycling.

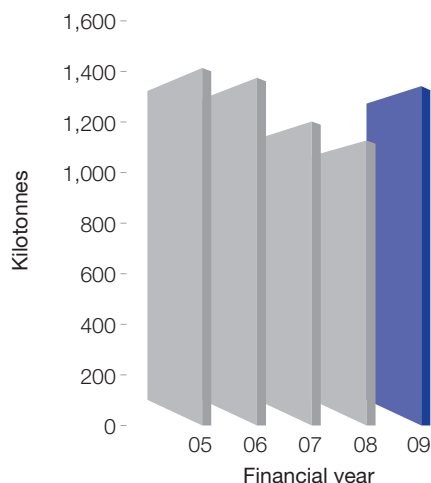
In 2009, 17,068 kilotonnes of tailings and 1,343 kilotonnes of waste rock were disposed of at tailings facilities and waste rock dumps respectively. Tailings are re-worked at selected tailings facilities and waste rock is used where possible as a material for road construction fill and back fill.

In 2009, we have not transported, imported or exported any waste categorised as hazardous in the Basel Convention. We also do not make use of external sources of waste material in the mining and processing of PGMs.

Tailings disposed to tailings facilities



Waste rock disposed to waste rock dumps



Maditlhokwa Clean-up Campaign

On the 16th July 2009, we embarked on a clean up campaign in the informal settlement of Maditlhokwa with the assistance of contractors, community volunteers and ward councillors. Approximately 150 community members participated in the campaign and a total of 1.8 tonnes of general waste were collected and disposed of at the Company's permitted Mooinooi Landfill. We have initiated discussions with the Rustenburg and Madibeng Local Municipalities to collectively work on the problem of illegal dumping, littering and service delivery, which is problematic within the GLC to produce a sustainable solution for a clean and healthy environment.

Victoria Ntsobo and Tsidiso Mapasa from the Maditlhokwa community volunteering to help clean their community.

Responsible Materials Stewardship and Waste Management (continued)

Implication of REACH Legislation to the Company

REACH is a European Union regulation that was promulgated in June 2007 to address the production and transportation of chemical substances within the European Union with particular attention to the potential impacts of those substances on both human health and the environment. The legislation prohibits substances that have not been registered from entering the European market. The full implementation of REACH is over a ten year period. Registration by June 2011 for materials deemed to be of significant toxicological significance is required; of which none of the Company's products or intermediates fall within this requirement.

On account of the Company transporting many final metals and intermediates into the European Union, it is vital that the Company stays abreast of the legislation and potential impacts on the ability to export those products and intermediates into Europe. To this end representation has been made at the Precious Metals and Rhenium Consortium to ensure that our products and intermediates are correctly classified, tested and registered. The onus of registration and pre-registration lies with the Company importing materials into the European Union, thus pre-registration of all of our materials has been made by associated companies and it is envisaged that full registration of our material types is to be completed before the end of 2011.

We, as a Company are party to two sub-committees of the aforementioned consortium; firstly the PGM project to cover the five final products that are sold into, or through, the European Union and secondly the Complex Refineables project to cover the intermediates and residues that are toll refined in Europe. In 2009, we were also invited to join the Technical Advisory working group to assist with technical support across the consortium. The PGM project has progressed well and phase two is nearing completion whereby the literature search, substance sameness and referencing for prior testing for 75 key substances has been undertaken. The strategy for intelligent testing is also near completion with a view that these tests can be carried out during 2010 on the significant reference samples. The Complex Refineables project has taken longer to establish due to the diverse range of materials. The intermediates have now been classified into ten fundamental substance sameness groups, with a few relevant subgroups. An identification card for each substance has been developed detailing typical physical form, process origin with primary constituents. The next steps will be to determine a viable testing strategy that conforms to the regulatory requirements. The Company's intermediates and residues have been aligned to the relevant substance grouping with appropriate tonnages assigned.

Reducing our Impacts on Air Quality

WE ARE COMMITTED TO PREVENTING POLLUTION AND ENVIRONMENTAL DEGRADATION IN ORDER TO REDUCE OUR IMPACT ON THE ENVIRONMENT AND THE COMMUNITIES WHERE WE OPERATE.

Our operations affect the ambient air quality environment, and we acknowledge our responsibility to continuously manage and reduce the impact. We are committed to continual environmental improvement and permanent zero harm to the environment.

Our approach

We strive to minimise all risks and impacts associated with our emissions as a result of our mining and processing activities. Our air quality management system, which includes minimising dust fallout, gaseous, particulate emissions, noise and odours is based on our Charter and the Safety and Sustainable Development Policy.

Continuous improvement

In the light of our commitment to continual improvement and to meet the requirements of the National Environmental Management Air Quality Act 39 of 2004 (NEMAQA) that is envisaged to come into full force in 2009, we are compiling a NEMAQA alignment strategy. The strategy outlines short, medium and long-term plans to align our operations and systems to meet the requirements of the Act. We continue to actively participate as an interested and affected stakeholder in the process leading to the promulgation of the Act.

We will continue to improve on the reporting of our atmospheric emissions, in line with our value of transparency. Currently we disclose total SO₂ and greenhouse gas emissions, as our key emissions, however we are committed to reporting additional emissions by 2014. Contained within this reporting improvement is the disclosure of ozone depleting substances, persistent organic pollutants, volatile organic compounds and hazardous emissions. In the period leading to 2014, we will continue to monitor our emissions and accurately ascertain our reporting boundary to enable us to report comprehensively on significant atmospheric emissions.

Monitoring

We have an extensive ambient and source monitoring network in place. This includes dust fallout at all operations, continuous ambient air quality monitoring stations and passive diffusive sampling at our Marikana operations and continuous on-line stack monitors at both the smelter and the PMR. Intermittent emission monitoring campaigns are additionally undertaken to measure emissions for which no continuous analysers are set up. The monitoring results are used to identify areas of concern, compliance reporting and to mitigate adverse impacts. Our monitoring system is a vital component in the compilation of our NEMAQA alignment strategy.

Our performance

Our commitment to implementing dust suppression measures on tailings facilities has fashioned a series of innovative dust suppression projects over the last two years on both operational and dormant tailings facilities. At our Marikana operations, two operational facilities are equipped with irrigation systems whilst another one is equipped with an overhead irrigation system. The operational facility at Limpopo is similarly equipped with the suppression methodology. Dust fallout monitoring sites are located around the facilities, with monitoring results indicating the effectiveness of these systems.

Karee tailings facility one was decommissioned in February 2008, which triggered our commitment to revegetate all dormant facilities. The implementation of a three phased dust suppression project was initiated. Phase one of this project involved the implementation of Hessian socks filled with hydrogel, a mixture of indigenous grass seeds, compost, hessian sheeting and hessian wind breaks, around the perimeter of the facility. Phase two which was successfully completed in 2009 entailed the application of an environmentally friendly chemical dust suppressant on the remaining middle part of the facility to mitigate dust fallout during the dry winter months. Phase three, which is currently underway, involves the seeding and composting of the remaining middle part of the tailings facility. Maintenance on the vegetation cover on both the side walls and top areas of our additional dormant facilities continues to be undertaken.



Dust suppression measures, in the form of overhead irrigation, on tailings facility three, four and five at our Marikana operations.

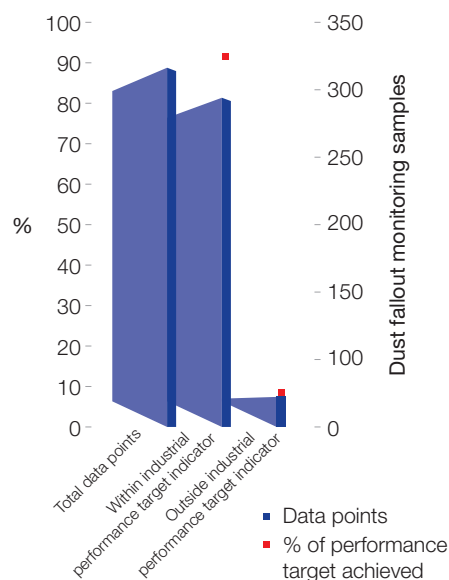
Reducing our Impacts on Air Quality (continued)

Our air quality management system includes a comprehensive emissions inventory, which is continuously updated as per operations, which informs the placement of dust fallout monitoring sites. We continue to maintain and operate an extensive dust fallout monitoring network to monitor and track the performance of our mitigation measures implemented for sources of particulates at both our Marikana and Limpopo operations. We track our mitigation action at both the operations on a monthly basis against our set performance indicators for both on and off-site which are based on best practice. Our industrial performance target indicator is set at 1200mg/m²/day, 92% of our monitoring data fell within this target as indicated by the figure to the right. Our residential performance target indicator is set at 600mg/m²/day, for which we monitored one exceedance for 2009. Where sites exceeded the targets, the incident was logged and an action plan compiled.

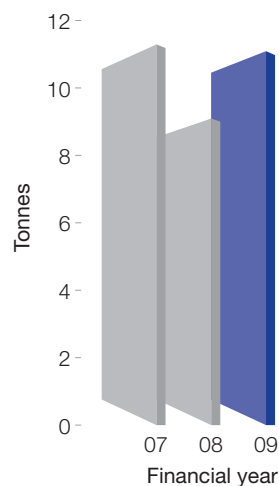
We continue to maintain and operate the air pollution control equipment at our processing operations. For our smelter operations, the total SO₂ emitted for 2009 was an average of 11.1 tonnes per day. This is an increase of two tonnes per day in comparison to 2008. During 2009, an advanced control system was commissioned and installed at the smelter, allowing for improved SO₂ absorption levels due to multi-variable control. Although the control system has only been in operation for the month of September, significant improvement on the efficiency levels of the sulphur fixation plant were evident.

During 2009, maintenance on the sulphur fixation plant at the smelter was undertaken during November 2008 and June 2009. The plant was bypassed during these periods with the operation running at a reduced capacity to minimise the ambient impact of SO₂. Continuous communication was undertaken with our stakeholders during both these periods. A change from annual to bi-annual maintenance was undertaken to maintain air pollution control efficiency continuously; minimise the risk of emergency repairs and to reduce the cumulative offline time of the air pollution control equipment. The bi-annual maintenance has proven to be efficient as no significant air pollution control equipment shutdowns were experienced for 2009 with equipment running at satisfactory utilisation levels.

Dust fallout in 2009



Average tonnes of SO₂ emitted per day from point and non-point sources



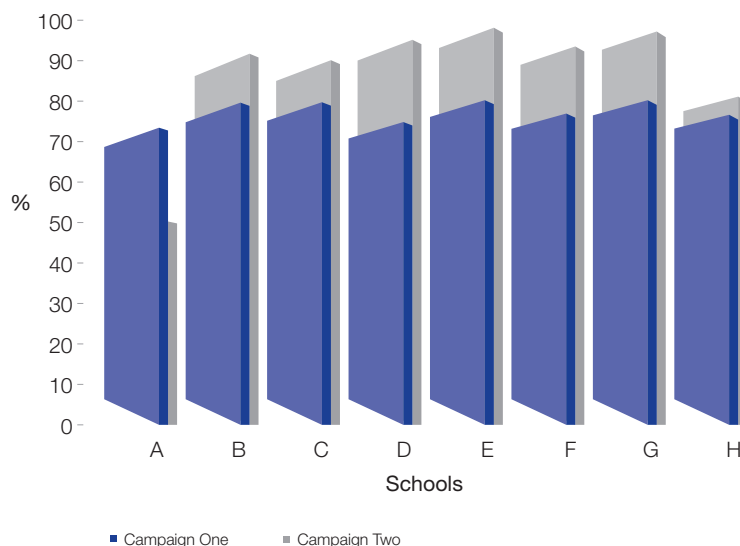
Reducing our Impacts on Air Quality (continued)

Progress on the hazemeter project

Aerosols and greenhouse gases interfere with the earth's energy budget. These changes are expressed in terms of radiative forcing. Aerosols are comprised small solid particles and liquid droplets which are airborne, either natural or anthropogenic origin. Aerosols in the atmosphere and their contribution to climate change are currently the object of many international research programmes around the world, as they remain the dominant uncertainty in radiative forcing.

The hazemeter project, which commenced in 2008 in association with the Climatology Research Group at the University of the Witwatersrand, continued with the second data collection campaign commencing in May 2009. The participating eight schools remained enthusiastic and eager to participate in the project. The percentage data recoveries achieved for the first and second campaigns were a satisfactory 78% and 87% respectively. A significant improvement in data recovery is seen between the campaigns, indicating an increased understanding of instrumentation handling and project awareness. A workshop with all the learners and educators involved will be undertaken during the course of 2010 to allow for learners to analyse the data collected. A third data collection campaign is set for 2010.

Percentage data recovery for two campaigns



Responsible Land Management, Biodiversity Conservation and Mine Closure

WE ARE COMMITTED TO INTEGRATED LAND USE MANAGEMENT AND BIODIVERSITY CONSERVATION BY APPLYING A RISK BASED PRECAUTIONARY APPROACH DURING ALL PHASES OF OUR OPERATIONS, INCLUDING MINE CLOSURE.

We are committed to conserving the diversity of landscapes, ecosystems, habitats and species and to address factors that may threaten biodiversity and the natural environment. We make every effort to minimise our mining footprints and remediate areas of degradation or pollution. Our commitment goes beyond our site-specific activities into the broader communities to include observing national laws where we operate and the indigenous cultures and dependency on natural resources of neighbouring communities.

Our approach

Biodiversity and land management

The loss of biodiversity as a result of competing land use and habitat loss is of global concern. We recognise this business risk and endorse the ICMM principles and position statements to contribute to biodiversity conservation and to commit to integrated land use planning and management by implementing the precautionary approach to minimise direct, indirect or cumulative adverse effects on biodiversity from our operations. Company biodiversity and land management is informed by the integrated environmental and closure planning strategy and supported by a biodiversity action plan and guidelines, which are aligned with legislative requirements and in particular the National Environmental Management Biodiversity Act 10 of 2004, other legislation, best practice and ICMM principles. The assessment and management of biodiversity is integral to analytical tools such as environmental impact assessments which are undertaken for all new listed mining activities. We report annually on our progress on biodiversity to relevant government authorities and as part of our sustainable development reporting.



As part of our Arbour Day celebrations, our Environmental Department donated trees to St. Catherine Primary school.

Aspects relating to biodiversity and integrated land use are key components of our risk management process and environmental impact assessments undertaken for proposed activities. Sound ecological principals provide the foundation for our biodiversity action plans. All of our operational sites require biodiversity action plans, of which the decision is based on the presence of a number of characteristics including habitat fragmentation, loss of habitat, loss of species, change in species composition, alien invasive species, soil and water contamination and siltation. The action plans are supported by software modelling the key parameters including alien invasive species; the potential buffering quality of existing wetlands and associated vegetation; and the potential for faunal habitats.

In line with our commitment to biodiversity issues, we are a member of the South African Mining and Biodiversity Forum, the intent of which is to provide a platform for the sharing of best practice in order to improve biodiversity management.

Mine closure planning

We strive to follow a closure based risk assessment approach in planning for closure. This integrated approach provides for the consolidation of management plans, enhanced application of pollution prevention principles and reduced long-term financial risk.



We own and manage a game farm, which comprises 212 hectares.

Responsible Land Management, Biodiversity Conservation and Mine Closure (continued)

Our performance

Biodiversity

In 2009, we have completed a strategy comprising of long term objectives, risk assessments and biodiversity action plans containing time frames and responsibilities for our Marikana operations. The significance of the impacts on biodiversity are rated according to the Company's risk management process, which in turn results in the actions as per the biodiversity action plans. Additionally we have established a monitoring framework that will assist us in determining the success of the action plans once implemented.

In 2009, we withdrew from our joint venture with IMX Resources in Tanzania and have returned operatorship of the project to them. All drill sites have been successfully rehabilitated. Additionally, our exploration activities in Gabon were placed on hold in 2009. With the exception of exploration activities in Gabon and Northern Ireland, our operations are not located in biodiversity sensitive areas or areas of high biodiversity value. We continue to work in close collaboration with government, the World Conservation Society and other non-governmental organisations to ensure that the appropriate risk management through biodiversity assessment and management programmes.

Species found at our operations as per international Union for Conservation of Nature red data status			
Scientific Name	Common name	The World Conservation Union (IUCN) Red Data Status	Probability of occurrence
Invertebrates			
<i>Metisella meninx</i>	Marsh Sylph	Vulnerable	High
Reptiles			
<i>Python natalensis</i>	Southern African Python	Vulnerable	High
Mammals			
<i>Atelerix frontalis</i>	South African Hedgehog	Near threatened	High
<i>Miniopterus schreibersii</i>	Schreiber's Long-fingered Bat	Near threatened	High
<i>Tatera leucogaster</i>	Bushveld Gerbil	Data deficient	High
Birds			
<i>Falco naumanni</i>	Lesser Kestrel	Vulnerable	High
<i>Sagittarius serpentarius</i>	Secretary Bird	Near threatened	High

Operations near to biodiversity sensitive areas				
Location	Type of operation	Position in relation to protected area	Size of operation	Biodiversity value
Gabon	Exploration	Within the Monts de Cristal National Park.	9,241 km ²	The park is a level two area according to the classification of the International Union for Conservation of Nature. The ecosystem is of a terrestrial nature.
Northern Ireland	Exploration	The area is adjacent to the Giant's Causeway and the Causeway Coast Heritage Site.	2,746 km ²	No known classification level regarding biodiversity value. The area has heritage and archaeological value.

Responsible Land Management, Biodiversity Conservation and Mine Closure (continued)

Land management

Land use in 2009	
Land use	Hectares
Total land managed	23,631
Total land covered by tailing facilities	975
Total land covered by waste rock	80
Net land disturbed by opencast	655
Total land disturbed and not rehabilitated	168
Total areas rehabilitated	403

In 2009, subsequent to the global economic downturn, our Limpopo and opencast operations were placed on care and maintenance. The rehabilitation of opencast mining was based on reserve availability.

The total area of land managed by the Company includes land owned and land leased. Areas of exploration are excluded from these areas. The area of land restored equates to the area of opencast mining operations that have been rehabilitated. We have the necessary expertise in house to audit and assess remediation and restoration practices and where required we make use of the expertise and services of external professionals in the field of rehabilitation and restoration. We have not formed partnerships with third parties to protect or restore habitat areas distinct from where the Company has overseen and implemented restoration or protection measures.

In 2009, we completed the compilation of a five series rehabilitation guideline, outlining legislative requirements and national and international best practice for the rehabilitation of waste rock dumps, slag residue deposits, landfill sites, opencast mining and tailings facilities. We have maintained our re-vegetation programmes on our dormant tailings facilities with our initiatives this year focusing on improving the density of the vegetation and enhancing vegetation growth in areas of poor coverage. In 2009, we have continued to monitor the remediation of Vlakfontein Mine and results to date indicate successful rehabilitation with little evidence of previous environmental degradation. In 2009, the unlicensed tailings facility at our Limpopo operations was successfully rehabilitated, with tailings being removed to the licensed tailings facility at an estimated cost of US\$110,861.

Mine closure planning

A key consideration for the any mining company is the notion that, at some point, all mining operations will cease. We have adopted a risk based approach towards closure planning and have finalised in 2009 an integrated mine closure strategy and plan for our Marikana and Limpopo operations. The strategy and plan, which is to be reviewed every two years, provides a strategic framework within which all closure planning for our operations can be managed. The strategy informs all environmental management programmes at our operations so as to ensure alignment with best practice and legislation and comprises conceptual land use spatial development plans and consolidated environmental plans which are based on risk assessments. This gives rise to enhanced application of pollution prevention principles and reduced long-term financial risk. Integral to the development of the strategy and plan were extensive stakeholder consultations which provided stakeholders with the opportunity to provide feedback into the sustainable use and management of our natural resources.

Financial closure provisions for unscheduled and scheduled closure are reviewed annually against the progress made in implementing the integrated mine closure strategy and plans. These provisions are also audited annually by third parties and amended accordingly to ensure sufficient financial resources are available at any given time to implement rehabilitation measures as required by the management programmes and closure planning. At 30 September 2009, we had a provision covering the costs of site closures of US\$67 million, compared to US\$50 million in 2008. This provision is partly funded by Rehabilitation Trust Fund deposits with the balance supported by bank guarantees. All new projects undertaken consider closure measures and the associated closure costs are integral to the environmental impact assessments undertaken for the activities.

Uniting with our Communities

WE ARE COMMITTED TO EMPOWERING OUR HOST COMMUNITIES AND IMPROVING THEIR QUALITY OF LIFE BY CONTRIBUTING TO THEIR LONG-TERM SOCIAL, ECONOMIC AND INSTITUTIONAL DEVELOPMENT AND PROMOTING THE BENEFICIATION OF OUR MINERALS.

Summary of our 2009 performance

- US\$5.7 million was spent in 2009 on community development projects, of which US\$3.2 million was spent on local economic development projects as per the approved Social and Labour Plans;
- The GLC area meetings and the Rekopane Development Forum meetings provide the platform where key stakeholders discuss and co-ordinate community development projects; and
- We have a number of land claims lodged against the Company in terms of the Restitution of Land Rights Act 22 of 1994.

Introduction

The reality of our business is finite ore reserves, the certainty of mine closure and the possible adverse social, economic and environmental effects associated with mine closure. Platinum mining has attracted large populations to mining operations in anticipation of employment opportunities. In line with national statistics, the GLC has a 40% unemployment rate, HIV infection rates of 23% and dwellings are characterised by the lack of basic services, such as water and electricity.

The business case for empowering the GLC, our host communities and improving their quality of life is straightforward. We cannot succeed in societies that fail. To this end, we continue to endeavour to contribute to our communities' long-term economic development and promote the beneficiation of our minerals – in this way, we can retain our license to operate, innovate and grow. Additionally, stakeholder

engagement improves company-community relations, and guides the Company when taking decisions that affect the community. Risks associated with poor community relations and ineffective community development may have far-reaching implications for the success of the Company.

Our Charter states that we are successful when our communities value our relationships. Our Safety and Sustainable Development Policy spells out our commitments to community engagement and community development. We are committed to empowering our host communities and improving their quality of life by contributing to their long-term social, economic and institutional development and promoting the beneficiation of our minerals as well as maintaining transparent and ongoing consultative relationships with all stakeholders.

As a member of the ICMM, we support their Position Paper Statement on Mining and Indigenous People. Our CEO is directly accountable for these commitments relating to community development and community relations and is supported by the Executive Vice President Human Capital and External Affairs. Our community initiatives in terms of development and engagement are focussed on the GLC, a term describing the communities within a 15 kilometre radius of our operations. Additionally our community development initiatives are also focussed on our labour sending areas of the Eastern Cape Province.

Our approach

Community impact assessment

Before the commencement of mining, independent social impact assessments, which are part of the authorisation process, determine socio-economic conditions and the potential impacts, both negative and positive, which operations may have on the communities. In addition, as part of the mining licenses granted in terms of the Minerals and Petroleum Resources Development Act 28 of 2002, possible socio-economic development projects within the communities are identified in the Social and Labour Plans. These are integral to the mining license approval process. These projects are aligned with and support the integrated development plans of local government. The impacts and effectiveness of projects are monitored throughout the life of mine, as part of the specific project execution, baseline assessments and community perception surveys. Prior to mine closure, further social impact assessments consider the impact of withdrawing operations on the community. As part of this impact assessment, management plans are identified and executed to minimise impacts on communities.



Eric Mbele and Ismael Mabote showcasing the crop from Agisanang farm.

Uniting with our Communities (continued)

Community engagement

The key objectives for community engagement are to understand community concerns and guide expectations; plan and manage community development projects; and encourage community self-reliance, governance and skills development. Over the past couple of years we have learnt through our annual perception surveys that our approach to community engagement often lacked inclusiveness and structure. In response, we initiated the engagement process, termed Lentswe (meaning "Voice") in 2008, which is now focussed on monthly GLC area meetings and quarterly Rekopane Development Forum meetings, which include community members, local government institutions, tribal authorities and where required industry peers as well as specialist partners. We are committed to involving communities in decisions that affect them. Incidents relating to communities are channelled through our Human Capital and External Affairs Department to the respective departments where they are addressed in direct consultation with applicable community members. We also have a formal complaints register that is easily accessible with the option to remain anonymous. The Rekopane Development Forum also provides a platform for community complaints to be raised and subsequently addressed by the Company. Our engagement is focussed on issues which are perceived as material to the communities and the impacts which our operations have on the communities where we operate.

Community resettlement

Our community policies comply with the World Bank Operational Directives on Resettlement of Indigenous Peoples and Cultural Property, which provides guidelines to minimise and mitigate adverse social and economic impacts of operations on indigenous people.

Community land claims

We have a number of land claims lodged against the Company in terms of the Restitution of Land Rights Act 22 of 1994, mostly by the communities within the region where we operate. Discussions are being held in this regard with the Land Claims Commission of South Africa in order to resolve these claims. Mechanisms for resolving disputes or grievances in this regard are managed through the legislative framework of the Land Claims Commission and Land Claims Court on a regional basis.

Community development

Since 2006, we have focussed our community development programmes on the commitments outlined in the Social and Labour Plans for Marikana. Our key focus areas are infrastructure development, educational support, health support and local business development, including commercial agriculture. These projects have been selected and

developed in close collaboration with local authorities and government to ensure that we complement local development plans. We have a number of training programmes in place that affords the community with the opportunity to enhance their skills and knowledge. These training programmes encompass diversity training, ABET and project specific training, including school governance training and knowledge shared as part of the eco-schools curriculum.

Our performance

Community engagement

In 2009, we have refocussed our community engagement initiatives on the quarterly Rekopane Development Forum and GLC area meetings which take place monthly. These meetings are project orientated and provide platforms for discussion of challenges, successes and progress of various projects. Community members are also provided with the opportunity to become a part of the projects in their areas.

Although no additional community perception surveys were undertaken in 2009, we have a solid understanding of the perception of our communities gathered during the annual surveys undertaken since 2006. Comprehensive socio-economic assessments were completed on the Marikana GLC in 2008, which highlighted housing, basic services and health care services as community needs. Feedback from these surveys and assessments is incorporated in our community development and engagement strategies.

Community resettlement and small-scale mining

There was no resettlement of communities across our operations during 2009; nor any artisanal or small-scale mining. We are not involved in any programmes to address artisanal and small-scale mining regionally or nationally.

Community development

In 2009, 60 community members attended the ABET training programme. Many community members received training or information relating to specific projects, including the permaculture training and eco-schools farming projects. We are committed to local economic development in the Marikana, Limpopo and Eastern Cape Province communities and have community development projects in place. The majority of these development projects are pro bono engagements as per the requirements of the Social and Labour Plans. In 2009, US\$5.7 million was spent on community development projects and of this amount US\$3.2 million was spent on local economic development as per the Social and Labour Plans. To date, we have spent 41.1% of our total five year financial commitments for local economic development as per the Social and Labour Plans, thus slightly exceeding our target to spend 41% by 2009. Baseline socio-economic and quality of life indicators enable us to track our impact on sustainable development. The table on the next page outlines the key projects, the extent of the development, achievements to date and spend in 2009.

Uniting with our Communities (continued)

Key community development projects in 2009			
Project	Objectives	Spend in 2009 (US\$)	Achievements of the project in 2009
Community skills development	To provide basic education to community members within the GLC.	US\$9,738	<ul style="list-style-type: none"> 60 community members have received ABET training, with 20 community members receiving training on ABET level 4; and Nine retrenched employees who successfully completed portable skills training were employed in a short term community project focusing on general maintenance and repairs at local schools.
Madibeng capacity building programme	To facilitate a capacity building programme for the municipality that will assist projects in the Madibeng municipal area.	US\$66,892	<ul style="list-style-type: none"> The geographic information system programme with the municipality to assist them with project planning is complete. Further opportunities for the programme, in partnership with IFC are being explored as part of the Lonmin/IFC programme to build capacity for Madibeng municipality; and A second phase of the programme is planned, that includes a maintenance/operations contract as we intend to expand the functionality of the programme within the Municipality.
Local supplier development programme	To contribute significantly to the economic and social development of the communities through enhancing the knowledge, skills and entrepreneurial development of the communities.	US\$593,085 ¹	<ul style="list-style-type: none"> 215 contracts and orders to date being awarded to 34 local suppliers, to the value of US\$31.5 million in the disciplines of construction, ore and concentrate transport, training and catering; In 2009, 0.8% of total discretionary spend on goods, materials and services or an amount of US\$6.6 million was spend on GLC suppliers; In 2009, 105 additional contracts and orders were awarded to local suppliers; and In 2009, in partnership with the IFC, we have established an off site incubation centre to afford GLC companies who have contracts with the Company in excess of five months with fully furnished office facilities and business and financial training.
North West water and sanitation project (Oustad project)	To improve basic water and sanitation in the communities of the North West province.	US\$781,795	<ul style="list-style-type: none"> The implementation phase was commenced in 2009, with 400 households receiving water reticulation infrastructure and yard connections.
Water and sanitation (Eastern Cape Province)	To improve basic water and sanitation infrastructure in the schools of the Alfred Nzo District Municipality of the Eastern Cape Province.	US\$61,179	<ul style="list-style-type: none"> 22 toilets have been constructed at JoJo Senior Secondary School, thus totalling the number of toilets constructed in the area to 179; and Approximately 238 learners and eight educators have benefited from the infrastructure refurbishment.
Silindini Bridge (Eastern Cape Province)	Construction of a single lane steel bridge across the Xuka River to provide improved access to the Thusong service centre constructed in 2008.	US\$336,485	<ul style="list-style-type: none"> The environmental impact assessment and water use licenses were completed and submitted to government authorities for approval; and Civil drawings were completed and the contract awarded.

¹ Expenditure through Lonmin-IFC partnership.

Uniting with our Communities (continued)

Key community development projects in 2009 (continued)			
Project	Objectives	Spend in 2009 (US\$)	Achievements of the project in 2009
Health care delivery	To provide access to adequate health care services for GLC communities.	US\$34,734	<ul style="list-style-type: none"> Two mobile clinics that were donated to the Department of Health in 2008 continue to be operational; and Refurbishments were undertaken at five clinics within the GLC.
Rustenburg hospice	To provide HIV/AIDS home-based care services and social support in the towns of Segwaelane and Wonderkop.	US\$94,550	<ul style="list-style-type: none"> To date, 13 caregivers have been trained, with training continuing in 2009; and 422 patients are visited regularly as part of home based care.
HIV/AIDS peer education and home based care	To reduce the spread of HIV/AIDS and to enhance treatment of the disease through peer education and home-based care in the GLC.	US\$61,887	<ul style="list-style-type: none"> We have 58 active home based carers trained in an intensive training programme of 69 days; Currently over 1,200 patients and 640 orphans are being cared for on a regular basis, with over 50,000 visits made in the past year; In total, 1,856 patients benefited from the home based care programme; 1,999 participants were counselled and tested in the VCT campaign in the Marikana and Brakpan GLC; A tuberculosis awareness campaign was held in Marikana and a cholera awareness campaign in Brits; and A World HIV/AIDS celebration day was held.
Post matric bridging course	To enable students with the opportunity to improve their grade 12 results on selected subjects and to provide them with the opportunity to enter into tertiary education. This bridging course is presented in partnership with the Lonmin Academy and Damelin.	US\$62,180	<ul style="list-style-type: none"> 20 learners from the GLC have attended the course in 2009, totalling this to 63 learners to date; and A number of former learners who have attended this course have been successful with the completion of computer engineering diplomas or have gained acceptance to study computer engineering at a university.
Saturday School programme	To provide learners with the opportunity to improve their knowledge on the school curriculum focusing primarily on mathematics and science. Saturday School comprises a 36 week programme per annum to selected learners from the GLC High Schools in conjunction with North West University.	US\$94,347	<ul style="list-style-type: none"> 352 learners from the GLC attended Saturday school in 2009 of which the final grade 12 results are outstanding; Psychometric testing was completed on 1,245 learners to assist with subject choice decisions; and Grade ten to 12 learners that attended the programme obtained between 5.8% and 7.8% higher averages in the 2008 final exams than those learners who did not attend the programme.

Uniting with our Communities (continued)

Key community development projects in 2009 (continued)			
Project	Objectives	Spend in 2009 (US\$)	Achievements of the project in 2009
Personal computer laboratories	To establish computer centres at GLC schools and to equip school educators with the necessary skills to operate a personal computer effectively and provide relevant training.	US\$14,987	<ul style="list-style-type: none"> • 550 personal computers have been upgraded and repaired to date; and • 21 schools in the GLC have been equipped with functional computer laboratories.
Early childhood development	To identify the priority needs, baseline information and implement support structures for gifted children.	US\$30,478	<ul style="list-style-type: none"> • Baseline assessments completed at a total of 28 centres to date; and • Constitutions have been established at three crèches to facilitate the payment of educators.
School infrastructure upgrade	To improve the infrastructure of schools in the GLC based on requirements identified through a needs assessment, in order to address overcrowding and the safety of learners.	US\$769,805	<ul style="list-style-type: none"> • Seven schools received 12 mobile classrooms, totally the number of mobile classrooms donated to date to 23, thus reducing learner classroom ratios significantly; • Refurbishment of three schools, with 2,636 learners and 74 educators benefiting; • Furniture repairs completed for five schools within the Marikana GLC; and • General maintenance and repairs at Segwaelane Community Hall and Primary School.
Curriculum support software	To provide educators and learners with a competency based computer programme to support learning outcomes of the national curriculum.	US\$12,697	<ul style="list-style-type: none"> • Five primary schools were equipped with the software; and • 50 educators have been trained on the software.
Annual career exhibition	To facilitate and manage annual career exhibitions for grades nine and 12 learners from the GLC in order to provide learners with the opportunities to obtain knowledge and information on careers. Learners are encouraged to discuss future prospects of training, job opportunities and internships offered by companies exhibiting.	US\$34,125	<ul style="list-style-type: none"> • Successful facilitation of the third GLC career exhibition in June 2009; • An estimated 1,457 learners and 102 educators from 13 GLC Schools attended the career exhibition over two days at which 13 Companies exhibited; • 63 Educators from 30 GLC Schools attended a motivational workshop in 2009; • 13 GLC schools were provided with Careers for Africa Books; and • Nine GLC school learners qualified to apply for Lonmin Bursaries for their studies in 2010.

Uniting with our Communities (continued)

Key community development projects in 2009 (continued)			
Project	Objectives	Spend in 2009 (US\$)	Achievements of the project in 2009
School nutrition programmes	To enhance the nutritional status, health and school attendance of the pupils in the GLC schools by ensuring food security.	US\$641,421	<ul style="list-style-type: none"> • 22 schools in the Marikana GLC are supplied with fresh fruit and vegetables to supplement the meals provided by the Department of Education; • 286 food preparers and educators in Marikana have received training on food preparation and the importance of nutrition; • 12 schools in the Limpopo GLC were provided with cooking equipment; and • 31 educators and volunteers were trained on food gardening in Limpopo and a demonstration garden was established at one of the local schools.
Permaculture and eco-schools	To facilitate the implementation of the eco-schools programme at schools within the GLC, to improve environmental learning and environmental management practices of the learners.	US\$40,378	<ul style="list-style-type: none"> • To date, 14 schools in the Marikana GLC and five in Brakpan GLC are enrolled in the project; and • Ten schools to date have productive food gardens in place and the vegetables are being used as a supplement in the school nutrition programme.
Agisanang farming project	To realise the commercial potential of the 63 hectare Agisanang Farm and to create employment opportunities and to support small scale farming.	US\$532,722	<ul style="list-style-type: none"> • Successful re-launch of the farming project focusing on vegetable and crop farming; • Development of overhead and drip irrigation systems; and • The employment of 78 community members.
Itireleng community co-operative	To train and support small-scale commercial farming to succeed in a co-operative farming enterprise in Bapong comprising six hectare vegetable garden.	US\$24,244	<ul style="list-style-type: none"> • 16 beneficiaries trained in vegetable and poultry farming; and • Renovations of vandalised infrastructure and equipment.

Uniting with our Communities (continued)

School nutrition programme delivers results.

We are committed to alleviating hunger and poverty in the GLC by improving nutrition and creating economic incentives for the disadvantaged. We acknowledge that good nutrition and education goes hand in hand, both required for the empowerment of our youth. In 2009 we in partnership with the Department of Education embarked on a programme within the Marikana GLC, with the vision to provide every child within disadvantaged primary schools with one balanced meal per week day. To date, 22 schools within the Marikana GLC, a combined total of 13,009 learners and 93 food preparers are benefiting from this programme. Additionally, we have provided this service to some of the intermediate schools in the GLC.

The Department of Education provides all schools with non-perishable food and we augment the programme with fresh fruit and vegetables, so that every child each day receives one piece of fresh fruit and vegetable. We have also contributed to food preparers' stipends and enhanced the food preparation equipment provided by the Department, including the donation of cooking pots, plates and refrigerators. Additionally, as a safety initiative, we have erected cages for storage of gas bottles and connections to the gas stoves. Food preparers have been trained in food hygiene, the importance of nutrition in schools and the importance of nutrition in the combating of diseases such as HIV/AIDS. Mr. Eric Mogale, who is the principal of the Maruatona Primary School located in the Marikana GLC, is very excited about results of the nutrition programme at his school. He has also reported that the programme has assisted in reducing their absenteeism rate from around 5% to 1%.

In support of these initiatives and to supplement the school nutrition programme, we have assisted ten schools within the GLC to establish food gardens. Permaculture training has been provided to educators and two champions from each school were selected. Vegetable and herb seedlings were provided to the schools as part of the training. The vegetables which are produced further supplement the meals provided by the Department and by the Company. The majority of the schools that are involved in the programme have taken the initiative to extend their gardens. Mrs Eva Motshabi, an educator at St. Catherine Primary School is very pleased with the project indicating that the learners are very enthusiastic, with many learners volunteering to work in the gardens during school holidays and initiating their own gardens at home.

One of the schools that participate in the permaculture farming is the Rekgonne-Bapo special school in Bapong. The vegetable garden at Rekgonne-Bapo special school comprises tomatoes, which are grown in farming tunnels; lettuce, green peppers, chillies, herbs and potatoes which are grown in open fields. The tunnels at this school were a donation from one of our contracting companies. The garden has a simple irrigation system in place that feeds water from storage tanks to the tunnels and open fields. School learners assist in the garden after school lessons and parents also provide support by working in the gardens during school times. This programme has proven to be very successful and in some months, the school has been able to sell some of the vegetables for additional funding.



The nutrition programme at St. Catherine Primary.



Winnie Zungu, Christine Maduma, Rebecca Machele and Ani Muma are preparing a meal for the learners at St. Catherine Primary.

Key Performance Indicators

	Measurement	2005	2006	2007	2008	2009
Production						
PGMs produced	Oz	1,704,249	1,809,744	1,477,529	1,366,307	1,267,529
Economic						
Net cash generated						
<i>Customers, consumers and investment income</i>						
Cash received for products	US\$ million	1,107	1,611	2,016	2,270	1,138
Cash return on investment Suppliers ¹	US\$ million	2	1	16	13	3
Cash payments for materials and services purchased	US\$ million	(361)	(429)	(395)	(445)	(488)
Cost of borrowings	US\$ million	(29)	(32)	(41)	(23)	(34)
Net cash flows	US\$ million	719	1,151	1,596	1,815	619
Cash distributed						
Human capital						
(salaries and benefits)	US\$ million	313	406	492	557	499
Social capital	US\$ million	7	3.1	3.9	7.3	6.2
Government taxes	US\$ million	80	186	267	245	55
Directors remuneration	US\$ million	10	9	7	9	7
Shareholders distribution	US\$ million	102	124	171	186	–
Cash retained for sustainable growth	US\$ million	207	426	655	811	52
Net cash distributed	US\$ million	719	1151	1,596	1,815	619
Employees						
Employees	Number	21,228	23,804	24,122	25,967	21,623
Contractors	Number	5,306	6,932	8,580	7,758	10,497 ²
Designated employed in management on a permanent basis	Percentage	25.8	36	37.9	42.3	41.3
Women employed on a permanent basis in mining operations	Percentage	N.D.A	1.4	1.4	1.8	2.9
Women employed on a permanent basis at the mine	Percentage	N.D.A	4.1	4.9	6.1	6.8
Employee turnover rate	Percentage	15.9	1.1	4.1	6.6	23.3
Employees and contractors trained in ABET	Number	N.D.A	1,681	1,389	2,866	1,139
Occupational Health and Safety						
Fatalities	Number	6	6	3	3	3
LTIFR	Incidents/million hours worked	18.10 ³	12.50	10.80	6.27	6.21
NIHL cases compensated	Number	278	570	490	229	45
Tuberculosis cases ⁴	Number	286	338	504	533	472
HIV/AIDS						
Employees for VCT	Number	1,615	3,236	13,761	18,692	4,680
Patients on ART (excludes PMR) ⁵	Number	407	587	836	989	962
Patients on the wellness Programme	Number	N.D.A	N.D.A	N.D.A	1150	518

Key Performance Indicators (continued)

	Measurement	2005	2006	2007	2008	2009
Environment						
Total freshwater intake	m ³	9,500,000	10,858,464	11,795,482	9,256,244	8,885,360
Total freshwater intake efficiency	m ³ /PGM oz	5.60	6.00	7.98	6.77	7.01
Electricity	MWHR	1,402,718	1,617,771	1,619,922	1,575,917	1,481,744
Energy	Terajoules	5,813	7,348	7,434	6,555	6,613
Energy efficiency	GJ/PGM oz	3.50	4.10	5.03	4.80	5.22
Greenhouse gas	Kilotonnes					
	CO ₂ equivalent	1,489	1,775	1,673	1,659	1,595
Greenhouse gas efficiency	Kilotonnes					
	CO ₂ equivalent/PGM oz	0.89	0.98	1.13	1.21	1.26
Tailings disposed to tailings facilities	Kilotonnes	12,832	15,519	14,487	12,649	17,068
Waste rock disposed to rock dumps	Kilotonnes	1,415	1,376	1,203	1,128	1,343
Hazardous waste disposed of to landfill and by incineration	m ³	4,325	8,973	7,038	N.A	N.A
Hazardous waste disposed of to landfill and incineration	Tonnes	N.A	N.A	N.A	42,857	55,906
General waste to landfill	m ³	28,821	52,559	53,110	N.A	N.A
General waste to landfill	Tonnes	N.A	N.A	N.A	8,279	7,199
Average tonnes of SO ₂ emitted per day from point and non-point sources ⁶	Tonnes/day	3.4	7.4	11.3	9.1	11.1
Communities						
Percentage spend of our financial commitments on local economic development projects as per the Social and Labour Plan by 2009	Percentage	N.A	N.A	N.D.A	24	41

N.D.A – No data available. Where it is indicated that no data is available, this is primarily as a result of low confidence in the accuracy of the data or an absence of measurement of the data.

N.A. – Not applicable

1. We have a 30 day payment policy on services and procurement.
2. Due to improvements in data capturing systems, our contractor figures in 2009, includes all contractor personnel registered on our database, including ad hoc contractors, external consultants, labour brokers, service providers and volume contractors. In previous years, a portion of these personnel were not registered on our database. Not all of these contractors are employed on a full time basis.
3. The figure for LTIFR for financial year 2005 was identified during the 2005 assurance process to have the potential of being underestimated by 10%.
4. This was incorrectly published prior to 2009 – the data represents total tuberculosis cases and not only pulmonary tuberculosis cases.
5. PMR patients access ART through their private medical aid schemes.
6. The data for 2007, 2008 and 2009 represents emissions from both point and non-point sources.

Reporting Against Global Reporting Initiative Indicators

The following table references the information within this report against the GRI (2006) and the Mining and Metals Sector Supplement. Relevant disclosure on our management approach for each category indicator is provided within the text on the particular issue or risk.

GRI Indicators			
No.	Statement	Reported	Page
Profile			
Strategy and Analysis			
1.1	Statement from the most senior decision maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.	✓	01
1.2	Description of key impacts, risks, and opportunities.	✓	21
Organisational Profile			
2.1	Name of the organisation.	✓	Front cover
2.2	Primary brands, products and/or services.	✓	09
2.3	Operational structure of the organisation, including main divisions operating companies, subsidiaries, and joint ventures.	✓	06, 10
2.4	Location or organisation's headquarters.		09
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	✓	09
2.6	Nature of ownership and legal form.	✓	09, 10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	✓	31
2.8	Scale of the reporting organisation.	✓	Annual Report, 25 – 28
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	✓	05
2.10	Awards received in the reporting period.	✓	16, 40
Report Parameters			
3.1	Reporting period (e.g fiscal/calendar year) for information provided.	✓	05
3.2	Date of most recent previous report (if any).	✓	05
3.3	Reporting cycle (annual, biennial, etc.).	✓	05
3.4	Contact point for questions regarding the report or its contents.	✓	Contents page
3.5	Process for defining report content.	✓	04, 05
3.6	Boundary of the report (e.g countries, divisions, subsidiaries).	✓	05, 06
3.7	State any specific limitations on the scope or boundary of the report.	✓	05, 06
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	✓	05
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	✓	05
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	✓	04, 05

Reporting Against Global Reporting Initiative Indicators (continued)

GRI Indicators (continued)			
No.	Statement	Reported	Page
Report Parameters (continued)			
3.11	Significant changes from previous reporting periods in the scope boundary, or measurement methods applied in the report.	✓	05
3.12	Table identifying the location of the standard disclosures in the report.	✓	85
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	✓	05, 07, 08
Governance , Commitments, and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	✓	11 – 13
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organisation's management and the reasons for this arrangement).	✓	11
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	✓	11
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	✓	12
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	✓	14
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	✓	11
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	✓	12
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation.	✓	15, 16
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	✓	11 – 16
4.10	Processes for evaluating the highest governance body's own performance particularly with respect to economic, environmental, and social performance.	✓	12
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	✓	21
4.12	Externally developed economic, environmental, and social charters principles, or other initiatives to which the organisation subscribes or endorses.	✓	15
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	✓	15
4.14	List of stakeholder groups engaged by the organisation.	✓	17
4.15	Basis for identification and selection of stakeholders with whom to engage.	✓	17
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	✓	18 – 20

Reporting Against Global Reporting Initiative Indicators (continued)

GRI Indicators (continued)			
No.	Statement	Reported	Page
Governance , Commitments, and Engagement (continued)			
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	✓	17 – 20
Economic Performance Indicators			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	✓	27
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	✓	63
EC3	Coverage of the organisation's defined benefit plan obligations.	✓	51
EC4	Significant financial assistance received from governments.	✓	27
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	✓	51
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	✓	29
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	✓	52
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement.	✓	30
EC9	Understanding and describing significant indirect economic impacts including the extent of impacts.	✓	28
MM1	<i>Sector supplement</i> Identify those sites where the local economic contribution and development impact is of particular significance and interest to stakeholders (e.g., remote sites) and outline policies with respect to assessing this contribution. Relevant information includes: Percentage of goods, materials and services purchased locally; percentage of workforce from local communities; investment in public infrastructure and its maintenance and compensation payments.	Partial	28
MM2	<i>Sector supplement</i> Value added disaggregated to country level.	x	
Environmental Performance Indicators			
EN1	Materials used by weight or volume.	✓	66
EN2	Percentage of materials used that are recycled input materials.	✓	66
EN3	Direct energy consumption by primary energy source.	✓	62
EN4	Indirect energy consumption by primary source.	✓	62
EN5	Energy saved due to conservation and efficiency improvements.	✓	62
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	✓	62
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	x	
EN8	Total water withdrawal by source.	✓	64
EN9	Water sources significantly affected by withdrawal of water.	✓	64
EN10	Percentage and total volume of water recycled and reused.	✓	64

Reporting Against Global Reporting Initiative Indicators (continued)

GRI Indicators (continued)			
No.	Statement	Reported	Page
Environmental Performance Indicators (continued)			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	✓	74
	<i>Sector supplement</i> Total amount of land owned, leased, and managed for production activities or extractive use. Mining companies should report the following 1. Total land disturbed and not yet rehabilitated (opening balance). 2. Total amount of land newly disturbed within the reporting period. 3. Total amount of land newly rehabilitated within the reporting period to the agreed upon end use 4. Total land disturbed and not yet rehabilitated (closing balance) 5. Total amount of land owned, leased, and managed for production activities or extractive use.	✓	75
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partial	74
EN13	Habitats protected or restored.	✓	75
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	✓	73, 74
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	✓	74
EN16	Total direct and indirect greenhouse gas emissions by weight.	✓	63
EN17	Other relevant indirect greenhouse gas emissions by weight.	✓	63
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	✓	63
EN19	Emissions of ozone-depleting substances by weight.	✓	70
EN20	NO, SO, and other significant air emissions by type and weight. <i>Sector Supplement</i> Reporting should include emissions from both major mobile sources and on-site stationary sources; management of fugitive emissions such as dust from mining and processing activities (i.e., monitoring activities compliance with regulatory limits or number of dust-related complaints and how they were addressed), case studies where significant local emissions occur.	✓	62
EN21	Total water discharge by quality and destination.	✓	65
EN22	Total weight of waste by type and disposal method <i>Sector Supplement</i> For the mining and metals sector this refers to site waste e.g., waste oils, spent cell lining, office, canteen and camp waste scrap steel, tyres and construction waste. The breakdown of "types of waste" (as requested in the indicator) should distinguish between hazardous and non-hazardous. Note: When collecting hazardous waste data for reporting, the reporting organisation should use the definition contained in the regulations that apply to the site.	✓	67, 68
EN23	Total number and volume of significant spills.	Partial	59, 60
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	✓	68
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	x	

Reporting Against Global Reporting Initiative Indicators (continued)

GRI Indicators (continued)			
No.	Statement	Reported	Page
Environmental Performance Indicators (continued)			
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation.	✓	58
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	✓	66
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	✓	58
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	✓	63
EN30	Total environmental protection expenditures and investments by type.	✓	58
MM3	<i>Sector supplement</i> The number/percentage of sites identified as requiring biodiversity management plans, and the number/percentage of sites with plans in place. Also include criteria for deciding that a biodiversity management plan is required and the key components of a plan.	✓	73, 74
MM4	<i>Sector supplement</i> Percentage of products(s) derived from secondary materials. This includes both post-consumer recycled material and waste from industrial source (e.g., new scrap from fabricators and old scrap from end of life equipment), but excludes internal recycling within the facility.	✓	66
MM5	<i>Sector supplement</i> Describe policies for assessing the eco-efficiency and sustainability attributes of products (e.g., recyclability, material use, energy use, toxicity, etc.).	✓	57, 58
MM6	<i>Sector supplement</i> Describe approach to management of overburden, rock, tailings, and sludges/residues including assessment of risks, structural stability of storage facilities, metal leaching potential; and hazardous properties. Quantities of waste that are hazardous should be reported. The relevance of reporting other quantities of waste will be determined by the risk assessment.	✓	67
Labour Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region.	✓	52
LA2	Total number and rate of employee turnover by age group gender, and region.	✓	52
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	✓	51
LA4	Percentage of employees covered by collective bargaining agreements.	✓	37
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	✓	37
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	✓	38
LA7	Rates of injury, occupational diseases, lost days, and absenteeism and number of work related fatalities by region.	✓	39, 40, 42, 52
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	✓	43
LA9	Health and safety topics covered in formal agreements with trade unions.	✓	38
LA10	Average hours of training per year per employee, by employee category.	✓	53

Reporting Against Global Reporting Initiative Indicators (continued)

GRI Indicators (continued)			
No.	Statement	Reported	Page
Labour Practices and Decent Work (continued)			
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	✓	51, 52
LA12	Percentage of employees receiving regular performance and career development reviews.	✓	52
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	✓	48, 49, 50, 52
LA14	Ratio of basic salary of men to women by employee category.	✓	49
Human Rights Performance Indicators			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	✓	38
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	✓	38
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	✓	36
HR4	Total number of incidents of discrimination and actions taken.	✓	38
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	✓	37
HR6	Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour.	✓	37
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	✓	37
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	✓	36
HR9	Number of incidents of violations involving rights of indigenous people and actions taken.	✓	38
Society Performance Indicators			
SO1	Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities including entering, operating, and exiting.	✓	76, 77
SO2	Percentage and total number of business units analysed for risks related to corruption.	✓	34
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	✓	34
SO4	Actions taken in response to incidents of corruption.	✓	35
SO5	Public policy positions and participation in public policy development and lobbying.	✓	15
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	✓	35
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	✓	35
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	✓	22

Reporting Against Global Reporting Initiative Indicators (continued)

GRI Indicators (continued)			
No.	Statement	Reported	Page
Product Responsibility Performance Indicators			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	✓	31
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	✓	31
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	✓	31
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	✓	31, 32
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	✓	31, 32
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	✓	32
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes.	✓	32
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	✓	32
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	✓	32
MM7	<i>Sector supplement</i> Describe significant incidents affecting communities during the reporting period, and grievance mechanisms used to resolve the incidents and their outcomes. Note: The reporting organisation should describe the definition of "significant" used.	✓	77
MM8	<i>Sector supplement</i> Describe programmes in which the reporting organisation has been involved that addressed artisanal and small-scale mining (ASM) within company areas of operation. The reporting organisation should describe the definition of "significant" used.	✓	77
MM9	<i>Sector supplement</i> Describe resettlement policies and activities.	✓	77
MM10	<i>Sector supplement</i> Number or percentage of operations with closure plans, covering social (including labour transition), environmental and economic aspects. Describe company policy, stakeholder engagement processes, frequency of plan review and amount and type of financial provisions for closure.	✓	75
MM11	<i>Sector supplement</i> Describe process for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes.	✓	77
MM12	<i>Sector supplement</i> Describe approach to identifying, preparing for, and responding to emergency situations affecting employees, communities, or the environment. Include a description of the nature of existing skills, teams who respond to emergency situations, training, drills, review processes and community involvement.	✓	39
MM13	<i>Sector supplement</i> Number of new cases of occupational disease by type. Describe programmes to prevent occupational disease.	✓	42, 44 – 46

Acronyms

ABET	Adult basic education and training
ART	Anti-retroviral treatment
Au	Gold
BMR	Base metal refinery
CD 4-T	Cluster of differentiation four lymphocytes
CEO	Chief Executive Officer
COO	Chief Operations Officer
CO ₂	Carbon dioxide
dB	Decibels
FIFA	Federation Internationale de Football Association
GJ	Gigajoules
GLC	Greater Lonmin community
GRI	Global Reporting Initiative guideline
GSB	General waste small landfill with no significant leachate produced
HDSA	Historically disadvantaged South African
HIV/AIDS	Human immuno-deficiency virus/acquired immune deficiency syndrome
Hr	Hour
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
ISO	International Standards Organisation
IUCN	International Union for Conservation of Nature
km ²	Square kilometre
LTIFR	Lost time injury frequency rate
LTI	Lost time injury
mg/m/day	Milligrams per metre per day
MW hr	Mega watts per hour
N.A	Not applicable
N.D.A	No data available
NEMAQA	National Environmental Management Air Quality Act 39 of 2004
NIHL	Noise induced hearing loss
m ³	Cubic metres
OHSAS	Occupational Health and Safety Standard
Oz	Ounce
PGMs	Platinum group metals
PMR	Precious metal refinery
REACH	Registration, Evaluation, Authorisation and Restriction of Chemical substances
SO ₂	Sulphur dioxide
TJ	Terajoules
t/d	Tones per day
UK	United Kingdom
UNGC	United Nations Global Compact
US	United States
VCT	Voluntary counselling and testing
\$	Dollar

Definitions

In terms of the definitions of terminology for reporting purposes, we have taken into consideration the definitions as stipulated by the ICMM, GRI as well as national legislation.

Term	Definition
ABET level four	Entry level to the National Qualifications Framework. This is equivalent of grade nine and training material covers mathematics, english and pre-rock breaking.
Absentee days lost	Number of days lost as a result of an employee being absent from work because of incapacity of any kind, not just as the result of work-related injury or disease. Permitted leave absences such as holidays, study maternity/paternity, and compassionate leave are included as well as employees absent without permission.
Absentee rate	Measure of actual absentee days lost as defined above, expressed as a percentage of total days scheduled to be worked by the workforce for the same period.
Anti-competitive behaviour	Actions of the Company and employees that may result in collusion with potential competitors to fix prices, coordinate bids, create market or output restrictions, impose geographic quotas, or allocate customers, suppliers, geographic areas, and product lines with the purpose of limiting the effects of market competition.
Anti-retroviral defaulter	This refers to a person who is on ART and who has missed treatment collection in the month.
Anti-retroviral treatment	Refers to drugs or medicine given to patients who are HIV positive and have CD4 cell counts of 350 cells/mm ³ and below.
Anti-trust and monopoly practices	Actions of the Company that may result in collusion to erect barriers to entry to the sector, unfair business practices, abuse of market position, cartels, anti-competitive mergers, price-fixing, and other collusive actions which prevent competition.
Area protected	Areas that are protected from any harm during operational activities, and the environment remains in its natural state with a healthy functioning ecosystem.
Area restored	Areas that were used during or affected by operational activities, and where remediation measures have either restored the environment to its natural state or to a state where it is a healthy and functioning ecosystem.
Areas of high biodiversity value	Areas not subject to legal protection but recognised for important biodiversity features by a number of governmental and non-governmental organisations. These include habitats that are a priority for conservation and which are often defined in National Biodiversity Strategies and Action Plans prepared under the Convention on Biological Diversity.
Basel Convention	The 'Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal' was drafted and adopted in 1989 and came into effect in 1992. The convention works to reduce the movement of hazardous wastes to ensure that wastes are disposed of as closely as possible to where they were produced and to minimise the generation of hazardous wastes in terms of quantity and level of hazard.
Bursar	A person who is studying at a tertiary education institution with financial support from the Company.
Child	This term applies to all persons under the age of 18 years.
CO ₂ -equivalent	Carbon dioxide equivalent which is the universal unit of measurement to indicate the global warming potential of each of the six greenhouse gases, expressed in terms of the global warming potential of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.
Coal consumption	Total weight of coal used for heating or the generation of energy (heat, electricity, steam, etc).
Collective bargaining agreements	Binding collective bargaining agreements include those signed by the Company itself or agreements by employer organisations of which it is a member. These agreements can be at the sector, national, regional, organisational, or workplace level.

Definitions (continued)

Term	Definition
Contractor	Any individual, company or other legal entity that carries out work, work-related activities, or performs services pursuant to a contract for service. This includes sub contractors working both permanent and part time.
Corruption	Corruption is 'the abuse of entrusted power for private gain and can be instigated by individuals in the public or private sector. It is interpreted here to include such corrupt practices as bribery, fraud, extortion, collusion, conflict of interest, and money laundering. In this context, it includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This may include gifts other than money, such as free goods and holidays, or special personal services provided for the purpose of, or liable to result in, an improper advantage or that may result in moral pressure to receive such an advantage.
Cost of training interventions	The following interventions are included for all Company owned and managed operations, although salary expenditure is excluded: <ul style="list-style-type: none"> • Mining related training; • Process related training; • Formal study assistance; • Student assistance (bursary, scholarship, graduates and Interns); • ABET (and replacement costs); • Leadership programmes; • Engineering related training; • Safety, health and environmental training; • Induction related training.
Designated groups	A person, category of persons or communities, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa Act 200 of 1993, came into operation. The definition of designated groups includes employees who are disabled, women or employees classified as African, Asian or Coloured and who have South African citizenship status and who are based in South Africa.
Direct energy consumption	Direct energy consumption is the total forms of energy that enters the Company's operational boundaries and consumed either by the Company within its boundaries, or it can be exported to another user. Direct energy can appear in either primary (e.g., natural gas for heating) or intermediate (e.g., electricity for lighting) forms. It can be purchased, extracted (e.g., coal, natural gas, oil), harvested (e.g., biomass energy), collected (e.g., solar, wind), or brought into the Company's boundaries by other means.
Direct greenhouse gas emissions	Emissions from sources that are owned or controlled by the Company.
Disabled employee	People who are employed by the Company who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in, employment.
Disciplinary case	A formal enquiry aimed at correcting any breach of the Company's code for corrective action conducted in terms of the Company's Corrective Action Policy and Procedure.
Discretionary spend	Discretionary spend is the sum of all spend on capital, consumables and services excluding inter Company spend, spend on government, parastatals and municipalities imported technology and imported material that is not available locally.
Discrimination	The act and the result of treating a person unequally by imposing unequal burdens or denying benefits rather than treating the person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.
Disease	Disease may be defined as a pathological process. The quality which identifies disease is some deviation from a biological norm. There is objectivity about disease which can be seen, touched, or measured by medical professionals.
Disease rates	Disease rates are expressed per 100,000 persons at work. The number of personnel at work is calculated based on hours worked.

Definitions (continued)

Term	Definition
Dismissal	The termination of service of an employee following a disciplinary process for misconduct and/or negligence, or as a result of dismissal in absentia.
Dust fallout rate	Particulate matter with varying aerodynamic diameters and mass deposited due to rapid gravimetric fallout and reported as fallout in mg/m ² /day over a 30-day averaging period.
Electricity consumed	The quantum of energy used on site or in an operation for own consumption, purchased from external electricity suppliers. This excludes use of electricity by surrounding mining communities.
Electricity use efficiency	The amount of electricity utilised by the organisation in relation to the ounces of PGMs produced.
Employee	An individual who is, according to national law or practices, recognised as an employee of the Company.
Extra pulmonary tuberculosis	Extra pulmonary tuberculosis refers to the presence of mycobacterium tuberculosis bacteria in any other organ other than the pulmonary system and which is confirmed by a positive appropriate test for microscopy or culture for mycobacterium tuberculosis.
Extreme drug resistance tuberculosis	Extreme drug resistant tuberculosis is tuberculosis that is resistant to first and second line tuberculosis drugs.
Fatality	A work related injury resulting in the death of an employee or contractor. These injuries are merely categorised as fatal for statistical analyses, but are counted as LTIs for statistical reporting purposes.
Fatality free shifts	A shift is one working period worked by an employee or contractor during a 24-hour period. The total of these shifts, without sustaining an injury of a fatal nature is known as fatality free shifts.
Forced or compulsory labour	All work and service which is exacted from any person under the menace of any penalty and for which the said person has not offered her/himself voluntarily. The most extreme examples are slave labour, prison labour, and bond labour, but debts can also be used as a means of maintaining workers in a state of forced labour. Withholding identity papers, requiring compulsory deposits or compelling workers, under threat of firing to work extra hours to which they have not previously agreed, are all examples of forced labour.
Foreign nationals	Persons employed by the Company who do not have South African citizenship.
Formal agreements	Written documents signed by both parties declaring a mutual intention to abide by what is contained in the documents. These can include, for example, local collective bargaining agreements as well as national and international framework agreements.
Formal committees	Formal committees refers to committees whose existence and function are integrated in the Company's organisational and authority structure, and that operate according to certain agreed, written rules.
Freedom of association	Workers and employers may establish and join organisations of their own choosing without the need for prior authorisation.
Fuel consumption	The quantum of fuel consumed on site derived from burning fuels or in an operation for own consumption.
Gas consumption	The quantum of natural or synthetic gas consumed on site or in an operation for own consumption.
General waste	Any waste that does not pose an immediate hazard or threat to health or to the environment, and includes: (a) domestic waste; (b) building and demolition waste; (c) business waste; and (d) inert waste; For the mining and metals sector this refers to site waste e.g. office, canteen and camp waste, scrap steel, tyres, wood and building waste.

Definitions (continued)

Term	Definition
Governance bodies	The committees or boards responsible for the strategic guidance of the Company, the effective monitoring of management, and the accountability of management to the broader Company and its stakeholders. This refers to the Board and the Committees of the board.
Government payments	All Company taxes (corporate, income, property, etc.) and related penalties paid at the international, national, and local levels. This figure does not include deferred taxes because they may not be paid.
Greater Lonmin Community	Communities situated within a 15 kilometre radius of our operations.
Greenhouse Gas	<p>Greenhouse Gases comprise of the following, as outlined in the Kyoto Protocol to the United Nations Framework Convention to Climate Change (1998):</p> <ul style="list-style-type: none"> • Carbon dioxide; • Methane; • Nitrous oxide; • Hydrofluorocarbons; • Perfluorocarbons; • Sulphur hexafluoride; <p>Means gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and remit infrared radiation.</p>
Grievance	Any dissatisfaction or feeling of injustice an employee may have in connection with his employment situation that is brought to the attention of management. Where an employee lodges a grievance against another individual, group of employees, or the company, a formal hearing will be conducted and recorded in terms of the Company's Corrective Action Policy and Procedure in order to resolve that grievance.
GSB- landfill	A landfill site classified based on a design to accept general waste only (G), is classed as a small landfill accepting between 25 and 150 tonnes maximum rate of deposition per day (S), with no significant leachate generated in terms of the site water balance (B-).
Hazardous waste	Any waste that contains organic or inorganic elements of compounds that may, owing to the inherent physical, chemical or toxicological characteristics of that waste, have a detrimental impact on health and the environment. For the mining and metals sector this refers to site waste e.g., waste oils, oily waste, spent cell lining, fluorescent tubes, batteries, medical waste, etc.
HDSA	Any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa Act 200 of 1993, came into operation. The definition of HDSA includes individuals who are disabled or employees classified as African, Asian or Coloured and who have South African citizenship status.
HIV/AIDS peer educator	A HIV peer educator is an employee who voluntarily undergoes a five day training course on HIV/AIDS, with the aim being to empower him or her in order to influence change of behaviour amongst her peers through informal discussions of HIV/AIDS.
Hours worked	The total number of hours worked including overtime and training. Leave sickness and other absences should be excluded. If actual hours are not available, an estimate should be based on a calculation.
Human capital expenditure	Total payroll means employee salaries, including amounts paid to government institutions (employee taxes, levies, and unemployment funds) on behalf of employees. Total benefits include regular contributions (e.g., to pensions, insurance, company vehicles, and private health), as well as other employee support such as housing, interest-free loans, public transport assistance, educational grants, and redundancy payments. They do not include training, costs of protective equipment, or other cost items directly related to the employee's job function.

Definitions (continued)

Term	Definition
Human rights	<p>Generally recognised human rights are defined by the following five conventions and declarations:</p> <ul style="list-style-type: none"> • United Nations Universal Declaration of Human Rights, 1948; • United Nations Convention: International Covenant on Civil and Political Rights, 1966; • United Nations Convention: International Covenant on Economic, social and cultural rights, 1966; • International Labour Organisation's declaration on Fundamental Principles and Rights at Work, 1998; • Vienna declaration and Programme of Action, 1993.
Independent non-executive Director	A non-executive Director is a person who is not a full or part-time employee of the non-executive Director Company or holder of an executive office. All non-executive Directors at the Company are regarded as independent by the Board as per the requirements of provision A.3.1 of the Combined Code.
Indigenous people	Indigenous people are those whose social, cultural, political, and economic conditions distinguish them from other sections of the dominant national community, or who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions. Indigenous people are referred to in the context of this report as HDSA.
Indirect economic impact	An additional consequence of the direct impact of financial transactions and the flow of money between the Company and its stakeholders.
Indirect energy consumption	<p>Indirect energy consumption is the total intermediate energy purchased and consumed from non-renewable and renewable energy sources including:</p> <ul style="list-style-type: none"> • Electricity; • Heating and Cooling; • Steam; • Nuclear energy; • Other forms of imported energy; • Solar; • Wind; • Geothermal; • Hydro energy; • Biomass based intermediate energy; and • Hydrogen based intermediate energy.
Indirect greenhouse gas emissions	Emissions that are consequences of the activities of the Company but are generated at sources owned or controlled by another organisation. In the context of this indicator, indirect emissions do not include those generated from imported electricity, heat, or steam consumed by the reporting organisation (e.g., transport, packaging).
Intern	A person who has completed the theoretical part of a formal qualification and are currently completing the practical part to qualify for his/her degree/diploma or a student who has already completed his full qualification.
IUCN Red list species	An inventory of the global conservation status of plant and animal species developed by the International Union for the Conservation of Nature and Natural Resources.
Level four environmental incidents	Incidents which result in a high impact on environment, natural process are totally disrupted for the duration of the activity, but resume functioning after the operation has been terminated with possible irreversible impacts-impact extends locally or regionally, beyond mine property.
Level three environmental incidents	Incidents which result in a moderate impact on environment where natural processes are notably altered but continued in a modified way with impacts being reversible within lifetime of operation. Impact confined to mine property.

Definitions (continued)

Term	Definition
Literate and numerate	A person is functionally literate who can engage in all those activities in which literacy is required for effective functioning of his/her group and community and also for enabling him or her to continue to use reading, writing and calculations. In the South African context, this refers to a person who has successfully completed the requirements of ABET four.
Lobbying	Refers to efforts to persuade or influence persons holding political office, or candidates for such office, to sponsor policies, and/or to influence the development of legislation or political decisions.
Local	Individuals either born in or who have the legal right to reside indefinitely in the same geographic market as the operation. Local in the context of the Company refers to the greater Lonmin community. This includes businesses and individuals relocated to be based in the GLC.
LTI	A LTI is a work-related injury resulting in the injured being unable to attend / return to work to perform the full duties of his/her regular work, as per advice of a suitably qualified medical professional, on the next calendar day after the injury.
LTIFR	The total number of LTIs per million man hours worked.
Management level employees	Management level employees include all employees who are employed on D, E and F Paterson grading levels.
Mentee	A person whose welfare and career are deliberately supported by the Company over a period of time.
Middle management employees	Middle management level employees include all employees who are employed on a D Paterson grading level.
Multi-drug resistant tuberculosis	Multi-drug resistant tuberculosis is tuberculosis that is resistant to two first line tuberculosis drugs.
Net turn over	Total number of employees recruited by the Company, less the total number of employees who have exited the Company, including those relating to resignations dismissals, death (not work related) and retirements in the reporting period.
NIHL	Hearing loss, obtained by averaging the results from pure tone audiogram in both ears at 0.5,1,2,3 and 4 kilohertz, is above 25 decibels.
Non-point source	Means a source of atmospheric emissions which cannot be identified as having emanated from a single identifiable source or fixed location.
Non-renewable materials	Resources that do not renew in short time periods, such as minerals, metals, oil, gas, coal, etc.
Occupational asthma	Occupational asthma is asthma caused by workplace exposure and not by factors outside of the workplace. Occupational asthma can occur in workers with or without prior asthma.
Occupational dermatitis	Non-infectious inflammation of the skin provoked by contact with an external chemical or substance, accompanied by itching, cracking, blistering & ulcerations.
Percentage procurement spend on HDSA suppliers	Percentage of the procurement budget which has been spent (based on payments made during the reporting period) on suppliers that are categorised as disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 came into operation. This includes suppliers that are black owned (more than 50% black economic empowerment equity holding and management), black empowerment (more than 25 % but not more than 50% black economic empowerment equity holding and management) and black influenced (not more than 25 % black economic empowerment equity holding and management). Excludes white owned companies.
Platinises (Platinum Salt Sensitivity)	Allergy to complex halogenated salts of platinum is an acquired hyper-sensitivity to the complex salts of platinum which becomes manifest after a variable period of symptomless exposure. The clinical characteristics include one or more symptoms and signs of dermal, ocular and nasal allergy and/or asthma.

Definitions (continued)

Term	Definition
Pneumoconiosis	A medical diagnosis of parenchymal lung disease with compatible radiological findings related to exposures to any of the following substances: <ul style="list-style-type: none"> • Asbestos; • Cobalt; • Refractor Ceramic Fibres; • Silica; • Cristobalite; • Other substances known to cause pneumoconiosis.
Point source	Means a single identifiable source and fixed location of atmospheric emissions.
Pulmonary tuberculosis	Pulmonary tuberculosis refers to tuberculosis of the respiratory organs of individuals which is confirmed by positive sputa microscopy or culture for mycobacterium tuberculosis.
Recycling/reuse of water	The act of processing used water/wastewater through another cycle before discharge to final treatment and/or discharge to the environment. In general, there are three types of water recycling, re-use: (1) Wastewater recycled back in the same process or higher use of recycled water in the process cycle; (2) Wastewater recycled/re-used in a different process, but within the same facility; and (3) Wastewater re-used at another of the Company's facilities.
Regular performance and career development review	Performance targets and review are based on criteria known to the employee and his/her superior. This review is undertaken with the knowledge of the employee at least once per year. It can include an evaluation by the employee's direct superior, peers, or a wider range of employees. The review may also involve personnel from the human resources department.
Renewable energy	Renewable energy is derived from natural processes that are replenished constantly. This includes electricity and heat generated from solar, wind, ocean, hydropower, biomass, geothermal resources, biofuels, and hydrogen derived from renewable resources.
Scope one greenhouse gas emissions	Company controlled and owned sources of emissions from direct energy sources.
Scope two greenhouse gas emissions	Company controlled and owned sources of emissions from indirect energy sources.
Scope three greenhouse gas emissions	Emissions arising from sources outsourced or contracted to a third party entity.
Security personnel	Individuals employed for the purposes of guarding property of the Company, crowd control, loss prevention, and escorting persons, goods, and valuables.
Senior management	Senior management level employees include all employees who are employed on an E and F Paterson grading level.
Severity rate	The total number of days lost due to the lost time injuries per million hours worked.
Significant incident	Is any incident which has actual or potential health, safety, environmental, quality or community consequences that are of a serious nature and have the possibility to cause actual or potential material or reputational damage to the operation or to the Company. Classified as an actual or potential level four and five incident at the Company.
Six Sigma	Six Sigma is a disciplined, data-driven philosophy and methodology to manage process variations that cause defects and to systematically work towards managing variation to eliminate those defects. The objective of Six Sigma is to deliver world-class performance, reliability, and value to the end customer.

Definitions (continued)

Term	Definition
Social capital expenditure	<p>Voluntary donations and investment of funds in the broader community where the target beneficiaries are external to the Company. These include contributions to charities, non-governmental organisations and research institutes (unrelated to the Company's commercial research and development), funds to support community infrastructure (e.g., recreational facilities) and direct costs of social programmes (including arts and educational events). The amount included should account for actual expenditures in the reporting period, not commitments.</p> <p>For infrastructure investments, the calculation of the total investment should include costs of goods and labour in addition to capital costs. For support of ongoing facilities or programmes the reported investment should include operating costs. This excludes legal and commercial activities or where the purpose of the investment is exclusively commercial.</p> <p>Any infrastructure investment that is driven primarily by core business needs (e.g., building a road to a mine or factory) or to facilitate the business operations of the Company is not included.</p>
Sponsorship	A person who is offered financial assistance by the Company to enable the student to continue with studies either at secondary or tertiary level.
The IUCN protected area categories	The IUCN defines a protected area as 'an area of land and/or sea especially dedicated to the protection and maintenance of biological diversity, and of the natural and associated cultural resources, and managed through legal or other effective means'. IUCN categorises protected areas by management objective and has identified six distinct categories of protected areas.
Total energy consumption	Total direct energy consumption is the sum of the direct primary energy purchased and the direct primary energy produced, excluding the direct primary energy sold.
Total greenhouse gas emissions	Sum of direct and indirect emissions in tonnes of CO ₂ equivalent.
Transportation	The act of transferring resources and goods from one location to another (between suppliers, production plants, warehouses, and the customers) using different modes of transport, including passenger transportation (e.g., employee commuting and business travelling).
Tuberculosis	Tuberculosis refers to the presence of mycobacterium tuberculosis bacteria in the pulmonary system or any other organ and which is confirmed by a positive appropriate test for mycobacterium tuberculosis.
Turn over rate	Total turn over of employees as a percentage of the total average strength for the reporting period.
Water use efficiency	The amount of water utilised by the Company in relation to the ounces of PGMs produced.
Wellness programme	This refers to the programmes whereby a patient who is HIV positive and not receiving ART, is being monitored on a six monthly basis and supplied with immune boosters.
Women at the mine	The total number of all women who are South African citizens and who work in the technical and non-technical fields, including all support functions.
Women in mining	The total number of all women who are South African citizens and who work in the Mining Division, Process Division, Technical Services Department and Capital and Engineering Department. It will however exclude those who work in support functions i.e. Finance, Human Capital (including Central Training and Housing and Hostels), Security and Medical Services.

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Lonmin Plc

Registered in England, Company Number 103002
Registered Office: 4 Grosvenor Place, London SW1X 7YL