Integrated annual report 2020

AngloAmerican

Anglo American Platinum Limited

Purpose: re-imagining mining to improve people's lives

We are grounded in our purpose to re-imagine mining to improve people's lives. We are transforming the very nature of mining for a safer, cleaner, smarter future. We are using more precise technologies, less energy and less water; we are reducing our physical footprint for every ounce of PGM and base metal we produce. We are combining smart innovation with the utmost consideration for our people, their families, local communities, our customers, and the world at large – to better connect precious resources in the ground to all of us who need and value them.

Our focus is on our four strategic priorities to deliver the next phase of value creation for stakeholders.

– Stimulate new markets and leverage new capabilities

– Embed anti-fragility across our business

– Maximise value from our core

– Be a leader in ESG

Refers to other pages in this report

Supporting documentation on the website
Full annual financial statements (AFS)
Full Ore Reserves and Mineral Resources report
Environmental, social and governance (ESG) report
Notice of annual general meeting

www.angloamericanplatinum.com/investors/annual-reporting/2020

Contents

Cover image – A rope shovel in operation at Mogalakwena Mine

Approach to reporting

Anglo American Platinum is a member of the Anglo American plc group, guided by our purpose and values while considering the complexities of the platinum group metals (PGM) industry and our operating countries in developing our strategic priorities. The synergies created by a common purpose, shared values and strategic focus underpin significant benefits for our stakeholders (page 64).

Our reporting suite

For more information, visit:
angloamericanplatinum.com/investors/annual-reporting

Integrated annual report

- Balanced assessment of our performance and ability to create sustainable value
- Relevant extracts from supplementary reports, particularly ESG report
- Developed for key stakeholders: employees, local communities, non-governmental organisations (NGOs), customers, investors and government.
- International <IR> Framework of the International Integrated Reporting Council
- South African Companies Act 71 2008, as amended (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance for South Africa 2016 (King IV)*

Environmental, social and governance report

- Detailed disclosure on key environmental, social and governance elements that could have a material impact on our performance and business if not managed effectively
- Prepared in accordance with core requirements of GRI Standards.
- Anglo American plc group safety and sustainable development (S&SD) indicators, definitions and guidance notes for non-financial indicators. These are available on request.
- King Report on Corporate Governance for South Africa 2016 (King IV)

Annual financial statements

Prepared according to:
- International Financial Reporting Standards (IFRS)
- SAICA Financial Reporting Guides
- Financial Reporting Pronouncements issued by the Financial Reporting Standards Council
- South African Companies Act 71 2008
- JSE Listings Requirements
- King IV recommendations.
- King Report on Corporate Governance for South Africa 2016 (King IV)

Ore Reserves and Mineral Resources report

- Updated estimates and reconciliation of Ore Resource and Mineral Resource statements for all our assets
- As per SAMREC Code guidelines and definitions (2016)
- Complies with JSE Listings Requirements
- Signed off by Competent Persons.

This integrated annual report is one of our primary communications with stakeholders. While it is prepared mainly for providers of capital and shareholders, financial information is balanced with commentary on our most material sustainability issues for an integrated view. This report covers the 12 months to 31 December 2020 and follows a similar report for the year to 31 December 2019.

It sets out our approach to governance and key decisions in the review period, progress against prior strategic goals, and revised strategic priorities under our revised strategy development process (see report content and page 37). For completeness, we discuss risks, opportunities and trade-offs between our capitals under each strategic element, as well as relationships between external and internal factors that enable Anglo American Platinum to create value. We detail our outlook, again considering risks, opportunities and trade-offs, to give stakeholders a balanced view of our group and its prospects.

Assurance

Financial and several non-financial aspects of this report and of our 2020 suite of reports are independently assured. The report of the external auditor on our consolidated financial statements is on page 4 of the annual financial statements, while the external assurer's report on specific non-financial indicators is on page 195 of our ESG report.

Forward-looking statements disclaimer

Certain elements in this integrated annual report constitute forward-looking statements. These are typically identified by terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' and 'anticipates', or negative variations. Such forward-looking statements are subject to a number of risks and uncertainties, many beyond the company's control and all based on the company's current beliefs and expectations about future events. Such statements could cause actual results and performance to differ materially from expected results or performance, expressed or implied. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the company and its subsidiaries.

Reporting principles

Our integrated annual report is structured against the framework and guiding principles of the International Integrated Reporting Council (IIRC):

Consistency and comparability

Year-on-year comparisons demonstrate progress toward our strategic goals.

Strategic focus and future orientation

Insight on how our strategy influences our ability to create value in the short, medium and long term.

Accountability

Our leaders are accountable for the company's actions, and they are custodians of our governance framework.

Reliability and completeness

Our leaders provide assurance that this report includes all our material priorities in a balanced way, and without material error.

Connectivity of information

This report provides a holistic view of the company covering financial, operational and non-financial aspects.

The six capitals under the IIRC framework translate across our pillars of value as follows:

IIRC capital	Financial	Manufactured	Human	Social and relationship	Natural	Intellectual
Anglo American Platinum pillar of value	Financial/cost	Production/sales	People, safety and health	Socio-political	Environment, mineral resources	All pillars

Report content

We have repositioned Anglo American Platinum in recent years to establish a foundation for value creation for all stakeholders. We changed our approach to strategy with an always on approach, aimed at being more dynamic by continually scanning for signs of disruption and exploring unexpected changes to the strategic environment (page 37).

This report should be read with our ESG report, full audited annual financial statements and Ore Reserves and Mineral Resources report on our website.

We continue to expand disclosure on our approach to governance and key decisions in the review period, to highlight to stakeholders how our governance structures reduce risk and ensure we create value for all.

Our material issues (from page 70) reflect the external and internal challenges presented in 2020. These are issues with the greatest real and potential impact – positive and negative – on achieving our business objectives and are woven into this narrative. They may be related to our internal or external environments, significant risks and opportunities identified in our integrated risk management process (page 74), or issues important to stakeholders (page 64).

To identify as many relevant matters as possible, we use a three-pronged approach to enable us to consolidate material aspects pertinent to our business, as follows:

- Internal materiality review
- External materiality review
- Materiality workshop.

The prioritisation of our material issues was reviewed and confirmed by the platinum management committee (PMC) and then by the board. Our business model (page 56) illustrates how Anglo American Platinum considers its capitals (shown above) in creating value, as well as the trade-offs.

Amandelbult Tumela 1 shaft general view

Determining the reporting boundary

In line with the IIRC framework, in determining the boundary, we work outward from the core legal entity, Anglo American Platinum, to consider risks, opportunities and outcomes associated with other entities or stakeholders that have a significant effect on our ability to create value, illustrated below.

Reporting boundary process

Top 10 material issues

- Future demand/supply of PGMs
- Stable communities and job opportunities
- Stakeholder engagement
- Decarbonisation (market conditions)
- Ethical leadership
- Agile business
- Co-creation for regional development within communities
- Market demand investment initiatives
- Water management and responsible use
- Asset reliability

Risk management

page 74

Strategic priorities

page 39

1 Stimulate new markets and leverage new capabilities

2 Embed anti-fragility across our business

3 Maximise value from our core

4 Be a leader in ESG

Our purpose
Re-imagining mining to improve people's lives

Process

1 Internal materiality review

2 External materiality review

3 Materiality workshop

Consider
- Value drivers
- Stakeholder material issues
- Significant opportunities
- Current performance
- Macroeconomic changes
- Key organisational risks

Assess
Effect on value creation by magnitude and likelihood

Prioritise material issues

IR disclosure

- Apply judgement
- Disclose:
  - The matter and its effects on strategy, business model or capitals
  - Interrelatedness and dependencies
  - View on potential outcomes or effects
  - Current and future response to mitigating actions to reduce risk
  - Data on measuring effectiveness of response
  - Extent of Anglo American Platinum' control over the matter
  - Targets and KPIs
  - Qualitative disclosures

Governance

Financial reporting boundaries

This report includes disclosure on all entities in our consolidated financial statements but excludes comprehensive non-financial data on our joint operations. We disclose our performance across all PGMs (expressed as platinum, palladium, rhodium, gold, iridium and ruthenium metal-in-concentrate) to better reflect the basket of metals we produce.

Governance

100% owned

Operations	Joint operations	Investments**
Mogalakwena	50% – Modikwa	AP Ventures
Amandelbult	50% – Kroondal	Other market development investments
Mototolo	50% – Marikana*	
Unki	49% – Bokoni*	
Twickenham*		
Processing		
Sales and marketing		

* *Under care and maintenance.*

** *Refer to page 64 of the annual financial statements for a list of investments.*

Approval of report

The board acknowledges its responsibility for ensuring the integrity of the integrated annual report, and has applied its collective mind to the preparation and presentation of this report. In our opinion, the 2020 integrated annual report is presented in accordance with the IIRC framework by addressing all material matters to offer a balanced view of our strategy and how it relates to Anglo American Platinum's ability to create value in the short, medium and long term.

Norman Mbazima
Chairman

Natascha Viljoen
Chief executive officer

15 March 2021

CEO and the financial director responsibility statement

This statement appears in the annual financial statements 2020 on page 3.

Group performance in 2020

Headwinds

- ACP incidents – plant offline for 90 days in total
- Covid-19 – lockdown, employee health
- Social unrest at certain operations
- Eskom loadshedding
- Safe operations

Tailwinds

- Higher basket prices for metals
- Smooth leadership transition
- Effective management responses limit impacts of headwinds
- Positive exchange rate in H1
- Strong recovery in end-user markets

Human: safety and health

Do no harm to our workforce

Fatalities

One

(2019: Zero)

TRCFR

2.40

(2019: 2.50)

KPIs

Eliminate fatalities ✗

Reduce total recordable case frequency rate (TRCFR). Target 2.54 ✓

Social and relationship

Partner with local communities and government to collectively benefit from mining

Total social spend

R803 million

(2019: R619 million)

KPIs

- Corporate social investment ✓
- Socio-economic development ✓
- Enterprise and supplier development ✓

Natural

Minimise our impact on the environment

Energy intensity

0.82

(2019: 0.80)

KPIs

Reduce gigajoules/t milled ✗

Water intensity

1.01

(2019: 1.00)

KPIs

Reduce m^3/t milled ✗

Potable water as a percentage of total water usage

29%

down from 38% in 2016, through investment in municipality waste-water treatment

KPI

Reduction in potable and raw water consumption towards our 2030 reduction of fresh water goal ✓

Financial

Be competitive by operating as efficiently as possible

EBITDA

R42 billion

(2019: R30bn)

Adjusted EBITDA ✓

Increasing margin ✓

Unit cost

R11,739

per PGM oz produced

(2019: R10,189)

Market guidance between R11,800 and R12,200 ✓

Human: people

Create a sustainable competitive advantage through capable people and effective performance-driven organisation

Productivity

93.4

(2019: 110.5)

Training

5.05%

of total payroll

(2019: 6.59%)

KPIs

PGM oz/employee ✗

Mining charter target of 5% of total payroll ✓

Financial

Sustainable returns to shareholders

Return on capital employed

72%

(2019: 58%)

KPIs

- Net cash ✓
- ROCE ✓

Manufactured

Sustainably deliver valuable product

PGM (refined) production

2.7Moz

(2019: 4.7Moz)

Total PGM ounces sold

2.9Moz

(2019: 4.6Moz)

KPIs

- Market guidance between 2.6Moz and 2.7Moz ✓
- Market guidance 2.8Moz ✓

Key contributions to Covid-19 relief

WeCare
programme totalling
R500 million

Total R2.1 billion
including salaries to employees unable to work

Community awareness and education

- Information on local government and Anglo American Platinum's support in communities
- Health guidelines
- Distributing community recovery resources
- As part of our WeCare programme, we supported victims of gender-based violence (GBV) in our communities by designating some quarantine facilities as shelter, working with other organisations to assist with access to facilities, and providing helplines and focus groups. Addressing GBV has been integrated into our strategy.

Andries Tlhako self-scanning his temperature at Park Hotel Mokopane

Mogalakwena Water Project

Water

South Africa

In addition to our ongoing community water projects, we provided water trucks to support another 21 villages in host communities:

- Around 100,000 people each received 50 litres of water/day
- Supporting two municipalities (Rustenburg and Polokwane) by providing water tankers to reach 5,400 people

Zimbabwe

- Around Unki, 17 boreholes are supplying communities with fresh water

Water:
over 100,000
people provided with water

Non-executive directors contributed 30%
of fees for three months

CEO, finance director contributed 30% of their salaries for three months

Nutrition

Over the critical period from April to December, we distributed:

- 48,000 food parcels and vouchers to communities around our operations in South Africa and Zimbabwe
- Over 160,000 beneficiaries

Health:

over 69,000 people benefit from community health programmes

Mogalakwena Wellness Programme – health workers

Healthcare

South Africa

We supported 77 clinics in/around our host communities, focused on:

- Screening stations
- Medical PPE
- Training and clinician support
- Training videos for broader community

Zimbabwe

- Donated about USD540,000 (R8,1 million) to equip Gweru provincial hospital's ICU facility

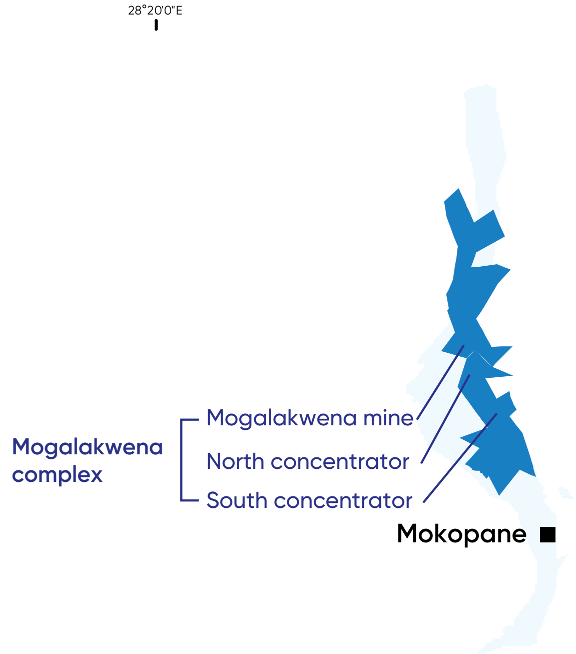
Seating arranged in compliance with social distancing at Mogalakwena complex

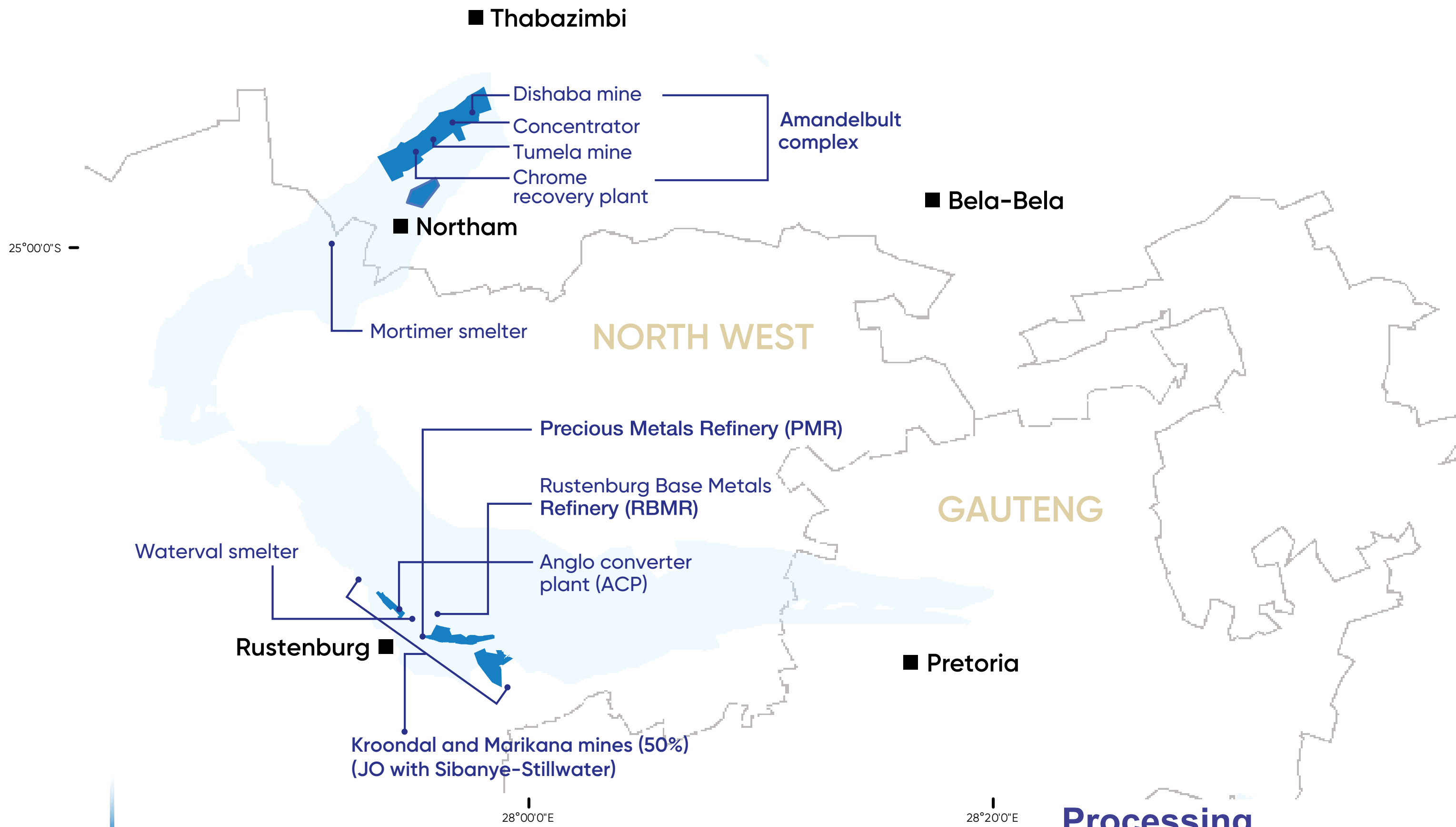
Donation to Gweru Hospital, Zimbabwe.

Polokwane Metallurgical Centre Covid-19 response – food donation

Operational footprint

Anglo American Platinum is listed on the JSE Limited and headquartered in Johannesburg, South Africa. Our majority shareholder is Anglo American plc. We focus on extracting value from all the PGMs and base metals we mine – metals that improve people's lives. We have a portfolio of low-capex, high-return and fast-payback investment opportunities that enhance value. Attractive growth options are available to expand margins, cash flows and returns.





Exploration | Mining | Processing | Concentrating

Leading capabilities, achieving operational excellence and deploying technology

We own and operate four mining complexes.

In South Africa we operate Mogalakwena, Amandelbult and Mototolo, with Twickenham Mine on care and maintenance.

In Zimbabwe we operate Unki Mine on the Great Dyke in Zimbabwe.

We have interests in three joint operations (JOs):

- Modikwa Platinum Mine (50%), with African Rainbow Minerals Mining Consortium Limited
- A pooling-and-sharing agreement with Sibanye-Stillwater, covering the shallow ore reserves of the Kroondal and Marikana mines (latter on care and maintenance)
- Bokoni Platinum Mine (49%), with Atlatsa Resources – on care and maintenance

Our wholly owned smelting and refining operations treat concentrates from our owned operations, and from our JOs and third parties.

For more detail on our operations, mineral resources and reserves, see our full Ore Reserves and Mineral Resources report.

Smelting

Refining

Marketing and market development

Our differentiated value proposition

Leveraging our portfolio of assets and distinct capabilities, the next phase of our strategy will deliver value to our stakeholders

The world needs our metals – enabling a greener and healthier future

Climate change action will accelerate decarbonisation and demand for our metals

Leading capabilities across our value chain

Achieving operational excellence, technology deployment and market development

Disciplined capital allocation that delivers returns – ROCE >25% through the cycle

Value-focused approach to capital allocation to deliver industry leading returns

Safe, stable and capable operations

Operating our integrated value chain at its full potential, fully modernised and mechanised

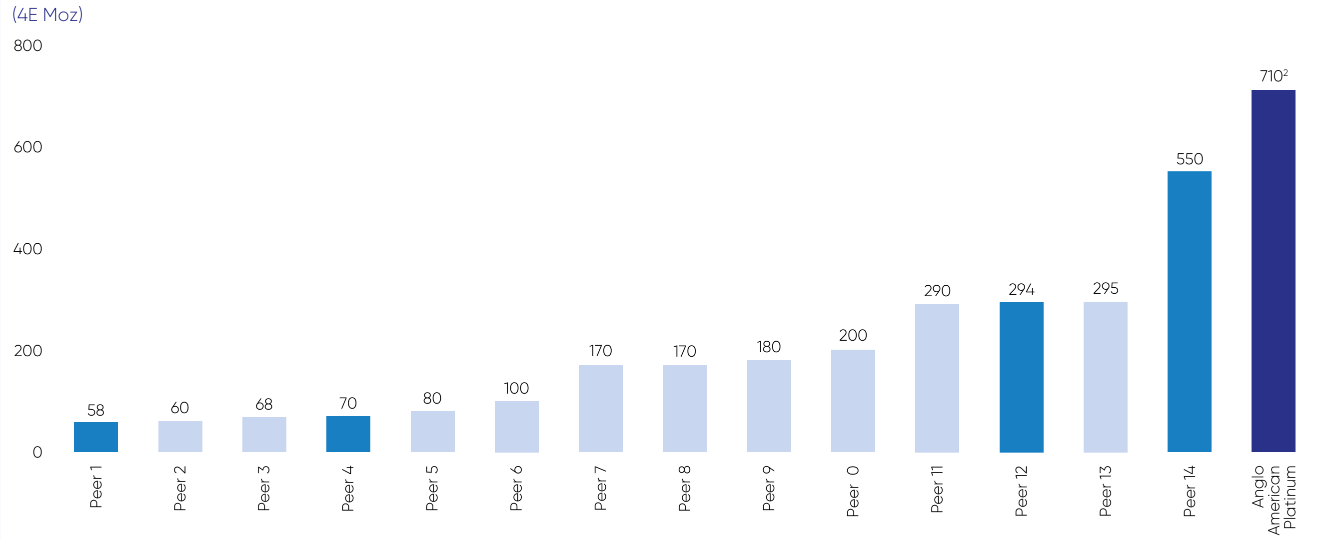
Industry leading asset portfolio – our assets in H1 of the cost curve

Diverse, high quality and long life mining and processing assets with optionality to grow

Delivering shared value

Become a trusted corporate leader, co-creating thriving communities and healthy environment

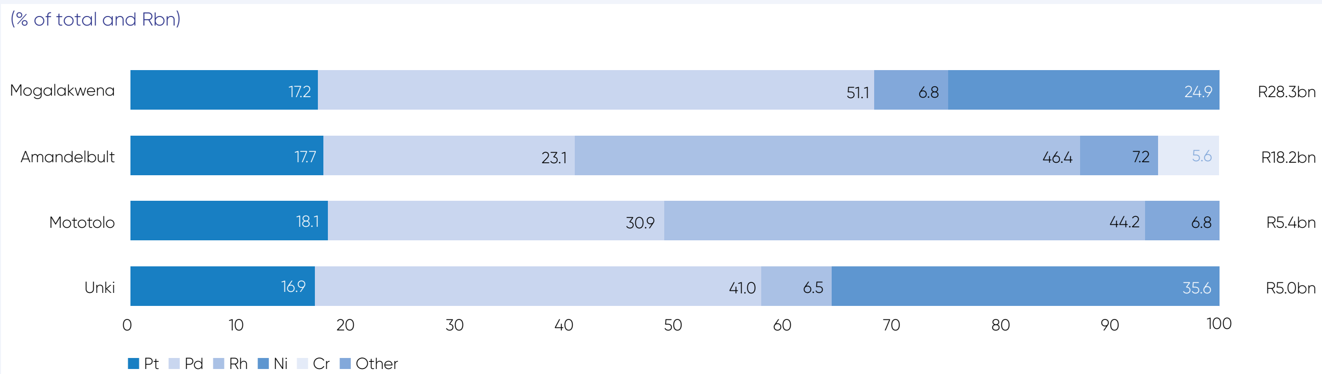
Largest precious metals Mineral Resources[1] globally



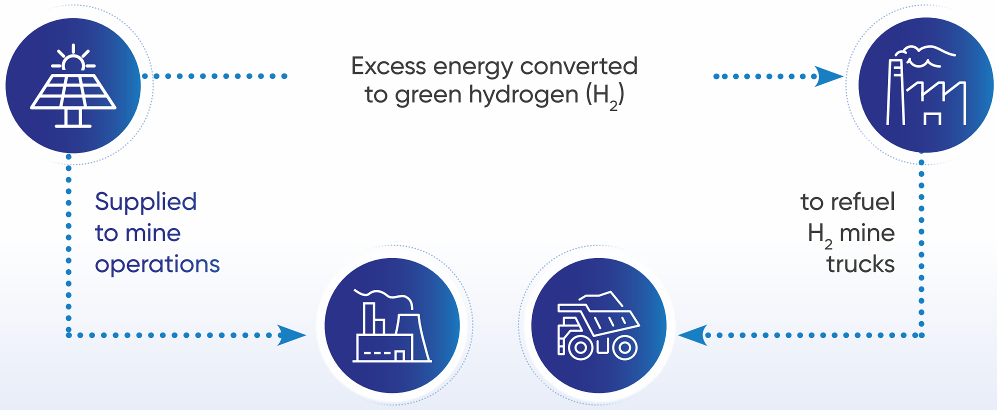
1 *Mineral Resources classified as measured, indicated and inferred, inclusive of Ore Reserves based on latest available information from company sources and analysis.*
2 *Attributable ownership as at 31 December 2020.*

■ Predominantly PGM resources ■ Predominantly gold resources

2020 revenue



Leading the development of an integrated mine-decarbonisation solution



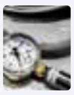
Our pathway to carbon neutrality by 2040

CO_2 emissions reduction relative to 2016 baseline[1]

>30% Reduced by 2030

100% Reduced by 2040

Energy efficiency: Initiatives to reduce energy intensity (eg steam reticulation optimisation)



Potential:
20% to 25%

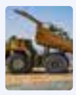
Progress to date:
7% reduction in energy intensity
8% reduction in GHG emissions

Clean power for mines: Renewable energy projects and storage facilities

Potential:
20% to 30%

Progress to date:
Developing our first large-scale solar photovoltaic facility (75MW) at Mogalakwena

Fuel-cell adoption: Roll out ~40 trucks from 2024 to entirely replace diesel consumption at Mogalakwena



Potential:
10% to 15%

Progress to date:
Proof-of-concept trial on first truck is planned for first motion in H2 2021

1 *Scope 1 and 2 emissions.*

How we are doing against global ESG benchmarks

SUSTAINALYTICS	FTSE4Good	ISS ESG	CDP	Bloomberg Gender-Equality Index	S&P Global	IRMA
Best-practice disclosure	ESG leader in sector, top 30 index since inception	Prime rating	'A' rating for climate change 'A' for water security	One of 380 global companies	S&P Global Yearbook status top 15% in industry	75 level of performance

Mogalakwena North – Central pit

Business context

Across every aspect of our business, we are thinking innovatively about how we work to ensure the safety of our people, enhance our sustainability performance, and deliver industry-leading margins and returns in challenging times.

Key matters discussed in this section

- Challenges in the macro-economic environment
- Creating value through good governance
- Meeting our commitments to our stakeholders

Chairman's letter

The challenges of 2020 have written a new chapter in global history books. While the economic and broader social recovery is likely to be protracted, we believe the events of 2020 have reinforced the concept of stakeholder inclusivity and the ethical obligation for companies to consider all stakeholder groups in responding to a crisis. Similarly, the past year has tested companies' resilience to an extraordinary degree, and many did not survive. Perhaps this is the salutary lesson – while an effective strategy for any company's sustainability must consider the short, medium and long terms, its crisis-response plan must be robust, current and tested to the extent possible.

In addition to the myriad impacts of the coronavirus disease (Covid-19) and ensuing lockdowns in South Africa and Zimbabwe, Anglo American Platinum faced ongoing challenges with its converter plant or ACP (detailed by the CEO). Given that 2020 was also a period of transitioning to new leadership, the board believes the company made commendable progress against key strategic objectives for the year to 31 December 2020, and has proven its resilience in the face of crisis. To summarise the salient features of the review period:

- Safety performance was mixed, with one fatality but an improvement in the total recordable case frequency rate (TRCFR)
- PGM production from managed mines had improved to near normal by year end, although unit costs rose 15% on lower volumes
- Ongoing modernisation and mechanisation continued to improve efficiencies
- The unrelenting focus on the health and wellbeing of our people and host communities contained infection rates in our workforce and strengthened relationships with these key stakeholders.

Tragically, we recorded one fatality at our managed operations and three at independently managed joint operations. We proved in 2019 that we could work for a year without a loss of life and have redoubled the focus on our goal of zero harm. Eliminating fatalities is a key initiative across Anglo American Platinum, and a performance metric of the CEO and finance director. In contrast, the total recordable case frequency rate or TRCFR improved to 2.40 from 2.50 last year, reflecting the effectiveness of campaigns across our operations.

Safety is everybody's business – from the board and management to employees, unions and industry participants. Through focus and the collaborative efforts of all, along with constructive oversight by the Department of Mineral Resources and Energy (DMRE), we believe we can continue to make significant progress on this journey.

Driving our strategic priorities

The Anglo American Platinum strategy is a framework for achieving our goals. To succeed in an evolving market, however, that strategy needs to be dynamic – a point emphatically highlighted by the review period. In the past, the board convened annually for separate strategy and risk workshops to consider global developments, industry trends and the views of acknowledged thought leaders and mining peers.

In 2020, we increased board engagement on strategy topics to at least quarterly. This better capitalises on the collective expertise of directors to ensure our strategy fully considers the risks to which Anglo American Platinum is exposed, as well as related opportunities amid a rapidly changing external environment. We believe there is a dual benefit to this approach: firstly, we have entrenched the board's role in strategic direction to best governance standards and, secondly, prior agreement on the management agenda for urgent and important work enables robust monitoring.

For the next five years, achieving our purpose will drive our strategy as we enhance the company's value and earnings by stimulating new markets, embedding anti-fragility across our business, maximise value from our core and being a leader in environmental, social and governance (ESG) practices. This is detailed from page 37.

Policy environment

The key development during the year was the DMRE minister withdrawing his appeal in August on the 'once-empowered, always-empowered' principle in the third version of our primary compliance vehicle, the mining charter (MCIII). Effectively, this means:

- Once the minister has granted or converted a mining right, its holder is not legally obliged to 'top-up' ownership to account for BEE shareholders who have exited
- The failure by a right holder to meet the requirements of the mining charter does not constitute a material breach of the mining right or of section 47(1)(a) of the Mineral Petroleum Resources Development Act (MPRDA)
- The continuing consequences of empowerment transactions concluded by mining right holders after enactment of the MPRDA cannot be restricted or diluted by the charter
- The recognition of all forms of ownership cannot be restricted or diluted by the mining charter.

We view this development as a major turning point in establishing regulatory certainty for the mining industry in South Africa. However, to clarify certain aspects of the revised charter and with the approval of its members, the Minerals Council of South Africa will continue with the judicial review of MCIII. The council will also engage the minister on potential solutions to improve regulatory certainty further.

Mining is a long-term business, with years between prospecting and first production. Equally, each project requires significant capital at the outset and it is often a decade or more before that capital investment is recouped. Investors therefore need a stable, conducive and competitive regulatory environment to justify investing.

There was limited progress with the state's efforts to address issues at South Africa's national power utility, Eskom, in 2020. Although there have been foundational changes since the appointment of a new leadership team, these will take time to translate to improvements. The unreliable supply and spiralling cost of electricity have become a major concern for corporate South Africa, and highlight the need to accelerate the adoption of renewable forms of energy. We therefore reiterate the industry call for regulatory changes to encourage investment in renewable energy, both by companies such as Anglo American Platinum and third-party investors.

As I noted last year, our economy desperately needs investment to grow and mining investment, in particular, drives growth in other sectors as well. We hope the momentum lost on policy reform in recent years can be reignited as the government looks to rebuild the country's economy.

Sound governance underpins value creation

As a board, we are ultimately accountable for the governance and performance of the company. This was particularly true in a year that frequently presented new issues – issues that demanded the collective expertise of board and management members to address in the best interests of the company and all its stakeholders.

2020 – a year when major challenges due to Covid-19 and our ACP issues significantly reduced refined metal production and sales. But it was also a period of smooth leadership succession – after a superb effort by management, we have navigated these challenges and limited the effect on our operations and customers under difficult circumstances. Together with significantly improved PGM prices, Anglo American Platinum reports record financial performance with headline earnings up 63% and dividends declared of R12 billion.

Norman Mbazima
Chairman

Equally, as a mining group, we keenly understand that our host communities are vital stakeholders in the sustainability of our mines – our social licence to operate depends on these relationships as much as on sound governance. The challenges of 2020 demonstrated the need to make a fundamental shift in how we engage, respect and support our communities. Specifically, we will need to identify what we can provide beyond financial support, leveraging our expertise and embedding communities in our culture by integrating ESG into our strategy (page 44).

Importantly, while lockdown restrictions delayed some of our regulatory social commitments, we had resumed work on most projects by the third quarter and had also agreed revised timelines with the regulator. From the outset of the pandemic in South Africa and Zimbabwe, we concentrated on supporting the most vulnerable communities (see WeCare below). As a result, our total social spend rose to R803 million in 2020 from R619 million in the prior year.

Community protests on the lack of municipal service delivery around the platinum industry's mines continued in the review period, while protests near Mogalakwena related to tenders for transport and other contracts. We believe mining companies have a role in addressing broader concerns about employment and procurement opportunities. As one example, Anglo American Platinum is spearheading collaborative regional development and a number of specific initiatives, detailed in our ESG report.

WeCare

Anglo American Platinum supported the fight against Covid-19 in South Africa and Zimbabwe in a number of ways:
- R500 million invested in Covid-19 measures, including R81 million on community initiatives with various programmes
- Over 160,000 households in our host communities benefited from 48,000 food parcels and vouchers distributed
- Access to water provided to over 100,000 people in communities surrounding our operations
- Anglo American Platinum paid R1.6 billion in salaries and benefits to employees not working during lockdown and those unable to return to work
- Non-executive directors contributed 30% of their fees for three months to charitable organisations aiding the relief effort
- The CEO and finance director donated 30% of their salaries for three months to the nationwide Solidarity fund
- The executive team contributed to the employee matching scheme supported by the Anglo American Foundation
- Many employees contributed to charities of their choice

Platinum ingot on platinum grain

Developing PGM markets

PGMs have unique properties for a variety of applications, from autocatalysts, fuel cells, jewellery and industrial use to investment products. Developing these markets is therefore vital to increase and expand the use of PGMs and ensure robust demand for decades to come.

Integral to our strategy, we continue to work with Platinum Guild International (focused on jewellery demand), World Platinum Investment Council (boosting investment demand) and AP Ventures (PGM technology investments in the hydrogen economy).

Long-term supply and demand fundamentals for PGMs remain attractive, and we benefited from rising prices in 2020. We believe demand from existing applications, new demand from applications being developed, and stimulatory measures to develop the PGM market will support sustainable demand and long-term growth.

Financial performance and dividend

Despite the challenges in 2020, the company delivered another strong financial performance, with increased earnings and returns. Headline earnings increased 63% to R30.3 billion, while return on capital employed rose to 72%.

Two years ago, the board increased the dividend pay-out ratio to 40% of headline earnings, underscoring our confidence in the future of the business and commitment to disciplined and balanced capital allocation.

The board has declared a second-half cash dividend of R9.4 billion or R35.35 per share, bringing the total 2020 dividend to R12.0 billion or R46.00 per share, equivalent to a pay-out ratio of 40% of 2020 headline earnings. The dividend is payable to shareholders on 15 March 2021.

Board and management

This was my first full year as non-executive chairman and for Peter Mageza as lead independent director. Richard Dunne retired as a director and chair of the audit and risk committee at the 2020 annual general meeting, with John Vice appointed to chair that committee.

In line with our board-succession strategy, we appointed two independent non-executive directors in the review period to improve diversity levels and balance skills on the board. Independent directors now constitute 50% of the board. We welcome Thabi Leoka and Roger Dixon and look forward to their contributions. We have also made good progress in deepening technical competence as well as a range of non-financial skills that are becoming increasingly important at board level, mainly innovation, problem-solving, strategic thinking and relationship building.

Chris Griffith stepped down as CEO and executive director in April 2020, and was succeeded by Natascha Viljoen, who brings a range of relevant and valuable experience gained in the wider group. Despite myriad challenges during the year, the leadership transition was smooth and Natascha has already made a valuable contribution in managing the major challenges we faced this year. Other changes to the senior management team have strengthened and focused the pool of expertise and experience to support our strategy.

As a company, we remain committed to global best governance practices. This was reflected in leading ESG rankings in 2020, detailed on page 30.

In closing, on behalf of the board, we note our appreciation for the support of the minister and DMRE in enabling the industry to continue operating during lockdown. I thank my fellow directors for their valuable input and diligence in fulfilling their duties. With sincere appreciation to Chris Griffith and Richard Dunne for their significant contributions over the years. I also thank the senior management team and all our people for their extraordinary contribution and commitment to the company in 2020. Together, we will continue to re-imagine mining to improve people's lives.

Norman Mbazima

Chairman

Johannesburg

15 March 2021

Chief executive's review

Throughout the turbulence of 2020, we continued to build our business for the future – focused on the next wave of value creation for all our stakeholders.

Natascha Viljoen
Chief executive officer

One fatality at managed mines and three at independently managed operations	**Improved** leadership in independent ESG ratings	PGM production down **14%** with recovery in H2, up 1%	Record EBITDA of **R42bn** and headline earnings of **R115.54** per share, up 63%	**Strong** net cash position **R19bn**

After the meaningful repositioning and restructuring Anglo American Platinum in recent years, this sound foundation positioned the company well in 2020 to deal with internal and external headwinds that began in the first quarter, from Eskom power outages and temporary shutdowns of the Anglo Converter Plant (ACP) for repairs, to the national Covid-19 lockdown from late-March.

It was certainly the proverbial baptism of fire as I assumed the role of chief executive officer. Given the unprecedented business challenges globally, the leadership transition was accelerated to March, when I began acting as CEO, until mid-April 2020 when my appointment was effective. Throughout the review period, the extraordinary teamwork and commitment of all our people have proven that Anglo American Platinum is a resilient organisation with the foundations to grow from crises, and the opportunity to reshape itself and become stronger. The events of 2020 also provided key lessons to enable the company to anticipate and withstand future turbulence.

Next phase of our strategy

Anglo American Platinum was able to demonstrate agility and adapt to the challenges of 2020.

As our chairman has noted, the changing external environment exacerbated by the global pandemic presented an opportune time for the new leadership team to review our strategy, based on a more dynamic process (page 38). In these challenging times, our priority was to balance the competing needs of effectively managing urgent work (Covid-19, ACP incidents, social unrest and safety) with important work that shapes the future of our business, distilled into four strategic priorities:

- Stimulating new markets and leveraging new capabilities through our market-development activities
- Embedding anti-fragility across our business to increase our ability to manage and thrive through major disruptions
- Maximising value from our core portfolio of mining and processing assets
- Becoming a leader in ESG in the mining sector by being a trusted partner in co-creating thriving communities and ensuring a healthy environment.

Zero harm

We had a disappointing setback in our safety performance in 2020. After 22 months without a fatality at our Anglo American Platinum-managed operations, Mr Lindile Manzingi passed away two weeks after being injured in a fall-of-ground at Dishaba Mine (Amandelbult) in September.

We again extend our heartfelt condolences to his family, friends and colleagues. We are also saddened by the loss of three of our colleagues at our joint operations – João Silindane at Kroondal, and Johannes Mahlalela and Dennis Mdaka at Modikwa. Full independent investigations were conducted to ensure no repeats, and all due support and care offered to their families.

Creating a safe work environment for our people is both a core value of our company and deeply personal to me. Simply put, our ability to embed collective stewardship of our assets and shared value with our communities depends on keeping those coming to work and those near our operations safe.

More encouragingly, we reduced the total recordable case frequency rate (TRCFR) to 2.40, below our target and the prior year's record low of 2.50. In the last seven years, we have more than halved our TRCFR. As we digitise and modernise operations, we will continue to pioneer technology that improves safety to the standards we set for ourselves and those that society and our employees deserve.

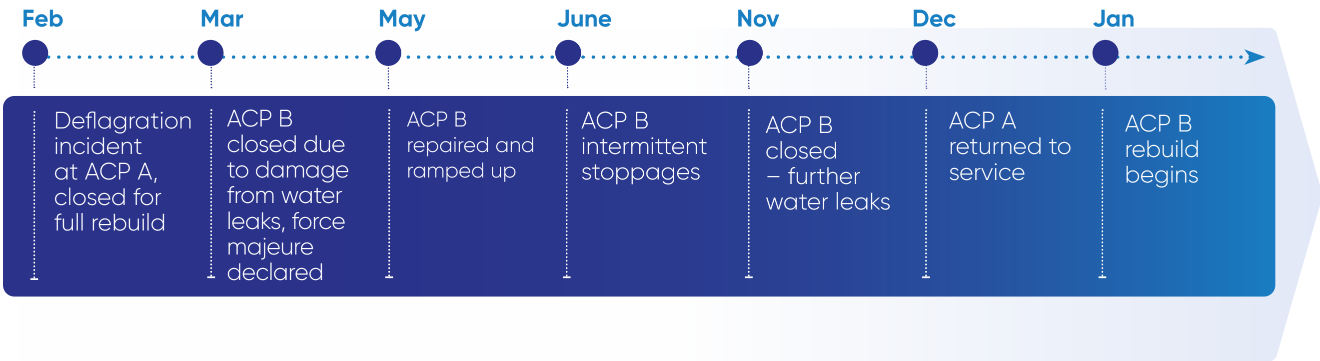
In terms of health and wellness, our focus throughout the year was on our response to Covid-19. By year end, we had recorded 3,293 positive cases with a recovery rate of 97%. Sadly, there were 18 employee deaths from Covid-19. Although the rate of new infections in the second wave has slowed, the focus remains on ensuring employees do not become complacent ahead of the anticipated third and possibly fourth waves at the time of writing.

For environmental aspects, we narrowly missed our target of zero general waste to landfill at all operations by year-end (actual performance of under 1% of total waste going to landfill). There are five waste streams for which we are yet to identify offset solutions: fibreglass-related waste, base emulsion (waste from explosives), vanadium pentoxide, zeolites and lead waste. The total waste send to landfill in 2020 was 1,763 tonnes, which represented a 51% reduction from the 2019 total of 3,593 tonnes, and a 92% reduction on the 2013 baseline of 22,120 tonnes. The construction of our SO_2 abatement plant at Polokwane smelter to reduce emissions by over 90% to well below regulated and global benchmark limits was impacted by Covid-19. We performed well on water efficiency by reducing our potable water (as a percentage of total water usage). We had no major environmental incidents (categorised as level 4 to 5) since 2013.

In responding to the global challenge of climate change, we are radically reducing our energy consumption through FutureSmart Mining methods and new technology, as well as switching to low-carbon energy sources and increasing renewables in our energy mix. We have set 2030 targets to improve energy efficiency and reduce absolute greenhouse gas (GHG) emissions by 30%, against a 2016 baseline. Despite including the operations of Mototolo Mine post-acquisition and commissioning the Unki smelter in 2018, we have decreased our energy and greenhouse gas (GHG) intensities by 7% since 2016 while reducing our GHG emission intensities by 4%.

ACP – a timeline of challenges

In a testing year for both phases of our converting plant, we closed phase A for a full rebuild after a coal dust explosion in February. This put additional pressure on phase B – already at the scheduled point for a full rebuild – resulting in a series of water leaks that resulted in stop-start operations and the pre-emptive decision in November to close this unit for a full rebuild in 2021. With ACP offline for 90 days, our refined production (including toll) for FY20 decreased by 38%. However, we applied 16 years' experience in running converters and lessons learned from 2020 to the disciplined process of rebuild and ramp up, bringing ACP phase A back online by December, well ahead of schedule.



Phase A is fully operational and phase B will be rebuilt as a standby unit by Q3 2021. With executive focus on asset integrity and process safety, we are confident of our ability to mitigate risk and reduce the frequency of large system upsets.

Steady improvement in operational performance

Following the material impact of government-required lockdown measures in South Africa and Zimbabwe, our production performance improved steadily over the year as our operations concentrated on returning to full production.

In total, these measures resulted in 712,000 ounces of lost production for 2020. As a result, full-year PGM production (metal-in-concentrate or M&C) was 3.8 million PGM ounces.

Total refined PGM production was 2.7 million ounces, despite Eskom loadshedding and the temporary closure of the ACP for repairs. This was a pre-emptive decision following a series of water leaks to ensure a safe operating environment, protect employees and protect the integrity of the plant and surrounding processing assets.

With fourth-quarter performance back to 100% and up 1% on 2019, salient features of our performance in the review period are summarised below (refer to operations overview from page 101).

- Mogalakwena's full-year PGM production decreased 3% to 1,181,600 ounces, masking an 11% improvement in the second half. Production was affected by the Covid-19 lockdown and lower built-up head grade after drawing down low-grade ore stockpiles, as well as community unrest in the last quarter, which affected delivery of concentrate to the smelters. This was partially offset by improved concentrator recovery.
- Total PGM production at Amandelbult decreased 32% to 608,100 ounces, primarily due to the national lockdown and closure of the Tumela upper section in December 2019 on reaching its end-of-life (FY19: 26,000 PGM ounces), as well as reduced output from surface sources (FY19: 75,000 PGM ounces). The mine returned to normal production levels from the start of quarter 4.
- Total PGM production at Mototolo decreased by 8% to 223,600 ounces, with the impact of lockdown partially offset by a 3% improvement in the 4E built-up head grade to 3.34g/t. Mototolo was operating at full capacity by the third quarter.
- Total PGM production at Unki in Zimbabwe decreased 3%, reflecting a limited lockdown in the first half and strong recovery in the second half.
- Joint-operation mined production comprises 50% of production from Kroondal and Modikwa mines. The balance of their production is purchase-of-concentrate. Total PGM production decreased by 26% due to safety stoppages and Covid-19 restrictions, as well as an unprotected strike at Modikwa and a strike by contractors installing support underground at Kroondal, both in the fourth quarter.
- Purchase-of-concentrate from third parties decreased 5% year on year on lower volumes from Bafokeng-Rasimone Platinum Mine and Siyanda Resources. Owing to the temporary closure of the ACP and declaring force majeure to purchase-of-concentrate suppliers, it was agreed that 50% of concentrate produced by Kroondal (a pool-and-share agreement) would be sold to, and processed by, Sibanye-Stillwater for the duration of the force majeure period. As a result, Sibanye-Stillwater purchased material equivalent to 16,000 PGM ounces in the first half.
- Refined PGM production was down 42% to 2,713,100 ounces, slightly above revised market guidance. This was largely driven by ACP incidents and Eskom loadshedding. As a result of ACP process interruptions, the work-in-progress inventory increased from a pipeline inventory level of around 950,000 3E (platinum, palladium, and rhodium) ounces at the 2019 year end (which included an 89,000 PGM ounce build-up owing to the Rustenburg power disruptions in the fourth quarter of 2019) to some 1,850,000 3E ounces at the end of 2020. These above-normal work-in-progress stock levels are expected to be released over the next two years.
- PGM sales volumes of 2,868,600 ounces were above market guidance but 38% lower year on year, primarily reflecting production challenges, particularly the ACP stoppages.

Our people are an integral part and key in our journey

We rely on the skills, passion and commitment of our people to achieve our goals. In return, we focus on their development and wellbeing in a work environment where they can thrive and achieve their potential, every day.

Health and wellness was our foremost priority in 2020. As noted, through stringent adherence to our own and government-mandated health protocols, we contained the rate of Covid-19 infections across our workforce. We also made good progress on other key health issues from page 88 of our ESG report.

Anglo American Platinum employs 25,796 people. In the initial lockdown levels, we paid salaries totalling R1.6 billion to employees unable to work. A three-year wage agreement is in place with recognised unions to June 2022. This will ensure the business remains sustainable through the typical PGM price cycles, while our employees benefit from meaningful pay and other increases.

As part of our ongoing shift to modernisation and automation, we are recruiting appropriate skills for our mines while developing and training existing employees. In 2020, scheduled training initiatives were disrupted by lockdowns and the focus on health and wellness, with a knock-on effect on productivity. As a result, we spent 5.05% of total payroll on training and development compared to 6.6% in 2019. On balance, however, Anglo American Platinum now benefits from a higher-skilled workforce which ensures we work more efficiently. As working conditions hopefully normalise in the year ahead, we will resume the focus on improving productivity to meet targeted levels.

Transformation is both a societal imperative and key compliance element in the South African mining industry. In 2020, the representation of designated groups at senior management level had improved to 55% (FY19: 51%), middle management rose to 73% (71%), junior management to 83% (82%) and female representation was maintained at 19%. This is a direct result of focused attention and deliberate actions taken every year.

Employee share ownership is an important element of transformation and we implemented an employee share ownership plan in 2018. In terms of the agreement with employees and unions, employees received cash of R9,000 in 2018 and R8,000 in 2019 (equally split between cash and shares). In 2020, they received R8,000 (half cash, half shares). The vesting period for the share portion is over two years, ie 2021 and 2022.

In line with our values, we continue to ensure Anglo American Platinum offers real employee benefits. In recent years, hundreds of our people have benefited from a range of housing schemes, in addition to thousands who live in company accommodation. All our people and their dependants have access to decent healthcare programmes. Our financial wellness programme, Nkululeko, now covers a broader range of financial issues and has reached over 8,600 employees to date through individual consultations, especially debt-relief solutions. This initiative has drastically reduced the indebtedness of our employees. The combined value of these initiatives for our people was reflected in Anglo American Platinum again being recognised as a top employer in the mining sector by the Top Employer Institute.

Women Underground - Christina Lekoko (Pipe, Track and Subways), Enock Mbowane (Safety Officer) and Hope Israel (Chaser)

Our goal is to embed an inclusive, diverse and honest culture where employees live our values. Accordingly, we reviewed insights from nine employee engagement surveys since 2016 and are delivering on our promise to take meaningful action as a visible symbol of change, initially focusing on the two urgent areas of concern identified:
- Taking action against all forms of bullying, harassment, victimisation, gender-based violence and racism
- Overcoming a good-news culture with the psychological safety to voice and attend to mistakes.

During the pandemic, Anglo American Platinum instituted a gender-based violence (GBV) prevention and victim-support programme in response to the reported increase in GBV during lockdown. It also intensified its efforts to curb this threat by working with the Department of Social Development, faith leaders and traditional healers, who are often the first line of counselling and health support for women in host communities.

Building sustainability through socially responsible operations

As both a business and moral imperative, we are focused on addressing the legacy of underdevelopment and high unemployment around our operations. Key to this is improving the quality of our engagement with communities, understanding that they grant us our social licence to operate and are essential stakeholders in the longevity of our mines.

The pandemic had a material impact on our host communities in 2020. Working with the wider Anglo American group, we rapidly implemented a four-pronged R500 million programme, WeCare, to mitigate these effects. This is detailed in our ESG report, but in summary:
- Planning – engaging with local government, community leaders and faith groups to understand the risks and impacts of the spread of Covid-19 in host communities.
- Prevention – ensuring awareness and education. We also provided masks and sanitisers to local leaders and taxi drivers, water to communities, trained local government healthcare workers on Covid-19 protocols, and provided personal protective equipment (PPE) to local community clinics and health workers.
- Response – we provided food parcels for the vulnerable, support in tackling gender-based violence, helped small and medium-sized businesses, established screening stations at local government clinics along with an ongoing supply of PPE, and support to assist government clinics with training, screening and swabbing.
- Recovery – focused on saving livelihoods, including support for small business and entrepreneurs; helping to ensure the safe reopening of schools, with assistance for students and teachers; and backing employability programmes to assist those who are unemployed post-crisis.

Lockdown restrictions affected the delivery of community projects. We were able to accelerate progress in the fourth quarter to end the year with total spend 14% below budget at R295 million. Our South African social and labour plans were successfully restarted in the third quarter, and an extension requested from the Department of Mineral Resources and Energy to complete projects under the second round (SLP2) by June 2021. We are finalising details for projects in the third round (SLP3) with host communities, including issues raised in the consultation process.

In total, our flagship projects have created some 1,400 jobs over five years. More than 10,000 learners have benefited from our education support programme – from early childhood development to grade 12. Collectively, our SLPs, regional socio-economic development and other initiatives feed into a broader social strategy to deliver lasting benefits for host communities around our sites. In 2020, we invested R803 million in communities, including:
- R86 million on health and social welfare programmes
- R66 million on education and skills development
- R44 million on infrastructure projects
- R76 million on enterprise development
- R400 million on community dividends
- R126 million on other programmes, including site CSI, land donation, the interfaith programme and other donations
- R5 million on Unki's CSI projects.

In addition, we spent R3.8 billion on procurement from host communities. In the wake of Covid-19, broadening the economic mainstream is an even more pressing challenge in South Africa. Our focus on local supplier development therefore ensures our host communities benefit from mining. In 2020, 88% of our discretionary spend was with black-owned and black-empowered suppliers, and we awarded 58 new contracts to host-community SMEs (small and micro enterprises) with an estimated value of R1.62 billion.

Our community share scheme, Alchemy, was established in December 2011 to create sustainable shared value for our host communities, as well as specific communities where our employees originate from in the Eastern Cape and North West provinces of South Africa and Southern African Development Community (SADC) countries. Alchemy was structured to provide equity ownership of Anglo American Platinum to these communities through development trusts. In August 2020, we announced the successful and early settlement of the notional vendor finance (NVF) after our share price reached a trigger level of R1,428.30. The development trusts now hold around 1.4 million unencumbered Anglo American Platinum shares (valued at some R2 billion at year end), and are empowered to advance broad-based community development, including infrastructure, education and health developments, as well as improving livelihoods. This is detailed in our ESG report.

We are playing a responsible role in developing our communities. Through established governance structures, the company will work with the development trusts to ensure the careful deployment of this capital to further advance our efforts to deliver shared value and build thriving communities.

Markets for PGMs

Please refer to the detailed review of our markets on page 48.
Despite the widespread volatility of 2020, PGM prices were strong amid market deficits, with all three main metals recording higher average prices (platinum +2%, palladium +43% and rhodium +187%).

Year on year, both supply and demand for each metal were considerably lower due to the pandemic and government responses worldwide that included widespread restrictions on socialisation and mobility, as well as the temporary closure of the ACP affecting supply of metal.

Stronger prices for specific metals drove the US dollar basket price up 51% to USD2,035 per PGM ounce. A 13% weaker rand/dollar exchange rate in 2020 resulted in the rand basket price increasing by 71% year on year to R33,320/ounce.

We continue to focus on developing the market for PGMs as detailed on page 52. Our holistic ecosystem of programmes includes:

- Nurturing opportunities such as next-generation PGM-enabled battery technologies and mitigating pollution from industrial waste-gas streams
- Commercialising concepts by accelerating the development and adoption of new PGM alloys, and using PGMs to minimise food waste and loss
- Engineering growth by spearheading the creation of hydrogen freight corridors, developing the jewellery market
- Creating investment demand.

Financial results overview

Anglo American Platinum delivered a strong financial performance in 2020, detailed in the finance director's report on page 86. Salient features include:

- Adjusted EBITDA of R42 billion, driven by higher USD PGM prices and weaker foreign exchange rate
- Net cash of R19 billion
- Return on capital employed (ROCE) of 72% compared to 58% in 2019
- Record headline earnings of R30.3 billion (R115.54 per share)
- Project and stay-in-business capital expenditure of R6.4 billion
- Underlying unit costs of R11,739/PGM oz were up 15% year on year, largely due to lower mined volumes as a result of Covid-19 and salaries paid to employees unable to work.

Strategic business development transactions and projects are detailed in the finance director's report.

Outlook

The number of potential headwinds and key risks summarised below have complicated the process of determining reasonably accurate forecasts for the year ahead.

- Covid-19 remains a real risk, with the second wave (and potential third and fourth waves) impacting operations and commodity markets. This should be mitigated as we roll out the vaccine programmes
- Eskom power-supply reliability and risk of loadshedding, with the utility indicating that loadshedding remained 'a possibility' until at least September 2021
- Escalating community protests impacting operations and employees' ability to get to work.

The outlooks below are informed by robust scans of our markets and the commitment of our operational teams to meeting their targets.

Market outlook

Supply and demand for PGMs are forecast to rise in 2021, building on the significant improvement in second-half 2020 as the world learned to live with Covid-19 and the current roll out of effective vaccines:

- Supply is likely to increase more substantially for platinum and rhodium than palladium in 2021, assisted by the release of our work-in-progress inventories.
- All three major PGMs should also see solid demand growth, benefiting from the strong forecast increase in light-vehicle production as inventories are rebuilt. Platinum should also be helped by higher gross jewellery and industrial demand.

Operational outlook

PGM production guidance (M&C) is 4.2-4.6 million ounces for 2021, with the outlook for platinum at 1.9-2.1 million ounces and palladium at 1.4-1.5 million ounces.

With ACP phase A recommissioned in December 2020, we forecast refined PGM production of 4.6-5.0 million ounces, including platinum of 2.1-2.3 million ounces and palladium of 1.5-1.6 million ounces. PGM sales volumes will be in line with refined production.

Financial outlook

Unit costs are expected to reduce to between R11,000 and R11,500 per PGM ounce produced as operations return to normalised levels of production, partially offset by inflationary increases. We remain committed to maintaining a strong balance sheet through the cycle, only focusing on high-returning and quick pay-back projects. Total SIB capital expenditure guidance for 2021, excluding capitalised waste stripping, is R7.0 billion to R7.5 billion. Capitalised waste stripping guidance is R2.8 to R3.1 billion.

Next phase of value

To achieve our purpose and create value for all stakeholders, we are driving four strategic priorities (detailed on pages 40 to 44).

A restructured executive team, with some new members, is in place to deliver on this strategy. This team has extensive global mining experience and is structured to align with our strategic priorities. We welcome Riaan Blignaut as executive head of asset reliability, safety and health; Chris McCleave heading technical and operational excellence, and Yvonne Mfolo who heads up corporate affairs.

Appreciation

The people of Anglo American Platinum were truly tested in 2020, and our record results are testimony to their commitment, resilience and determination. Despite almost daily challenges, the transition to new leadership was smooth and I sincerely appreciate the welcome I received as I met many of Anglo American Platinum colleagues over the year – either in person or virtually. My thanks to all, particularly our executive team.

Our directors are a valuable source of counsel and insight. I welcome the increased engagement between the board and management committee in guiding Anglo American Platinum towards its full potential. This collective expertise is a distinct competitive advantage.

I also thank our stakeholders for their ongoing support and contributions. With your input, we are well on the path to our purpose of re-imagining mining to improve people's lives.

Natascha Viljoen
Chief executive officer

Johannesburg

15 March 2021

Board of directors



Independent non-executive

Nombulelo Moholi (61)
Chair remuneration and social, ethics and transformation committees

Seven years on the board

Core skills: strategic planning, industrial sector experience, senior corporate leadership experience, domestic affairs, strategic thinking and analysis, building and leveraging relationships, openness of communication, learning agility.

Committee memberships

R SD S G

John Vice (68)
Chair audit and risk committee

Eight years on the board

Core skills: strategic planning, financial and commercial experience, strategic thinking and analysis, building and leveraging relationships, openness of communication.

Committee memberships

A G SD

Peter Mageza (66)
Lead independent director, chair governance committee

Seven years on the board

Core skills: strategic planning, global perspective, financial and commercial experience, senior corporate experience, domestic affairs, strategic thinking and analysis, problem-solving, building and leveraging relationships, openness of communication, learning agility.

Committee memberships

A G N



Dhanasagree Naidoo (48)
Independent non-executive director

Seven years on the board

Core skills: strategic planning, financial and commercial experience, senior corporate leadership experience, domestic affairs, strategic thinking and analysis, problem-solving, building and leveraging relationships, openness of communication, learning agility.

Committee memberships

A G R

Thabi Leoka (41)
Independent non-executive director

Joined July 2020

Core skills: strategic thinking and analysis, problem-solving, building and leveraging relations, openness of communication, people development, learning agility, strategic planning, global perspective, financial and commercial experience.

Committee memberships

G R S

Roger Dixon (70)
Independent non-executive director

Joined July 2020

Core skills: strategic thinking and analysis, problem-solving, building and leveraging relationships, openness of communication, people development, learning agility, strategic planning, mining, mining technology, global perspective.

Committee memberships

G SD

** Definitions of directors core skills are contained in our ESG report on page 154.*

Board committees on page 31



Non-executive

Norman Mbazima (62)
Chairman

Two years on the board

Core skills: strategic planning, global perspective, financial and commercial experience, senior corporate leadership experience, strategic thinking and analysis, problem-solving, building and leveraging relationships, openness of communication, people development, learning agility.

Committee memberships

N R SD S

Mark Cutifani (62)
Non-executive director

Seven years on the board

Core skills: strategic planning, mining, mining technology, global perspective, senior corporate leadership experience, strategic thinking and analysis, building and leveraging relationships.

Committee memberships

N

Stephen Pearce (57)
Non-executive director

Three years on the board

Core skills: strategic planning, global perspective, financial and commercial experience, senior corporate leadership experience, problem-solving.



Tony O'Neill (63)
Non-executive director

Seven years on the board

Core skills: strategic planning, mining, mining technology, industrial sector experience, global perspective, strategic thinking and analysis, problem-solving.

Executive

Natascha Viljoen (50)
Chief executive officer

Joined 16 April 2020

Core skills: strategic planning, mining, mining technology, senior corporate leadership experience, strategic thinking and analysis, problem-solving, sales and marketing, sustainability, global perspective.

Committee memberships

SD

Craig Miller (47)
Finance director

Two years on the board

Core skills: strategic planning, financial and commercial experience, sales and marketing, sustainability, global perspective, strategic thinking and analysis, problem-solving, people development.

Board committee membership

- A Audit and risk committee
- G Governance committee
- N Nomination committee
- R Remuneration committee
- SD Safety and sustainable development committee
- S Social, ethics and transformation committee
- ● Chair of committee

Our governance universe and framework

Our governance framework ensures that all aspects of our business are managed to achieve the desired outcomes in our governance universe. The board is the focal point and custodian of this framework through its committee structures, and its relationship with management, shareholders and other stakeholders.

In turn, Anglo American Platinum management draws on advisory and support services from Anglo American plc in fulfilling its mandate from the board.

Our capitals are fundamental to how we manage all aspects of our business to achieve our purpose and strategy

Capitals

- Financial
- Human
- Natural
- Social and relationship
- Manufactured
- Intellectual

Governance universe

Purpose, strategy and values

Board governance
IV 1, 9, 13, 14*

- Board structure
- Memorandum of incorporation and charters
- Board evaluation
- Succession planning and rotation
- Key policies
- Board organisational culture and ethics
- Compliance with key legislation
- Remuneration and reward
- Key performance indicators

Financial governance
IV 10, 12, 15*

- Planning and budget
- Operational performance
- Asset reliability
- Internal controls
- Capital allocation
- Monitoring and evaluation
- Funding and evaluation
- IT governance
- Taxation
- Outlook
- Marketing and trading

Social and sustainable governance
IV 16*

- Sustainability strategy
- Social way and performance
- Safety and health
- Environment
- Stakeholder engagement and communication
- Transformation
- Human resource development
- Technical mining standards

Risk governance
IV 11*

- Risk management
- Operational risk assurance
- Internal audit

Board committees are shown on page 31

Outcomes

- Ethical leadership
- Good performance
- Effective control
- Trust and legitimacy

Governance elements of the business model and value-creation process

* *King IV principles applicable.*

Shareholders and other stakeholders

The board

Responsible for overall conduct and control of the affairs of the company. Sets long-term strategic direction and strategy, monitors and maintains an effective group-wide risk management framework

Company secretary

Guides the chairman and board, individually and collectively, on their duties, responsibilities and powers. She also advises on corporate governance, compliance with legislation and the Listings Requirements of the JSE Limited

Board governance

Social, ethics and transformation committee

Page 164 of our ESG report

Audit and risk committee

Page 159 of our ESG report

Remuneration committee

Page 176 of our ESG report

Nomination committee

Page 168 of our ESG report

Safety and sustainable development committee

Page 170 of our ESG report

Governance committee and report

Page 146 of our ESG report

Advisory and support

Group management committee

Anglo American plc principal executive committee.

Responsible for formulating strategy, setting targets/budgets and managing the group's portfolio.

Investment committee

Responsible for making recommendations to the group management committee on capital investment proposals.

Corporate committee

Reviews corporate policies and processes, and financial performance against budgets at Anglo American plc business unit level.

Shared services

Internal audit

Supply chain
Technical and sustainability
Information system
Legal
Governance and compliance
Human resources
Taxation
Corporate finance and treasury
Insurance
Risk management
Accounting
Company secretarial

Shared services are provided by Anglo American plc to all group subsidiaries to assist management in executing key activities and controls to mitigate risk and achieve business objectives. Service-level agreements ensure these are of appropriate quality.

Management governance

Chief executive officer – Natascha Viljoen

Develops and recommends the strategy and purpose of the company to the board, along with annual business plans and budgets that support the company's long-term view.

Platinum management committee

Provides organisational direction on behalf of the board; advises the board on decisions and business matters including strategy planning, policy, investment and risk. It meets every second week.

Operations committee

Provides oversight on financial performance of Anglo American Platinum operations in a forward-looking manner and against approved annual budget as well as reviewing and ensuring performance against objectives, targets and budget. It meets monthly.

Capital review committee

Responsible for the group's investment portfolio, its evaluation and prioritisation; defines key principles governing the inclusion of assets and capital spend (including stay-in-business) and the flow-back impact on the group's portfolio. It meets at least quarterly or when projects require stage-gate approval.

Monthly performance reviews
To assess financial and operating performance of assets by considering performance reporting with line of sight to business scorecard, strategy, critical tasks, management agenda and P101.

Quarterly performance reviews
Track performance across strategy, operations, finance, risk and other areas; maintain realistic plans to reach targets; decide on required management interventions.

Accountability reviews
Individual feedback sessions between CEO and executive head on key result areas and whether management intervention is required to support the individual.

Creating sustainable value through good governance

The board and platinum management committee (PMC) focus on creating shared value by living up to our purpose and ensuring our business model remains relevant and sustainable. We do so by monitoring our external environment, availability/quantum of capital inputs, and stakeholder needs, which all feed into our strategy. Underpinned by good governance – fully aligned to King IV – each strategic priority (pages 40 to 44) enables Anglo American Platinum to focus on conducting operations safely and responsibly while achieving our financial targets.

Application of King IV

The board has adopted the principles and recommended practices in the King Report on Governance for South Africa 2016 (King IV, referenced in this section as IV. The board continually reviews its governance practices and is satisfied that all aspects of King IV were applied in 2020. King IV practices are fully entrenched in our internal control systems, board policies, board charter and the committees' terms of reference. A more detailed explanation on the application of each King IV principle appears in our ESG report.

Driven by our values

IV

Rooted in King IV principles

Fundamental to its oversight role, the board ensures Anglo American Platinum abides by its values, as well as the letter and spirit of King IV:

- **Safety**
  All injuries are preventable and by working together we can make safety a way of life
- **Care and respect**
  We always treat people with respect, dignity and common courtesy – regardless of their background, lifestyle or position. And we're building trust through open, two-way communication every single day
- **Integrity**
  Taking an honest, fair, ethical and transparent approach to everything we do
- **Accountability**
  We take ownership of our decisions, our actions and our results. We deliver on our promises and acknowledge our mistakes. Above all, we never pass blame
- **Collaboration**
  We are one company with a joint ambition – all working together to make decisions and get things done more effectively
- **Innovation**
  Challenging the way things have always been done is a key priority for us. By actively developing new solutions, encouraging new ways of thinking and finding new ways of working, we are dramatically improving the business

Ethical leadership

IV

Anglo American Platinum is committed to a policy of fair dealing and integrity in conducting its business. Actively endorsed by the board, this commitment is based on a fundamental belief that business should be conducted honestly, fairly, legally and responsibly. The board expects all employees to share its commitment to high moral, ethical and legal standards and sound business principles.

In 2020, our code of conduct was refreshed to ensure it was up to date and fit for purpose, in line with refreshed values introduced last year. The code represents our values in action and defines what we expect from leadership and employees at every level. It also sets the standard for how we should deal with third parties, understanding that any gap between what we say and do could damage our reputation and social licence to operate.

Mandatory code-of-conduct training took place in Q4 2020. Mandatory business integrity training was provided to people in roles exposed to higher business integrity risks, particularly interactions with government/public officials, use of intermediaries and development of new business.

The internal business integrity committee has been reconstituted and renamed the compliance and ethics committee to assist the board in fulfilling its related oversight responsibilities. The committee ensures our policies and approach to compliance and ethics are adequate and effective. It is chaired by the finance director and attended each quarter by executives and senior managers to:

- Review progress of compliance programmes, as well as awareness/training initiatives
- Discuss relevant breaches of conduct involving preventive work and 'Your Voice' investigations (only when necessary)
- Governance updates (policies, standards, procedures)
- Projects/group initiatives
- Ad-hoc compliance and ethical issues.

A collective responsibility

IV

The primary role of the board is to display effective leadership by retaining full and effective control of the company. This includes providing strategic direction and giving effect to strategy by approving policy, plans, frameworks and structures to create sustainable value for the benefit of all stakeholders, overseeing implementation and demonstrating accountability and transparency through disclosure.

The chairman promotes a culture of cohesive support by providing ethical and effective leadership to the board, without limiting the principle of collective responsibility for its decisions. The board is mandated by its charter, which sets out the role of the board, chairman and CEO to ensure a balance of power and authority, and preclude any director from exercising unfettered powers of decision-making.

In fulfilling its primary role, the board discharges key responsibilities for:

- Ethical leadership and corporate governance
- Strategy, implementation and performance
- Information technology governance
- Financial performance
- Risk governance
- Compliance
- Stakeholder relationships

Key board decisions in 2020

		Aligned to strategic priority
Board succession	Appointment of Natascha Viljoen as CEO. Appointment of independent non-executive directors, Thabi Leoka and Roger Dixon.	**1, 2, 3, 4**
Anglo converter plant (ACP) – phase A and B stoppages, repair and declaration of force majeure	Due to the potentially catastrophic safety implications, the board approved the temporary shutdown of ACP and requirement to declare force majeure to customers, suppliers of third-party purchase-of-concentrate and tolling material, given the inability to complete processing material during the converter repair. Periodic updates were provided to the board on repair and rebuild work.	**2, 3**
Covid-19	Monitored the impact of Covid-19 across the business. Accordingly, the board considered: – The impact of Covid-19 on the risk register; the risk profile of the business was updated accordingly. Reviewed and considered Covid-19 scenarios and signposts. – Management's Covid-19 response plan and received fortnightly communication on statistics and management actions to curb the pandemic. A Platinum Business Continuity Forum was formed, which included executive management, general managers and key senior management, to manage the company's response to Covid-19 and provided the board with these updates. – Remuneration policies for employees not working during lockdown and for vulnerable employees unable to return to work – The interim dividend, taking into account lower production due to the lockdown period and ACP stoppages.	**2**
Corporate transactions	Received updates on corporate transactions aimed at continued value creation in our assets (see chairman's letter, CEO's review and financial review).	**2**
Asset integrity and infrastructure review	Reviewed the asset integrity and reliability strategy as a key enabler to ensure safe, predictable and sustainable operations.	**2**
Approval of slag-cleaning furnace	Approved a redesign and rebuild of the slag-cleaning furnace at Waterval smelter.	**3**
Budget and business plan approval 2021-2025	Approved the 2021 budget and five-year business plan, considering macro-economic assumptions and commodity price forecasts.	**1, 2, 3, 4**
Risk and strategic review	– Risk review and adjustment to ratings and tolerance levels – A context of long-term megatrends, disruptions and scenarios considered – To increase the odds of success in a turbulent environment, a revised process to strategy development was adopted – Approved the four strategic priorities to achieve Anglo American Platinum's purpose and create value for all its stakeholders	**1, 2, 3, 4**
Supplier contract approvals	Approved supplier contracts as required within its authority. These contracts are expected to yield significant commercial value and ensure technical innovation.	**2, 3**
Annual financial statements and integrated reporting	– Ensure that the appropriate financial procedures are in place and operating – Approved the interim and final dividends having considered the solvency and liquidity status of the company as required.	**2, 3**

Independence

IV

During the year, the board was rebalanced by appointing two additional independent board members, Thabi Leoka and Roger Dixon. As a result independence increased to 50% from 45% in the prior year. Norman Mbazima is the chairman of the board and not considered independent as he served as deputy chairman of Anglo American South Africa in 2019. He will be considered independent in 2022. Aligned to King IV, Peter Mageza, who has served on the board for seven years, is lead independent director.

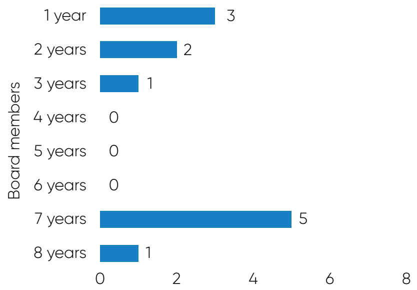
The nomination committee assesses the independence of directors annually and considers, inter alia, the independence criteria proposed by King IV, the Companies Act and from the perspective of a reasonable and informed third party. The board believes independent directors exercise objective and unfettered judgement.

Tenure

IV

Our average board tenure is 4.5 years and the average age of directors is 57.

Board tenure



Value and culture – leading from the top

IV

Core to our next phase of strategy is a culture led by our systems, symbols and the behaviour of leadership.

As part of the culture evolution journey, the company has adopted a systems-leadership approach to enable the appropriate culture. In defining the desired culture behaviours, work practices and beliefs have been identified to demonstrate our culture in action, using systems-leadership principles. We aim to create an always-in-action culture where all colleagues are treated with unconditional trust and respect, where we create positive accountability, and where all voices are heard in a fair, curious and inclusive manner.

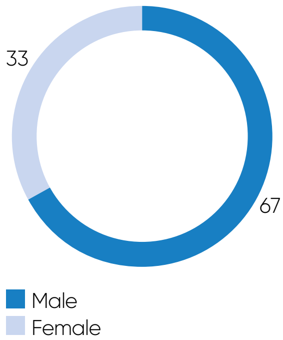
The prioritised zero-tolerance culture towards gender-based violence has had a significant impact. The goal is to create an environment where all employees are treated with dignity and respect, their talents and skills are valued, and productivity improves because the workforce is safe, engaged and feels they can contribute. A five-pillar plan centres on culture, response and prevention mechanisms, having appropriate policies and procedures in place, infrastructure, and safety and security.

Diversity

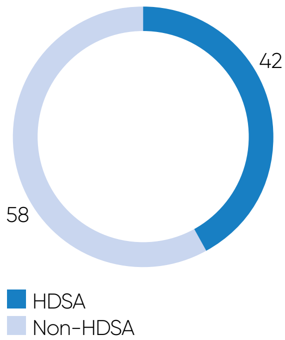
IV

Female representation is 33%, exceeding the target as per our gender and race diversity policy. We met our target of aligning to the mining charter in 2020, with 42% HDSA board representation.

Gender diversity
(%)



Race diversity
(%)



Board effectiveness

IV

There was no board evaluation in 2020. This decision enabled us to complete the strategic board-renewal process and allow new directors to settle in and contribute fully.

Through the board renewal process, the board assessed its composition, diversity and skills. It also focused on its practices for strategy engagement as part of our next phase of our strategy.

In 2021, we will focus on board dynamics as part of our board-effectiveness process and include an assessment of our board culture to clearly define and align this to organisational culture.

Ongoing training and development are important contributors to an effective board. The first two hours of quarterly board meetings are focused on training in areas pertinent to the company, industry or society at large.

Succession

The board follows a formal and transparent process in appointing new directors. Any appointments are considered by the full board, on recommendations by the nomination committee. This committee evaluates the skills, knowledge and experience required to implement group strategy against defined competencies in the skills matrix to address any gaps, together with race and gender diversity targets.

Board changes in 2020

After serving for over seven years as CEO and executive director, Chris Griffith stepped down on 16 April 2020 to pursue other career opportunities. Natascha Viljoen was appointed as CEO and executive director of Anglo American Platinum from 16 April 2020. Richard Dunne retired after serving on the board for 14 years. Two independent non-executive directors were appointed, Roger Dixon and Thabi Leoka, on 27 June 2020.

Our strategic approach

IV

Building off a strong foundation we are now ready to deliver the next phase of our strategy. A strategy that is guided by our purpose, driven by our values and will create value for our stakeholders.

To increase the odds of success in a turbulent environment, we adapted our strategy-setting process to a more dynamic and agile one that scans for signs of disruption and explores unexpected changes to the strategic environment.

We believe that this new way of developing our strategy will make our company and our strategic moves more adaptable to change, and not only allow us to weather the storms more effectively, but also be more responsive to opportunities to create long-term value for our stakeholders.

Board interactions during Covid-19

IV

Due to Covid-19, the board had to rethink its practices for meetings and engagements to adhere to Covid-19 regulations. It postponed the AGM scheduled for 16 April 2020 to give shareholders a virtual solution, and an online AGM was held on 25 June 2020.

In terms of board meetings, the quarterly April meeting was cancelled to adhere to hard lockdown measures between 26 March and 16 April 2020. Meetings were substituted by a number of board calls and directors received regular updates on key strategic matters.

As the pandemic progressed, the board has implemented a hybrid solution for meetings which includes a limited number of people present in person and virtual attendance. All Covid-19 protocols are observed.

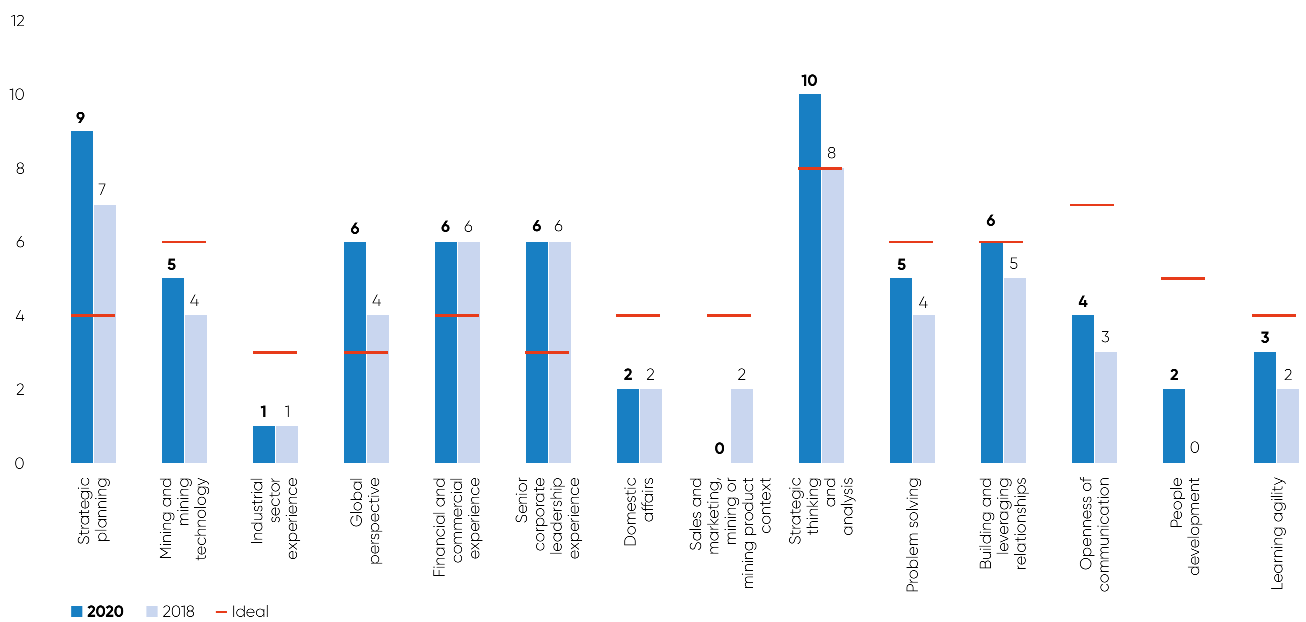
In addition, the board supported government's call for support during the pandemic, with non-executive and executive directors sacrificing 30% of their fees and salaries for three months to support Covid-19-related charities and initiatives, including South Africa's Solidarity Fund.

Balance of knowledge and skills

Anglo American Platinum is a diverse company, with impact demands from areas such as industrial processes, markets, products and applications. We have done significant work to deepen technical competence on the board and introduce non-financial skills that are becoming increasingly important at this level – innovation, problem-solving, strategic thinking and relationship building. Thabi Leoka and Roger Dixon joined the board in July 2020, in line with our succession blueprint of current and future critical skills. This will ensure a strategic, long-term and orderly succession of directors and maintain an appropriate balance of knowledge, skills, experience, diversity and independence on the board.

To equip the board to discharge its governance responsibilities objectively and effectively, we continue to focus on securing specific skills over the next five years to achieve an ideal balance that supports our strategy:
- Sales and marketing in mining
- People development
- Mining technology/modernisation/mechanisation
- Industrial sector experience
- Futurist/innovation.

Progression of current skills versus ideal



Declarations, conflicts of interest and related-party transactions

IV

Each quarter, the company obtains details from directors on external shareholdings and directorships that may create conflicts of interest while serving on the Anglo American Platinum board. The declarations are closely scrutinised by the chairman and company secretary and tabled at each quarterly board meeting. Where a conflict arises, directors must recuse themselves from discussions. As far as possible, the company requires directors to avoid potential conflicts of interest.

Our majority shareholder is Anglo American plc. It provides technical and sustainability advisory and support services that are critical to Anglo American Platinum being able to operate sustainably. These services are provided under a master services agreement and the governance committee oversees and monitors the relationship with our major shareholder. In particular, the committee considers and advises on:

- Related-party transactions and funding arrangements with the major shareholder
- Any unresolved disputes under master services agreement between Anglo American Platinum and major shareholder
- Issues involving a conflict of interest.

The committee comprises solely independent non-executive directors, led by Peter Mageza, lead independent non-executive director. It meets twice a year or more often as required.

Risk management

IV

Our risk management process is an integral part of setting the strategy. An annual board workshop considers the risk process, our top risks against external views on risks facing the business, risk appetite and tolerance status for the top risks, which includes catastrophic and principal risks (summary from page 74). This year, risks were assessed against global and local Covid-19 themes. Due to the pandemic and disruption caused by the ACP repair and rebuild, new principal risks were added to the risk register:

- Global health pandemic
- Prolonged disruption in downstream production (including dependency on single convertor at ACP)
- Covid-19 loss of livelihood and social unrest.

Opportunities relating to digitisation and innovation, future expansion, stimulating new PGM markets and future of work have been identified. These demonstrate value that could be created and are aligned to our strategic priorities.

Our assurance approach

IV

The board ensures that assurance services and functions enable an effective control environment that support the integrity of information through our combined assurance framework.

This includes a number of assurance services, to adequately cover significant risks and material matters so these enable an effective control environment, support the integrity of information used as well as the integrity of the company's external reports. Each assurance provider has been categorised into different lines of defence in the organisation:

- Management – line functions that own and manage their risks
- Internal assurance providers from specialist functions including safety, health and environmental compliance
- Internal audit
- Regulatory auditors
- External assurance providers

Engaging with investors on ESG matters

We continually engage with shareholders on ESG and strategic matters, contributing to the multiple factors that inform our strategy and the way in which we manage the company. Key issues raised in 2020:

- Safety performance
- Decarbonisation strategy
- Transformation and diversity

Anglo American Platinum again demonstrated leading ESG performance in 2020, with global rankings by leading agencies confirming our strong management of environmental, social and governance issues. These are summarised below.

ISS – Anglo American Platinum was ranked as Prime, indicating it meets the demanding ESG requirements stipulated by ISS for sustainability performance in the sector.

The company has implemented Anglo American's sustainability codes, associated technical frameworks and guidelines to address social and environmental risks inherent in the mining sector. These policies and measures are considered to be industry-leading and comprehensively address almost all material issues in the company.

Sustainalytics noted an overall improvement due to the company's strong management of ESG risks.

FTSE Russell – Anglo American Platinum was again ranked as the ESG leader among the top five sub-sector peers at December 2020. It received the highest overall ESG rating of 4.8, the highest environmental score (4.7), the highest social score (4.7) and highest governance score (5.0) among the sub-sector peers in the platinum and precious metals sector. Anglo American Platinum has remained a constituent of the FTSE/JSE Responsible Investment Top 30 Index.

Post year end, Anglo American Platinum maintained its inclusion in the **Bloomberg Gender-Equality Index** for 2021, reflecting our progress on creating gender equality in the workplace.

Our governance philosophy

IV

The board is committed to the highest standards of corporate governance and has applied King IV throughout its structures. It exercises effective and ethical leadership to give effect to its strategy and ensures accountability for the company's performance.

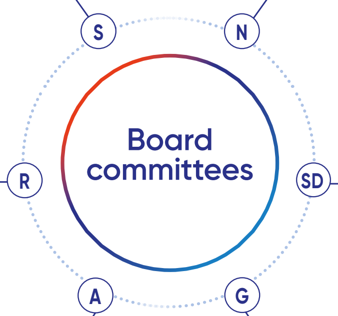
We believe good governance promotes our required outcomes of ethical culture, good performance, effective control and legitimacy.

The board is the focal point for and custodian of the company's governance framework. Our governance universe (overleaf) illustrates how the pillars of value are governed via four governance segments – board, finance, risk, social and sustainable – in support of our strategy and purpose. The elements in each segment are governed by appropriate processes, systems and resources to ensure we achieve our governance outcomes.

The company complies with the provisions of the Companies Act and its memorandum of incorporation.

Board committees

Roles and responsibilities are formally defined to determine how authority is exercised and decisions are taken. The board has formed committees to assist in discharging its duties. Each committee has terms of reference delegating specific responsibilities and authority on behalf of the board. The chairmen of these committees report on their activities at each quarterly board meeting. All terms of reference and the board charter are reviewed annually. The committees are interrelated and provide feedback to each other on salient matters as these apply to their remits. Detailed reports from the chairmen of the committees are included in our ESG report.



Social, ethics and transformation

- Monitors and overseas establishment of an ethical culture and good corporate citizenship
- Reviews transformation initiatives
- Reports to shareholders on developments and progress
- Oversight of social and labour plan implementation

Nomination

- Makes recommendations on appointment to the board, composition and succession planning

Remuneration

- Establishes principles of remuneration and determines remuneration of executive directors and executive heads; considers, reviews and approves group policy on executive remuneration and communicates this to stakeholders in the integrated annual report

Safety and sustainable development

- Develops frameworks, policies and guidelines for S&SD management and ensures implementation
- Monitors safety and health of employees and impact of company operations on the environment

Audit and risk

- Monitors adequacy of financial controls and reporting
- Reviews audit plans and adherence by external and internal auditors
- Ascertains reliability of the audit
- Ensures financial reporting complies with International Financial Reporting Standards and Companies Act Reviews and makes recommendations on all financial matters
- Nominates auditors for appointment
- Monitors the company's appetite for risk and tolerance
- Access independence of external auditors

Governance

- Monitors the status of governance in the group, in particular:
  - Related-party transactions and funding arrangements with the major shareholder
  - Any unresolved disputes under master services agreement between Anglo American Platinum and major shareholder
  - Issues involving a conflict of interest
- The committee comprises solely independent non-executive directors, led by Peter Mageza, lead independent non-executive director. It meets twice a year or more often as required

Platinum management committee (PMC)

The purpose of the PMC is to provide organisational direction on behalf of the board and to advise the board on decisions and business matters including strategy planning, policy, investment and risk. The committee follows an annual work plan to confirm that all relevant matters are addressed.

Natascha Viljoen (50)

Chief executive officer

Qualifications: BEng (extractive metallurgy), MBA, PrEng

Appointed in April 2020

Prior to her appointment as CEO, Natascha had been group head of processing for Anglo American since 2014. She has extensive industry experience, including serving as an executive committee member of Lonmin and general manager at BHP.

Natascha serves on advisory boards of the chemical engineering faculties at the South African universities of Cape Town and Stellenbosch as well as Queensland University's JKMRC (Julius Kruttschnitt Mineral Research Centre) in Australia. She was a non-executive director on the board of Kumba Iron Ore.

Craig Miller (47)

Finance director

Qualifications: BCompt (hons), CA(SA)

Appointed in April 2019

Craig joined Anglo American Platinum from Anglo American plc where he served for 19 years. He was Anglo American's group financial controller from June 2015, before which he held various financial roles including chief financial officer of Anglo American Iron Ore Brazil and chief financial officer of Anglo Thermal Coal.

Riaan Blignaut (49)

Executive head: asset reliability, safety and health

Qualifications: BEng (mechanical), MBA

Appointed in June 2020

Riaan brings over 24 years' experience in engineering management, asset management, concentrators, smelters, business optimisation and furnaces at Anglo American Platinum, Lonmin and BHP Billiton.

Yvonne Mofolo (53)

Executive head: corporate affairs

Qualifications: BA communication

Appointed on June 2020

Yvonne joined Anglo American Platinum from Kumba Iron Ore where she was executive head of corporate affairs from 2011. She previously filled the same role at Anglo American Coal South Africa. Her experience spans both the private and public sectors. Prior to joining Anglo American, Yvonne was chief director of communications at the Department of Minerals and Energy, where she was employed for nearly a decade. She also served as the ministerial spokesperson.

Chris McCleave (44)

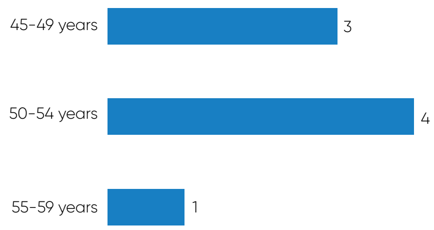
Executive head: technical and operational excellence

Qualifications: BEng (mining), MBA

Appointed on 21 January 2021

Chris' expertise has developed through mine engineering, technical service and mine management to senior leadership with multiple-site, regional accountability. He has worked with top global mining companies, including Glencore, BHP and Rio Tinto, leading large teams to deliver ambitious operational excellence and SHE results through strong leadership and technical capability. He has worked in Australia and South America, most recently as chief operating officer of Glencore's large zinc operation in Peru, and is adept at navigating in complex, matrix environments.

Group PMC age
(Average age 52)



More than 37 years of combined service

Chris McCleave joined PMC in January 2021 as executive head: technical and operational excellence. Gordon Smith retired at the end of 2020, but remains with Anglo American Platinum to ensure a smooth transition.

Lorato Mogaki (51)
Executive head: human resources

Qualifications: BA (law), master's diploma in human resources management, MBA, HR executive programme (Harvard), executive programme in strategy and organisation (Stanford)

Appointed in June 2013

Lorato joined Anglo American Platinum in 2005 as group manager: people development and was later appointed head of human resources development and transformation. Prior to that, she was a training and development general manager in the post and telecommunications sector. She is a board member of the Mining Qualifications Authority (MQA), the regulating body for all mining-related qualifications. She also serves on the Zenzele board, which champions community development projects on behalf of Anglo American Platinum.

Prakashim Moodliar (53)
Executive head: projects and environment

Qualifications: BSc (chemical engineering), executive development programme

Appointed in March 2019

Prakashim is a project management professional with over 25 years' experience in defence, power-generation and the fast-moving consumer goods manufacturing sectors. Most recently, he worked at ABInBev Africa as the Africa zone projects manager, responsible for leading a large, multidisciplinary team focused on project development and execution in Africa, with a USD650 million portfolio. Prior to that he worked for SABMiller, Eskom and Armscor, where he strategically led and successfully delivered large-scale projects locally and internationally.

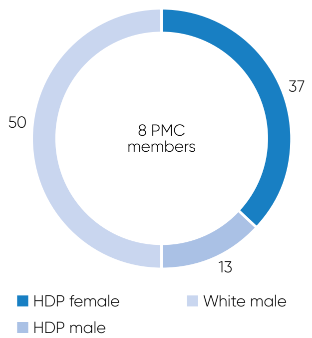
Gary Humphries (55)
Executive head: processing

Qualifications: PrEng, BSc eng (chem), BCom, MBA

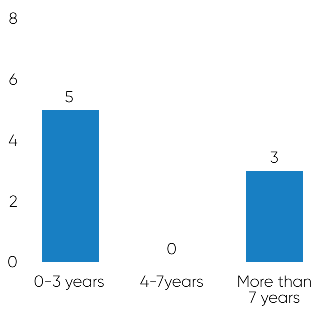
Appointed in January 2017

Gary joined Anglo American Platinum in 2001 as manager: concentrator optimisation. He has held numerous technical and operational roles in the company, most recently head: process control and concentrator technology. Prior to joining Anglo American Platinum, he was a senior consultant at SRI Consulting (Zurich), and worked at Fleming Martin Securities and AECI.

Group PMC demographics
(%)



Group PMC tenure



* *Gordon Smith retired in 2020 as executive head: technical, safety and sustainability.*

Elizna Viljoen (45)
Company secretary

Qualifications: BCom, FCIS

Appointed in May 2013

With over 20 years' experience in the company secretarial field in consulting and in-house positions, Elizna has been exposed to corporate transactions across the industrial, mining, information technology and telecommunications sectors. She joined Anglo Operations Proprietary Limited in 2013 where she is responsible for running the company secretarial teams at Anglo American Platinum and Anglo American South Africa, serving their boards and board committees, and ensuring compliance with JSE Listings Requirements, the Companies Act and governance best practice.

Benny Oeyen (59)
Executive head: market development, PGMs, Anglo American plc

Hilton Ingram (50)
Executive head: marketing, PGMs, Anglo American plc

Leadership changes

After seven years as CEO, Chris Griffith stepped down on 16 April 2020. Natascha Viljoen was appointed as CEO and executive director of Anglo American Platinum from 16 April 2020. Following a review of executive roles and to ensure the next phase of value is unlocked, further changes were implemented. These changes are aligned to our next phase strategy detailed on pages 40 to 44. A new role was created, executive head: asset reliability, safety and health, to shape implementation of the safety, health and asset reliability performance improvement strategy. Riaan Blignaut was appointed to this position. Dean Pelser stepped down in May 2020. Seara Mkhabela, executive head: corporate affairs moved to Anglo American South Africa and was replaced by Yvonne Mfolo. Chris McCleave joined the team in January 2021, taking over from Gordon Smith who retired at the end of the year as executive head: technical and operational excellence.

The role of executive head: projects, held by Prakashim Moodliar, was expanded to include responsibility for energy projects, environmental portfolio, and permitting and licensing.

Anglo American Platinum visit to Hydrogetics in Germiston

In 2020, PMC discussed several key issues in detail.

Key decisions
Managed ACP incidents and recommendation on appropriate actions to the board
The development and implementation of strategies and policies of the company as agreed by the board
Leadership structure at an executive level
Implemented and monitored Covid-19 business continuity
Maintained a company-wide system of internal control to manage all risks
Reviewed and approved corporate actions and transactions within its delegated authority
Monitored performance in the areas of financial, social, human resources, safety, health, environment, operational management and capital allocation
Implemented best management practices and functional standards
Ensured a robust budget process and recommended its approval by the board
Embarked on a leader-led culture evolution committed to creating a purpose-led, value-driven, high performance culture

Amandelbult concentrator

Strategy, PGM markets and business model

In light of the mega trends and uncertainties that will impact our business, our strategy has been formulated to respond to risks and opportunities these trends will bring about. We are focused on four strategic priorities as part of our next phase of value creation for our stakeholders.

Key matters discussed in this section

- Strategic priorities
- PGM markets and developing markets
- Our business model – how we create and reward value

Strategic priorities

Our metals and minerals move the world towards a cleaner, greener and more connected future – a more sustainable future. They are used in smartphones, electric cars, wind turbines, and for cleaning traditional vehicle exhaust and other emissions.

Anglo American Platinum is working to realise this future as an organisation led by its purpose and driven by its values. We are combining integrity, circularity and smart innovation with the utmost consideration for our people, their families, local communities, our customers and the world at large to better connect our precious resources to the people who need and value them.

Today, we are leading the industry forward by finding new ways to source, mine, process, supply and market our products, and discovering new uses for them. Using less water and electricity, and more environmentally conscious energy and more precise technologies, we are reducing our physical footprint for every ounce of metal we produce. We are also fully accountable for extracting maximum value from the mineral resources and our integrated value chain for all our stakeholders. We are transparent in how we conduct our business and are working together to develop better jobs, better businesses and better education for the health and financial wellbeing of our local communities.

Inspired by our purpose to re-imagine mining to improve people's lives.

Building off a solid foundation

Over the past seven years, we successfully delivered our strategy, which was focused on restructuring and repositioning the portfolio, while improving asset performance and investing to facilitate market demand in response to structural changes in the PGM industry. Through improved financial performance and our disciplined approach to capital allocation, we improved the balance-sheet position of our company.

Our strategic priorities were:

- Facilitating development of the market for PGMs to increase demand
- Extracting the full potential from our operations through our people and innovation
- Investing in our core portfolio that delivers industry-leading cash flows and returns.

In 2020, we focused on balancing the competing needs of managing urgent work (effectively addressing business challenges caused by Covid-19, ACP incidents, social unrest and safety) and important work that shapes the future of our business (creating simplicity with well-defined work, defining clear accountabilities, delivering the required culture evolution and re-imagining strategy).

We adapted our strategy-setting process to a more dynamic and agile one that scans for signs of disruption and explores unexpected changes to the strategic environment, to increase the odds of success in a turbulent environment.

This enables us to identify the most pressing strategic issues, and regularly engage with the PMC and board in formulating a response. In addition, we carefully monitor the progress of execution of each strategic initiative to increase the impact. We believe this new way of developing our strategy will make our company and our strategic priorities more adaptable to change, and not only allow us to weather the storms more effectively, but also be more responsive to opportunities to create long-term value for our stakeholders.

Re-imagining strategy

With this strong foundation and a reshaped strategy- development process in place, we have defined our strategic priorities and are now ready to deliver the next phase of value creation – a strategy that is guided by our purpose, driven by our values and will create value for all our stakeholders.

Anglo American Platinum is delivering this next phase in the context of a number of internal and external dynamics including:

Internal dynamics

- Ongoing commitment to safe, stable and reliable production
- Industry-leading mineral endowment and processing, with multiple opportunities to add value
- Investment opportunities and optionality across our integrated value chain, as we finalise moves to enhance our portfolio
- Leading global PGM market development capabilities
- Host communities that remain among the most vulnerable in southern Africa

External dynamics

- Greater climate regulation globally and the energy transition
- The shift in automotive demand for PGMs as part of electrifying the drivetrain
- Increasing traction of the hydrogen economy
- Shifting investor focus on ESG matters
- Fast-changing future of work, driven by technology and digitisation
- Covid-19 and its impact on the health and financial wellbeing of our communities

Our strategic priorities

Based on the internal and external context, we have structured our strategy around four strategic priorities.

To deliver on our strategy and achieve our purpose, we are committed to creating a purpose-led, values-driven, high-performance culture.

Capital allocation

Our funding approach for this strategy will follow our disciplined, balanced capital-allocation, ensuring the sustainability of our business, maintaining balance sheet strength, and returning funds to shareholders.

Business context and strategy

Our strategic priorities seek to ensure that we capture maximum value from our repositioned portfolio and integrated value chain, as well as becoming anti-fragile to thrive in a fast-changing, uncertain world. Firstly, we will stimulate new markets and leverage new capabilities through our market development activities, and capture value by leveraging our marketing and market development capabilities. Secondly, we will embed anti-fragility across our business, with the aim to ensure the successful execution of our strategy and increase our ability to thrive through major disruptions. Thirdly, we will maximise value from our core portfolio of mining and processing assets. This means deploying technology and innovation to drive efficiencies and growth, with targeted investments that define the future of our world-class assets. Finally, we want to build on our areas of excellence to become a leader in ESG in the mining industry. People make it all happen, therefore creating a purpose-led, values-driven, high-performance culture will be the foundation of our strategic delivery.

1 Stimulate new markets and leverage new capabilities

Strategic initiatives:
– Facilitate the development of diversified markets for PGMs
– Participate in value-chain adjacencies

Our approach to market development is to discover, nurture, scale and sustain a sufficiently diverse set of new and existing demand segments. We will continue to support, with others, efforts to create demand for platinum jewellery and accelerate the adoption of PGM-enabled hydrogen technologies. We will also pursue attractive, but largely unproven, potential new demand segments distinct from recognised industrial applications (eg carbon-neutral feedstocks, low-loss computing/ electronics, next-generation battery technology as well as food and medical technology or medtech).

By exploring new opportunities in trading, we aim to capture value from shrinking banker and trader participation in physical and paper market trading for PGMs.

Strategy execution in action

Facilitate the development of diversified markets for PGMs

At the very early stage, we coordinate capital and talent around PGM-centric ideas to support the exploration, validation and creation of businesses through our venture-building and venture-led research programmes.

Examples of this approach include:
– Lion Battery Technologies (PGM use in battery and storage opportunity area) where research is progressing well and it was recently awarded its first patent.
– Our partnership with Alloyed to accelerate the development and adoption of new PGM alloy compositions for use in diverse applications.
– The joint venture launched with Japan's Furuya Metal to develop and commercialise low-temperature PGM-containing catalyst that maintains food freshness and extends the shelf-life of perishable goods.

For more details of how we facilitate the development of diversified markets for PGMs refer to 52.

2 Embed anti-fragility across our business

Strategic initiatives:
- Eliminate fatalities and ensure zero harm
- Embed the Anglo American operating model
- Improve organisation effectiveness
- Build and fast-track innovation and technology through FutureSmart Mining
- Enhance asset integrity and reliability

We look to increase the resilience of our operations and enable value-creation initiatives.

Elimination of fatalities will remain our highest priority across the business. By embedding values and building local response capabilities through training, aligning reward structures and incentives to support safe, responsible production, managing fire risk, and enhancing our risk governance, emergency response preparedness, and response and post-incident medical care, we will create a safe, smart, zero-harm environment.

Our operating model is designed to transform asset performance. Its focus on stable and predictable delivery provides a firm foundation for continuous and sustainable operating improvement to set new industry benchmark levels of performance.

Through technologies and digitalisation, we envisage four concepts for the future of mining: concentrating the mine, the water-less mine, the modern mine, and the intelligent mine. These step-change innovations will transform the nature of mining, how we source, mine, process, move and market our products and how our stakeholders experience our business.

Enhance asset reliability: prioritise this initiative and reduce major operational disruptions by creating a maintenance culture and enhancing design reliability, supported by investment over the next five years and the new asset management approach. This is a fundamental enabler to maximise value from our core.

Strategy execution in action

Build and fast-track innovation and technology through FutureSmart Mining

We are redefining the future of mining through our FutureSmart Mining. Technologies were developed as a response to a number of strategic challenges we are facing as a mining industry – water and energy security, decarbonisation and the safety of tailings dams.

Concentrating the mine – we are reducing our energy, water and capital intensity across our mines. A number of these technologies will be deployed at Mogalakwena, with construction of pilot plants beginning in 2020, for example:
- Coarse-particle rejection which targets throughput increases of 5%, ~8% reduction in energy and 15% reduction in make-up water required
- Bulk-ore sorting targets 5-8% improvement in metal content of feed to the concentrators

Intelligent mine – we are transforming into a truly data-driven organisation. For example, we are building digital twins to generate accurate 'best operational recipes' for our complex processing assets – this application is well advanced at Mogalakwena

Modern mine – we are rolling out innovations to ensure each of our colleagues returns home safely from work, every day, with specific focus areas at Amandelbult on making conventional mining safe.

For further details, refer to our mining and concentrator operations review from page 101.

3 Maximise value from our core

Strategic initiatives:
- Setting new benchmark performance at our operations
- Deliver the future of Mogalakwena for long-term sustainable growth
- Fast-track the modernisation and mechanisation of Amandelbult
- Invest in the development of Der Brochen
- Optimise value chain to capture potential from processing assets
- Grow active market participation

Anglo American Platinum seeks to maximise value from our core portfolio of competitive mining and processing assets, operational excellence, modernisation and deploying technology to ensure we remain resilient through commodity price cycles. Specific initiatives include:
- Set new benchmark performance – P101 is our transformational asset-productivity programme that will build on the stability provided by our operating model.
- Expand Mogalakwena for long-term sustainability and growth. The next phase of Mogalakwena's expansion will increase PGM production by optimising existing facilities to set benchmark performance, deploying technology and increasing concentrating capacity. We will enable this expansion by creating value partnerships with communities.
- Fast-tracking the modernisation and mechanisation of Amandelbult is a critical step to meet our safety ambitions and reposition the asset in the second quartile of the primary producer cost curve.
- After acquiring our partners' interests in Mototolo, we will invest to develop the decline shaft (and associated infrastructure) to access the adjacent Der Brochen orebody.
- Our industry-leading processing footprint includes five concentrators, four smelters, a base metals refinery, a precious metals refinery and ancillary equipment.
- The approach will be supported by new capabilities (eg end-to-end value chain optimisation, new modes of profit maximisation, extracting value of co-products) and employee collaboration across the value chain.
- Develop marketing excellence – the commercial team will build further economic and strategic value by forging closer relationships with customers.

Strategy execution in action

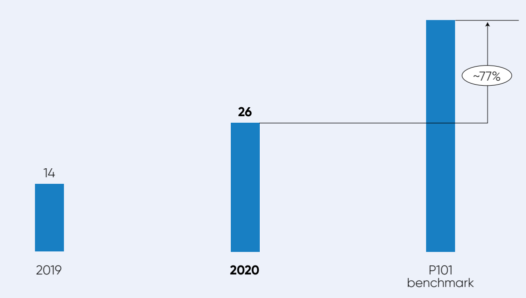
Setting new benchmark performance at our operations

Our P101 initiative aims not only to meet, but to exceed, industry best-in-class performance, and we are already demonstrating results. We have designed detailed initiatives with corresponding targets to set the cutting edge in operational performance.

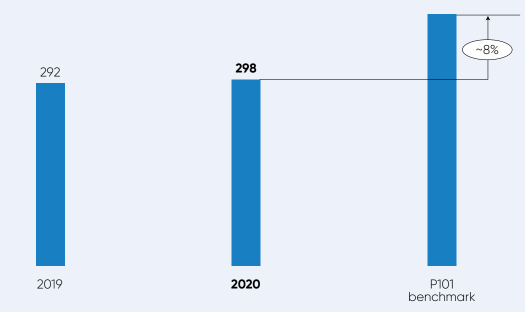
At Mogalakwena, this includes rope-shovel and truck-fleet performance on-mine and improving both throughput and recovery at our concentrators.

Together we expect these improvements to result in a ~5% reduction in rand per tonne milled, and a ~10% improvement in PGM production.

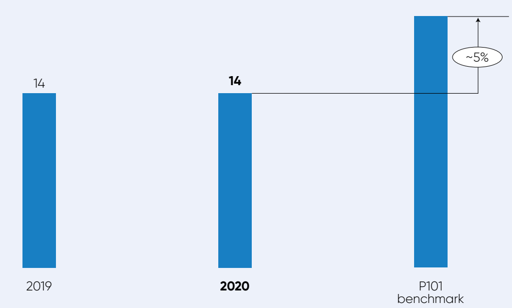
Rope shovel performance
(mtpa annualised)



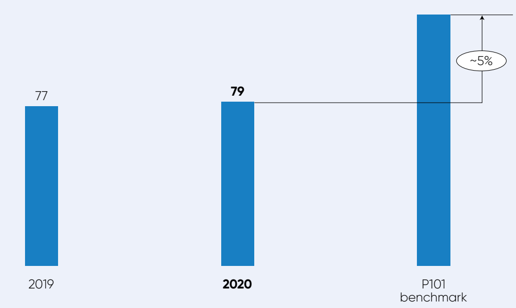
Truck fleet performance (930E payload)
(tonnes per load)



Tonnes milled
(000 tpm)



Concentrator recovery
(%)



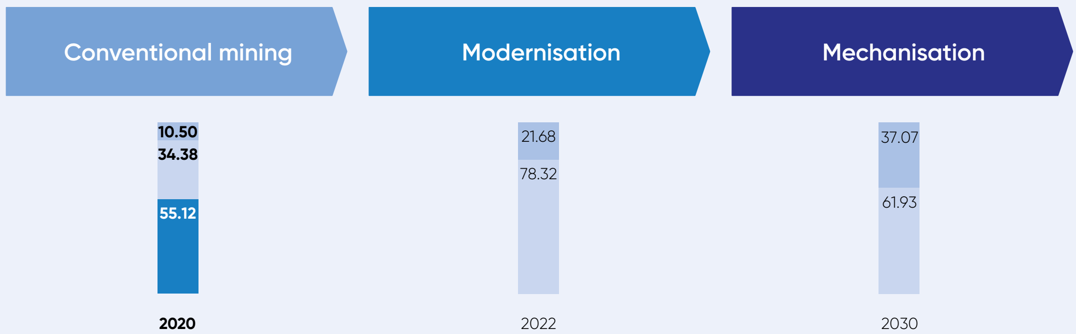
Strategy execution in action

Fast-track modernisation and mechanisation of Amandelbult
The modernisation journey at Amandelbult will see the asset transition from conventional mining methods (airlegs, face winches) to a hybrid mining method. This will be enabled by implementing latest technology. The modernisation and mechanisation will improve productivity and safety, and transition Amandelbult into the first half of the PGM producer cost curve, with conventional methods ramping down and large portions becoming mechanised by investment in projects.

For further details, refer to our mining and concentrator operations review on page 104.

Amandelbult – creating a safer and more productive work environment

Production profile of Amandelbult, % of PGM production



Summary key financial outcomes*

	2025	2030
Mechanised and modernised operations	100%	100%
Cost curve position	100% owned mines in H1	100% owned mines in H1
Mining EBITDA margin	~40%*	~35-45%*
ROCE	~30%*	~25-35%*

* *The financial outcomes is from the strategy as a whole and not just the third priority*

4 Be a leader in ESG

Strategic initiatives:
- Embed ESG at the centre of our strategy
- Co-create sustainable community livelihoods
- Pursue carbon neutrality

We are embedding ESG at the centre of our strategy to become a trusted partner, leading in co-creating thriving communities and ensuring a healthy environment. Our aim is to play a leading role in the mining industry in creating shared value, with particular focus on:
- Sustainable community livelihoods – we will jointly shape sustainable livelihoods for our communities through a shared vision, collaborative local and regional socio-economic development and a focus on what 'meaningful existence' truly means for our communities and stakeholders. We will invest time to understand community goals and ambitions to shape the strategy.
- Carbon neutrality – we want to become a leader in delivering carbon neutrality in the South African mining industry and support the global drive to combat climate change and build a 'green' product value chain. We will invest to reduce energy and increase efficiency in our operations, switching to low-carbon energy sources and developing renewable energy projects to transition our energy mix. Our aim is to improve energy efficiency and reduce greenhouse gas (GHG) emissions, and be carbon-neutral by 2040.

Strategy execution in action

Co-create sustainable community livelihoods
WeCare programme to support through the Covid-19 pandemic. Alchemy (the community equity ownership scheme) funding was settled in 2020 and communities now hold an unencumbered interest in Anglo American Platinum.

For further details, refer to page 123 of our ESG report.

Pursue carbon neutrality
8% emission reduction from energy efficiency since 2016.

At Mogalakwena, we are developing our first large-scale solar photovoltaic facility (75MW). In addition, the proof-of-concept trial on a fuel-cell truck is planned for first motion in 2021. Roll out ~40 trucks from 2024 to entirely replace diesel consumption at Mogalakwena.

For further details, refer to page 42 of our ESG report.

Unki Mine assured by IRMA responsible mining standard

IRMA

In September 2019, our Unki Mine in Zimbabwe was the first mine in the world to publicly commit to an independent audit against the IRMA standard for responsible mining.

What is IRMA?
IRMA is a global system to credibly measure environmental and social responsibility for industrially mine materials. It is a way for leading mines to gain recognition for efforts to protect social and environmental values and to create motivation for mines to strive to achieve best practice. It provides accountability to civil society, the private sector and affected communities.

This standard has been developed over 10 years through public consultation with over 100 individuals and organisations, including mining companies, customers and the ultimate downstream users of mined products, NGOs, labour unions and communities.

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

Unki Mine achieves IRMA 75 certification
Following an independent on-site audit against the IRMA standard, Unki achieved the IRMA 75 level of performance. This means that Unki met a set of core critical requirements and at least 75% of the requirements in each of the four sections of the IRMA standard (business integrity, planning for positive legacies social and environment). This is the second highest possible rating under the IRMA scoring system.

Unki was the first of many group operations to be measured against the IRMA standard, in line with the commitment in our sustainable mining plan to have all our operations assessed against credible responsible mining standards by 2025.

Our roadmap to deliver on our strategy

Today	Fast-track asset stability and capability	Realise our medium-term ambition	Deliver on our strategic goals
	Short term 1 to 2 years	**Medium term** 3 to 5 years	**Long term** 5 years and beyond
1 **Stimulate new markets and leverage new capabilities**	– Explore **opportunities to stimulate new markets** – Drive jewellery and investment demand	– **Develop new market opportunities and capabilities** – Industrial PGM demand driven through venture fund support	– **Invest in new market opportunities and leverage new capabilities**
2 **Embed anti-fragility across our business**	– **Eliminate fatalities** – **Operating model embedded** – **Organisation effectiveness** – co-create culture of accountability and accelerate new ways of working – Deploy FutureSmart technology and innovation – **Asset integrity and reliability** – embed sustainability via systems approach	– Encourage innovative work, drive learning culture to deliver a digital workplace – **Future skills** embedded across the organisation – **Asset integrity renewal** programme complete	– A **values-driven** and inclusive culture, characterised by trust and collaboration, **collective stewardship** of our assets and shared value with our communities – Embed **responsible asset stewardship**
3 **Maximise value from our core portfolio**	– Drive **mining excellence and modernisation** towards benchmark performance, with 100% of PGM production from modernised and mechanised operations – **Pursue process excellence**	– All owned mines positioned in H1 of cost curve – Average EBITDA margin of 40% and ROCE of 30%* – Optimal **expansion** of Mogalakwena – Invest in development of Der Brochen – Clear plan to **improve use of processing assets**	– **Mechanisation** of Amandelbult – Maintain all owned mines in H1 of cost curve – Average EBITDA margin of 35- 45% and ROCE of 25-35%* – **Maximise value from processing assets**
4 **Be a leader in ESG**	– Detailed design to **embed ESG** in all areas – Progress **social compact** development with communities – **Ethical mining standards** independently verified (IRMA) **6% reduction in CO_2 emissions with clear path to carbon neutrality** by 2040 – Responsible mining certification by 2025	– **ESG metrics** embedded across our business and central to decisions – **Pilot programmes** for new economic development in our communities – Implement **energy-efficiency initiatives** – All assets assessed against responsible mining standards	– Recognised beyond mining industry as a **leading sustainability-driven organisation** – Thriving communities with **sustainable livelihoods** and low dependence on our mines – **Over 30% reduction by 2030** in carbon emissions, and **carbon neutrality by 2040** – **Support the creation of five jobs offsite for every job onsite**

* *At 2021 analyst average long-term prices*

How we enhance value – delivering on our strategy

How we reward success

The key results areas below for the CEO and prescribed officers translate into measurable key performance indicators or KPIs that determine the variable component in their remuneration (see remuneration report from page 137). Even though the pandemic affected these KRA targets, no adjustments were made to KRA outcomes for the impact on production and sales.

✓ Fully achieved ~ Partially achieved ✗ Not achieved

Capital	KPI	Outcome	2020	2019	2018
Safety, health and environment					
Human	Fatalities	✗	1	0	2
	TRCFR	✓	2.4	2.5	3.0
	Elimination of fatalities				
	– safety organisation review	✓	100%	–	–
	– site verification audits	~	93%	–	–
	– business units: high-altitude[1] and contractor transport	~	84%	–	–
Natural	Achieve GHG intensity improvement targets	✗	11%	–	–
	Achieve energy intensity improvement targets	✓	13%	–	–
Business units: financial					
Financial	EBITDA (Rm)[2]	✗	41,583	29,950	14,503
	Sustaining operating free cash flow (Rm)[2]	✗	22,502	25,016	11,608
	Return on capital employed	✓	72%	58%	23%
Business units: operational					
Manufactured	Saleable production (PGM oz[3])	✗	2,713	4,650	4,777
	Cash operating costs per PGM oz	✗	11,739	10,247	9,536
	Mine compliance to plan	✓	84%	79%	84%
Critical tasks					
Human	Elimination of fatalities Process safety: strategy, training material and change-management process developed by Q3 ahead of implementation in Q4	✓	100%	–	–
Manufactured	Organisational effectiveness Simplify systems and process: pathways to P101 structures[4], top management, operational and support function blueprint designed by Q3	~	50%	–	–
Intellectual	Innovation – Progress implementation of FutureSmart Mining technology at operations – Amandelbult modernisation and mechanisation: accelerate execution schedule to most value-accretive option – Asset management framework[6] maturity engagement measured across all assets by Q4	~	50%	–	–

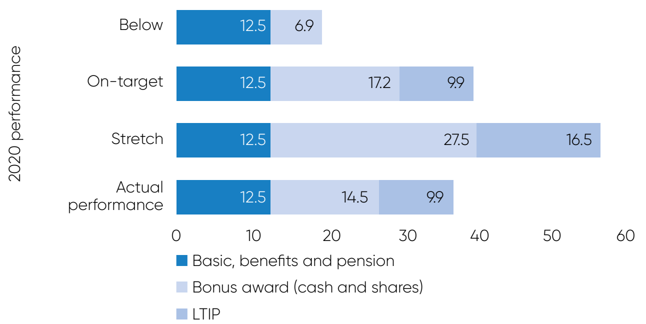
✓ Fully achieved ~ Partially achieved ✗ Not achieved

Capital	KPI	Outcome	2020	2019	2018
Manufactured Financial	Growth Finalise an integrated value chain model to be used for portfolio and value optimisation	~	0%	–	–
All	Sustainable mining plan (5-year plans) Finalise for every site Finalise energy and water strategy	✓	100%	–	–
Manufactured	Anglo American operating model[7] Complete baseline assessment, allocate resources and develop plan for asset implementation in 2021	✓	100%	–	–

Blue blocks not specifically measured in those years

1 *High altitude refers to any travelling at altitudes, including buses or cars.*
2 *Targets are adjusted for metal price and exchange rate movements.*
3 *PGMs include platinum, palladium, rhodium, iridium, ruthenium and gold.*
4 *P101 is the project to exceed current benchmark results.*
5 *Future of Mogalakwena: projects being considered to further improve performance. The bulk-ore sorting and coarse particle rejection projects aim to ensure optimum ore is treated and further refined, reducing costs.*
6 *Asset management framework is being implemented to ensure all our assets are being run optimally to achieve the lowest cost with the highest reliability.*
7 *Anglo operating model is a new way of working being implemented across all sites. This will ensure all resources are used efficiently. Assists in setting targets, developing robust and detailed strategies and plans, and to manage workflows and continuously monitor outcomes for constructive feedback to teams.*

CEO*
(Rm)



* *The STI outcome graph reflects the CEO's actual performance, which was annualised and the outcomes were compared with the 2020 performance targets.*

The CEO's actual 2020 performance outcomes compared with targets, pro-rated for months of service.

Our markets

All three major PGMs (platinum, palladium and rhodium) were in deficit in 2020, as the pandemic had a significant impact on demand and supply. Longer term, supply and demand fundamentals for PGMs remain. Rising demand from some existing applications and new demand from those being developed, as well as measures to develop the PGM market, will support sustainable demand and foster growth.

Supply and demand in 2020

	Platinum		Palladium		Rhodium	
Supply (000 oz)	**2020**	2019	**2020**	2019	**2020**	2019
South Africa	**3,200**	4,400	**1,940**	2,630	**450**	620
Zimbabwe	**490**	450	**390**	380	**40**	40
Russia	**660**	720	**2,730**	2,990	**60**	70
North America	**340**	350	**930**	990	**20**	20
Other	**200**	160	**180**	140	**10**	10
Total primary supply	**4,890**	6,080	**6,170**	7,120	**580**	760
Autocatalyst recycling	**1,160**	1,390	**2,690**	2,920	**340**	360
Jewellery recycling	**440**	650	**10**	10		
Secondary supply	**1,600**	2,040	**2,700**	2,930	**340**	360
Gross supply	**6,490**	8,120	**8,870**	10,050	**920**	1,120
Demand (000 oz)						
Autocatalyst: gross	**2,220**	2,860	**8,500**	9,670	**920**	1,020
Jewellery: gross	**1,580**	2,060	**90**	130	**10**	20
Industrial: net	**2,180**	2,370	**1,080**	1,270	**80**	130
Investment	**900**	1,130	**(190)**	(90)	**(10)**	(10)
Gross demand	**6,880**	8,420	**9,480**	10,940	**1,000**	1,160
(Deficit)/surplus	**(390)**	(300)	**(610)**	(890)	**(80)**	(40)

* *Source: Johnson Matthey.*

Pt Primary supply -20%
Demand -18%

Pd Primary supply -12%
Demand -13%

Rh Primary supply -23%
Demand -13%

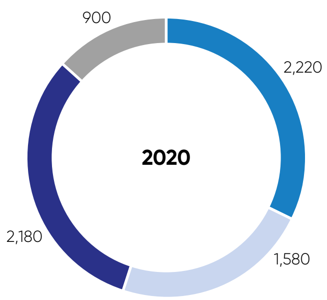
PGM supply and demand fundamentals

Platinum averaged USD885/oz, 2% higher than 2019, on a second consecutive annual deficit. The pandemic's sizeable impact on end-user demand, especially automotive, was offset by lower primary supply due to lockdowns and the repair of ACP. Investors continued to buy platinum in large volumes, built on positive sentiment for future demand.

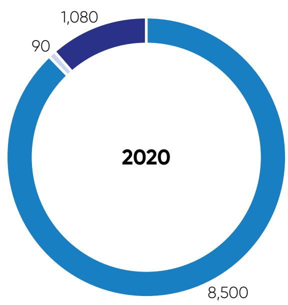
Palladium set a new price high early in 2020 and averaged a record USD2,197 over the year, 43% higher than 2019. Automotive demand fell as Covid-19 affected global light-vehicle production, but a strong second-half recovery and higher loadings cushioned the blow. Primary supply held up better than other PGMs, but still fell 12%.

Rhodium broke all records in 2020, with a high of over USD17,000/oz on the last trading day of the year and averaging a record USD11,220/oz. A combination of lower mine production and relatively robust demand delivered a record fundamental deficit.

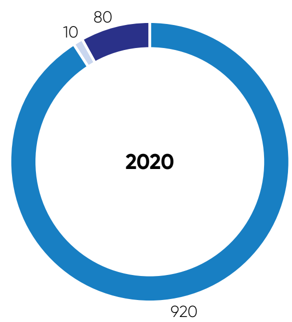
Platinum demand by segment
(koz)



Palladium demand by segment
(koz)



Rhodium demand by segment
(koz)



Autocatalyst Jewellery Industrial Investment

* Source: Johnson Matthey.

PGM prices were strong in 2020. In USD terms, the achieved basket price was up 51% year on year to USD2,035 per PGM ounce (2019: USD1,347), helped particularly by a strong rhodium price. The rand depreciated during the year, leading to a stronger rand basket increasing 71% to R33,320 per PGM ounce (2019: R19,534). Individually, all three main PGMs averaged more in 2020 than 2019.

Autocatalyst Gross automotive PGM demand was hard hit by a 14% slump in light-vehicle sales caused by the pandemic. Tighter emissions legislation for gasoline vehicles meant that palladium and rhodium automotive demand only fell by 12% and 10% respectively, but platinum was down 21% as diesel continued to lose share in the light-duty segment. The damage was done in the first half of the year, when light-vehicle sales fell 28%; a 'V-shaped' recovery led by China saw light-vehicle sales down just 1% year on year in the second half. New-car sales, especially in Europe, were increasingly 'electrified', although most of these were PGM-containing hybrids, and we expect PGM-catalysed vehicles to dominate light-duty vehicle sales over the next decade.

Jewellery Gross global jewellery demand for platinum fell 23% in 2020 to 1.6 million ounces. This was led by a sharp fall in China, the largest consumer, as Covid-19 restrictions meant jewellers were closed around Chinese New Year and Valentine's Day, two major seasonal demand peaks. A recovery in the retail sector from the second quarter, and some restocking as jewellers switched away from expensive gold, helped limit the damage.

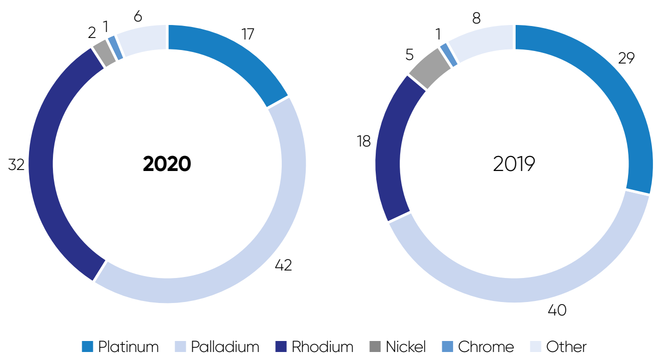
Industrial Industrial PGM demand fared better in 2020, with 3E demand (net of recycling) falling a relatively modest 11% year on year, despite the pandemic. Demand was supported by the swift recovery of industrial sectors and diverse range of applications.

Investment Platinum was again in favour with investors in 2020. Net investment demand was nearly 1.0 million ounces, with significant physical purchases of bars and net exchange-traded fund inflows. Palladium ETFs saw small outflows.

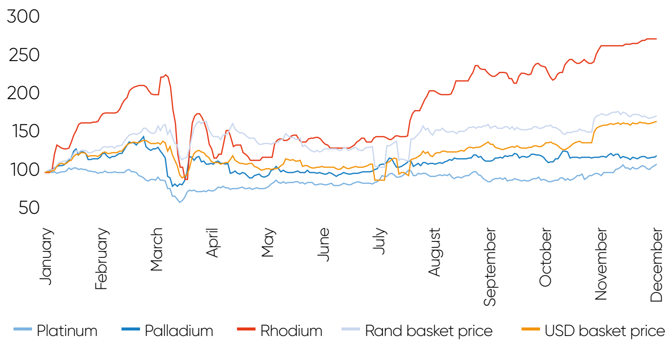
Outlook

The fundamental outlook for PGMs is supported by a strong and broad pipeline of demand over the short and long term.

Revenue per metal
(%)



Metal price movement
(1 January 2020 to 31 December 2020)



Stronger basket price as prices gain across the board

USD rhodium price increase
187% (market prices year on year)

USD basket price increase
51% (achieved prices year on year)

Rand basket price increase
71% (achieved prices year on year)

Market outlook

Supply and demand for PGMs are both forecast to rise in 2021 compared to 2020. Both have already improved significantly since the first half of 2020, mainly owing to the world learning to live with Covid-19 and the roll out of effective vaccines now suggests further upside. Longer term, our markets will see continued change. The hydrogen economy has gathered momentum in recent years and real opportunities for PGM demand growth are increasingly evident.

Supply and demand in 2021 and beyond

Supply

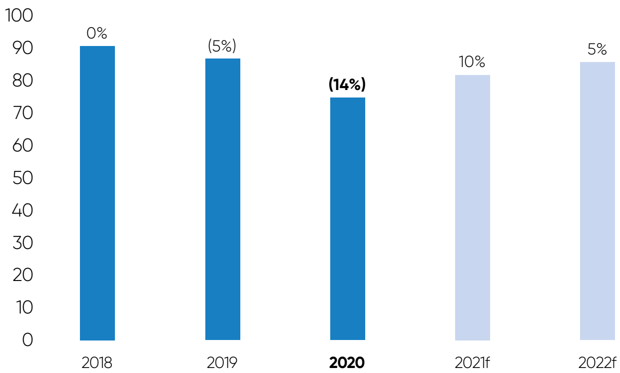
PGM supply is likely to increase more substantially for platinum and rhodium than palladium in 2021. In 2020, platinum and rhodium mine output was hit much harder than palladium by the pandemic, in light of the former two metals' greater exposure to deep-level mining in South Africa. However, Covid-19 protocols are in place at South African operations, and production is likely to be less affected unless there is government intervention or subsequent outbreaks of the pandemic. The partial release of Anglo American Platinum's work-in-progress inventories, taking supply above normal levels, will also proportionally increase supply, more so for platinum and rhodium. Russian supply of PGMs will be lower. The duration of Norilsk Nickel's temporary suspension of two mines in February 2021 – due to flooding – is at present undetermined. However, given these mines' importance to global palladium supply, this will have a material impact on that metal.

Recycled autocatalyst supply will also increase in 2021 as more new cars are bought and old cars scrapped. Further out, the projected increases in platinum autocatalyst recycling for many years are coming to an end as the platinum-rich cars of the early 2000s are now mostly scrapped.

Demand

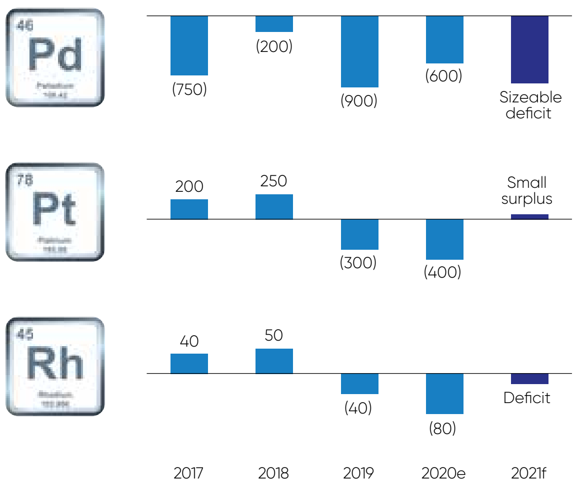
All three major PGMs should also see solid demand growth in 2021. We expect light-vehicle sales to rise 10%, and light-vehicle production 15%, as inventories are rebuilt. Light-vehicle PGM loadings should be steady at their current high level after recent years' strong increases, although we anticipate some modest substitution of platinum in place of palladium in gasoline catalysts. Heavy-duty vehicle production is forecast to decline 1%, but will increase significantly in Europe and the USA, where most PGM demand arises. Heavy-duty vehicle PGM loadings will rise, thanks to stricter Chinese emission standards. Platinum should also be helped by higher gross jewellery and industrial demand, with more potential for a bounce in the former sector than the latter.

Global light vehicle sales, million units and percentage change year on year



In terms of market balance, platinum is forecast to be in a small surplus in 2021. The release of some of the build-up in our work-in-progress inventory and recovery in mine production are likely to exceed an expected improvement in autocatalyst, industrial and jewellery demand. This depends, however, on whether any strict lockdowns are implemented by new waves of Covid-19 infections. Investment demand will make up a lot of the gap, but would have to be greater than in 2020 to bring the market into balance. Palladium in 2021 is likely to be in a large deficit, as relatively flat supply (with lower Russian mine supply of PGMs (particularly palladium) offset by higher recycled supply) is offset by higher automotive demand. Rhodium will be in a smaller deficit, as supply, both from mines and recycling, grows over the 2020 level, offsetting stronger automotive demand.

PGM balances, historical and forecast, 000 ounces



Source: Johnson Matthey

Key potential changes

Three additional factors in 2021 and beyond could have a large impact on our markets:

- Substitution of palladium by platinum in gasoline automotive catalysts: as noted, we anticipate this beginning in 2021, but expect volumes to rise gradually in the next few years.
- PGM investment demand: for platinum, this has long been a core feature of the market and we expect continued sizeable demand. There is further upside potential, given platinum's improving future fundamentals, eg in the hydrogen economy. For palladium and rhodium, recent years have seen sizeable disinvestment, but investment stocks are now low and only modest disinvestment is forecast in coming years.
- Developments in vehicle powertrains: rising use of batteries in vehicles poses a long-term challenge to demand for palladium in particular, although there are opportunities for additional significant PGM demand. Increasing interest in hydrogen and fuel cells presents a significant opportunity for a new demand segment to develop over the same period.

Case study: PGMs and the hydrogen economy

Over the longer term, there is considerable demand potential for PGMs from the 'hydrogen economy', the catch-all term for more widespread use of hydrogen across various sectors.

In 2020, this trend gained considerable momentum. Governments increasingly see hydrogen as crucial to their net zero carbon targets. As example, nine countries, plus the European Union, announced hydrogen strategies last year. Corporates too are also increasingly involved, with the Hydrogen Council reaching 109 members, from 59 in 2019, demonstrating the positive growth outlook for this sector.

Fuel cell technology

Electric vehicle containing fuel cell technology

Fuel cells convert hydrogen to electricity. This electricity is generated via an electrochemical reaction, rather than combustion. In a fuel cell, hydrogen and oxygen are combined to generate electricity, heat and water, using platinum as a catalyst. There are similarities and differences between fuel cells and batteries which mean they should each be well-suited to different applications. For instance, the simplicity of a battery and lack of moving parts may make it well-suited to powering smaller vehicles while the high energy density of hydrogen and the fuel cell itself would make this technology more appropriate for large vehicles.

More generally, hydrogen fuel cells have the potential to be used in a wide range of applications. Fuel cell technology is already in use in the real world and is being developed for many more sectors – these include stationary, mobile, portable and back-up applications, from providing power to homes and businesses, to recharging consumer electronics, to moving a variety of vehicles including warehouse forklift fleets, buses, trucks, cars and more.

In South Africa, platinum fuel cells have successfully been used to provide power in rural areas, for instance to power cell towers and schools. They have also been used to provide power for short-term requirements, eg the field hospital at 1 Military Hospital in Pretoria during the pandemic.

Electrification of the drivetrain

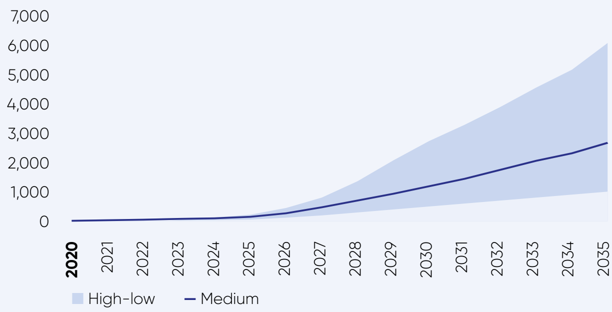
The most important use of fuel cells for PGM demand is likely to be in transport. Electrification is one of the key future trends in the transportation sector. This can happen via two main routes: through the use of batteries, which currently do not use PGMs, alongside an internal combustion engine in hybrid vehicles or alone on battery electric vehicles (BEVs); and through the use of a hydrogen fuel cell, which uses platinum, alongside a small battery on fuel cell electric vehicles (FCEVs). We view FCEV technology as complementary to BEV technology. BEVs are best suited to shorter urban-driving applications, while FCEVs are better suited for heavy vehicles, or light vehicles driving long distances, due to the lighter powertrain and greater range they can travel before needing to refuel. Other advantages of fuel cell technology include better functioning at cold temperatures than batteries, and the performance of the fuel cell remains consistent over the life of the vehicle.

Platinum demand from the automotive fuel cell sector is currently small, but is expected to grow rapidly over the coming decade. By the mid-2030s, if 10% of light-duty vehicles sold per year are FCEV, this would translate to potential annual platinum demand of 3.4 million ounces. Given the higher energy density of a hydrogen fuel cell compared to a battery, we project wider use of this technology in larger vehicles. If half of all heavy-duty trucks sold were FCEVs, this could generate another 2 million ounces of platinum demand per year on the same timescale.

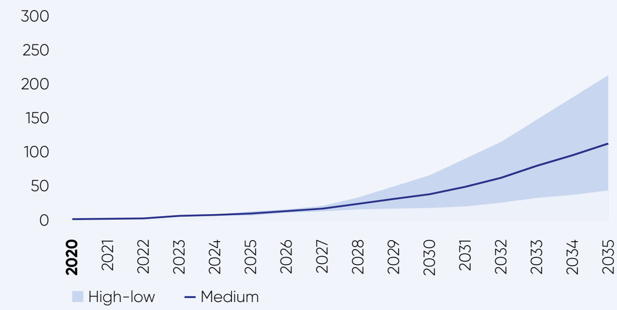
Hydrogen production

PGMs also play a role in producing 'green' hydrogen, which will be used to power fuel cells, and will play a role in wider multisector decarbonisation. Hydrogen is a versatile, efficient energy carrier which, when produced by cost-competitive renewable energy, is 100% carbon-free. At present, less than 1% of hydrogen produced is actually 'green', meaning there is considerable growth potential. The preferred way to produce green hydrogen is via PEM electrolysis, which relies on an iridium and platinum-based catalyst. PEM technology has a higher power density, higher capacity and quicker start-up times than other electrolysis methods. If 5GW of PEM electrolysers are installed per year, a reasonable target by the end of this decade, this could generate an annual PGM demand of 40,000 ounces. It would also drive significantly more PGM demand through the uptake of fuel cell technology.

Automotive fuel cell PGM demand
(000 ounces)



PEM electrolysis PGM demand
(000 ounces)



Facilitating the development of diversified markets for PGMs

Growing the market for PGMs is a strategic priority for Anglo American Platinum. Our approach continues to evolve as we work to enable sustainable, diversified and innovation-led demand growth. By developing and encouraging new end-user applications and working alongside pioneering partners worldwide, our approach provides a framework to rapidly shape and kick-start the new ventures, organisations, associations and networks needed to facilitate both near and long-term PGM demand.

Today, we have a holistic ecosystem of programmes nurturing PGM opportunities – from the spark of an idea showing potential, through commercialisation to engineering and sustaining scale.

Nurturing ideas

Our early-stage development programme includes venture-led research and venture building. The process aims to co-create ventures through strategic external collaboration, allowing us to regularly discover and cultivate promising PGM demand opportunities by connecting opportunities with talent and capital, and then progress proven, commercially feasible propositions ready for additional investment and scaling. Examples of this work include:

Creating next-generation PGM-enabled battery technologies

Anglo American Platinum and Canada-based PGM company, Platinum Group Metals (PTM), created Lion Battery Technologies to jointly fund a research group at Florida International University developing next-generation li-air and li-sulfur battery technology that uses platinum and palladium. Li-sulfur and li-air chemistries have power densities far superior to today's best-in-class technologies. But, to date, neither have achieved the cycle life needed to make a commercial product. Adding PGMs to the chemistries aims to address this issue. The research is progressing well, and the venture was recently awarded its first patent.

Mitigating pollution from industrial waste-gas streams

We have partnered with East China University of Science and Technology to launch Yibai Environmental Protection Technologies. Yibai is developing a platinum photocatalyst to reduce pollution from industrial waste-gas streams. The technology is well placed to meet growing demand from local industry seeking solutions to ensure compliance with increasingly stringent emissions legislation.

Commercialising concepts

Shaping new demand opportunities and scaling new business models and technology ventures requires a robust and comprehensive continuum of capital. We continue to invest directly in select opportunities with PGMs at their core and remain a cornerstone investor in AP Ventures LLP, which we launched in 2018.

Accelerating the development and adoption of new PGM alloys

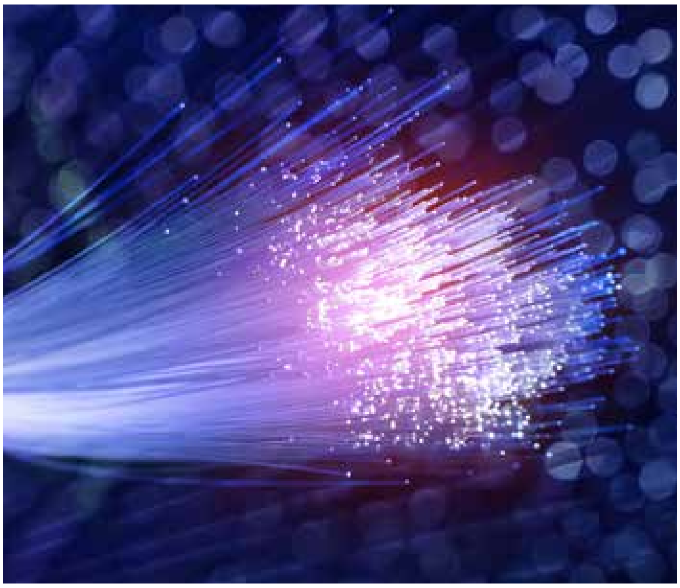
We continue to grow our partnership with Alloyed (formerly OxMet Technologies) to accelerate the development and adoption of new PGM alloy compositions for use in diverse applications. Today, alloy development follows a largely trial-and-error approach and the most commonly available PGM alloys are mainly composed of only two metals (eg platinum/rhodium or platinum/copper) compared to sophisticated alloy systems of several metals. The PGM computational platform developed under the programme is now able to predict the performance of thousands of PGM alloy formulations simultaneously, accelerating the discovery of new alloy compositions that use PGMs to address specific market needs.

PGMs to minimise food waste and loss

Together with Japan's Furuya Metal Co Ltd, we launched a joint venture aimed at developing and commercialising a low-temperature, PGM-containing catalyst that maintains food freshness and extends the shelf-life of perishable goods. Applications include direct use in household refrigerators, food retail stores as well as in food transport and logistics.

AP Ventures

In 2020, two new strategic partners invested in AP Ventures, joining Anglo American Platinum and the other four existing limited partners. These investments, from major global organisations,



Glass fibre

Platinum ingot

continue to validate our market-development approach and secure AP Ventures' position as the premier hydrogen and fuel cell-focused venture capital fund globally.

Highlights of 2020 for AP Ventures include:

- Concluded a transaction with Plug Power Inc to successfully exit its position in United Hydrogen Group (UHG). Since the initial investment, AP Ventures has facilitated synergies between UHG and Hydrogenious LOHC Technologies to deliver hydrogen to a Fortune-500 customer using Hydrogenious' technology in the US.
- AP Ventures led an investment round of over NOK130, (some USD13 million) in zero-emission H_2 producer, ZEG Power. The company integrates carbon capture with proprietary technology to produce high-purity hydrogen and CO_2 ready for use or storage. ZEG Power plans to upscale and commercialise its technology and will begin production of low-carbon, low-cost H_2 as early as 2022 to supply Norwegian maritime and industrial sectors
- Investment in Insplorion AB, a company that has developed nanoplasmonic sensing technology (known as NPS) to enable precise, robust and selective measurements for a wider range of applications, including air quality, HVAC (heating, ventilation, air-conditioning) systems, H_2 equipment, battery development and more
- Agreed investment terms with Hazer Group, an ASX-listed company. The Hazer process is a low-emission hydrogen and graphite production process to effectively convert natural gas and similar methane feedstocks into hydrogen and high-quality graphite, using iron ore as a process catalyst
- Led the €5 million equity investment round for HPNow, a leader in on-site, autonomous, clean hydrogen peroxide-generation technology solutions. The funds will be used to scale up and expand the market for the company's technology.

Engineering growth

Anglo American Platinum actively enables and scales the adoption of existing technologies and products. Our strategic partners offer a global footprint and network to amplify knowledge and increase end-user affinity for platinum. Heavy-duty fuel cell applications, platinum jewellery and platinum investment are all areas where we anticipate continued growth potential. By positioning the unique properties of platinum as the product of choice, the team has helped increase awareness and stimulate demand.

Spearheading the creation of hydrogen freight corridors

Heavy-duty, high-use applications – such as heavy-duty trucks and buses – are perfect use cases for hydrogen and fuel cells, and can be competitive to existing alternatives under the right conditions. We have helped create consortiums of strategic industry partners to promote the development of hydrogen freight corridors in key geographies such as South Africa and the United Kingdom. These initiatives are designed to accelerate the uptake of heavy-duty fuel cell vehicles by aggregating end-user demand and then aligning development of requisite hydrogen-refuelling infrastructure.

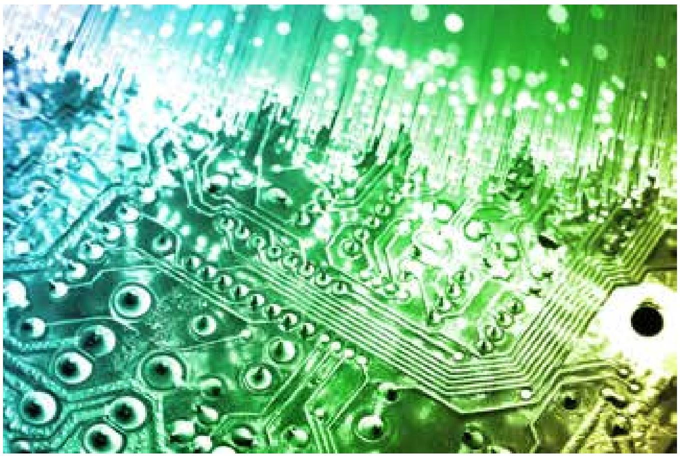
Jewellery market development

We develop the market for jewellery both directly and through our partners, Platinum Guild International (PGI). Initiatives in China, Japan and US markets are co-funded with a select group of other primary PGM producers in South Africa. Jewellery market development in India is funded exclusively by Anglo American Platinum. A summary of our activities, by market, is provided below.

South Africa

Anglo American Platinum aims to integrate demand stimulation with developing skills and building capacity in South Africa. This year, the 21st annual PlatAfrica jewellery design and manufacturing awards partnered with African Fashion International (AFI), in addition to our

PlatAfrica 2020 jewellery design and manufacturing – finalists



Semi-conductors

Battery storage

longstanding partnerships with PGI India and Metal Concentrators, to achieve a number of firsts:
- The first men's platinum jewellery collection, inspired by PGI India brand Men of Platinum
- The inaugural inclusion of PlatAfrica in AFI Joburg Fashion Week
- The first digital production of the PlatAfrica awards showcase available online in response to the Covid-19 pandemic
- The launch of online stores for the full 2020 collection through our strategic partners, AFI and Metal Concentrators.

China
Platinum jewellery sales in the country have recorded a strong recovery, thanks largely to the effective control of the Covid-19 pandemic from the second quarter. PGI also supported market recovery by supporting the industry, including: providing technological innovations and design direction to manufacturers; omnichannel marketing and sales assistance to retailers; and collaborating with leading retailers to launch new collections during key shopping occasions.

Highlights from the Chinese jewellery market include:
- PGI's flagship brand *Platinum Moment* is now available in over 1,000 stores and provides a platform to showcase the latest in design and technology. The platinum brand positioning has been updated to reflect the aspirations of millennial consumers
- Together with the world's largest jewellery retailer, Chow Tai Fook, launched Frozen 2 in partnership with Disney and new designs under the *Angel of Peace* and *G&W* brands, targeting the non-bridal segment. The collections in platinum are available at over 3,000 stores as well as online channels
- Lukfook Jewellery, another major Hong Kong retailer in mainland China, launched innovative platinum collections for men and for women
- PGI launched an integrated programme that provides incentives for participating retailers to swap old merchandise for new, and ensure sell-through to consumers via omnichannel promotional events
- PGI held roadshows across four provinces in 2020, adding over 500 new items to the participating stores.

PGI also continues to research and develop alloys and technologies to improve platinum's cost competitiveness and suitability for gem-set jewellery. This includes hard platinum, heat-treatable alloys and electroforming that allows for refined contours in designs, enhanced polish, shape retention and higher scratch resistance, as well as incorporating colour with enamel.

India
In a market severely disrupted by an extended lockdown in 2020, PGI aimed to maintain platinum's relevance among consumers. To kick-start India's recovery in October, PGI launched *Season of Hope* in partnership with Oxfam India, to drive consumers into stores stocked with new designs at more affordable prices. This programme donated a relief package to 4,500 families of migrant workers (some 22,500 individuals), who depend on the jewellery industry for a living and whose lives have been severely disrupted.

Men of Platinum was introduced in 2019 to create a leading presence for platinum in the burgeoning men's category while providing a higher ounce opportunity to complement women's jewellery. The range is now available in over 450 stores. PGI's initiatives to encourage retailers to display platinum jewellery pieces alongside gold options in the high-traffic sections of stores has been well embraced by retailers.

Japan
PGI sustained the business throughout a disrupted year with various initiatives, including a focus on investment jewellery and the metal-only *Hello Me, Platinum* collection, launched in 2019, expanded to over 75 stores. PGI also launched *Platinum Woman* to reposition the metal to younger consumers by encouraging women

to be true to themselves and find their own expression of life through jewellery that can be worn anytime, anyhow and anywhere. This campaign marks the first time Japan's most-prestigious competing retailers have agreed to come together on a shared sales platform and will accelerate the penetration of platinum in the rapidly growing online channel.

USA

Platinum jewellery sales improved from the third quarter when business resumed, driven by strong growth in platinum's core market of higher-ticket bridal and diamond jewellery. PGI also recorded a significant increase in requests for support from retailers seeking to capitalise on the more accessible platinum price and PGI's Platinum Crown programme – which encourages consumers to trade up to a platinum head through a retail incentive programme, regardless of the metal used for the ring shank.

Other highlights for 2020 include:

- Collaboration with De Beers' Forevermark to co-launch a platinum-exclusive bridal collection with PGI's platinum ambassador and Hollywood stylist, Micaela Erlanger
- America's leading gem-set brand, Le Vian, named platinum 2021 metal of the year, and expanded a successful launch collection to over 200 stores at Jared (a flagship division of Signet Jewellers), with plans to expand to other national chain retailers in the coming year.

Investment demand

Investment demand-creation activities are undertaken by the industry-funded World Platinum Investment Council (WPIC). In 2020, WPIC gained further momentum, expanding to 18 active, ounce-producing product partnerships by year end across North America, Europe, China and Japan, and growing research insight distribution to investors globally. In addition, Sedibelo Platinum joined as a new member and funder of WPIC from the third quarter.

Highlights of 2020 include:

- WPIC product partnerships performed well beyond initial expectations, supporting the strong retail bar and coin growth recorded globally. Platinum exchange-traded fund assets under management expanded further, principally from institutional investors, with increased traction in WPIC's institutional investor development programme
- Media coverage of WPIC's established research publications, including the frequent 60 Seconds in Platinum series and Platinum Quarterly (which reached its 25th edition), continued to grow. In addition, WPIC expanded its social media channels, amplifying investor distribution considerably in English, Chinese and particularly in Japanese. Future demand-growth potential from platinum's enabling role in the hydrogen economy was of growing interest to investors
- Over 400 people attended the WPIC's second annual summit in China in December, hosted with Anglo American Platinum, and focused on PGM innovation and development. Government, financial institutions and industrial companies were well represented, and proceedings were also live-streamed, with over 150,000 online views of the main forum.

Communicating and advocating

Our proactive programme of topical communication and advocacy with key audiences and stakeholders helps us create new opportunities and forge meaningful relationships. As such, effectively engaging key audiences underpins all strands of our market-development activity.

Our global advocacy activities continue to make an impact in creating conducive policy environments for hydrogen and fuel cell technologies in the major early-adopter markets of China, the EU, UK and US. This work involves actively participating in several industry associations, including the global Hydrogen Council (with Anglo American CEO, Mark Cutifani, appointed to its board during the year).

Finally, we continue to participate as a key sponsor of China's largest hydrogen fuel cell vehicle technology showcase and conference, the International Hydrogen Fuel Cell Vehicle Congress and Fuel Cell Vehicle Itinerant Exhibition and Roadshow. The five-day event comprises a plenary meeting, forums, technical seminars and a technology exhibition as well as the fuel cell electric vehicle roadshow. The event, co-organised by the International Hydrogen Fuel Cell Association (IHFCA), of which Anglo American is a founding member, brings together delegates from across the associated value chain, government policy-makers and academia to support development of the hydrogen and fuel cell industry in China.

Winner in student category Malefa Phoofolo – Tinsel brooch

How we create value

Through our capitals, we deliver significant value from our large PGM resource base.

We unlock value by accessing our principal natural capital of mineral resources. Leveraging our social capital (the social licence to operate granted by our host communities), we are able to extract this resource to create value, using our human, manufactured, intellectual and financial capitals. Finally, by reinvesting the value (inherent and generated) from these capitals into the financial capital on which our business depends, we maintain our capacity to create sustainable, shared value for all stakeholders.

Key factors affecting our ability to deliver shared value

Within our control
- High-quality ore reserve and mineral resource base mined efficiently
- Industry-leading smelting and refining operations
- Stakeholder relationships and collaboration
- Product quality and mix
- Sales contracts and customer relations
- Operational efficiency and improvements
- Cost and capital allocation
- Low capex high return projects

Beyond our control
- Pandemic-related restrictions and impacts
- Exchange-rate volatility
- Commodity price movements
- Macro-economic impacts and political influences
- Mining charter and other regulations
- Geological faults and other structures
- Secure energy supply

Capital inputs

Financial
- Available committed facilities of R20.9 billion
- Committed undrawn facilities of R20.7 billion
- Net cash R18.7 billion
- Trade working capital of R10.6 billion

Manufactured
- Technical capability
- Ore reserves
- Sales and marketing
- Mining rights
- Capital investment
- Technology advancements
- Processing assets – seven concentrators, four smelting complexes, one base metals refinery, one precious metals refinery

Intellectual
- Intellectual property applied to new mining equipment
- Intellectual property and technological advantages in processing
- Elimination-of-fatalities taskforce to create safer work environments
- Company culture
- Brand and reputation

Human
- Workforce of 25,796
- Diversity and inclusive policy
- Strong leadership team
- Reskilling workforce for modern mining environment
- Culture of care and respect
- Diverse and skilled board

Social and relationship
- Respecting human rights of all stakeholders
- Maintaining social licence to operate
- Extensive engagement with trade unions to ensure good labour relations
- Constructive engagement with government and regulators
- Local procurement
- Collaborative partnerships
- Increased engagement with communities to build relations
- Engaging with mining industry through Minerals Council

Natural
- Largest precious metal resource base globally
- Water
- Energy
- Biodiversity
- Clean air

Key enablers that help us drive value creation

- Achieving safe production by creating a resilient safety culture
- A healthy and productive workforce by effectively managing hygiene and occupational health risk exposures
- Effectively managing resources, with reduced environmental impact
- Progress leadership, culture and skills development for an engaged, collaborative and team-based workforce
- Socio-economic development to create economically diverse and sustainable communities, and become a trusted corporate citizen via our sustainable mining plan (page 120)
- Achieving best practice, modernisation and innovation across our value chain – exceed industry best-in-class process and equipment performance.

1 **Ore Reserves and Mineral Resources** Bushveld Igneous Complex, Great Dyke

2 **Mining** open-pit, underground, mechanised, conventional

3 **Processing** concentrating, smelting, refining

4 **Sales, marketing and market development**

5 **Rehabilitation and environmental stewardship**

See page 58

Governing the value-creation process through a board that:

- Steers and sets strategic direction
- Approves planning, policy and budget
- Oversees and monitors
- Commits to ethical leadership and behaviour
- Ensures accountability
- Ensures appropriate remuneration for performance

Strategic priorities

- Stimulate new markets and leverage new capabilities
- Embed anti-fragility across our business
- Maximise value from our core portfolio
- A leader in ESG

Capital outputs

Financial
- R137.8 billion in revenue
- R30.3 billion in headline earnings
- R13.8 billion returned to shareholders
- R6.4 billion in SIB and project capital
- ROCE 72%

Manufactured
- Modernisation and mechanisation of Amandelbult – R329 million invested in new mining technology
- ACP rebuild R500 million
- PGM sales volumes from trading of 1,171 koz

Intellectual
- Investment in mining technology
- FutureSmart Mining technology expenditure
- Project studies for Mogalakwena expansion
- R750 million investment in market development

Human
- R11.3 billion paid in salaries, including R1.6 billion unproductive days (lockdowns)

Social and relationship
- R10.4 billion paid in royalties and taxes
- R803 million total social investment
- R500 million on WeCare programme
- Successful settlement of Alchemy notional vendor financing, leading to the transfer of unencumbered shares to communities of some R2 billion (as at 31 December 2020)

Natural
- 3.4 4E Moz ore reserves mined
- 22.36 million m^3 total water withdrawal, of which 50% is recycled
- 18,05 million GJ energy used
- 8,626ha land use for current mining and related activities

Activities and impacts across our value chain

Our value chain is vertically integrated, with each activity/process feeding into the next until the final metal is sold to local and global customers. Our ability to generate value depends on our financial capital, skilled people, strong relationships, as well as natural and mineral resources – supported by an enabling culture and our to the required bulk services, infrastructure, plant and equipment.

Primary inputs	Ore reserves and mineral resources	Mining
	An expanding base of long-life, quality assets	Open-pit or underground mechanised and conventional mining. Ore is crushed and processed on site into metal-bearing concentrate and waste tailings
Outcomes ✓ positive ✗ negative ~ neutral	✓ Largest, diversified PGM resource assets, enhancing our long-term financial viability (FC) ✓ Positive contribution to partners and government stakeholders (SC) ✓ Contributing to tax base across value chain (SC)	✗ One fatality and 4% improvement in TRCFR (HC) ✓ Improved relationships and engagement with unions (HC, SC) ✓ WeCare campaign strengthened community relationships (SC) ✓ Supply-chain disruptions minimised (MC, FC) ✗ Risk of adopting and implementing new technologies at operations (MC) ✗ Unmet promises to communities, impacting trust (SC)

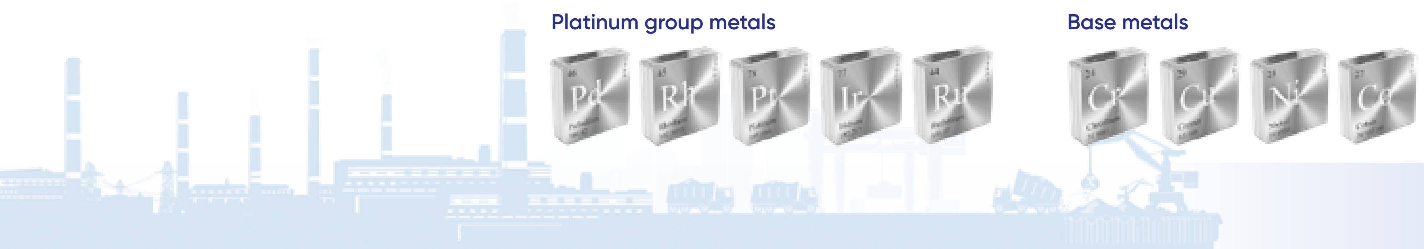
Outputs — Production: 3.8Moz PGM (M&C)

The next phase of strategy to achieve our purpose and create value for all stakeholders

1 **Stimulate new markets and leverage new capabilities**

FC – financial capital, MC – manufactured capital, SC – social and relationship capital, HC – human capital, NC – natural capital, IC – intellectual capital

Platinum group metals | **Base metals**



Processing		Sales and marketing	Rehabilitation and environmental stewardship
Concentrators and chrome recovery, smelting	Base metal refinery Precious metal refinery		
Four smelter complexes turn concentrate into furnace matte, which is turned into converter matte at ACP, and separated into precious metals and base metals	Further processing to extract base metals (mainly nickel, copper and cobalt) and precious metals (PGMs)	PGMs refined to industry-leading specifications for our customers Specialised marketing and tracking team	Responsible environmental management ensures minimal disruption to our key capital inputs during and after operations

Processing

- ✔ Disciplined capital allocation, focused on value (FC)
- ✔ Strong balance sheet, with net cash of R19 billion, the highest among primary PGM producers globally (FC)
- ✔ Largest downstream processing capacity in the industry, spread across PGM regions in southern Africa (MC)
- ✔ Paying salaries to employees unable to work
- ✘ Processing: to minimise risk of process-flow disruptions affecting market supply, by revising third-party processing arrangements, and customer contractual arrangements (MC, FC, SC)

Sales and marketing

- ✔ Higher financial returns using our unrivalled marketing/trading capability to increase PGM demand (FC)
- ✔ Identify applications suited to future themes, eg urbanisation and electrification; green/hydrogen economy, clean/alternative energy, medicine, transport and electronics (IC)

Rehabilitation and environmental stewardship

- ✔ Sustainable mining plan aimed at thriving communities, healthy environment, and trusted corporate leader (SC, NC, IC)
- ✔ Aligning to changing investor sentiment by developing a unique customer value proposition based on ESG credentials (SC)
- ✔ A 92% reduction in waste to landfill from a 2013 baseline (NC)

Refined production: 2.7Moz refined PGMs

PGM and other volumes: 2.9 ounces

Waste to landfill: reduced 92% off 2013 base

2 Embed anti-fragility across our business

3 Maximise value from core

4 Be a leader in ESG

Managing our trade-offs for long-term value

To achieve our purpose, our business model focuses on effectively converting one capital (ore reserves and mineral resources) into value across all six capitals.

For nine decades, Anglo American Platinum has invested its financial and human resources into mining, processing and marketing metals which are converted into products that create value for stakeholders globally, while minimising our impact on the environment and society.

The availability, quality and affordability of capitals affect our ability to achieve our strategic objectives and continue creating value. Managing the business to create shared value involves trade-offs – how value is shared between stakeholders, and how that value is created. Below, we summarise value created per stakeholder and trade-offs across the capitals in 2020.

Creating value – per stakeholder

Employees
Our employees are key to making Anglo American Platinum a great place to work and achieving our strategic goals. Skilled and motivated staff create value for our customers and contribute to their communities.

We create value by:
- Employing from areas that depend on these economic contributions
- Rewarding staff for the value added
- Creating job opportunities
- Encouraging our people to embrace technological advancements, advance their careers and improve our products
- Contributing to transformation through employment equity and gender equality.

Customers
Our customers are the vital endpoint of our value chain. Delivering world-class products benefits stakeholders across our value chain and people around the world.

We create value by:
- Meeting stringent global standards
- Deploying our intellectual capital to enhance products and develop innovative solutions
- Facilitating new and existing markets for PGMs.

More information on value created for stakeholders, see page 63.

Shareholders
We source financial capital in the formal equity and debt markets as to support business continuity and growth, including strategic investments.

We create value by:
- Increasing shareholder returns through dividends and share price appreciation
- Maintaining a strong balance sheet
- Enforcing good governance and leading practices to ensure a sustainable business.
- Creating a long-term sustainable business

Government
The tax we pay is vital for the economic and social development of countries in which we operate.

We create value by:
- Contributing significantly to South Africa through corporate taxes, dividend tax, royalties and other indirect taxes.

Regulators
Regulation ensures a sound and stable mining industry, which in turn is a key contributor to a healthy economy that benefits all stakeholders.

We create value by:
- Ensuring good governance and compliance – these are non-negotiable standards that reduce reputational risk and increase stakeholder confidence

Communities
Our social licence to operate depends on contributing significantly to build thriving communities. Beyond the national imperative to reduce poverty, healthy communities are an important source of labour, supply of goods and services and the bedrock of effective stakeholder engagement.

We create value by:
- Developing trust, providing ethical value chains and improved accountability to the communities we work with
- Building thriving communities with better health education and levels of employment
- Maintaining a healthy environment by creating water-less, carbon neutral mines and achieving positive biodiversity outcomes

Trade-offs

Key trade-offs in 2020	Description	Link to strategy	Capitals affected
Extracting a depleting resource	In extracting metals, we deplete a finite natural resource and utilise scarce resources in our processes (such as water). We have a number of initiatives which seek to minimise our impact on the environment. However, through the processing and marketing of platinum group and base metals, and with disciplined capital allocation, we aim to increase our financial capital while contributing significantly to our other capitals, particularly human, manufactured, social and relationship. Through FutureSmart Mining technology deployment we look to make fundamental shifts in the precision of mining to further reduce the impact. The PGMs and base metals we mine make the modern world possible (including enabling a "green" future). We have clear targets for minimising our impacts on natural capital, detailed in the environmental section of our ESG report.	3, 4	F Financial N Natural
Safe production during Covid-19	Creating a safe work environment for our people is a core value of the company. Recognising the interplay between managing safety and health risks, and promoting employee wellbeing, we maintain close cross-functional collaboration to ensure an integrated approach. This has been critical in managing Covid-19 impacts by the urgent need to prioritise the health and safety of our people and, that of our host communities, as well as maintaining production and operating our mines safely. We traded significant amounts of financial and manufactured, while delaying implementation of intellect capital to ensure safe start-up of our operations after lockdown, protect our people and support our communities. This in turn will bolster our human as well as social and relationship capitals through productivity and improved employee relations, as well as enhanced trust with our community stakeholders. Please see the relevant capital sections in our ESG report as well as the CEO's review and mining and concentrator operations overview in the integrated annual report. Recognising the interplay between managing safety and health risks, and promoting employee wellbeing, we maintain close cross-functional collaboration to ensure an integrated approach. This has been critical in managing Covid-19 impacts.	2, 3	H Human F Financial S Social
Asset integrity and reliability	The cost of rebuilding our ACP units diverted financial resources from other longer-term projects, delaying their implementation and associated intellectual capital. We preserved human and manufactured capitals by taking proactive decisions to shut the plants to protect our people as well as the integrity of the plant and surrounding processing operations. This will ensure stable and reliable production which in turn ensure safe operations enhancing our manufactured capital. We enhanced social and relationship capital by communicating timeously and openly with our employees, partners and customers. The ACP rebuild will enhance our manufactured capital by restoring a vital link in our integrated value chain. Read more in the CEO's review, finance review as well as mining and concentrator operations overview.	2	F Financial H Human S Social M Manufactured
Protecting livelihoods	From the initial hard lockdown, we continued to pay salaries to those unable to work, while supporting host communities with water supplies, food parcels and vouchers, PPE and more. In total, we traded off R2.1 billion in financial capital, but we believe the positive impact on our human and social and relationship capitals is a multiple of that rand value, and immeasurable on a human scale. Please refer to our ESG report.	4	H Human S Social F Financial
Managing urgent vs important work	Almost throughout 2020, we had to prioritise work that would keep people safe, preserve their wellbeing and their livelihoods, and maintain the integrity of our asset base as we responded to the Covid-19 pandemic and the incidents at the ACP. Prioritising work ensured focus and clear responsibilities from executives through the operations to ensure the business manage through the crises. This trade-off between financial capital on the one hand, and human, manufactured, and social and relationship capitals on the other, will benefit all our capitals in the short to medium term. Detailed in this report, as well as our ESG report.	All	F Financial H Human S Social M Manufactured

Adding value to South Africa's economy

A five-year view

Sales revenue

R439.6bn
Sales of all products after deducting operating costs and other expenditure.

Value reinvested

R60.9bn
Reinvested in Anglo American Platinum to remain sustainable by modernising and mechanising as well as developing our projects.

Salaries and wages

R56.0bn
Fair salaries and wages paid to employees and contractors, plus attractive benefits. This included unproductive time during lockdown. Disposable income is spent in their communities, creating wealth for others.

Dividends to shareholders

R30.3bn
Shareholders use dividends to create wealth and invest in other businesses.

Community development projects

R2.9bn
We invest in healthcare, education, skills training and infrastructure development to uplift our communities.

Tax to government

R34.1bn

Direct and indirect tax, including royalties, paid to SA government.

Total procurement – South Africa

R93.4bn

Anglo American Platinum needs a range of goods, services, materials and utilities to operate: 12.26% of these are procured in South Africa.

Host procurement South Africa

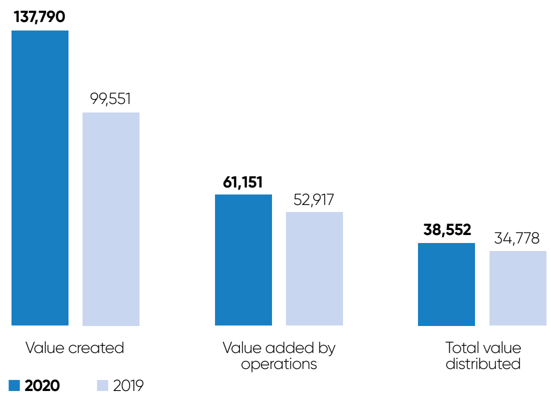
R11.4bn

Creating wealth in communities around our operations by supporting local companies.

	2020 R million	2019 Revised R million
Value created	**137,790**	99,551
Net sales revenue	**137,790**	99,551
Value added by operations	**61,151**	52,917
Salaries, wages and other benefits	**11,298**	10,900
Skills development	**83**	107
Percentage of total payroll (%)	**1%**	1%
Taxation	**13,687**	7,681
Providers of debt	**373**	520
Distributions to minority shareholders	**69**	111
Dividends declared to shareholders**	**12,137**	14,185
Social investment*	**459**	401
Environmental investment***	**446**	873
Total value distributed	**38,552**	34,778
Reinvested in the group	**22,171**	17,923
Losses from investments net of interest received	**428**	216
	61,151	52,917
* *Social investment includes SLP and CSI expenditure of R378 million and R81 million for Covid-19 related initiatives.*		
** *Interim*	*2,759*	*2,967*
** *Final*	*9,378*	*11,219*

*** *Total spend includes R36 million on waste disposal, emissions treatment and remediation, R59 million on pollution and environmental management and capital spend of R351 million on the SO_2 abatement project.*

Adding value
(Rm)



Our stakeholders

Effective stakeholder engagement was crucial in addressing the challenges of 2020 when immediate needs took precedence over our long-term goals of business longevity and success. Throughout the year, we focused on transparent, two-way communication to meet these needs and strengthen relationships across the value chain.

Anglo American Platinum engages continuously with stakeholders: host communities, communities in labour-sending areas, unions, employees, investors, the media, government, non-governmental organisations (NGOs), members of our supply chain and our joint-operations (JO) partners.

We focus on the concerns and opinions of our stakeholders and responding appropriately to support our social capital and licence to operate. Our approach is based on being transparent and responding timeously and professionally to their concerns.

In the materiality process, we engaged a number of key stakeholders to identify issues they consider important to our ability to create value. Due to limitations on the scope for in-person meetings during the pandemic, all interviews were performed remotely. Interviews were held with key external stakeholders including: Aluwani Capital, RWC Partners, Public Investment Corporation, Johnson Matthey, Epiroc, NGOs (Corruption Watch and Gift of the Givers), the International Platinum Association as well as research bodies and members of academia. These interviews provided in-depth feedback on our performance on sustainability issues and recommendations for improvement. Our annual materiality workshop, held in September 2020 with a multidisciplinary team of internal stakeholders, provided the opportunity to add material issues that were not identified through internal and external reviews. Internal stakeholders included representatives from several Anglo American Platinum departments: strategy, marketing, investor relations, environmental management, human resources, corporate affairs, company secretary, safety, health and environment.

We continually engage with regional partners in our social economic development programme in Limpopo (page 123 of ESG report). This initiative draws on partnerships with other mining companies, research organisations, philanthropic bodies, governmental agencies and local communities to effect vital socio-economic development in the province.

Key issues in 2020

Strong | Cordial | Weak

Community

Quality of relationship	Key issues	Response
Cordial	Legitimacy of individuals or groups that engage (or want to engage) with Anglo American Platinum on behalf of mining communities	Anglo American Platinum continues to engage with interested and affected parties, organised structures and individuals. Engaging with communities is critical as part of our social way and specific engagement plans are in place at all sites. In addition, we have field workers who engage with individual families to ensure that information is not only given to representatives in the structures. We are working with municipalities to develop structures that would be widely accepted by communities and drive development in line with agreed plans
Weak	Relocating the remaining 61 households in the old Motlhotlo village in the Mogalakwena mining right	Agreement was reached with 47 of these households. An amendment to the June 2012 agreement was signed in August 2018. In principle, agreements have also been reached with the remaining households Of the 47 households that agreed to relocate to ext 14, 21 have moved so far, including 13 that moved in December 2019. Seven households moved in 2020 and one household has moved in 2021
Strong	Grave relocation at Mareesburg tailings facilities	Agreement reached with affected families; all compensated as per agreement. All graves successfully relocated with the support of the municipality and Department of Cooperative Governance and Traditional Affairs. Construction of phase one of the tailings facility was completed and more procurement and job opportunities given to local communities
Weak	Demands for employment and procurement opportunities around all operations	Continued engagement with affected parties and contractors to ensure local employment and procurement is prioritised and other jobs are created outside of mining to reduce dependency on the mine. Support to local suppliers through Anglo Zimele has increased, with more local business receiving business support, training and mentoring
Strong	Inadequate municipal water supply to Mapela communities	The Hall Core Water Mapela project was initiated in 2018 to supply water to communities in Mapela. In 2020, to aid communities facing the impacts of Covid-19, six villages were added to the project
Strong	Engagement with faith-based leaders	The interfaith initiative commenced in 2016, because we believed that interfaith leaders can be the nucleus for development, moral regeneration and conflict resolution. The programme has now been successfully rolled out at all Anglo American Platinum sites

● Strong ● Cordial ○ Weak

Government relations *(national and provincial)*

Quality of relationship	Key issues	Response
●	Premier Employment Growth Advisory Council (PEGAC)	The Limpopo premier reappointed the Anglo American Platinum CEO to co-chair the integrated infrastructure technical working group for PEGAC from 2020 to 2024. She will be co-chairing with the MEC of Limpopo public works
●	Anglo American Platinum CEO's engagement with premier of Limpopo on Covid-19 community response plan	The premier appreciated Anglo American Platinum's contributions to host communities. In response, he established a government-mining task team focused on collaborating on Covid-19 mitigation measures
●	Anglo American Platinum CEO's engagement with premier of North West on Covid-19 community response plan	In appreciation of Anglo American Platinum implementing this community response plan in Rustenburg, the premier delegated the MEC of health and executive mayor of Rustenburg to collaborate with Anglo American Platinum to curb the pandemic – The Limpopo and North West MECs of health welcomed the important role that Anglo American Platinum played in addressing the pandemic – Donated 25 nasal cannula with consumables to hospitals in Limpopo and North West in response to Covid-19
●	Engagements with the minister of the Department of Mineral Resources and Energy	DMRE welcomed the appointment of a female CEO. The minister emphasised that he would like to see more collaboration between the company and government on issues affecting communities
	CEO's engagement with DMRE director general (DG) to update on activities at Anglo American Platinum and application for additional exemption for surface operations during lockdown in April 2020	The high standard of applying Covid-19 protocols across the company supported the application for exemption, allowing the company to operate at 50% capacity out of Mogalakwena
	CEO hosted the Limpopo premier and his command council at Mogalakwena complex to monitor compliance with Covid-19 protocols	Constructive engagement with positive feedback on the company's health-control standards

Government relations *(municipal)*

Quality of relationship	Key issues	Response
●	Engaging with municipalities through the capacity development programme	Ongoing engagement with municipalities where we operate to ensure alignment, collaboration and resolution of issues that affect service delivery

Strong Cordial Weak

Traditional leaders

Quality of relationship	Key issues	Response
Strong	Improvement of the host communities' livelihood	SLP projects are legal commitments that the company will improve community's livelihood
Cordial	Settlement agreement negotiations with the Mapela traditional council	Engagements are ongoing

Investors

Quality of relationship	Key issues	Response
Strong	– Asset reliability following ACP incidents – Optionality in the portfolio, including Mogalakwena expansion – Understanding capital allocation – The company's view on medium to long-term market balances for platinum, palladium and rhodium	Communicated regularly to the market on ACP repairs and subsequent impact to the business Explanation of how growth projects need to meet strict quantitative and qualitative criteria, with updates on progress of project studies to expand Mogalakwena Communicating a disciplined capital-allocation framework Consistent engagement with investors to ensure understanding of market fundamentals and demand outlook for platinum, palladium and rhodium. Appropriate market development under way to establish demand for and alternate uses of PGMs

Employees *(internal communication)*

Quality of relationship	Key issues	Response
Strong	Community communication	As part of the WeCare programme, we undertook extensive radio campaigns in South Africa and Zimbabwe to educate host communities and create awareness of Covid-19 Community newspapers were published throughout the year, focusing on Covid-19 and our WeCare campaign to highlight the positive impact we have in host communities; create awareness of supply chain and employment opportunities; and to support campaigns such as our work in communities to combat gender-based violence
	Employee communication	The free-data Engage app was rolled out to all operations in 2020 to enable employees to self-screen for Covid-19 symptoms before reporting for work, and to provide an effective communication channel to create awareness and educate employees on the virus and available support programmes Supported our cultural transformation journey with targeted, planned communication, including feedback on the Have your Say survey and campaigns focused on gender-based violence, bullying and harassment
	Issues management	Developed narrative and messaging for internal channels to proactively position our business realities through the different levels of lockdown and with the temporary closure of the ACP Leveraged the company's leading WeCare programme, which offered Covid-19-related support for employees and host communities for reputational value and brand building (internal and external) Ensured crisis readiness in support of operations
	Strategic communication	Activate our purpose, strategy and culture evolution at all levels of the company Support implementation of dedicated programme driving strategic goals
	Group initiatives	Support alignment, integration and implementation

Strong Cordial Weak

Media

Quality of relationship	Key issues	Response
	Community concerns at Mogalakwena	Anglo American Platinum received complaints from communities around Mogalakwena, with several community members contacting journalists to air their concerns on a broader public platform. Similarly, the community protests that disrupted production in the fourth quarter were also covered by local and regional media. Communities' concerns include insufficient local employment and procurement opportunities, the alleged impact of blasting on houses, grave relocations, land access and other matters related to resettled communities, as well as the environmental impact on water quality and dust levels. Anglo American Platinum has made significant progress with its community engagement initiatives, community spend, health and safety performance and environmental management in recent years. We are committed to continuous improvement in line with our vision of re-imagining mining to improve people's lives. In 2020, the total social investment spend was R803 million, which included Covid-19 support initiatives, social and labour plans and corporate social investment spend in South Africa
	Temporary closure of ACP	The challenges at ACP and related financial impact on Anglo American Platinum, as well as production impact on the broader PGM market, were widely covered by the financial press throughout the year. Coverage also focused on our ability to safely operate the plant for most of the year despite the challenges, thereby mitigating the impact on customers
	Legacy issues from resettlements at Twickenham and Bokoni	Legacy issues at two historical resettlements at Twickenham and Bokoni received media attention, as community members complained about a lack of job and tender opportunities, and infrastructure maintenance. Both mines are on care and maintenance, limiting the associated economic opportunities, while infrastructure complaints fall under the jurisdiction of local municipalities

NGOs

Quality of relationship	Key issues	Response
	Historically, unconstructive and often adversarial relationships with mining companies. More recently, we have worked closely with certain NGOs, resulting in collaboration and productive engagements. We have also established a comprehensive engagement strategy that enables the formalised resetting of the relationship between Anglo American Platinum and some NGOs	Anglo American Platinum continues to implement its NGO engagement strategy and pursue in-depth conversations with both national and international NGOs, recognising that they have an important and growing influence in the mining sector in South Africa and the world. They play a role in analysing and advocating for policy decisions, holding mining companies and government accountable and partnering with communities and other NGOs on the doorstep of many operational sites on a range of issues including environmental, economic, social, labour and sustainability. Pursuing transparent and collaborative engagements, a number of formal and transparent responses were prepared to NGO and interest group queries and reports. In addition, numerous meetings were held with identified NGOs to discuss key issues, leveraging on specialist skills and competency. Honest and transparent dialogue with affected NGOs enabled greater collaboration and unity in delivering sustainable and meaningful socio-economic and environmental performance

Customers

Quality of relationship	Key issues	Response
	Traceability and sustainability remain important areas of discussion, with particular focus on our responsible mining certification programme under the Anglo American sustainable mining plan, and goals for ethical value chains. Our community response plan to assist communities during the pandemic was highlighted	Our work on certifying our mines through IRMA has allowed us to demonstrate our leading sustainability credentials to customers, which is of growing interest to them. We continue to regularly communicate with customers through the commercial team and have also proactively initiated engagement with our sustainability team in South Africa, deepening our relationship with our core customer base

Strong Cordial Weak

Suppliers

Quality of relationship	Key issues	Response
	A large supplier of mining equipment continued engagement with Anglo American Platinum in 2020 on sustainability-related issues. Strong collaboration with suppliers assisted in acquiring key provisions for employees and communities during the pandemic	Communication on sustainability matters preserved existing relationships with key suppliers Relationships with suppliers were maintained in 2020, which assisted with our health and safety plans to allow safe operations to continue during the pandemic. In addition, strong relationships with key suppliers enabled us to provide food items, personal protective equipment and healthcare items for communities

Unions

Quality of relationship	Key issues	Response
	Managing Covid-19 Establishment of weekly leadership engagement sessions to: – Outlining business safety plans to address the pandemic – Confirmed payment of basic salary to vulnerable employees – Operational shift configuration to implement safety and workplace de-densification measures	Engagement sessions include national union leadership and members of PMC to engage on the impact of the current pandemic, effective management of the business and collaboration on strategy to sustain the business. Continuous consultation with union leadership on shift patterns to implement safety measures and comply with labour legislation. Quarterly meetings with senior union leadership to discuss key strategic issues: – Safety, health and environment (SHE) through community forums/bilateral sessions – Company strategies and implementation – Performance of the company (leadership forum attended by executives) – Relationship-building with union leadership and dispute resolution using different platforms – Address unions' interest issues or community issues affecting business (leadership forum and CEO sessions) – All issues affecting the company are addressed in various forums and, where appropriate, escalated to the CEO

Industry bodies *(Minerals Council)*

Quality of relationship	Key issues	Response
	Mine health and safety	Sharing best practice through the council's zero-harm forum and tripartite structure
	Minerals policy, regulation and mining charter	Engagements with government and DMRE on key mineral policy, legislative and regulatory aspects impacting the industry, eg MCIII, MPRDA, carbon tax
	Industry's Covid-19 guidelines	The Minerals Council finalised protocols required to be in place for continued mining during lockdowns
	Energy security	Engagements with Eskom CEO (as intensive energy users) on the utility's status and security of electricity supply, given maintenance on Eskom's power-generating fleet

Case study:
Engaging with our host communities

Engaging with our host communities

In line with the Anglo American social way, each of our operations has mapped the stakeholders who have an interest in and are affected by our operations.

They update their stakeholder engagement plans annually, informed by risks and impacts in host areas and as part of maintaining relationships with different stakeholders.

All our operations have community engagement forums or leadership forums in place. Monthly engagements with these community-elected structures address issues of mutual interest and track progress commitments made by the mines, such as SLP delivery, CSI initiatives, employment and procurement opportunities.

In addition, Anglo American Platinum has partnered with interfaith leaders in our communities as an engagement and development partner. This is part of the Courageous Conversation movement in which churches engage with the mining industry to address issues affecting host communities and as a trusted stakeholder to help shape development agendas. Stakeholder engagement and communication enables our company to drive community agenda in full collaboration with our stakeholders. Effective stakeholder engagement is one of the key pillars in our strategy and the Anglo American social way.

As part of our shared value, the company always promotes transparent and rigorous engagements in order to co-create social strategies and agree on joint roles. AAP always seeks better and more effective means to reach and dialogue with our communities. Through our interfaith intervention, AAP took a step to address the cultural shift of taking time to understand what 'meaningful existence means to communities'. The interfaith programme is a moral regeneration intervention that promotes engagements with faith leaders and community representatives to clarify where AAP could support sustainable livelihoods. The interfaith programme allows us to adapt and refine our approach to community development and improve stakeholder participation in decision-making and co-creation of the future solutions and programmes.

The leadership and character-building initiative (moral regeneration programme) is delivering positive results in improving the performance of schools around our operations. At present, 14,000 learners in primary and secondary schools are participating daily and over holidays in the programme. We support 3,298 learners at early childhood development level and nine sessions/workshops were held with school governing bodies, teachers and parents, focused on overall performance improvement in schools.

In addition, in 2020 over 4,000 grade 11 and 12 learners were supported in mathematics, science, English and geography to improve matric results. Additional equipment such as tablets, projectors and smart screens have been donated to improve the delivery of lessons and access to technology in schools.

Rejamonate farm

We also engage with different business forums in our host communities, mainly on procurement opportunities and supplier-development issues in our operations. Anglo American Platinum's operations have multipurpose hubs where emerging, and established, entrepreneurs can access information about opportunities on mines, as well as ways to access financial or business support from our supply chain division or from Anglo American Zimele.

Our field workers, mainly previously unemployed youth from host communities, continue to engage with and provide feedback to stakeholders who have raised issues or queries with any of our sites.

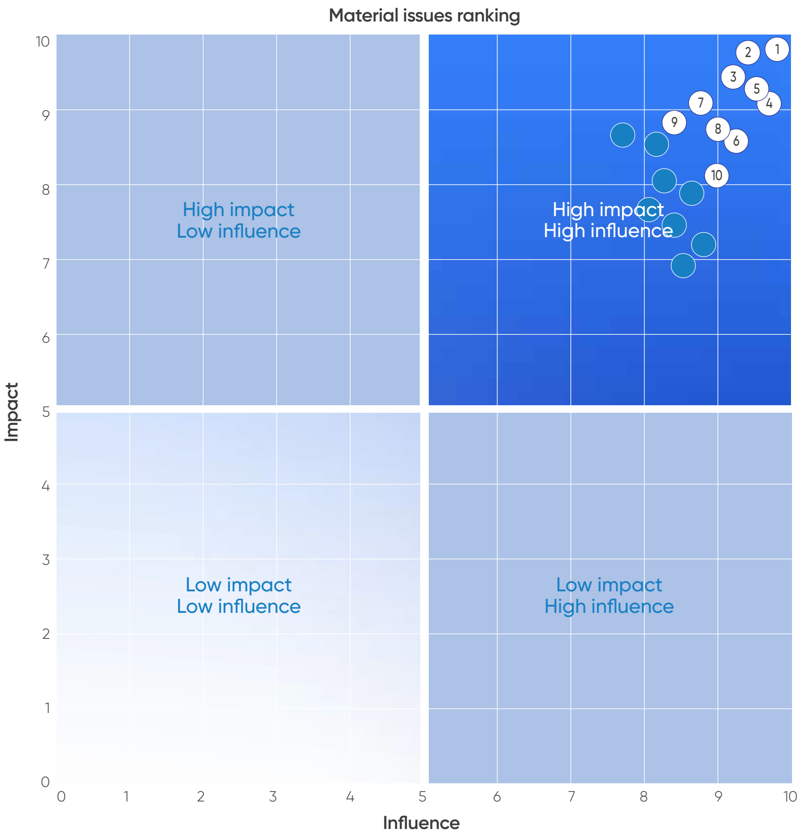
The field workers ensure that, individually, families do not have to wait for the forums to get information or feedback, but can engage directly with the field workers in their own homes.

Our community newspapers were collectively recognised as 'best publication with a limited budget' in the 2019 South African Publication Forum corporate awards – proof of their professional quality and cost-effective production. These publications are one element of a comprehensive community communication strategy, implemented four years ago to create mutual understanding and positively impact relations with host communities through consistent, ongoing engagement while minimising the risk of social unrest affecting production.

Our material issues

Our ability to create shared value and sustain it over the short, medium and long term is central to how the business is managed and also the theme of our integrated reporting. Our well-established materiality assessment and prioritisation process aims to ensure that pertinent societal, environmental and economic issues that constitute risks and opportunities for value creation are identified and discussed. Our strategic objectives are affected by matters that substantively affect our ability to create shared value over the short, medium and long term – our success will be measured by how well we manage immediate issues while retaining our focus on longer-term goals. Our material issues are detailed in our ESG report. In this report, we focus on the materiality process, links to risk management and our top 10 issues.

Our 22 material issues were distilled to the **top 10 material issues** below, ranked in order of priority in the high-impact/high-influence quadrant.



1 Future demand and supply of PGMs

2 Stable communities and job opportunities

3 Stakeholder engagement and transparency

4 Decarbonisation (market condition)

5 Ethical leadership

6 Agile business

7 Co-creation for regional development within communities

8 Market demand investment initiatives

9 Water management and responsible use

10 Asset reliability

Note: Depicting the highest impact and highest influence view of the ranked top 10 material issues. Material issues outside the top 10 are reflected by the unnumbered dots.

Identifying, evaluating and prioritising material risks

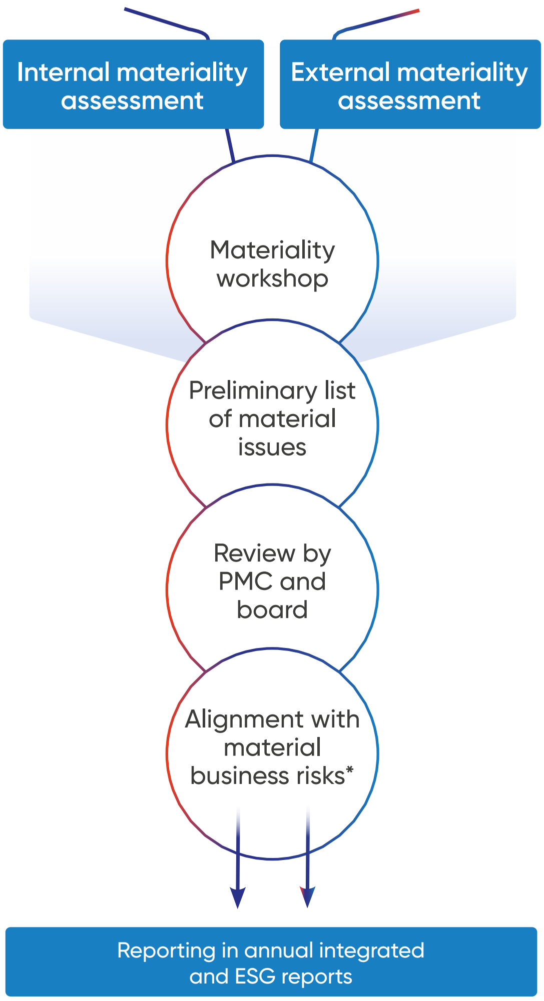
Integrated reporting is built on the materiality assessment process. Our well-established materiality process identifies societal, environmental and economic issues that present risks and opportunities and affect shared value creation. We follow a four-step process in our materiality assessment framework, aligned with the AA 1000 AccountAbility principles (2018):

- Internal materiality: desktop assessment
- External materiality: interviews with selected external stakeholders and scanning the external environment
- Materiality workshop
- Review and approval of key material issues by PMC and the Anglo American Platinum board.

Insight from each of these steps is integrated into the materiality process, resulting in the prioritised top 10 material issues. Each issue is expanded into subcategories, linked to the group pillars of value and six capitals enshrined in the IIRC framework.

Internal materiality

We conducted an internal materiality scan to identify and contextualise Anglo American Platinum's relevant issues. This involved assessing matters that directly affect the company by reviewing relevant information such as board and committee packs; social, ethics and transformation reports; audit and risk committee reports; safety and sustainable development reports; remuneration committee packs; nomination committee packs and platinum management committee (PMC) submissions. All were analysed to identify relevant issues acknowledged or addressed in the period.



* *See panel Links between material and integrated risk management processes (demonstrating IIRC completeness principle)*

External materiality

Issues affecting our external environment, and the broader mining sector, were assessed by analysing media articles, research materials, industry benchmarking studies and economic outlook reports as well as interviews with key stakeholders. To ensure impartiality, we commissioned an external specialist to engage with key stakeholders individually. Due to restrictions on in-person meetings during the pandemic, all interactions were on a virtual basis.

The external materiality assessment comprised two phases:

- Interviews with selected external stakeholders. These were designed to encompass representative views from different key stakeholder groupings, including: investors (Aluwani Capital, RWC Partners, Public Investment Corporation (PIC); a key customer (Johnson Matthey); a supplier (Epiroc); NGOs (Corruption Watch and Gift of the Givers); an industry body (International Platinum Association or IPA); research bodies and members of academia (University of Pretoria, Bat Interest Group and Council for Scientific and Industrial Research or CSIR). Information and views from these interviews were documented and analysed to incorporate key stakeholder views into the material issues universe.
- A review of local and global sustainability trends, risks and opportunities affecting the mining and metals sector. Sources included reviews of media articles, news reports and Anglo American Platinum's press and SENS announcements; EY mining and metals sector research report: top 10 business risks and opportunities for mining and metals in 2021; World Economic Forum's strategic intelligence – mining and metals; industry analysis; analyst reports; media and peer analysis.

This process also helped validate whether identified material issues are aligned to issues stakeholders believe are most material to our ability to create value.

Materiality workshop

A workshop with relevant internal stakeholders refined and prioritised our material issues based on their potential impact and our ability to influence these. The workshop was designed to elicit participants' insights and perspectives on Anglo American Platinum's material issues that inform its strategy and strategic objectives and related business decisions, and its external reporting themes. We used virtual technology to facilitate the online workshop to ensure the health and safety of all participants during the Covid-19 lockdown.

This year, the workshop was held in September. Internal stakeholders included representatives from relevant departments in Anglo American Platinum: strategy, investor relations, environmental management, human resources, corporate affairs, company secretary, safety and SHE. All participants raised their views on issues they deemed material and ranked these according to two matrixes. The first matrix ranked material issues in terms of shared value (an issue that has business value as well as environmental and social impacts). The second was an impact/influence matrix, where influence refers to the degree of influence Anglo American Platinum has over a particular topic or issue while impact refers to the level of impact experienced or likely to be experienced by any stakeholder or stakeholder group. The highest-ranking issues are summarised in the list of material issues on the following page.

The combination of information and perspectives gained from these activities informed the materiality assessment process by establishing the range of contemporarily important matters viewed as important to our ability to drive value creation over the short, medium and long term.

Identifying preliminary material issues

Information obtained from the material issues identification phase was collated into a view of Anglo American Platinum's universal material issues. These were grouped into a number of thematic categories that reflected common risks and opportunities. In addition, as part of this process, new and emerging material matters in each thematic category were assessed. We paid particular attention to identifying new issues arising from the Covid-19 pandemic, including Anglo American Platinum and Anglo American's management responses, stakeholder and market-level impacts. Throughout the identification and prioritisation process, we considered both the business-as-usual context and the new context of a post-pandemic era.

The consolidated material issues were plotted on a materiality matrix to identify the most significant categories, as illustrated below. The identified material issues were plotted applying two views of relative materiality: issues perceived as having significant impact on our business as well as significant environmental and social significance, and issues perceived as ones where Anglo American Platinum is able to exert significant influence and that have significant impact on its stakeholders.

The 'top-quadrant' results from each plotting were then combined to deliver a consolidated view of the likely set of most material issues. This was then distilled to a view of Anglo American Platinum's top 10 material issues. Each material issue has been expanded into subcategories, linked to the Anglo American pillars of value and six capitals enshrined in the IIRC Framework (table from page 2).

Impact of Covid-19

Covid-19 has been the most prevalent event in 2020, cutting across different material issue themes. Anglo American Platinum has been very broad in the way in which material issues and related matters have been identified and, as a result, no new issues have been identified that do not fall in existing categories. The impact of Covid-19, however, has illustrated the importance of how these are ranked in future. The pandemic has brought certain issues to the fore, with an increased focus on health and safety for employees and communities alike, a heightened concern on business continuity, realising the effects of supply-chain disruption, and the accelerated shift to a digital, low-carbon economy.

Stakeholder engagement on material issues

The external specialist engaged with representatives from key external stakeholders to identify the issues they believe are most material to Anglo American Platinum. The relevant matters fed into the prioritisation and review steps described above and ultimately into the final list of material issues.

Materiality relative to the integrated risk management (IRM) process

Materiality top 10 issues

Materiality top 10 issues	Alignment to IRM executive risk report
1 Future demand and supply of PGMs	Covered under risk 13: Future demand and supply of PGMs
2 Stable communities and job opportunities	Covered under risk 8: Social licence to operate. In addition, new risk, Covid-19 Loss of livelihood and social unrest, covers certain elements of issue
3 Stakeholder engagement	Covered in numerous risks, eg Labour unrest, Legal and regulatory compliance, and Power
4 Decarbonisation (market condition)	Covered under risk 19: Political and regulatory compliance. Also included as opportunity after 2020 board risk workshop
5 Ethical leadership	Covered under risk 24: Fraud and corruption
6 Agile business	Covered under risk 1: Global health pandemic
7 Co-creation for regional development within communities	Covered under risk 8: Social licence to operate
8 Market demand investment initiatives	Covered under risk 13: Future demand for and supply of PGMs
9 Water management and responsible use	Covered under risk 22: Infrastructure (water)
10 Asset reliability	Covered under catastrophic risk 6: Asset structural failure

Links between material and integrated risk management (IRM) processes (demonstrating IIRC completeness principle)

	Materiality process	IRM process
Objective	The objective is to identify key sustainability issues that are material to Anglo American Platinum. Identifying materiality is a fundamental component of the integrated and sustainability reporting process.	The integrated risk management framework ensures the effective governance of operational and strategic risks. Risks are defined as situations or actions with the potential to threaten our ability to deliver on our strategic priorities and, ultimately, to create value.
Methodology adopted	Follows AA 1000 AccountAbility principles (2018), considered as the most widely applied global stakeholder engagement standard, supporting organisations in their efforts to assess, design and implement an integrated approach to stakeholder engagement, and to communicate fairly and accurately with stakeholders and the public.	The risk management process is aligned with ISO 31000 international risk management standards and King IV requirements. The process of identifying risks and opportunities is embedded so that it becomes part of everything we do to achieve our business objectives.
Process followed	There are four steps in the materiality assessment framework: – Internal materiality: desktop assessment – External materiality: interviews with selected external stakeholders and scanning of the external environment – Materiality workshop – Review and approval of key material issues by PMC and the board.	The assessment of strategic, operational and project-related risks follows four well-defined processes. – Identifying risks – Analysing risks and controls – Determining management actions – Reporting and monitoring. Follows a bottom-up and top-down approach.
Frequency	Annual – specifically linked to preparation of integrated annual report.	Ongoing
Strategic focus	The materiality process is consistent with Anglo American Platinum's strategic priorities, which are delivered in a safe, values-driven and socially responsible way.	A view of key forward-looking risks that threaten the ability of the organisation to achieve its strategic objectives.
Evaluating results	The top 10 material issues are ranked according to high impact and high influence on the materiality matrix.	Risks are assessed using an Anglo American group 5 x 5 rating matrix that considers likelihood and impact. In addition, risks are assessed in terms of tolerance and appetite which is a requirement of King IV for listed SA entities.

Our approach to risk and opportunity management

Group risk framework

In an evolving risk environment, filled with technological changes and new global challenges, identifying and managing risks and opportunities is critical to our business. Anglo American Platinum's integrated risk management framework ensures the effective governance of operational and strategic risks. We define risks as situations or actions with the potential to threaten our ability to deliver on our strategic priorities and, ultimately, to create value. Our risk management process is aligned with ISO 31000 international risk management standards and King IV requirements.

Identifying risks

- We use a robust methodology to identify key risks across the business, operations and projects. This is applied consistently by developing and implementing the Anglo American group integrated risk management standard
- Operations identify risks by function. This information is consolidated and considered by the Anglo American Platinum management committee, audit and risk committee, and the board in a formal risk workshop where risks are compared and aligned to those identified at a strategic level.

Analysing risk and controls to manage risks

- Once identified, the process evaluates these risks to establish root causes, financial and non-financial impacts and likelihood of occurrence
- Risk treatments are considered to create a prioritised risk register
- External views are considered – including risks identified by our customers, investors and the market. We aim to embed the process of identifying risks and opportunities so that it becomes part of everything we do to achieve the business objectives.

Reporting and monitoring

- Management is responsible for managing and monitoring progress on mitigating key risks and determining if the risk is operating within the limits of our risk appetite
- Management is supported by an internal audit programme, which evaluates the design and effectiveness of controls
- The risk management process is continuous; key risks are reported risks also reported to the sustainability committee. The chairmen of these committees report to the board each quarter.

Determine management actions required

- The effectiveness and adequacy of controls are assessed.

If additional controls are required, these are identified and responsibilities assigned.

Our strategy is developed in response to risks and opportunities to the business.
Risks can arise from events outside our control or from operational matters. Each of the risks described on the following pages can affect our ability to deliver our strategy. Accordingly, our process examines the risk response to our overall strategy and the ability to execute our strategic initiatives:

1. Stimulate new markets and leverage new capabilities
2. Embed anti-fragility across our business
3. Maximise value from our core portfolio
4. A leader in ESG

Catastrophic risks

We also face certain risks that we deem catastrophic. This is a risk or series of related risks potentially generating financial, operational and/or reputational impacts of such significance that they force an unplanned, fundamental change to our strategy, the way we operate or our financial viability. Accordingly, catastrophic risks are treated with the highest priority.

The following catastrophic risks have been identified, and all relevant technical standards are in place to provide minimum criteria for managing these risks. Monitoring, inspections and training and awareness programmes are provided by technical experts.

Fall-of-ground	Explosion and fire	Slope failure
Transportation	Integrity of tailings storage facility	Asset structural failure

Risk appetite and tolerance

The concept of risk appetite guides our risk management activities. It enables the PMC and board to establish a baseline level of risk the company is willing to accept and evaluates the likelihood and impact of certain threats. We look at risk appetites from the context of severity of consequences should the risk materialise, any relevant internal or external factors influencing the risk, and the status of management actions to mitigate the risk. Risk tolerance refers to the amount of risk Anglo American Platinum is able to withstand. Both are core considerations in determining our strategy.

Our journey in risk appetite maturity

Using risk management as a tool to address uncertainties, applying the risk appetite methodology in 2020 showed that all risks can be considered within our risk appetite as defined. Similarly, all risks are considered to be within Anglo American Platinum's tolerance limits. Explosion and fire was reclassified from outside the risk appetite limit (as reported in 2018) to back within risk appetite as corrective control improvements were observed in 2020 results. Although work continues to close the control gaps identified, our review evaluated data from the operational risk assurance programme and, where control weaknesses were identified, these were addressed through management actions, comprising immediate interventions supported by long-term plans to ensure all risks remain within appetite.

Opportunities

As part of our risk management process and in line with King IV requirements, we have considered available opportunities. An opportunity is a set of exploitable circumstances with an uncertain outcome that requires committing resources and involves exposure to risk. The opportunities identified demonstrate the value that our initiatives and strategies could yield to the growth of our company. Our business model (page 56) and market review (page 48) elaborate on how we leverage opportunities to ultimately create value.

Opportunities	Description
FutureSmart Mining, digital effectiveness and P101 initiatives	Anglo American Platinum is committed to digitally transform mining through the pervasive adoption of technologies, new ways of working and developing people's technology skills to ensure global competitiveness and sustainability through collaborative partnerships.
Mogalakwena and Der Brochen expansion	Both growth projects are being considered to meet our strategic objectives and create value in time.
PGMs to form part of new world commodities	Venture capital fund (AP Ventures) dedicated to investing in technological innovation across PGMs. Initiatives in the jewellery (via Platinum Guild International) and investment (via World Platinum Investment Council) sectors have created new partnerships and launched products.
Diversified markets	Identify applications suited to future themes such as urbanisation and electrification, green/hydrogen economy, clean/alternative energy, medicine, transport and electronics.
Future of work and organisational effectiveness	Organisational culture, agile labour management, a modernised organisation and future-fit employee relations.

Principal risks

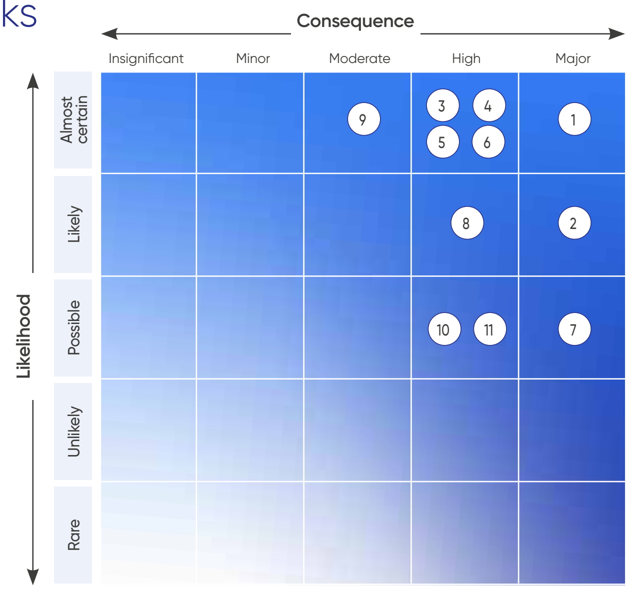
We define a principal risk as a risk or combination of risks that would threaten the business model, future performance, solvency or liquidity of Anglo American Platinum. In addition, we are exposed to other risks related to health, political and regulatory compliance, information security, labour unrest, water infrastructure, fraud and corruption, workforce strength, potential deterioration in third-party processing margins as well as allegations of discrimination and harassment. These risks are subject to our normal procedures to identify, implement and oversee appropriate mitigating actions, supported by internal audits to provide assurance on the status of controls or mitigating actions.

Principal risks

The heat map positions below reflect residual risks.

Anglo American Platinum's principal risks

1	Global health pandemic
2	Social licence to operate
3	Employee safety
4	Macro-economic uncertainty, creating price and exchange-rate volatility
5	Prolonged disruption in downstream production including dependency on single converter at ACP
6	Infrastructure (power)
7	Future demand and supply of PGMs
8	Covid-19 loss of livelihood and social unrest
9	Information security
10	Failure to deliver the full potential of operating assets
11	Failure to invest to secure and grow our leadership position



Below we summarise the principal risks facing the business, our mitigating strategies and where these risks fit in with our strategic components.

1 Global health pandemic *(new risk)*

Strategy impact: 1 2 3 4

Description of risk and its context

A rise in Covid-19 infections is anticipated, coupled with further concerns on the ability of the public healthcare system to manage potential volume – this increases the health risk. An increase in the spread of the virus can impact the workforce, translating to potential operational disruptions and potentially leading to loss of employees (as well as critical-skilled employees).

Root cause
- Uncontrolled within local communities spread
- Lack of treatment
- Mental wellbeing (burnout due to added pressure)
- Non-adherence to social-distance protocols and mitigation controls

Potential impacts
- Permanent disability or loss of life
- Absenteeism and/or stress
- Loss of production
- Financial liability arising from claims from mineworkers (civil liability claim)

Mitigation
- DMRE codes of practice
- Anglo American Platinum Covid-19 protocol (associated controls)
- Screening protocol
- Compliance officers appointed
- Medical protocol (use of PPE)
- Dedensification, social distancing
- Vulnerable employee strategy
- Regular general communication to workforce
- Workplace adjustment and provision of PPE
- Testing infrastructure in place
- Community response plan in place

Risk appetite
- Currently within risk appetite, but potential to exceed it

Risk tolerance
- Within tolerance

Commentary

As the world continues to grapple with the effects of Covid-19, no part of society has been left unscathed.

Although the effects of this pandemic are likely to have an impact on a number of risks facing Anglo American Platinum, mitigation plans are in place.

2 Social licence to operate

(risk rating increased (previous 6))

Strategy impact: 4

Description of risk and its context

If local communities and wider society actively oppose the existence of our operations, our ability to conduct our activities could be threatened. There are rising levels of dissatisfaction in communities on social delivery, unresolved legacy issues, and less-than-expected benefits from mining.

Root cause

- Dissatisfaction on social delivery, perception of transformation, employment and procurement activities
- Environmental impact, ie dust, noise, pollution, reduced resources (water/land)
- Use of trust money by communities
- Poor service delivery by local municipalities to communities
- Less-than-expected benefits from mining
- Trust relationship between communities and Anglo American Platinum due to previous legacy issues
- High levels of unemployment
- Resettlement obligations
- Society, NGOs' expectations as information scrutiny increases

Potential impacts

- Reduced levels of trust between mine and communities
- Community over-reliance on mines for economic benefits
- Potential human rights impacts on communities during protests
- Loss of production and possible damage to assets
- Threats of violence and physical harm made to Social Performance team members
- Lawlessness due to third-party influence
- Negative reputational consequences

Mitigation

- Implementing social strategy: collaborative regional development approach, social risk and impact management, increased community and employee ownership, community participation model
- Compliance to the Anglo American social way
- Strategic engagement with communities, local government, traditional leaders, NGOs and broader society
- Effective grievance mechanisms
- Initiate and implement remediation plans for resettled communities at Ga-Sekhaolelo, Ga-Puka, Ga-Pila and Magobading
- Complete relocation and initiate livelihoods restoration programmes at Mothlotlo
- Empower municipalities, traditional leaders and interfaith leaders

Risk appetite

- Currently within risk appetite, but potential to exceed it

Risk tolerance

- Within tolerance

Commentary

Increased vulnerability of local communities due to health and economic challenges are of concern.

Various programmes undertaken to assist our local communities given the impact of Covid-19: mask manufacturing, small business assistance (payment holidays), initiatives to assist with supply of water, food parcels, focus on recoveries of small business.

Strategies and plans to further empower communities around us, eg Anglo American Zimele's youth development programme that aims to address the youth unemployment crisis in South Africa.

We have local government initiatives, established joint community and operating decision-making frameworks, and improved NGO/religious leaders' cooperation. These all have the potential to grow our business and standing with our host communities.

3 Employee safety *(no change in risk rating (previous 1))*

Strategy impact: 2

Description of risk and its context

Failing to deliver a sustained improvement in safety performance. Senior management continues to prioritise safety risk management. Given the number and nature of high-potential incidents (HPI) and an increase in incidents from not adhering to basic safety rules and standards, significant work remains.

Root cause
- Inconsistent application of safety rules and hazard identification, including non-compliance to critical controls
- Exposure to major safety-related issues: material handling, fall-of-ground, transport, moving machinery, working at heights

Potential impacts
- Loss of life
- Workplace injuries
- Safety-motivated stoppages by regulators
- Threats to our licence to operate

Mitigation
- Implementing safety management system standards, fatal risk standards and safety golden rules, supported by robust risk management and risk assurance processes
- Creating a leadership approach and culture conducive to innovation and improved safety performance. Enhance people development using KPI-based reward and recognition to drive behaviours
- Move up the hierarchy of controls through innovation and engineering capability
- A relentless focus on safety improvement and safety risk management adopted by executive management
- Elimination-of-fatalities programme

Risk appetite
- Currently within risk appetite, but potential to exceed it

Risk tolerance
- Within tolerance

Commentary

One fatality recorded for the year. Potential increase of Covid-19 infections can lead to lockdown levels changing, resulting in operational disruptions, maintenance interruptions and workplace safety implications.

Covid-19 impacts include the mental health of employees and the effect on safety, new protocols, not fully adjusted.

4 Macro-economic uncertainty creating price and exchange rate volatility *(risk rating increased)*

Strategy impact: N/A – external nature of risk

Description of risk and its context

Macro-economic uncertainty creating price and exchange rate volatility, impacting levels of cash flow, profitability and return on capital employed (ROCE).

Root cause
- The global economic environment could impact prices for PGMs
- Current political factors could impact the exchange rate
- Slower-than-expected growth in emerging economies
- Weak demand for and negative sentiment on PGM could affect the price
- Covid-19 impact and second/third wave of infections
- Industry over-supply

Potential impacts
- Weakened cash flow, profitability and ROCE
- Reduced ability to exploit future growth/value-enhancing initiatives

Mitigation
- Strategy to position Anglo American Platinum in the lower half of cost curve, ensuring sustainable return
- Integrated planning process
- Regular updates of economic analysis and commodity price assumptions to management
- Continued focus on operational improvements, cost control, disciplined capital allocation and cash generation
- Unprofitable production will be removed

Risk appetite
- Currently within risk appetite, but potential to exceed it

Risk tolerance
- Within tolerance

Commentary

The current pandemic represents a health risk to billions and has disrupted global growth and trade.

Slow recovery in the next two to three years is expected. Current fluctuations in the rand/dollar exchange rates and metal pricing, leading to financial uncertainty.

Cost increases due to operational practices, workforces, production levels and potential inflation heighten the macro-economic risk.

5 Prolonged disruption in downstream production and dependency on single converter at ACP *(new risk)*

Strategy impact: 2

Description of risk and its context	Commentary
Exposure to any catastrophic risk might lead to a prolonged disruption/downtime on the single process streams (ACP, MCP, BMR and PMR), potentially impacting our ability to achieve set objectives and potentially leading to significant revenue loss. Waterval Smelter uses either of largely identical converters at the ACP, Phase A or Phase B for operational flexibility and as back up. A deflagration incident at ACP Phase A earlier in 2020 resulted in prolonged downtime and a declaration of force majeure due to water leaks in the back-up unit Phase B. **Root cause** – Explosion and leaks brought the operation to halt – Unavailability of a stand-by converter leaving smelting operations exposed in the short term – Lack of capital allocation – Few alternative processing facilities available **Potential impacts** – Complete downstream production shutdown for an extended period as ACP feeds MC Plant and the MC Plant in turn feeds Base Metals Refinery (BMR) and Precious Metals Refinery (PMR) – Magnitude (of disruption) to recover potential production loss might not be feasible – Revenue loss – Non-delivery of commitments to clients might lead to additional financial losses **Mitigation** – Proper and safe operation of assets, in line with requirements of technical documents and group standards. – Elevated levels of condition monitoring by metallurgical team – Waterval Asset Reliability Programme (WARP) – Operating model roll-out – Business interruption insurance – Business continuity management – Process division Safety Management roll out – Potential to sell Waterfall Furnace Matt **Risk appetite** – Currently within risk appetite, but potential to exceed it **Risk tolerance** – Within tolerance	Phase A which was repaired in 2020 following a deflagration incident has been operational since end of 2020, ahead of the original schedule of Q2 2021. Due to delayed re-build, repeated water leaks were detected at Phase B while it was being used as back up to Phase A, hence, a decision was taken to close this unit for a full rebuild lasting into 2021, leaving AAP with only one converter unit operational in the short term.

6 Infrastructure *(power)*
(no change in risk rating (previous 2))

Strategy impact: N/A – external nature of risk

Description of risk and its context

The current financial state and ability of Eskom to sustainably supply power poses a risk to Anglo American Platinum.

Root cause
- Dependency on Eskom
- Eskom requires funding for generation
- Poor management of Eskom business and significant management changes
- Eskom coal-supply contracts (security-of-supply concern)
- Poor historical maintenance by Eskom
- La Nina phenomenon and wet weather impact on coal reserves
- New-build power stations not performing to design specifications

Potential impacts
- Unplanned and short-notice electricity supply outages, leading to loss of production
- Safety implications, particularly for underground mines and process activities
- Above-inflation future cost increases, placing business viability at risk

Mitigation
- Load curtailment process
- Participation at the energy user group
- Detailed emergency plans for short-notice electricity supply outages
- Continuous improvement of efficiencies
- Alternative to pursue IPP (independent power producer) options or renewable energy to offset reliance on Eskom
- Participation in the instantaneous demand response (IDR) programme with Eskom

Risk appetite
- Currently within risk appetite, but potential to exceed it

Risk tolerance
- Within tolerance

Commentary

Eskom's project maintenance has increased the planned maintenance levels for December 2020 and Quarter 1 of 2021. The delays in the generation units returning from planned maintenance, combined with additional unplanned breakdowns/unplanned capability loss factor (UCLF), has resulted in a generation shortfall leading to a decline in the energy availability factor (EAF).

7 Future demand and supply of PGMs
(no change in risk rating (previous 3))

Strategy impact: N/A – external nature of risk

Description of risk and its context

Future demand for PGMs is at risk from potentially slower growth in manufacturing of combustion-engine motor vehicles, technological developments resulting in battery-electric vehicles competing with hydrogen fuel cell electric vehicles, and suppressed jewellery sales, although some upside potential also exists. Anglo American Platinum's dependency on certain market segments, eg autocatalyst and diesel vehicles, puts the company at risk.

Root cause
- Changes to consumer preference and environmental legislation impacting diesel motor vehicle demand
- Battery-electric vehicle adoption substituting internal combustion engine (ICE) and threatening/delaying adoption of fuel cell electric vehicles
- Suppressed or negative jewellery demand
- Secondary PGM supply from recycling
- Potential limited increase of primary supply from competitors (exacerbating demand/supply imbalance)
- Future technological developments that may significantly lower entry barriers into PGM mining industry
- Price sensitivity of individual commodities and price substitution
- Potential to substitute palladium with platinum in gasoline vehicle catalysts
- Potential upside for growth from heavy-duty diesel, fuel cells and Indian jewellery

Potential impacts
- Weakened cash flow, profitability and ROCE
- Loss of customer confidence
- Loss of invest in capacity of supply (e.g. rhodium and iridium)

Mitigation
- Investigating multiple demand segments to reduce risk through marketing and stimulating demand
- Invest in new PGM technologies, leveraging our footprint to add value
- Active market development in Indian/Chinese jewellery

Risk appetite
- Currently within risk appetite, but potential to exceed it

Risk tolerance
- Within tolerance

Commentary

Concerns around product substitution exist as prices for palladium and rhodium are rising. Short-term demand and supply concerns due to Covid-19, exacerbated by ACP downtime.

We view this as a longer-term threat to the business, but various initiatives are under way to mitigate the risk.

8 Covid-19 loss of livelihood and social unrest *(new risk)*

Strategy impact: 1 2 3 4

Description of risk and its context

As the world continues to grapple with the effects of Covid-19, no part of society has been left unscathed. One of the key themes emerging in South Africa is the impact on jobs and loss of livelihood in other sectors of the economy. As risks become more interconnected and unpredictable, this may have a direct impact on our operations and the company as a whole since, if not controlled, they could result in total anarchy and disruptions in areas close to our operations.

Root cause
- Socio-economic and political instability
- Community expectations for local procurement
- Abuse of human rights
- Local authority service-delivery failure

Potential impacts
- Disrupted operational activities
- Weakened cash flow, profitability and ROCE
- Loss of investor confidence

Mitigation
- Community threat analysis
- Community monitoring and information gathering
- Community vulnerability analysis
- Protection services' rules of engagement.
- Asset vulnerability analysis
- Socio-economic development (SED) strategy and plan
- Formal community grievance, issue and incident mechanism
- Stakeholder engagement schedule
- Local supplier database
- Local procurement policies and procedures
- Supplier development initiatives
- Ring fencing procurement opportunities for local businesses

Risk appetite
- Currently within risk appetite, but potential to exceed it

Risk tolerance
- Within tolerance

Commentary

With the lockdown being economically unaffordable, loss of livelihoods and unemployment are soaring, especially among youth. Coupled with existing challenges relating to widespread hunger, domestic violence, mental health and impact on education, this may trigger social unrests and riots in certain areas.

9 Information security *(no change in risk rating (previous 7))*

Strategy impact: 2 3

Description of risk and its context

Failing to adequately protect the data and information of certain initiatives or knowledge-holders from leakage or attack.

Root cause
- Improved capabilities of hackers/attackers
- Industrial espionage
- Rise in cyber breaches (eg phishing, spoofing and hacking attempts)
- Vulnerabilities of devices using home wi-fi networks and business documents shared via WhatsApp and Box

Potential impacts
- Loss of critical and/or sensitive data
- Reputational damage
- Safety impacts (through loss of control of operating systems, particularly process systems)
- Financial losses

Mitigation
- Technical controls and existing capabilities are being extended to include monitoring high-risk assets and advanced network monitoring technologies
- Implementing augmented detection capabilities
- Security campaigns to create awareness

Risk appetite
- Within risk appetite, high consequence rating requires close monitoring

Risk tolerance
- Within tolerance

Commentary

While the number of attacks remains high, actions to mitigate this risk – including physical controls and the programme to improve employee awareness – have reduced the likelihood of successful attacks.

10 Failure to deliver the full potential of operating assets *(no change in risk rating)*

Strategy impact: 2 3

Description of risk and its context

Failing to deliver the full potential of operating assets due to non-delivery of productivity targets, and delays in implementing operating model at operations.

Root cause
- Not meeting productivity targets
- Delays in implementing operating model
- Delays in technology adoption
- Failing to make Amandelbult investable again and Modikwa alternatives
- Failure to maintain critical plant, machinery and infrastructure
- Not meeting P101 programme deliverables

Potential impacts
- Loss of production and revenue
- Inability to deliver required cash flow and profitability targets

Mitigation
- Deliver value by rolling out operating model at Mogalakwena and Amandelbult
- Continue debottlenecking downstream process capacity
- Continue research and development on XLP and ULP technology
- Continue with organisational development and transformation
- All optimisation initiatives tracked and reported

Risk appetite
- Within risk appetite, high consequence rating requires close monitoring

Risk tolerance
- Within tolerance

Commentary

Continue to deliver value by unlocking processing constraints.

Our digital transformation strategy aims to increase operational efficiencies in the workplace.

11 Failure to invest to secure and grow our leadership position *(no change in risk rating)*

Strategy impact: 1

Description of risk and its context

Ensuring efficient investments and effectively executing value-accretive projects on time and within budget.

Root cause
- Worsening economic environment impacting projects
- Long-term strategic inconsistency (group/business unit)
- Studies not progressing as planned
- Inability to transform into a modernised organisation
- Uncertainty of PGM demand fundamentals
- Lack of enabling infrastructure to support expansion

Potential impacts
- Fall behind competitors and lose competitive advantage or positioning
- Negative cost-curve impact due to projects not coming online
- Loss of potential revenue in the profit pool
- Loss of mining rights
- Loss of critical mass/economy of scale
- Negative socio-economic impact (not delivering on our commitments)

Mitigation
- Advancing low-capex, fast-payback projects and completing project studies to retain flexibility on project delivery
- Portfolio management strategy revised and optimised
- Rigorous selection processes applied to capital allocation, including stay-in-business (SIB) capital
- Anglo American Platinum project steering committee, including SIB and Group Project Studies and Infrastructure (PSI) projects, now embedded and serves as early warning to identify potential project challenges

Risk appetite
- Within risk appetite, high consequence rating requires close monitoring

Risk tolerance
- Within tolerance

Commentary

We have a unique opportunity to improve cash-flow generation and returns through increased processing of higher-margin mined production from Mogalakwena and/or Der Brochen expansion.

Amandelbult concentrator

Performance review

Annual production affected by lockdown but strong second-half recovery. Focus on health and wellbeing of employees and communities.

Key matters discussed in this section

- Financial performance and country contribution
- Operational and cost performance
- Overview of capitals and targets
- Ore Reserves and Mineral Resources

Financial review

Anglo American Platinum delivered a strong financial performance in 2020, with increased earnings and returns.

Craig Miller
Finance director

Record headline earnings of	Net cash of	Dividend pay-out ratio	Return on capital employed of
R30.3 billion	R18.7 billion	40%	72%
up 63% from 2019	from R17.3 billion in 2019	of FY20 headline earnings, equivalent to R12.1 billion or R45.58 per share	on strong earnings

Overview

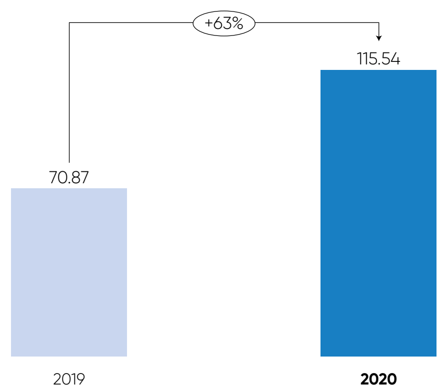
Despite the temporary closure of the ACP and impact of the Covid-19 pandemic, Anglo American Platinum delivered another strong financial performance in 2020, with increased earnings and returns. This reflects the resilience of our business and strong market fundamentals. The US dollar PGM basket price increasing 51%, coupled with a weakening rand, led to the rand basket price rising 71% compared to 2019.

Headline earnings increased 63% to R30.3 billion, resulting in headline earnings per share (HEPS) of 11,554 cents (2019: 7,087 cents).

The company's balance sheet remained strong, with net cash of R18.7 billion, a R1.4 billion improvement from net cash of R17.3 billion at 31 December 2019.

For a more comprehensive account of the company's financial position and performance, this review should be read with the annual financial statements for 2020 at www.angloamericanplatinum.com.

Headline earnings per share
(R/s)



Financial performance

Key financial indicators underpinning our operating performance in the past year were:

R billion	2020	2019	% change
Net revenue	137.8	99.6	38
Cost of sales	98.1	72.7	35
Adjusted EBITDA	41.6	30.0	39
Headline earnings	30.3	18.6	63
Capital expenditure excluding capitalised waste stripping and interest[1]	6.4	6.0	7
Net cash	18.7	17.3	8
ROCE (%)	72.0	58.0	14pp

1 2020 capex is net of the insurance provision for ACP Phase A of R351 million.

Revenue

Net revenue increased by 38% to R137.8 billion from R99.6 billion in 2019. Revenue, excluding sales of purchased metals and tolling, rose 5% after a 71% increase in the rand basket price to R33,320 per PGM ounce sold (compared to R19,534 in 2019), offset by a 38% decrease in PGM sales volumes (excluding purchased metals) due to lower refined production resulting from the ACP incidents as well as Covid-19 lockdown restrictions.

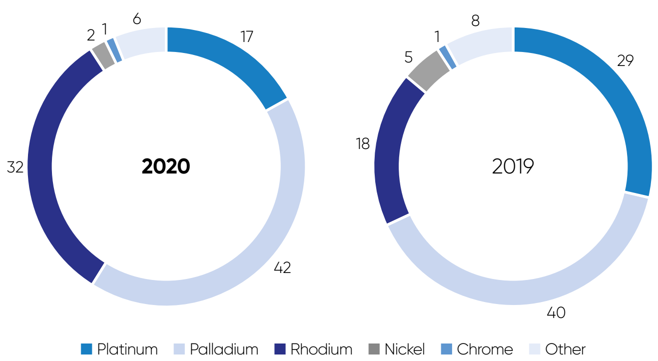
The 71% increase in the PGM rand basket price was on the back of a 51% higher US dollar basket price of USD2,035 per PGM ounce sold (compared to USD1,347 in 2019) and a 13% weaker average rand/dollar exchange rate of R16.34 (2019: R14.50). The average US dollar sales price on all PGMs improved: rhodium was up 187% and palladium was up 43%.

Revenue from third-party purchases increased by R34.0 billion to R41.9 billion. Revenue from tolling was R1.0 billion for the year.

Revenue by metal

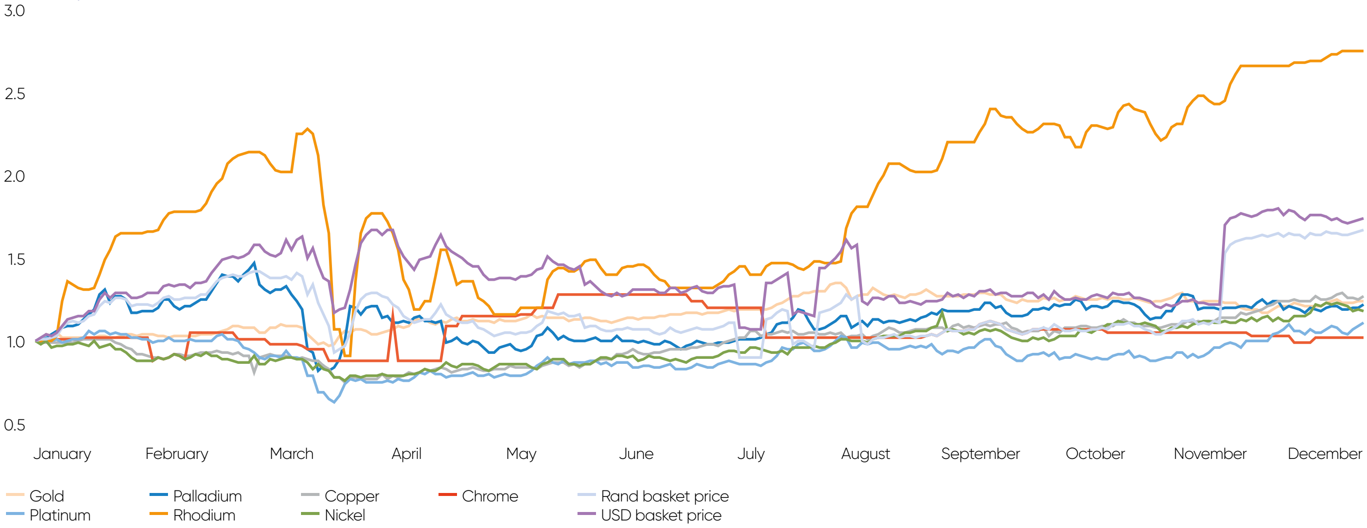
R billion	2020	2019	% change
PGM (5E+AU)	89.6	83.3	8
Platinum	17.3	27.6	(37)
Palladium	33.1	33.5	(1)
Rhodium	32.8	16.6	98
Other PGMs	6.4	5.6	14
Nickel	3.4	4.4	(24)
Chrome	1.3	1.4	(7)
Other	0.6	1.5	(60)
Net revenue excluding trading and tolling	**94.9**	**90.6**	**5**
Trading and tolling	42.9	9.0	378
Net revenue	**137.8**	**99.6**	**38**

Revenue per metal
(%)



		2020	2019	% change
Total metal sold				
Platinum	000 oz	**1,195**	2,215	(46)
Palladium	000 oz	**903**	1,521	(41)
Rhodium	000 oz	**188**	298	(37)
PGM (5E+AU)	000 oz	**2,869**	4,634	(38)
Nickel	t	**15,165**	21,445	(29)
Chrome	t	**786,174**	799,500	(2)
Average market price achieved – excluding trading				
Platinum	US$/oz	**880**	861	2
Palladium	US$/oz	**2,214**	1,520	46
Rhodium	US$/oz	**10,628**	3,810	179
Nickel	US$/t	**14,250**	14,050	1
Chrome	US$/t	**107**	121	(11)
PGM basket price	US$/oz	**2,035**	1,347	51
Average exchange rate	R/US$	**16.34**	14.50	13
PGM basket price	R/oz	**33,320**	19,534	71

Metal price movement
1 January 2020 to 31 December 2020



Costs

As a result of the increased trading activity and higher purchase-of-concentrate expenditure (as a result of higher PGM prices, despite lower volumes), cost of sales increased by 35% to R98.1 billion. This was compensated in part by a decrease in operational costs as a result of reduced activity owing to Covid-19.

Despite paying R1.6 billion in salaries to employees who were unable to work, on-mine costs (mines and concentrators) decreased by 2% to R28.1 billion. This was due to lower mining activity as a result of the lockdown as well as the benefit of lower costs at operations. Following the ACP incident, there was a renewed focus on maintenance of our processing assets, which led to an increase in processing costs by 3% to R9.7 billion.

Notwithstanding the decrease in cash operating costs owing to cost-saving initiatives of R1.8 billion, the unit cost of production per PGM ounce increased by 15% to R11,739 (2019: R10,189). This was due to a 14% decrease in mining production related to the Covid-19 national shutdown. Excluding the costs associated with unproductive labour, amounting to R1.6 billion, or R607 per ounce, unit costs would have been R11,132, 9% higher than 2019.

Costs associated with the purchase-of-concentrate increased by R13 billion to R35.9 billion (2019: R22.9 billion) because of higher prices and weaker exchange rates, partly offset by lower volumes.

Purchased and borrowed metal costs increased to R41.6 billion from R7.5 billion in the prior year, reflecting increased trading activity to mitigate supply risk to customers.

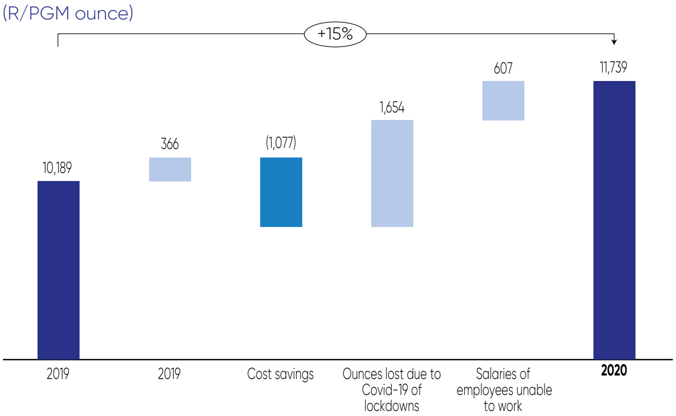
Cost of sales analysis

R billion	2020	2019	% change
On-mine	28.1	28.7	(2)
Processing	9.7	9.4	3
Smelting	5.2	4.8	8
Treatment and refining	4.5	4.5	(1)
Movement in metal inventories	(22.5)	(0.9)	2,400
Movement in ore stockpiles	(0.5)	0.1	(400)
Purchase of concentrate	35.9	22.9	57
Trading activities	41.6	7.5	454
Other costs	3.2	2.9	10
Royalties and carbon tax	2.6	2.1	24
Cost of sales	98.1	72.7	35

Other costs increased by R0.8 billion to R5.8 billion (2019: R5.0 billion) primarily reflecting an increase in royalty costs of R0.5 billion on the back of higher revenue. R0.5 billion was spent on Covid-19 personal protective equipment (PPE), sanitisation and healthcare for employees and communities.

The all-in sustaining cost for own-mines was USD1,289 per PGM ounce sold (2019: USD855) compared to an achieved price of USD1,982 per PGM ounce.

Unit cost
(R/PGM ounce)

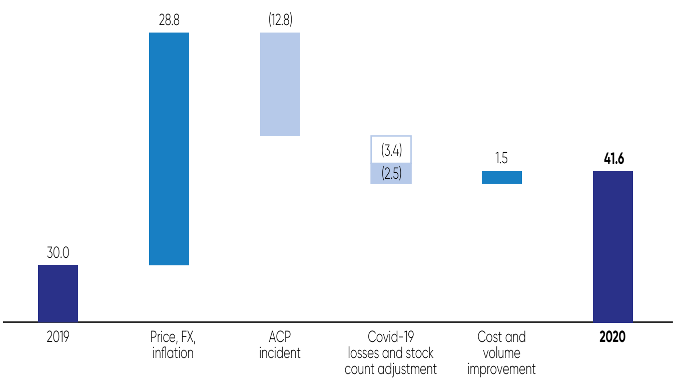


Earnings before interest, taxation, depreciation and amortisation (EBITDA)

EBITDA increased by R11.6 billion to R41.6 billion (2019: R30.0 billion). This was mainly due to the higher US dollar PGM prices, particularly for palladium and rhodium, and the weaker rand/dollar exchange rate, contributing R23.7 billion and R6.9 billion respectively. Higher inflation and increased royalties, however, reduced EBITDA by R1.8 billion. The incidents at the ACP resulted in a reduction in EBITDA of R12.8 billion (calculated based on lost sales). Other headwinds that affected EBITDA were a stock count loss of 25,000 3E PGM ounces (R2.5 billion), the payment of unproductive mining labour of R1.6 billion, production losses of R1.3 billion attributable to Covid-19, and Covid-19 related expenditure of R0.5 billion. Cost and volume improvements added R1.5 billion to EBITDA, owing to lower costs at the operations.

The EBITDA margin was 43% (2019: 32%), driven by higher prices for our commodities.

EBITDA
(Rbn)



Capital expenditure

Capital expenditure, excluding capitalised waste stripping, for 2020 was R6.4 billion, within market guidance of R5.7 to R6.5 billion, and R0.4 billion above 2019.

Stay-in-business (SIB) expenditure for the year was incurred mainly on Polokwane smelter and Mortimer smelter rebuilds, SO_2 abatement projects at smelters, Mogalakwena heavy mining equipment (HME), building the Mareesburg tailings dam and capital maintenance programmes to maintain asset integrity. The ACP A repairs were R0.5 billion of which R0.35 billion was received from insurance. R0.5-R0.6 billion is expected to be spent on the ACP phase B repair. As a result of a useful-life review and the ACP incident, ACP phase B was impaired by R0.3 billion.

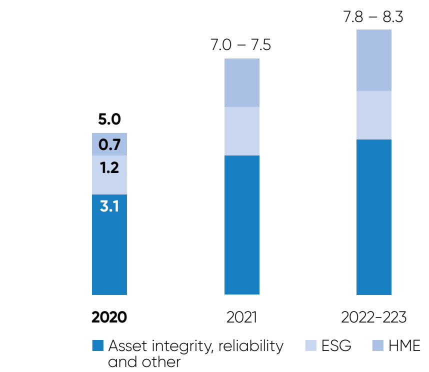
Project capital of R0.6 billion was incurred on development of the Tumela 15E mechanised dropdown and the Modikwa chrome plant.

Breakthrough project capital of R1.2 billion was incurred on the modernisation of Amandelbult and Mogalakwena bulk ore sorting pilot scheme. R120 million was spent on growth studies for the expansion project/the future of Mogalakwena.

Looking ahead, the company has an enhanced focus on ensuring asset reliability and stability and embedding a continuous-maintenance cycle and strategy. In line with this focus, over the next three years the company expects to see an increase in stay-in-business capital. 2021 SIB capex is expected to increase to c.R7.0 to 7.5 billion, while 2022 and 2023 capital expenditure is anticipated to be R7.8 to R8.3 billion. Stay-in-business capital expenditure increases will be driven by replacing end-of-life heavy mining equipment (HME) at Mogalakwena, the ACP Phase B rebuild commencing in 2021, a rebuild of the slag-cleaning furnace at the Waterval smelters commencing in June 2021, and a two-fold increase in capital maintenance to ensure the reliability of assets. From 2024 onwards, SIB will revert to more sustainable levels of capital expenditure of ~R7.5 billion.

Key breakthrough projects are focused on new-technology projects, including bulk-ore sorting at Mogalakwena, coarse particle rejection at Mogalakwena, copper debottlenecking at the Base Metal Refinery and the Amandelbult modernisation, as well as PGM recovery improvements throughout the value chain and condition monitoring of all assets and equipment. Studies will continue to inform the future of Mogalakwena which will be completed at the end of 2021 and go to the board for evaluation and approval in Q1 2022.

SIB capital expenditure
(Rbn)

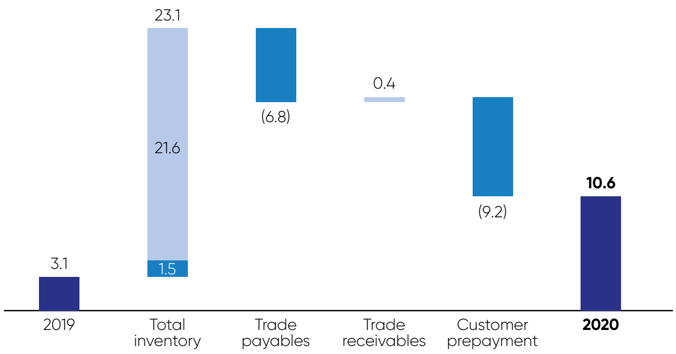


Working capital

We continue to focus on optimising working capital levels. Trade working capital at 31 December 2020 was R10.6 billion, equivalent to 58 days, compared to R3.1 billion at 31 December 2019 (three days). The net increase was mainly attributable to the higher work-in-progress inventory (R21.6 billion) owing to the impact of the ACP shutdowns. This was offset in part by the increase in the customer prepayment (R9.2 billion) due to higher prices and a weaker rand/dollar exchange rate, and an increase in trade creditors (R6.8 billion), mainly due to higher purchase-of-concentrate prices.

Other working capital was R4.5 billion higher than 31 December 2019, largely as a result of higher financial assets due to open borrowing positions, the ACP insurance receivable and higher outstanding VAT refunds from increased third-party metal purchases.

Working capital
(Rbn)



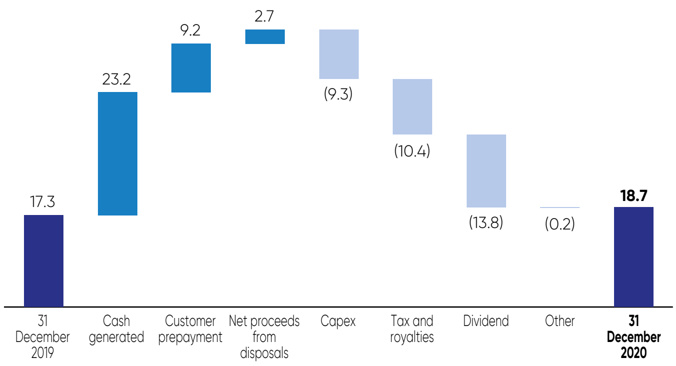
	2020 Rbn	Days	2019 Rbn	Days
Metals and consumables	43.9	131	21.3	79
Ore stockpiles	2.6	7	2.1	11
Trade receivables	1.3	4	0.8	2
Trade payables	(18.6)	(43)	(11.8)	(48)
Customer prepayment	(18.5)	(41)	(9.4)	(41)
Trade working capital	10.6	58	3.1	3
Other receivables	7.5	26	2.5	7
Other payables	(5.9)	(13)	(5.4)	(24)
Total working capital	12.2	71	0.2	(14)

Cash flows

The company ended the period in a net cash position of R18.7 billion compared to net cash of R17.3 billion at the end of 2019, an increase of R1.4 billion. The company generated cash of R23.2 billion and an increased customer prepayment added R9.2 billion. During the year, the company received deferred consideration payments totalling R3.3 billion. These cash flows were used to fund capital expenditure and capitalised waste stripping of R9.3 billion; pay taxation and royalties of R10.4 billion; fund associates, acquisitions and minor investments of R0.6 billion and pay dividends to shareholders of R13.8 billion.

Excluding the current value of the customer prepayment of R18.5 billion, the company is in a net cash position of R0.2 billion (net cash of R7.9 billion in 2019). Liquidity headroom, excluding the customer prepayment, is at R21.8 billion, comprising both undrawn committed facilities of R20.7 billion and cash of R1.1 billion. The company operates comfortably within its debt covenants.

Net cash
(Rbn)



Investor relations activity and share price

Anglo American Platinum has positioned itself as a diversified precious metals mining company generating value for stakeholders through its full value-chain proposition from mine to market.

The investor relations function engages with the market to enhance corporate value through effective communication of its corporate strategy, financial performance, and its environmental, social and governance (ESG) performance. Engaging with the market includes key stakeholders such as buy-side and sell-side analysts, institutional investors and potential investors. Interacting and communicating with the market has been key to ensure an understanding of the impact of Covid-19 on operational performance, as well as the rebuild of the ACP and its operational and financial impact.

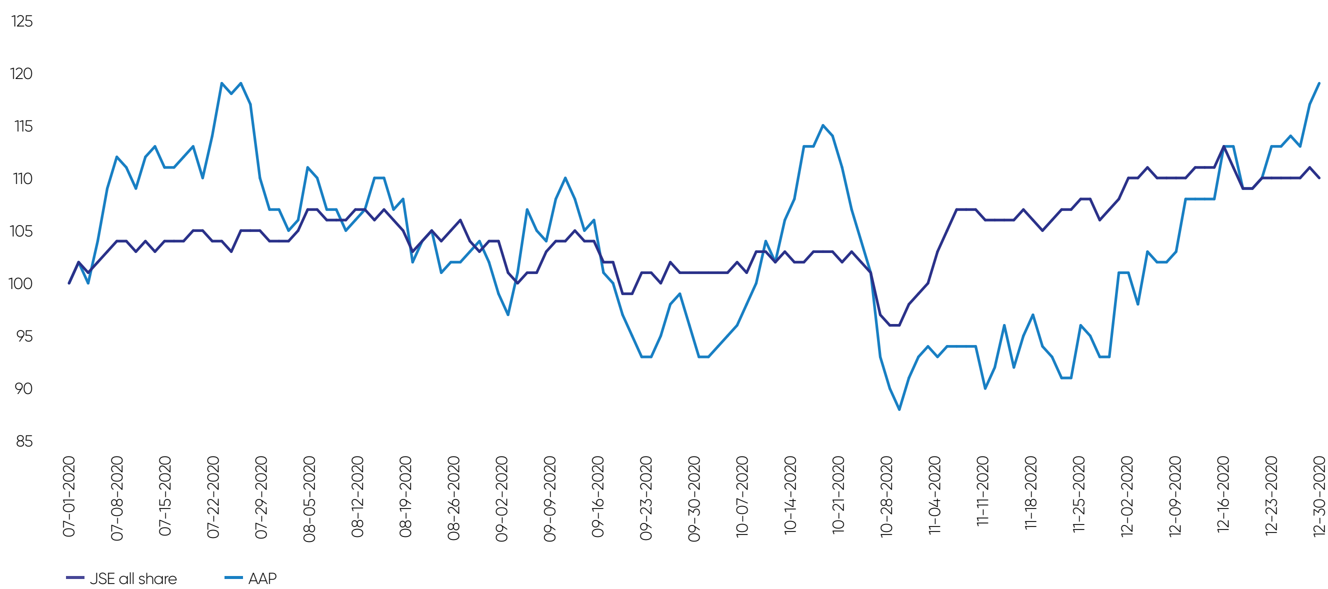
Investor and analyst sentiment towards Anglo American Platinum was subdued, as the temporary closure of the ACP for repairs impacted operational and financial performance in the review period. This led to a lower share price performance relative to peers. Despite this, the market still views Anglo American Platinum as having quality assets, and we were able to mitigate the financial impacts of a build in work-in-progress inventory due to Anglo American Platinum's strong balance sheet. The share price increased from R1,307/share on 31 December 2019 to R1,443/share on 31 December 2020.

The investor relations team manages communication through specific reporting periods, such as annual and interim results presentations, as well as quarterly production updates, operational announcements, trading updates and any material information on the company through JSE SENS announcements. Roadshows and attending specialist conferences enable further engagement with key stakeholders, focused on emerging market and resource specialist fund managers.

The shareholder base comprises both domestic and foreign institutional investors, individuals, pension and provident funds, hedge funds, banks, nominee and finance companies, trust funds and insurance companies. The shareholding of Anglo American South Africa Investments Proprietary Limited was 79.33%. Excluding ownership by the parent company, the geographical split of the shareholder base has evolved over recent years from predominantly South African to a growing investor base from the UK, Europe and North America.

Any significant concerns raised by a shareholder on Anglo American Platinum are communicated to investor relations, PMC and the board. The board receives a briefing at each meeting from investor relations, communicating feedback on the performance of the share price, and sentiment from institutional shareholders and other engagements.

Share price



Dividends

The company dividend policy targets a pay-out ratio of 40% of headline earnings. In line with our capital-allocation framework, supported by the strong balance sheet, anticipated improvement in refined production in 2021, continuation of relatively strong PGM prices and the ability of the company to withstand downside price risk and operational challenges, the board has declared a second-half cash dividend of R9.4 billion, or R35.35 per share, to our shareholders.

This brings the aggregate 2020 dividend to R12.1 billion or R45.58 per share, equivalent to a 40% pay-out on full-year 2020 headline earnings.

The dividend applies to all shareholders on the register on 12 March 2021 and is payable on 15 March 2021.

Significant accounting matters

Anglo converter plant

In February 2020, the company's ACP phase A unit was damaged after an explosion. Phase B was commissioned to take over from phase A when a water leak was detected. Subsequent to repairing the leak, an unrelated water leak was detected. In November, the company announced its decision to close the ACP phase B for a full rebuild. ACP phase A started up on 24 November 2020 and first matte was dispatched on 7 December 2020. The extent of the water leaks at ACP phase B will only be determined in 2021 when engineers begin repairs.

An impairment related to assets affected by the explosion in phase A of R264 million was recognised in H1 2020. Phase B was closed ahead of any potential extensive damage and no additional assets were scrapped.

An insurance claim is being processed and the company received an interim settlement of R351 million in January 2021.

Change in estimate of quantities of inventory

In the current period, the group changed its estimate of the quantities of inventory based on the outcome of a physical count of in-process metals. The group runs a theoretical metal inventory system based on inputs, the results of previous counts and outputs. Due to the nature of in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place once per annum, except in the Precious Metal Refinery, where the physical count is usually conducted every three years. The Precious Metals Refinery physical count was conducted in 2019. This change in estimate has had the effect of decreasing the value of inventory disclosed in the financial statements by R782 million (31 December 2019: increase of R961 million). This results in recognising an after-tax loss of R566 million (31 December 2019: after-tax gain of R692 million).

Change in estimate of Union deferred consideration

As part of the sale of our 85% interest in Union Mine and 50.1% interest in MASA Chrome Company Proprietary Limited, Anglo American Platinum received upfront disposal proceeds of R400 million in February 2018. In addition, deferred consideration based on 35% of cumulative positive distributable free cash flow is payable annually as an earn-out for a period of 11 years from the effective date of the transaction, which was 1 February 2018.

In the event that the cumulative deferred consideration is negative at the end of the 11-year period, AAP will be obliged to repay Siyanda the cumulative deferred consideration received.

At 31 December 2019 and 30 June 2020, forecast cash flows indicated negative cumulative cash flows over the period and no deferred consideration was recognised. However, with current market conditions, the forecast cash flows at 31 December 2020 were positive and resulted in recognising deferred consideration for Union Mine of R1,764 million.

Key factors that will affect future financial results

Financial outlook

Unit cost guidance for 2021 is between R11,000 and R11,500 per PGM ounce.

Total capital expenditure guidance for 2021, excluding capitalised waste stripping is expected to be between R7.0 and R7.5 billion. Capitalised waste-stripping guidance is R2.8 to R3.1 billion.

The board has committed to paying a sustainable dividend based on pay-out ratio of 40% of normalised headline earnings at each reporting period.

The financial information on which the guidance is based has not been reviewed or reported on by the company's auditors.

CW Miller

Craig Miller
Finance director

Johannesburg

15 March 2021

Summarised consolidated statement of financial position

as at 31 December 2020

	2020 Rm	2019 Rm
ASSETS		
Non-current assets	**68,176**	57,177
Property, plant and equipment	**46,139**	43,504
Capital work-in-progress	**10,989**	8,501
Other financial assets	**7,716**	2,558
Inventories	**1,147**	1,006
Investment in associates and joint ventures	**908**	413
Investments held by environmental trusts	**829**	798
Goodwill	**397**	397
Deferred taxation	**51**	–
Current assets	**76,201**	46,843
Inventories	**45,370**	22,446
Cash and cash equivalents	**19,991**	18,546
Other financial assets	**5,207**	2,532
Other assets	**3,146**	1,633
Trade and other receivables	**2,339**	1,686
Taxation	**148**	–
Total assets	**144,377**	104,020
EQUITY AND LIABILITIES		
Share capital and reserves		
Share capital	**26**	27
Share premium	**22,604**	22,691
Retained earnings	**51,711**	35,039
Foreign currency translation reserve	**2,687**	2,452
Remeasurements of equity investments irrevocably designated at FVTOCI	**1,322**	441
Non-controlling interests	**184**	192
Shareholders' equity	**78,534**	60,842
Non-current liabilities	**19,110**	14,646
Deferred taxation	**13,141**	11,120
Other financial liabilities	**3,536**	924
Environmental obligations	**1,824**	1,898
Lease liabilities	**377**	404
Interest-bearing borrowings	**209**	281
Employee benefits	**23**	19
Current liabilities	**46,733**	28,532
Trade and other payables	**23,260**	16,246
Other liabilities	**20,270**	11,306
Other financial liabilities	**1,943**	609
Taxation	**923**	96
Lease liabilities	**210**	164
Share-based payment provision	**50**	69
Interest-bearing borrowings	**47**	42
Provisions	**30**	–
Total equity and liabilities	**144,377**	104,020

Corporate transactions

- Union disposal deferred consideration of R0.7 billion was received in November 2020
- Rustenburg disposal deferred consideration of R0.8 billion was received during the year
- BRPM disposal deferred consideration of R1.9 billion was received in January 2020

Operations

- Trade working capital at 31 December 2020 of R10.6 billion (equivalent to 58 days) compared to R3.1 billion at 31 December 2019 (three days). The increase is mainly due to higher work-in-progress inventory of R21.6 billion, partly offset by an increase in customer prepayment of R9.2 billion and an increase in trade payables of R6.8 billion

Environmental

- Property, plant and equipment includes expenditure on the SO_2 abatement project at Polokwane smelter of R1.4 billion to date
- Total rehabilitation and decommissioning provision was R1.8 billion at the end of 2020

Summarised consolidated statement of comprehensive income

for the year ended 31 December 2020

	2020 Rm	2019 Rm
Gross revenue	137,804	99,571
Commissions paid	(14)	(20)
Net revenue	137,790	99,551
Cost of sales	(98,067)	(72,738)
Gross profit	39,723	26,814
Fair value measurements of other financial assets and liabilities	3,780	248
Other income	2,051	109
Finance income	513	349
Share of profit/(loss) from equity accounted entities	340	(108)
Dividends received	47	–
Provision for expected credit loss	(43)	–
Impairment of financial assets	(85)	(77)
Finance costs	(448)	(572)
Impairment and scrapping of property, plant and equipment	(476)	(173)
Market development and promotional expenditure	(871)	(788)
Other expenditure	(3,673)	(497)
Profit before taxation	40,858	25,305
Taxation	(10,455)	(6,736)
Profit for the year	30,403	18,569
Other comprehensive income, post-tax	1,233	33
Items that may be reclassified subsequently to profit or loss	235	(192)
Foreign exchange translation gains/(losses)	235	(192)
Items that will not be reclassified subsequently to profit or loss	998	225
Net gains on equity investments at fair value through other comprehensive income (FVTOCI)	1,175	279
Tax effects	(177)	(54)
Total comprehensive income for the year	31,636	18,603
Profit attributed to:		
Owners of the company	30,342	18,497
Non-controlling interests	61	72
	30,403	18,569
Total comprehensive income attributed to:		
Owners of the company	31,575	18,531
Non-controlling interests	61	72
	31,636	18,603
Earnings per share		
Earnings per ordinary share (cents)		
– Basic	11,553	7,046
– Diluted	11,519	7,021
Headline earnings	30,346	18,603

Financial

- Gross revenue rose 38% due to a 51% higher US dollar basket price of USD2,035 per PGM ounce sold and higher sales from trading activities
- Headline earnings up 63%

Manufactured

- Cost of sales rose 35%, largely due to increased trading activity and higher purchase-of-concentrate expenditure, partly offset by a decrease in operational costs
- Unit cost up 15% year on year due to a 14% reduction in mining production related to the Covid-19 national shutdown
- The all-in sustaining unit cost for own mines was USD1,289 per PGM oz sold versus an achieved price of USD1,982 per PGM oz

Human

- Total labour makes up 37% of costs

Social

- Social investment, community development and empowerment spend of R459 million in 2020

Summarised consolidated statement of changes in equity

for the year ended 31 December 2020

	Share capital (Rm)	Share premium (Rm)	Retained earnings (Rm)	Foreign currency translation reserve (FCTR) (Rm)	Re-measurements of equity investments irrevocably designated at FVTOCI (Rm)	Non-controlling interests (Rm)	Total
Total equity at 1 January 2019	27	22,746	21,428	2,644	216	231	47,292
Profit for the year			18,497			72	18,569
Other comprehensive income for the year				(192)	279		87
Total comprehensive income for the year			18,497	(192)	279	72	18,656
Deferred taxation charged directly to equity			33		(54)		(21)
Cash distributions to non-controlling interests						(111)	(111)
Shares acquired in terms of the BSP –treated as treasury shares	(–)*	(232)					(232)
Shares vested in terms of the BSP	–*	177	(177)				–
Equity-settled share-based compensation			188				188
Shares forfeited to cover tax expense on vesting			(7)				(7)
Dividends paid**			(4,921)				(4,921)
Retirement benefit			(2)				(2)
Balance at 31 December 2019	27	22,691	35,039	2,452	441	192	60,842
Profit for the year			**30,342**			**61**	**30,403**
Other comprehensive income for the year				**235**	**998**		**1,233**
Total comprehensive income for the year			**30,342**	**235**	**998**	**61**	**31,636**
Deferred taxation charged directly to equity			**(3)**				**(3)**
Dividends paid**			**(13,779)**				**(13,779)**
Retirement benefit			**17**				**17**
Cash distributions to non-controlling interests						**(69)**	**(69)**
Shares acquired in terms of the BSP and ESOP – treated as treasury shares	**(–)***	**(310)**					**(310)**
Shares vested in terms of the BSP	**–***	**223**	**(223)**				**–**
Equity-settled share-based compensation			**211**				**211**
Transfer of reserve on disposal of investments			**117**		**(117)**		**–**
Shares repurchased	**(1)**						**(1)**
Shares forfeited to cover tax expense on vesting			**(10)**				**(10)**
Balance at 31 December 2020	**26**	**22,604**	**51,711**	**2,687**	**1,322**	**184**	**78,534**

	Per share (R)	Rm
* *Less than R500,000.*		
** *Dividends paid*		
Final 2019	*41.60*	*11,059*
Interim 2020	*10.23*	*2,720*
		13,779

Financial capital

– Total shares in issue were 265,292,206 (2019: 269,681,886) and treasury shares held were 1,185,745 (2019: 854,112).

Summarised consolidated statement of cash flows

for the year ended 31 December 2020

	2020 Rm	2019 Rm
Cash flows from operating activities		
Cash receipts from customers	**137,369**	98,715
Cash paid to suppliers and employees	**(105,938)**	(66,499)
Cash generated from operations	**31,431**	32,216
Taxation paid	**(7,941)**	(3,349)
Interest paid (net of interest capitalised)	**(290)**	(429)
Net cash from operating activities	**23,200**	28,438
Cash flows used in investing activities		
Purchase of property, plant and equipment (includes interest capitalised)	**(9,471)**	(8,600)
Deferred consideration receipts	**3,348**	348
Interest received	**508**	342
Proceeds from partial disposal of shares held in Ballard Power Systems Inc.	**158**	–
Proceeds from loan repayments by ARM Mining Consortium Limited	**107**	–
Dividends received	**55**	–
Proceeds from sale of plant and equipment	**43**	38
Growth in environmental trusts	**5**	7
Proceeds from disposal of RA Gilbert	**3**	–
Investment in AP Ventures	**(90)**	(59)
Advances made to Plateau Resources Proprietary Limited	**(85)**	(93)
Shareholder funding capitalised to investment in associates	**(82)**	(68)
Additions to investment in associates	**(55)**	–
Other advances	**(13)**	(4)
Additions to FVTOCI investments	**(6)**	–
Purchase of AA plc shares for the Bonus Share Plan	**(2)**	(1)
Purchases of financial assets investments	**–**	(24)
Net cash used in investing activities	**(5,577)**	(8,114)
Cash flows used in financing activities		
Dividends paid	**(13,779)**	(4,921)
Deferred consideration payments	**(598)**	(184)
Purchase of treasury shares for the BSP and ESOP	**(310)**	(232)
Repayment of lease obligation	**(122)**	(67)
Cash distributions to non-controlling interests	**(69)**	(111)
Repayment of interest-bearing borrowings	**(66)**	(5,793)
Repurchase of shares	**(1)**	–
Net cash used in financing activities	**(14,945)**	(11,308)
Net increase in cash and cash equivalents	**2,678**	9,015
Cash and cash equivalents at beginning of year	**18,546**	9,541
Foreign exchange differences on cash and cash equivalents	**(1,227)**	(10)
Decrease in cash and cash equivalents due to RA Gilbert disposal	**(6)**	–
Cash and cash equivalents at end of year	**19,991**	18,546

Financial

- Net cash of R18.7 billion at year end. Excluding customer prepayment of R18.5 billion, net cash is R0.2 billion
- Liquidity headroom of R21.8 billion (excluding customer prepayment)
- Taxes and royalties paid of R10.4 billion in 2020. Dividends paid of R13.8 billion in 2020 and a final dividend declared of R35.35 per share, or R9.4 billion

Tax contribution through the life cycle of a mine

A key component in creating value for our host countries and stakeholders is paying taxes.

Mining is a long-life, high-risk business. It requires significant initial capital investment long before any return on investment is realised. We therefore support fiscal regimes designed to consider the relative long-term contribution from the mining industry as opposed to focusing narrowly on short-term outcomes.

Many of our stakeholders are particularly interested in the amount of tax generated from our activities and paid to governments, as well as our approach to tax and associated disclosure.

Being able to demonstrate our commitment to sustainable tax principles, such as revenue transparency and responsible tax practices, is critical for building trust and supporting our social licence to operate. It is equally important to show our contribution in more challenging economic times, such as 2020, as well as when commodity prices are buoyant.

Approach to risk management and governance arrangements

We take a responsible approach to tax, supporting the principles of transparency and active, constructive engagement with our stakeholders to deliver long-term sustainable value. Our tax strategy is aligned with our code of conduct, long-term business strategy, and our purpose of re-imagining mining to improve people's lives.

We see a benefit through this broader engagement in our approach to tax, both for our business and for our stakeholders. At the same time, increased transparency can empower communities by helping them understand how much income is generated from mining activity in their regions.

Tax governance

In the Anglo American group, a global team of tax professionals is charged with managing its affairs in line with its tax strategy and code of conduct. Internal tax policies ensure the strategy is embedded in the way we do business. Our tax professionals also strive to maintain a long-term, open and constructive relationship with tax authorities, governments and other relevant stakeholders.

We actively engage with a variety of stakeholders on a range of tax issues, including industry bodies, which helps to bring commercial understanding and experience into debates about tax policy and governance.

Tax matters are regularly presented to our board and audit and risk committee, which take a particular interest in the extent to which our approach to tax meets our commitments to stakeholders, including host governments and local communities as well as our policy of good tax governance.

In addition, our tax affairs are regularly scrutinised by our external auditors and tax authorities as part of local compliance and reporting procedures.

Overall, we believe our tax governance framework is consistent with the tax authorities' objective of improving tax compliance and to encourage businesses to adopt best-practice tax risk management processes. We will continue to monitor and adopt future developments to ensure we are a leading organisation in this area.

Approach to tax management

Our approach is set out in our tax strategy which we use to explain our way of working to external stakeholders, employees and our in-house tax professionals.

Key points in this strategy include:

- We act responsibly on tax planning matters and do not take an aggressive approach
- We only undertake transactions that we are prepared to fully disclose, are based on strong underlying commercial motivation, and which are not (or appear to be) artificial or contrived
- We conduct intragroup transactions on an arm's length basis and comply with obligations under transfer pricing rules in jurisdictions where we operate and global principles
- Our guiding principle is to allocate value by reference to where it is created and managed
- We do not use 'tax haven' jurisdictions to manage taxes.

Approach to dealing with tax authorities

We act responsibly on all tax compliance matters, respecting the laws of each country in which we operate. We seek to maintain a long-term, open, constructive relationship with tax authorities and governments on tax matters.

We proactively engage with those tax authorities and governments directly and indirectly (ie through relevant representative bodies) to shape future tax policy and legislation in ways that share our experience and promote and protect Anglo American Platinum's interests, principles and strategy.

Our economic contribution in South Africa in 2020

Anglo American Platinum is proud of the role it plays in the country's economy and continues to explore new ways to support development and deliver sustainable value.

Total tax and economic contribution

R42,827m

Capital investment

R8,857m

Defined as cash expenditure on property, plant and equipment, including related derivatives, proceeds from disposal of property, plant and equipment, and direct funding for capital expenditure from non-controlling interests. Includes capitalised operating cash outflows.

Total procurement

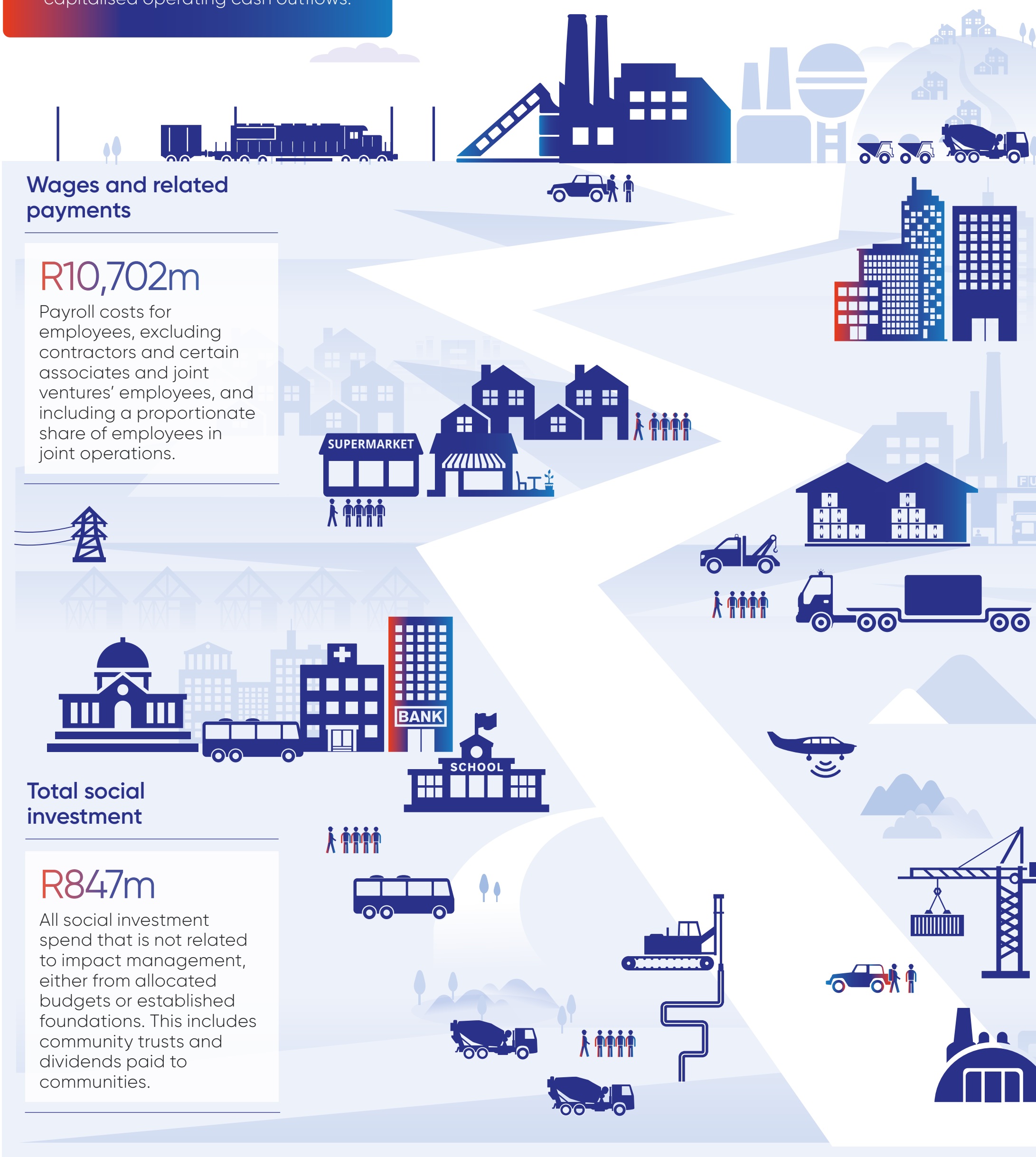
R19,140m

Discretionary expenditure only and includes all supply chain-related spend from third-party suppliers. It includes opex and capex-related transactions

Host procurement

R3,766m

Procurement of goods or services from the immediate area of the operation, as defined by each operation. A localised supplier is one that meets business-unit criteria for localised procurement, allowing goods or services to be procured from the same immediate area as the operation. This is defined using the same parameters and definitions in SEAT tool 2A – profiling the local area.



Wages and related payments

R10,702m

Payroll costs for employees, excluding contractors and certain associates and joint ventures' employees, and including a proportionate share of employees in joint operations.

Total social investment

R847m

All social investment spend that is not related to impact management, either from allocated budgets or established foundations. This includes community trusts and dividends paid to communities.

Total taxes borne and collected

R12,138m

R7,008m

CORPORATE INCOME TAX
Calculated based on profits and includes withholding taxes.

R2,499m

ROYALTIES AND MINING TAXES
Revenue, production and profit-based royalties.

R167m

OTHER PAYMENTS BORNE
Other payments directly incurred by Anglo American Platinum.

R2,463m

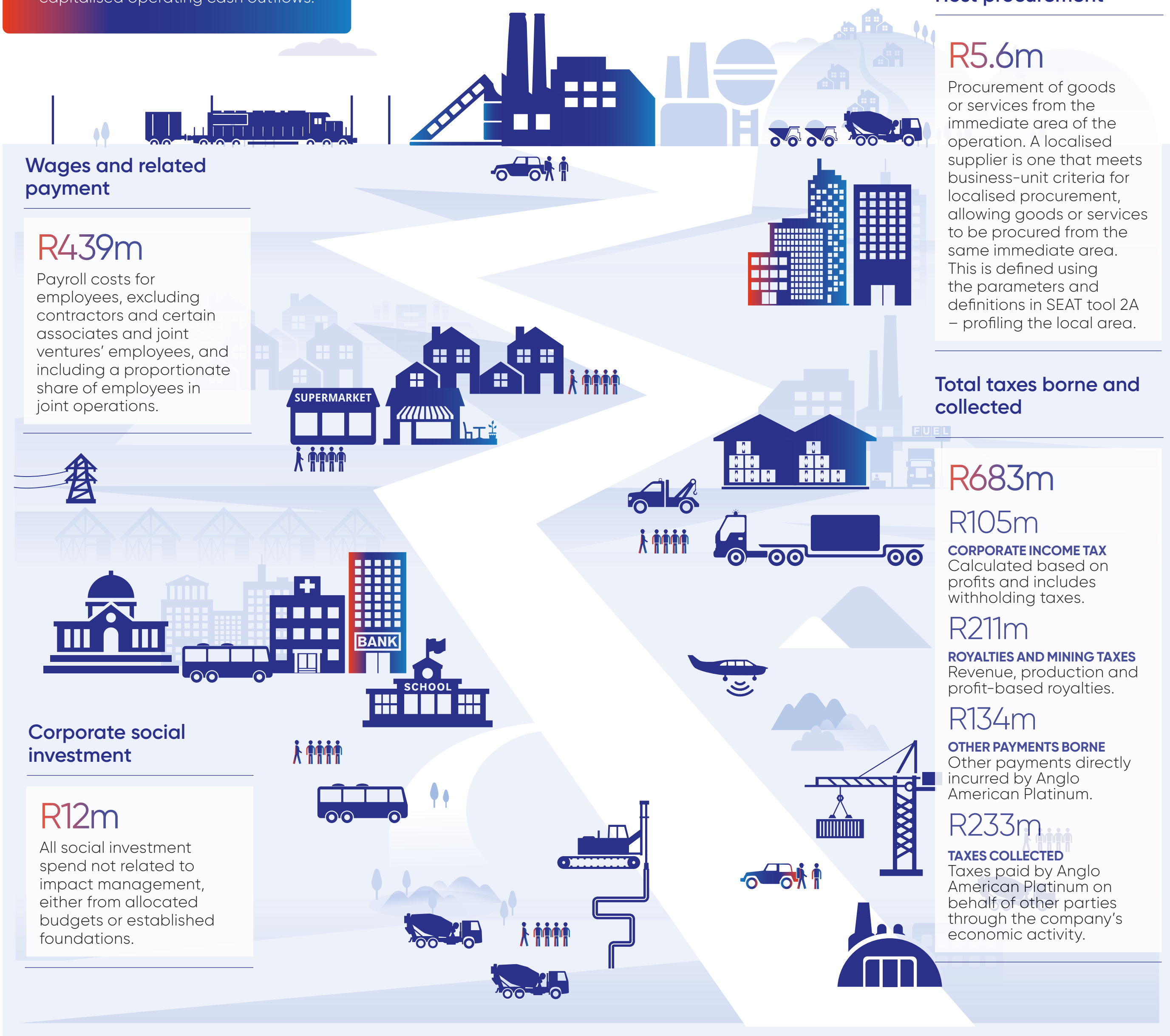
TAXES COLLECTED
Taxes paid by Anglo American Platinum on behalf of other parties through the company's economic activity.

Our economic contribution in Zimbabwe in 2020

Our Unki Mine is in the southern half of Zimbabwe's Great Dyke geological formation – widely recognised as the second-largest resource of PGMs in the world. We continue to work with the Zimbabwean government on compliance with the Indigenisation and Economic Empowerment Act.

Capital investment
R455m

Defined as cash expenditure on property, plant and equipment, including related derivatives, proceeds from disposal of property, plant and equipment, and direct funding for capital expenditure from non-controlling interests. Includes capitalised operating cash outflows.



Wages and related payment

R439m

Payroll costs for employees, excluding contractors and certain associates and joint ventures' employees, and including a proportionate share of employees in joint operations.

Corporate social investment

R12m

All social investment spend not related to impact management, either from allocated budgets or established foundations.

Total tax and economic contribution

R3,212m

Total procurement

R2,078m

Discretionary expenditure only and includes all supply chain-related spend from third-party suppliers. It includes opex and capex-related transactions.

Host procurement

R5.6m

Procurement of goods or services from the immediate area of the operation. A localised supplier is one that meets business-unit criteria for localised procurement, allowing goods or services to be procured from the same immediate area. This is defined using the parameters and definitions in SEAT tool 2A – profiling the local area.

Total taxes borne and collected

R683m

R105m
CORPORATE INCOME TAX
Calculated based on profits and includes withholding taxes.

R211m
ROYALTIES AND MINING TAXES
Revenue, production and profit-based royalties.

R134m
OTHER PAYMENTS BORNE
Other payments directly incurred by Anglo American Platinum.

R233m
TAXES COLLECTED
Taxes paid by Anglo American Platinum on behalf of other parties through the company's economic activity.

Mogalakwena North primary crusher

Mining and concentrator operations review

We are building on our strong foundation of an unmatched portfolio of world-class assets, using our capabilities to implement world-class operational performance, technological advancements, digitalisation and a broader innovative mindset to drive further performance improvements.

Operations overview

Wholly owned mines

We own and manage four mining complexes – Mogalakwena, Amandelbult, Mototolo and Unki, as well as Twickenham Mine which was placed on care and maintenance in 2016. These stretch across the Bushveld complex in South Africa, while Unki is on Zimbabwe's Great Dyke. Except for the open-pit Mogalakwena, all mines are underground mechanised or conventional operations.

Managed mines – Mogalakwena

Mogalakwena Mine is 30km north-west of the town of Mokopane in Limpopo province and operates under a mining right covering 372km². Current infrastructure comprises five open pits (Sandsloot, Zwartfontein, Mogalakwena South, Central and North). The mining method is truck-and-shovel, and current operating pit depths vary from 45m to 245m.

Ore is milled at the on-mine North and South concentrators as well as Messina Mine Baobab concentrator.

Key features in 2020

- ✓ 12.4 million fatality-free shifts (over nine years)
- ✗ PGM production down 3%
- ✓ Increased EBITDA by 21%
- ✓ Economic free cash flow increased 9% to R10.8 billion

Mogalakwena strategy

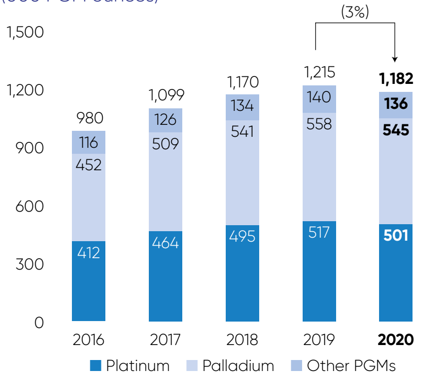
Expanding a world class polymetallic ore body to deliver maximum value

Maximise value from our core
- Optimal open-pit plan, while progressing underground opportunities
- Operational efficiencies (P101)
- Expanding concentrator capacity – design and build concentrator of the future
- Utilise downstream processing to maximise value

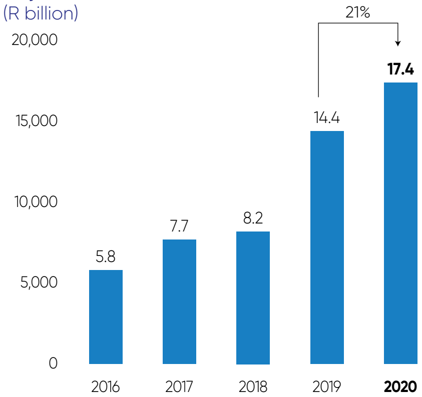
Embed anti-fragility across our business
- Develop and deploy technology including hydrogen fuel cell trucks

Be a leader in ESG
- Communities – create trusting relationships and valued partnerships

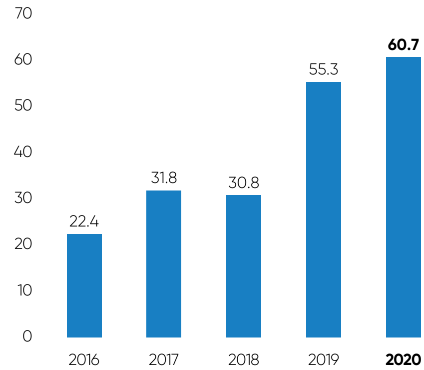
Production
(000 PGM ounces)



Adjusted EBITDA
(R billion)



Return on capital employed
(%)



Mogalakwena (managed – 100% owned)

		2020	2019
Safety			
Fatalities	Number	–	–
TRCFR	Rate/million hrs	0.94	1.24
Total PGM production	000 oz	1,181.6	1,215.0
Net sales revenue	Rm	28,317	25,845
Adjusted EBITDA	Rm	17,447	14,375
Adjusted EBITDA margin	%	61.6	55.6
ROCE	%	60.7	55.3
Attributable economic free cash flow	Rm	10,806	9,935
Attributable cash flow	Rm	10,117	9,715
On-mine cost/tonne milled	R/tonne	499	496
Cash operating cost/PGM oz produced	R/PGM oz	8,569	8,181
All-in sustaining costs per PGM ounce sold	USD/PGM oz	1,118	729

Mineral Resources inclusive of Ore Reserves

Platreef **3,476.0Mt ▷ 274.6 4E Moz**

* *Includes Measured Resource stockpile of* **64.0Mt ▷ 3.6 4E Moz**

Safety

Mogalakwena has been fatality-free for over nine years, and improved its TRCFR by 24% to 0.94 in 2020. This reflects implementation of the revised safety, health and environment strategy, and focus on reporting and learning from high-potential incidents.

Performance

PGM production decreased 3% year on year, mainly due to the Covid-19 shutdown. In addition, production was affected by lower built-up head grade after drawing down low-grade ore stockpiles; community unrest in the fourth quarter which resulted in fewer milling shifts as employees were unable to get to work; and minor operational issues at the North concentrator plant. These led to lower milled volumes, partially offset by improved concentrator recovery.

When South Africa announced its national lockdown, Mogalakwena's non-mining surface operations were allowed to continue operating and, as a result, the North concentrator continued to operate by drawing down ore stockpiles. As operational activity increased in line with easing restrictions, by end-June, the mine was operating at 100% production levels and maintained this for the balance of the year.

The mine delivered an adjusted EBITDA margin of 62% (2019: 56%) and return on capital employed (ROCE) rose to 61% from 55%. Cash operating costs per PGM ounce (metal-in-concentrate) increased 5% to R8,569 (2019: R8,181) on lower volumes and higher costs. Included in the unit cost was R105 million for unproductive labour (unable to work during lockdown). Capitalised waste costs rose 23%, in line with guidance, to R2.5 billion (2019: R2.1 billion).

The mine continued on its journey to deliver best-in-class performance through the P101 programme. Rope-shovel performance improved to 26 million tonnes from 15 million tonnes in 2019, drill-penetration rates for big rigs rose from 15.0 to 16.7 metres per hour, and concentrator recoveries increased by 2 percentage points from 2019.

Innovation and technology are increasingly important in unlocking incremental value. During the year, Mogalakwena Mine invested R500 million in operating and capital expenditure to develop bulk-ore sorting, coarse particle rejection, and advance development of the hydrogen-powered fuel-cell mining haul-truck.

Capital expenditure

Total capital expenditure (excluding capitalised waste stripping and after allocating off-mine smelting and refining capital) rose to R3.0 billion in 2020. Stay-in-business capital expenditure was R2.3 billion (R2.2 billion in 2019) and project capital expenditure increased to R690 million (R220 million in 2019).

Capitalised waste stripping rose to R2.5 billion in 2020 (R2.1 billion in 2019), and is expected to be around R2.8 billion – R3.1 billion in 2021.

Outlook

In 2021, Mogalakwena is expected to produce between 1.1 to 1.2 million PGM ounces.

Managed mines – Amandelbult

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

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

Key features in 2020

- ✗ **1 fatality** after a first of zero in the prior year
- ✗ **5%** deterioration in TRCFR to 3.40
- ✗ **32% decrease** in PGM ounces
- ✗ Production from chrome plant down **14%** yielding 785,800 tonnes of chrome concentrate
- ✓ Economic free cash flow increased by **46%** to R4.8 billion
- ✓ EBITDA rose to **R7.8 billion** leading to higher EBITDA margin of 43%

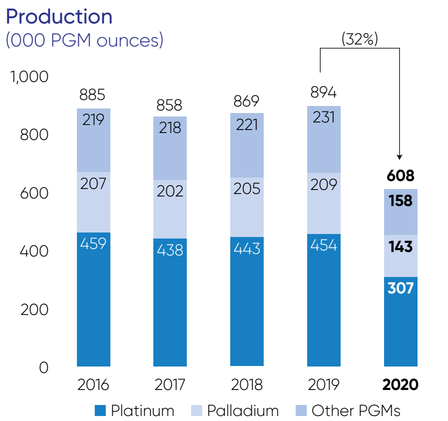
Amandelbult strategy

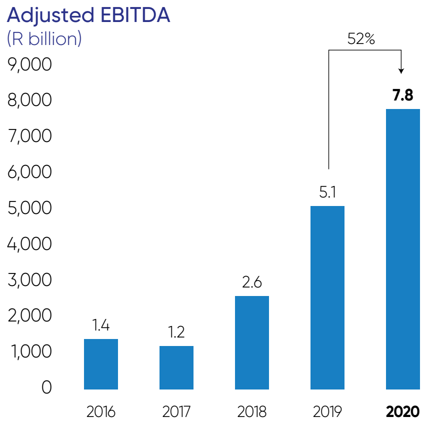
Fast track the modernisation and mechanisation

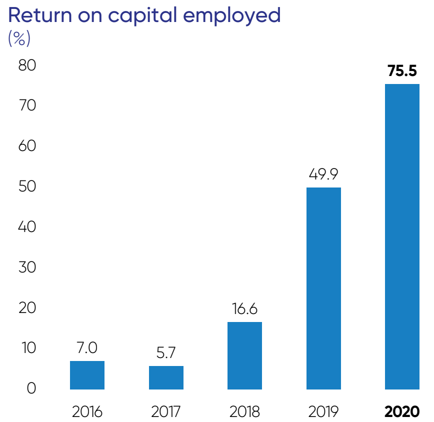
Maximise value from our core
- Modernisation: Leverage suite of innovations to transition to hybrid mining method, improving safety and productivity
- Mechanisation: Embed narrow reef mining equipment for application in larger future projects
- Operational efficiencies (P101)

Embed anti-fragility across our business
- Technology and innovation: Underground connectivity and real-time monitoring deployed

Be a leader in ESG
- Employee health: Continued focus to reduce TB incidence rates and exceeding global HIV treatment targets
- Communities - create trusting relationships and valued partnerships







Amandelbult (managed – 100% owned)		2020	2019
Safety			
Fatalities	Number	1.00	–
TRCFR	Rate/ million hrs	3.40	3.23
Total PGM production	000 oz	608.1	893.3
Net sales revenue	Rm	18,248	17,424
Adjusted EBITDA	Rm	7,809	5,132
Adjusted EBITDA margin	%	42.8	29.5
ROCE	%	75.5	49.9
Attributable economic free cash flow	Rm	4,797	3,278
Attributable cash flow	Rm	4,182	2,602
On-mine cost/tonne milled	R/tonne	2,109	1,423
Cash operating cost/PGM oz produced	R/PGM oz	16,979	12,654
All-in sustaining costs per PGM oz sold	USD/PGM oz	1,499	1,007

Mineral Resources inclusive of Ore Reserves

Merensky reef **157.6Mt ▷ 34.9 4E Moz**

UG2 reef **369.5Mt ▷ 65.0 4E Moz**

Safety

Disappointingly, the mine recorded one fatality (fall of ground incident) and the TRCFR regressed 5% to 3.40 (2019: 3.23). Mr Lindile Manzingi, a mining team supervisor, was injured in a fall-of-ground incident on 2 September 2020. He was airlifted to Milpark Hospital where he was recovering from his injuries. Whilst busy with his morning physiotherapy session, he suddenly collapsed and even though he was revived briefly, he unfortunately passed away shortly afterwards. TRCFR regressed 5% to 3.41 (2019: 3.23). Management has redoubled the focus on safe operations.

Amandelbult reached several safety milestones during the year:
- Tumela Mine – 5.9 million fatality-free shifts
- Amandelbult central services – 3.8 million fatality-free shifts
- Amandelbult concentrator: 6.7 million fatality-free shifts.

Performance

PGM production decreased by 32% to 608,100 ounces (2019: 893,300 ounces). This was mainly due to the national lockdown, which resulted in the operation being shut for eight weeks, as well as ongoing measures to ensure a safe operating environment during the pandemic, and the closure of infrastructure at sections of the mine as they reached end-of-life. The Tumela upper section (which contributed 26,300 PGM ounces in the prior period) closed in December 2019, and we recorded reduced output from surface sources (74,600 PGM ounces in the prior period). Excluding the sections that have come to the end of life, Amandelbult's production performance was 23% lower than 2019. Following lockdown, the mine returned to normal production levels from the start of the final quarter.

Chrome production from Amandelbult decreased 14%, yielding 785,800 tonnes of chrome concentrate on a 100% basis (2019: 908,700). Our share of production was 74% of total volume, or 581,492 tonnes. The decrease was due to lower plant feed as a result of lockdowns, partially offset by an increase in yield.

Amandelbult delivered an adjusted EBITDA margin of 43% (2019: 30%). ROCE increased to 76% from 50% on a higher rand basket price.

Cash operating costs decreased 5% to R10.3 billion (2019: R10.8 billion), reflecting operational cost reductions on variable cost savings from lower volume mined, and some 2019 once-off costs not recurring. The mine continued to incur full labour costs over the lockdown and paid R835 million in wages to vulnerable employees who did not return to work during this period. Including the non-productive labour costs, cash operating costs per PGM ounce (metal-in-concentrate) rose 34% to R16,979 (2019: R12,654) on lower volumes and other fixed costs incurred. Excluding non-productive labour costs, unit costs per PGM ounce (metal-in-concentrate) were R15,606 up 22%.

Amandelbult spent R329 million on operational and capital investment to deploy technology and modernise the mine. Modernisation revolves around three pillars:
- Eliminating fall-of-ground incidents
- Closing out the mining cycle
- Removing scrapers and face winches from stope faces.

Amandelbult's transition from conventional to modernised mining involves implementing technology such as rock-stop nets and lights, in-stope rock-movement monitoring, improved drilling solution for face-drilling technology and anchor support, and scraper winch proximity-detection devices. Further benefits include timberless stopes, implementing split-panel lay-outs and sustaining cycle-mining production scheduling. The new technology and cycle-mining methodology will ensure safe, capable and stable mining at a lower cost.

Capital expenditure

Total capital expenditure (after allocating off-mine smelting and refining capital) decreased to R1.2 billion in 2020 (R1.4 billion in 2019). Stay-in-business capital expenditure was R550 million and project capital was R635 million (2019: R680 million and R720 million respectively).

Outlook

Total production from Amandelbult in 2021 is expected to rise to between 750,000 and 800,000 PGM ounces. Further low-capital options to improve profitability are being studied.

Managed mines – Mototolo

Mototolo became wholly owned in November 2018. Situated in Limpopo, it is 30km west of the town of Burgersfort in the Eastern Limb of the Bushveld complex and operates under a mining right covering 9km². Current infrastructure comprises two decline shafts, Lebowa and Borwa, and a concentrator.

Mototolo is fully mechanised and extracts the UG2 horizon some 450m below surface using bord-and-pillar mining.

Key features in 2020

- ✓ **Fatality-free**
  since 2011 and improved its TRCFR by 11% in 2020
- ✓ Mototolo reached
  5.8 million
  fatality-free shifts at end-December 2020
- ✗ **8% decrease**
  in PGM ounces
- ✓ Economic free cash flow of
  R1.6 billion
  in 2020
- ✓ EBITDA rose to
  R2.7 billion
  raising EBITDA margin to 51%

Mototolo strategy

Investing in development of Der Brochen to extend Mototolo life of mine

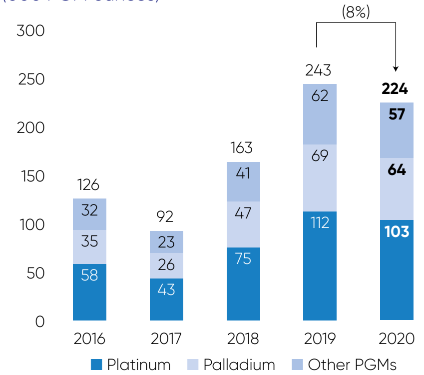
Maximise value from our core

- Increase concentrator throughput to 240,000tpm by debottlenecking
- Operational efficiencies (P101)
- Develop decline and infrastructure to access Der Brochen orebody, to replace production from Mototolo
- Pursue optionality to increase capacity further to 320,000tpm

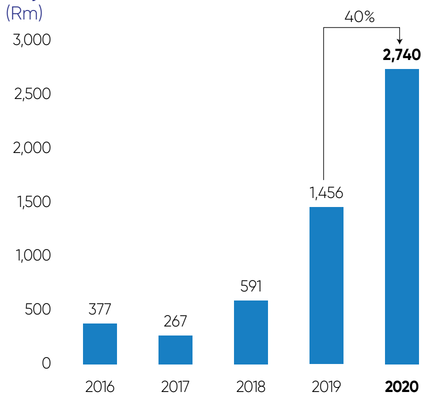
Be a leader in ESG

- Developing the first lined tailings storage facility in South Africa, ensuring zero contamination of ground water
- Communities - create trusting relationships and valued partnerships

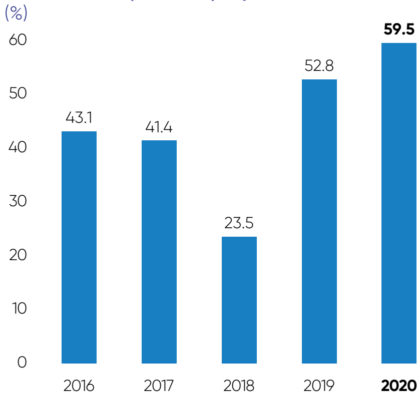
Production
(000 PGM ounces)



Adjusted EBITDA
(Rm)



Return on capital employed
(%)



Mototolo Platinum Mine (managed – 100% owned)

		2020	2019
Safety			
Fatalities	Number	–	–
TRCFR	Rate/ million hrs	1.45	1.64
Total PGM production	000 oz	223.6	242.3
Net sales revenue	Rm	5,348	4,506
Adjusted EBITDA	Rm	2,740	1,956
Adjusted EBITDA margin	%	51.2	43.4
ROCE	%	59.5	52.8
Attributable economic free cash flow	Rm	1,608	1,358
Attributable cash flow	Rm	1,532	1,321
On-mine cost/tonne milled	R/tonne	1,122	879
Cash operating cost/PGM oz produced	R/PGM oz	11,947	9,747
All-in sustaining costs per PGM ounce sold	USD/PGM oz	1,428.0	879

Mineral Resources inclusive of Ore Reserves

UG2 reef **402.6Mt ▷ 51.7 4E Moz**

Merensky reef **172.9Mt ▷ 25.5 4E Moz**

** Mototolo Mine and Der Brochen project are now reported as a consolidated operation. The Der Brochen Mineral Resources are transferred for both the Merensky and UG2 reefs.*

Safety

Mototolo has been fatality-free since 2011 and improved its TRCFR by 11% to 1.45 in 2020.

Performance

Mototolo's PGM production decreased 8% to 223,600 ounces (2019: 242,300 ounces), owing to the Covid-19 shutdowns. This was partially offset by a 3% improvement in the 4E built-up head grade to 3.34g/t (2019: 3.23g/t), as grade in the prior year had been affected by having to mine through geological features. By the third quarter, the mine had returned to normal levels of production.

Cash operating costs rose 13% to R2.7 billion from R2.4 billion as a result of new costs for mining and equipping of the Two Rivers ground (start of mining commenced November 2019) as well as higher costs incurred for services and changes in capital thresholds following the close out of the mine purchase transitioning period with Glencore. The mine continued to incur full labour costs during the lockdown period, which included paying R140 million to vulnerable employees who did not work during lockdown. Including non-productive labour costs, cash operating costs per PGM ounce rose 23% to R11,947 (2019: R9,747), reflecting lower volumes and other fixed costs incurred. Excluding non-productive labour costs, unit costs were R11,323, 16% higher than 2019.

The mine invested R100 million (both operational cost and capital investment) on deploying technology in 2020. This included new technology for simulators (training) and low-profile sweepers.

Mototolo increased economic free cash flow to R1.6 billion (2019: R1.4 billion), with an EBITDA margin of 51% and ROCE of 60% (2019: 43% and 53% respectively).

Capital expenditure

Total capital expenditure (after off-mine smelting and refining capital) increased to R688 million from R503 million in 2019. Stay-in-business capital expenditure was R611 million, while project capital expenditure was R76 million (2019: R474 million and R34 million respectively).

Outlook

Total production from Mototolo in 2021 is expected to increase to between 250,000 and 300,000 PGM ounces, as the mine anticipates to complete the concentrator debottlenecking project to 240,000tpm in the first half of 2021.

Twickenham project (managed – 100% owned)

The Twickenham Mine has been on care and maintenance since 2016. Anglo American Platinum is maintaining this asset at a cost of around R170 million per annum. The mine is expected to remain on care and maintenance in the short term while we consider appropriate options to extract value for stakeholders.

Managed mines – Unki Platinum Mine – Zimbabwe

Unki Mines (Private) Limited's operations are on the Great Dyke in Zimbabwe, 60km south-east of the town of Gweru. The mine is a mechanised, trackless, bord-and-pillar underground operation. A twin-decline shaft system provides access to underground workings for people and material, as well as ore conveyance. Both shafts are now 2,822m from the portal on surface. Run-of-mine ore is processed at the 180,000tpm concentrator plant on site.

Key features in 2020

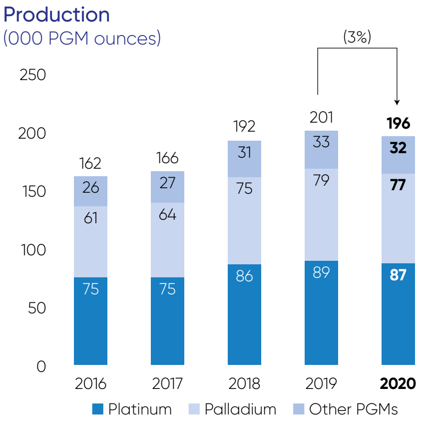
- ✓ **Fatality-free** for nine years
- × TRCFR deteriorated to **1.65** with more injuries recorded
- × **3% decrease** in PGM ounces
- ✓ Economic free cash flow increased by **16%** to R1.2 billion
- ✓ EBITDA increased to **R2.3 billion** lifting EBITDA margin to 46%

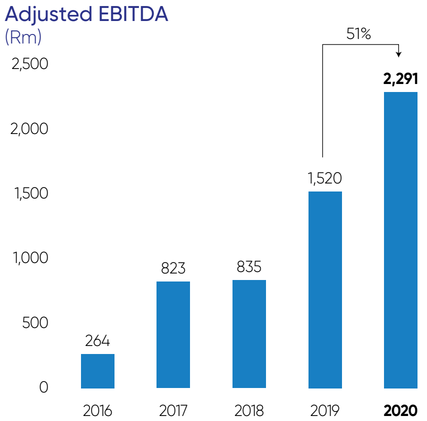
Unki strategy

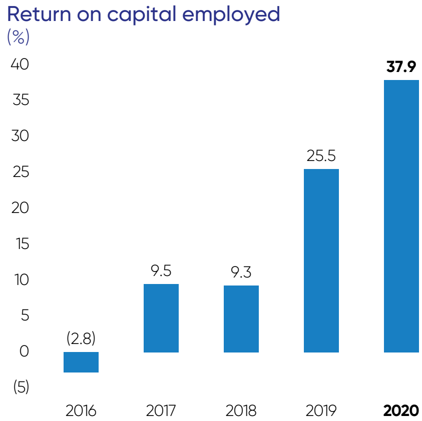
Debottleneck plant and long-term optionality

Maximise value from our core
- Concentrator debottlenecking: Complete project to Increase throughput to 210,000tpm
- Operational efficiencies

Be a leader in ESG
- Responsible mining: Unki has been assured, achieving the IRMA 75 level of performance
- Communities - create trusting relationships and valued partnerships







Unki Platinum Mine (managed – 100% owned)

		2020	2019
Safety			
Fatalities	Number	–	–
TRCFR	Rate/ million hrs	1.65	0.58
Total PGM production	000 oz	196.1	201.7
Net sales revenue	Rm	4,963	4,403
Adjusted EBITDA	Rm	2,291	1,520
Adjusted EBITDA margin	%	46.2	34.5
ROCE	%	37.9	25.5
Attributable economic free cash flow	Rm	1,236	1,064
Attributable cash flow	Rm	1,045	1,011
On-mine cost/tonne milled	R/tonne	969	893
Cash operating cost/PGM oz produced	R/PGM oz	12,198	11,721
All-in sustaining costs per PGM ounce sold	USD/PGM oz	1,443	937

Mineral Resources inclusive of Ore Reserves

MSZ **212.2Mt ▷ 28.3 4E Moz**

Safety

Unki has been fatality-free for nine years, but its TRCFR deteriorated to 1.65 (2019: 0.58) due to eight recordable injury incidents in 2020 compared to three recordable injuries sustained in the prior year.

Performance

PGM production decreased 3% to 196,100 ounces (2019: 201,700 ounces), primarily due to Covid-19 lockdowns and disruptions.

When Zimbabwe announced a national lockdown on 28 March 2020, Unki Mine conducted a safe and measured ramp-down to care and maintenance. However, the government recognised mining as an essential service and with effect from 7 April, Unki was able to ramp up to full production. As a result of precautions taken to ensure a safe start, mining operations lost nine days of production, concentrator operations lost 33 days, and smelting operations lost 60 days. The mine was back at normal production levels from May 2020.

The mine delivered an adjusted EBITDA margin of 46% (2019: 35%) and ROCE of 38% (2019: 26%).

US dollar cash operating costs were 11% lower at USD145 million. However, ZAR-denominated costs were impacted by the weakening of the rand against the US dollar, with the South African currency depreciating by 13% on average for the year to R16.36 per dollar (2019: R14.50 per dollar). Consequently, ZAR-denominated cash operating costs rose 1% to R2.4 billion despite lower production. As a result, cash operating costs per PGM ounce rose 4% to R12,198.

The mine improved the built-up head grade by 4% from 3.45 to 3.58g/t as its P101 programme continues to deliver. The mine incurred costs of R26 million (operating and capital expenditure) as part of its digitalisation programme in 2020 (2019: R14 million). This included installing underground wi-fi infrastructure, as well as a fleet data-management system to track analytics on primary production equipment. This will enhance real-time data analysis, improve short-interval control and overall equipment effectiveness.

Capital expenditure

Total capital expenditure (after off-mine smelting and refining capital) increased to R580 million from R366 million in 2019. Stay-in-business capital expenditure was R388 million, while project capital expenditure was R191 million (2019: R313 million and R53 million respectively).

Outlook

Total PGM production from Unki in 2021 is expected to be around 200,000 PGM ounces. Unki is debottlenecking the concentrator, and increasing plant capacity to 210,000tpm with the project to be commissioned in Q4 2021.

Joint operations

This portfolio includes Kroondal (a 50:50 pooling-and-sharing agreement with Sibanye-Stillwater) in the Western Limb of the Bushveld complex, and Modikwa Mine, a 50:50 joint operation with ARM Mining Consortium in the Eastern Limb.

Modikwa Platinum Mine

Modikwa is an independently managed operation in Limpopo, 25km west of the town of Burgersfort. It forms part of the Eastern Limb of the Bushveld complex and operates under a mining right covering 140km^2. The infrastructure comprises three primary decline shafts, three adits and a concentrator with MIG (mainstream inert grinding) plant. The mine is a hybrid operation using conventional breast stoping with strike pillars, supported by trackless development and ore clearance. It extracts UG2 reef from surface to 450m below surface.

Key features in 2020

- × Two fatalities
- × 26%
  decrease in total PGM production
- ✓ EBITDA increased to
  R1.8 billion
  leading to EBITDA margin of 57%
- ✓ Economic free cash flow increased 33% to
  R1.2 billion

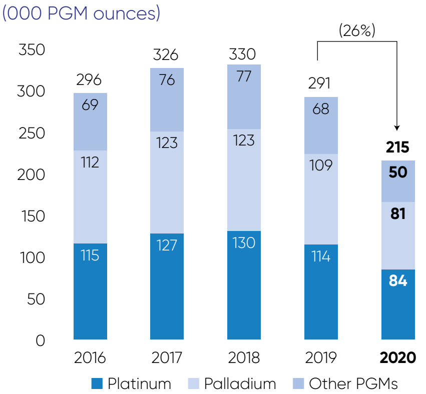
Modikwa strategy

Fast track the modernisation and mechanisation

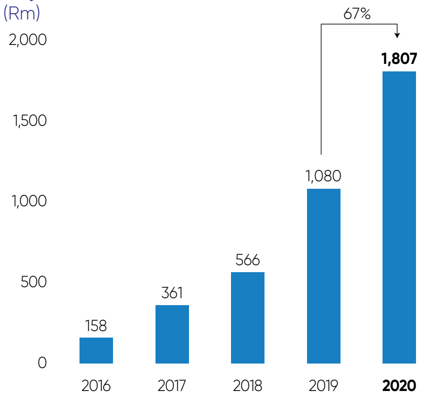
Restructure cost base and optimise infrastructure
- Increase milling to 240,000tpm by 2023 through improved underground feed by continuously developing declines
- Transitioning from large dimension footwall off-reef development to twin low-profile on-reef development
- Finalise integrated ventilation strategy to support planned expansion

Unlocking chrome potential
- Investing in a chrome recovery plant, first production in Q4 of 2021

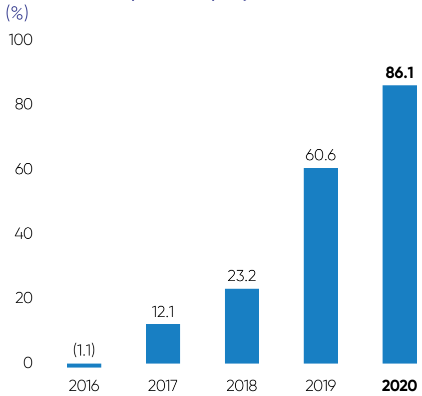
Production*
(000 PGM ounces)



Adjusted EBITDA^
(Rm)



Return on capital employed^
(%)



* *Inclusive of own-mined and purchase-of-concentrate volume.*
^ *Attributable share from mined volume.*

Modikwa Platinum Mine (non-managed – 50% owned)

		2020	2019
Safety			
Fatalities	Number	2	1
TRCFR	Rate/ million hrs	8.22	8.83
Total PGM production (mined and purchase of concentrate)	000 oz	215	291
Net sales revenue	Rm	3,156	2,988
Adjusted EBITDA	Rm	1,807	1,080
EBITDA margin	%	57.3	36.1
ROCE	%	86.1	60.6
Attributable economic free cash flow	Rm	1,154	869
Attributable cash flow	Rm	1,019	798
On-mine cost/tonne milled	R/tonne	1,914	1,457
Cash operating cost/PGM oz produced	R/PGM oz	16,080	12,239
All-in sustaining costs per PGM ounce sold	USD/PGM oz	1,362	937

Mineral Resources inclusive of Ore Reserves

Merensky reef **213.9Mt ▷ 19.8 4E Moz**

UG2 reef **263.9Mt ▷ 51.0 4E Moz**

JO partner

ARM Mining Consortium Limited 50%

** As at 31 December 2020, Mineral Resources estimates are reported on a 100% ownership basis.*

Safety

Modikwa regrettably recorded two loss-of-life incidents in 2020:

- On 13 September, Mr Dennis Hlengani Mdaka was found immobile in an unventilated re-raise with high levels of irrespirable gas concentrations. The proto team was mobilised, and paramedics confirmed on site that he had passed.
- On 7 October 2020, Mr Johannes Mahlalela, a team leader from Modikwa North shaft, sustained a crushing injury to his right arm. He was transported to hospital in Polokwane and surgeons attempted to save his arm. He was stable post-surgery, but subsequently collapsed and died in the ward.

The TRCFR improved by 7% in 2020 (vs regressing 37% in 2019), after external specialists conducted a safety diagnostic at the mine and developed a safety improvement roadmap. In addition, the mine continues to work on specific initiatives to improve safety:

- Compliance baseline assessment
- Review of supporting systems, processes and controls
- Identifying gaps and developing corrective and preventative actions.

Performance

Total development metres were again affected by excessive equipment breakdowns, procurement delays, flooding in declines and poor roadway conditions. A development contractor was appointed for South 1 and 2 shafts, and existing equipment at North shaft is being renewed or refurbished.

Attributable PGM production, including 107,400 ounces purchased from the JO partner, decreased 26% to 214,800 ounces. Platinum production was down 26% at 84,300 ounces. While this is mainly due to Covid-19 shutdowns, production was further impacted by the two loss-of-life incident stoppages and an unprotected strike in Q4 2020 due to employee disputes.

Anglo American Platinum's share of Modikwa's cash operating costs decreased marginally to R1.7 billion from R1.8 billion in 2019. Consequently, unit costs rose 31% to R16,080 per PGM ounce. Modikwa Mine incurred R117 million in non-productive labour costs during the lockdown period. Excluding these, Modikwa's unit cost per PGM ounce produced rose 22% to R14,980, mainly on lower production attributable to the impact of the pandemic.

Modikwa increased economic free cash flow to R1.2 billion from R0.9 billion in 2019. The mine had an EBITDA margin of 57% and ROCE of 86% (2019: 36% and 61% respectively).

Capital expenditure

Anglo American Platinum's attributable capital expenditure (after allocating off-mine smelting and refining capital) decreased 11% to R293 million in 2020 (R247 million in 2019). Stay-in-business capital expenditure was R158 million and project capital was R135 million (2019: R175 million and R72 million respectively) to construct the chrome plant.

Outlook

Total PGM production from Modikwa in 2021 is expected to be between 300,00 and 350,000 PGM ounces. The chrome plant is expected to start up in Q4 2021.

Kroondal Platinum Mine

Kroondal is a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Anglo American Platinum. It is managed by Sibanye-Stillwater and is located in the North West province, some 10km outside the town of Rustenburg. Kroondal forms part of the South-western Limb of the Bushveld complex and operates under a mining right covering 22km^2. Current infrastructure comprises five decline shafts and two concentrators.

Kroondal is a partly mechanised bord-and-pillar operation mining UG2 reef exclusively up to a depth of 450m below surface.

Key features in 2020

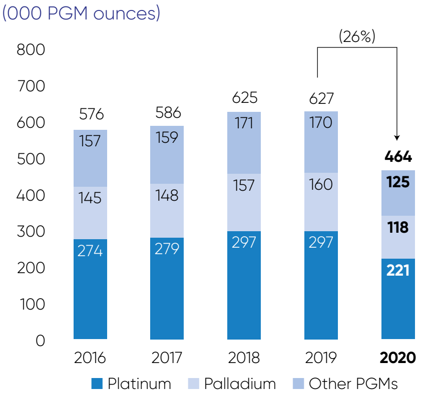
- ✗ **One fatality**
- ✗ **114,100 PGM ounces**
  lost due to Covid-19
- ✓ **EBITDA**
  increased to R3.9 billion delivering EBITDA margin of 62%
- ✓ **32%**
  increase in attributable economic free cash flow to R2.9 billion

Kroondal strategy

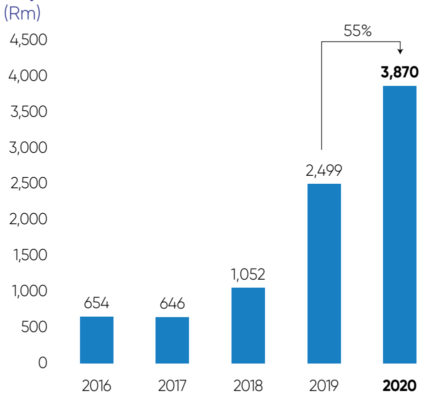
Short mine life
- Managing the impact on declining production towards the end of life-of-mine
- Simunye shaft expected closure towards Q1 2022

Upside opportunity
- Possible future opencast mining of UG2 outcrop at Klipfontein

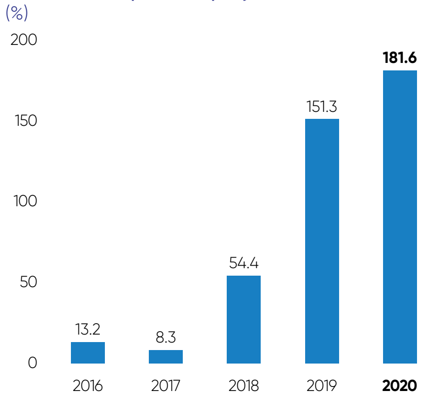
Production*
(000 PGM ounces)



Adjusted EBITDA^
(Rm)



Return on capital employed^
(%)



* *Inclusive of own-mined and purchase-of-concentrate volume.*
^ *Attributable share from mined volume.*

Kroondal Platinum Mine (non-managed – 50% owned)		2020	2019
Safety			
Fatalities	Number	1	–
TRCFR	Rate/million hrs	8.02	5.54
Total PGM production	000 oz	464	627
Net sales revenue	Rm	6,267	5,824
Adjusted EBITDA	Rm	3,870	2,499
EBITDA margin	%	61.7	42.9
ROCE	%	181.6	151.3
Attributable free cash flow	Rm	2,869	2,174
Attributable cash flow	Rm	2,867	2,173
On-mine cost/tonne milled	R/tonne	1,333	1,065
Cash operating cost/PGM oz produced	R/PGM oz	11,556	9,663
All-in sustaining costs per PGM ounce sold	USD/PGM oz	1,158	794

Mineral Resources inclusive of Ore Reserves

UG2 reef **34.7Mt ▷ 3.5 4E Moz**

JO partner

Sibanye-Stillwater 50%

* *Includes Siphumelele 3 shaft (included in pool-and-share agreement boundary extension) Mineral Resources of* 22.1Mt ▷ 2.2 4E Moz

* *As at 31 December 2020, Mineral Resource estimates are reported on a 100% ownership basis.*

Safety

Regrettably, Bambanani shaft recorded a loss of life incident on 17 January. While drilling roof-bolt support holes, a rock dislodged and fatally injured Mr João Silindane.

Safety performance regressed in 2020 to a TRCFR of 8.02, mainly due to the fatality in January, coupled with a fire incident in March when a utility vehicle caught fire underground and 23 people had to be hospitalised for smoke inhalation.

Kroondal has rolled out a behavioural campaign that includes a focus on fatigue management.

Performance

PGM production decreased 26% to 464,300 ounces (2019: 627,000), primarily due to Covid-19 shutdowns. Production was further affected by safety-related stoppages noted above and a strike by contractors installing support underground in Q4 2020.

Owing to the temporary closure of the ACP, and declaration of force majeure to purchase-of-concentrate suppliers, it was agreed that 50% of the concentrate produced by Kroondal (a pool-and-share agreement) would be sold to, and processed by, Sibanye-Stillwater for the duration of the force majeure period. As a result, Sibanye-Stillwater purchased material equivalent to 16,400 PGM ounces in the first half of this year.

Our share of Kroondal's costs reduced by R252 million year on year to R2.8 billion. The mine incurred R184 million in non-productive labour costs during the lockdown period. Unit costs for the year rose 20% to R11,556 per PGM ounce (2019: R9,663). Excluding non-productive labour costs, Kroondal's unit cost per PGM ounce produced rose 16% to R11,170.

The mine (Anglo American Platinum's share of mined production) delivered EBITDA of 62% (2019: 43%) and ROCE of 182% (2019: 151%), with an all-in sustaining cash cost margin of USD941 per PGM ounce, up 103% from 2019.

Capital expenditure

Anglo American Platinum's attributable capital expenditure (after allocating off-mine smelting and refining capital), decreased by 7% to R223 million in 2020.

Outlook

Total PGM production from Kroondal in 2021 is expected to be between 500,00 and 550,000 PGM ounces.

Joint operations and associates on care and maintenance

Marikana Platinum Mine

Marikana is a 50:50 pooling-and-sharing agreement between Sibanye-Stillwater and Anglo American Platinum. It is managed by Sibanye-Stillwater and is located in the North West province, 12km outside the town of Rustenburg. It forms part of the South-western Limb of the Bushveld complex and operates under a mining right of 33km^2. Mine infrastructure, comprising four decline shafts and a concentrator, was placed on care and maintenance in 2012 on depleted mineable Ore Reserves, high operating costs and a decreasing commodity price. The open pit was mined out and closed in 2011.

Marikana Platinum Mine (non-managed 50% owned)

Mineral Resources inclusive of Ore Reserves

UG2 reef **41.7Mt ▷ 4.7 4E Moz**

JO partner

Sibanye-Stillwater 50%

** As at 31 December 2020, Mineral Resource estimates are reported on a 100% ownership basis.*

Bokoni Platinum Mine

Bokoni is a 51:49 JO between Atlatsa and Anglo American Platinum. The mine is in Limpopo, 80km south-east of the town of Polokwane. It forms part of the North-eastern Limb of the Bushveld complex and operates under a mining right covering 147km^2.

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

A process to find a new owner for Bokoni has commenced.

Bokoni Platinum Mine (non-managed – 49% owned)

Mineral Resources inclusive of Ore Reserves

Merensky reef **346.4Mt ▷ 55.1 4E Moz**

UG2 reef **465.5Mt ▷ 98.2 4E Moz**

JO partner

Atlatsa Resources 51%

** As at 31 December 2020, Mineral Resource estimates are reported on a 100% ownership basis.*

Process operations review

The process division comprises our smelting, converting and refining operations. Our primary smelting furnaces are at Polokwane, Mortimer, Waterval and Unki, while the converting (ACP), base metals refining (RBMR) and precious metals refining (PMR) operations are in Rustenburg.

The division receives PGM concentrates from own mines, joint operations and third-party companies, and smelts and refines these to final base metal and precious metal products.

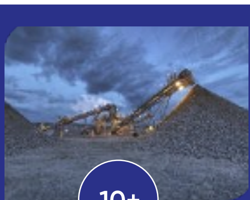
Key features

- ✓ **Zero** fatalities
- ✓ **18%** improvement in TRCFR
- × **PMR** Refined PGM production decreased by 42% to 2.7 million oz
- ✓ **ACP Phase A rebuild** Successfully rebuilt ahead of schedule

Process strategy

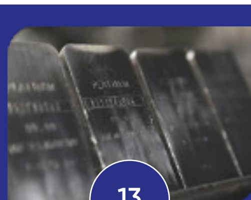
Maximising the strategic value of our processing assets

Our network scale opens up opportunity to capture additional value through:



10+ ore inputs from 4 reef types

7 components in processing network



13 end-products with changing demand and customer needs

>50% of integrated producer capacity

Capture additional value

Product mix	Energy and carbon intensity	Throughput and recovery	Inventory	Asset utilisation

Underpinned by asset strategy and reliability

Intellectual capital

Anglo American Platinum owns the leading processing assets in the South African PGM industry – we are now working smarter to deliver world-class operating practices.

Safety

We continue to record improved safety performance by implementing our SHE strategy as well as reporting and learning from high-potential incidents, which have informed our strategy and approach to managing our operations. The TRCFR of 279 is a 22% improvement on 2019, consistent with the increased focus on key risks and safe behaviour on our journey to zero harm.

Performance

Refined production was negatively impacted by two temporary shutdowns at the ACP in the first half of the year, exacerbated by the further closure of ACP phase B in November 2020. Essential maintenance was undertaken at the Waterval complex during the year while the Mortimer smelter end-wall rebuild was brought forward to December 2020 and completed on schedule. The national lockdown from March also impacted 2020 performance.

Faced with above-inflation increases for chemicals and energy, as well as additional maintenance to ensure asset integrity, management concentrated on containing costs, particularly through disciplined work management and execution, energy efficiency and working capital management.

Unit costs for the processing division rose 83% to R3,099 per PGM ounce owing to lower volumes processed and the high fixed-cost nature of the processing operations.

Capital expenditure

Stay-in-business capital expenditure rose 21% to R2.0 billion, with 83% allocated to projects in the smelting operations and 13% to Base Metals Refinery (BMR) projects.

Developments

Process division has a solid portfolio of asset optimisation and growth projects, along with organisational improvement initiatives which include a digitisation programme.

Towards the end of 2020, the South African smelting operations and RBMR completed the implementation of the asset strategy and reliability condition monitoring and total fluids management systems on critical equipment. The asset tactics supporting the work management of these systems is well advanced and is expected to be complete in Q1 2021. The project forms part of the asset management framework (AMF) that will enable safe, stable and capable performance, maximising runtime and driving cost efficiencies.

Good progress was recorded on the digitisation programme:
- Electronic document routing and approval was deployed across our sites
- Virtual reality training was developed and deployed
- Thermal cameras and acoustic movement sensors were installed at selected smelter operations for improved safety and efficiency
- Ingot-tracking technology was developed and implemented
- Video analytics for safety was piloted at BMR and smart watches, rolled out to support safety and health initiatives.

In line with data analytics and AMF, predictive maintenance was rolled out at ACP to further improve equipment performance.

Smelters

		2020	2019
Safety			
Fatalities		**0**	0
TRCFR		**2.79**	3.59
Tonnes smelted	Mt	**1.16**	1.42
Cash costs/tonne concentrate smelted	R/tonne	**3,837**	2,922

The primary smelters treat PGM concentrates received from wholly owned, joint-operation and third-party mines to produce furnace matte which is transferred to the ACP for further treatment. ACP upgrades furnace matte by removing iron and sulphur producing a PGM-rich converter matte which is slow-cooled before being dispatched to the base metal refinery for further processing. The converting process produces sulphur dioxide gas which is captured and treated at the ACP acid plant, producing sulphuric acid.

Safety and health

Smelting operations recorded 11 injuries for the year, down 35% from 17 recorded in 2019. The combined TRCFR for all smelting operations improved 26% to 2.79 in 2020.

Our safety improvement strategy is rooted in the role of leadership in driving the desired safety culture, underpinned by analysis of leading indicators and the implementation of learnings from high potential incidents in particular on rebuild projects and non-routine work. The roll out of Process Safety Management (PSM) to eliminate low frequency- high impact events was initiated during the year. Routine wellness activities are conducted to maintain and improve the health of employees.

ACP repairs

The ACP phase A plant at Waterval (Rustenburg) was significantly damaged by a coal-dust explosion in the freeboard section on 10 February 2020, affecting the high-pressure cooling section. Nobody was injured in the incident.

The phase B unit was commissioned to take over from the phase A plant and was ramping up to steady state when water was detected in the furnace. Despite extensive testing to determine the source of the water, and several cooling circuits being isolated, the source of the leak could not be identified. This posed a safety risk and, on 6 March 2020, we decided to temporarily shut down phase B to ensure the safety of all employees.

Repairs to phase B were completed ahead of schedule. Following a safe ramp-up, ACP phase B was fully operational from 12 May 2020.

On 31 May 2020, a separate water leak, unrelated to the first, was detected in the high-pressure cooling section of the phase B unit. The unit was again temporarily shut down to maintain a safe operating environment, protect employees and the integrity of the plant. The detailed technical investigation into the cause of the water leak showed localised damage to a single cooler tube, which was replaced. It also confirmed that the leak was unrelated to the previous repair work. Following repair work, phase B ramped up safely to full capacity by mid-June 2020.

Refined production continued to be interrupted by minor water leaks at the phase B unit following the June closure. These were managed safely at the time of occurrence, but impacted negatively on production.

On 5 November 2020, following a series of minor water leaks, we decided to pre-emptively close ACP phase B for safety reasons and to protect the integrity of the plant, safety of employees as well as the adjacent assets.

ACP phase A unit was successfully recommissioned ahead of schedule on 24 November 2020, with first converter matte dispatched to BMR for processing on 7 December 2020.

Costs

Total cash operating costs rose 7% to R4.5 billion. Cash operating cost per tonne of concentrate smelted was 31% higher at R3,837 (2019: R2,922), due to the increased focus on maintenance, higher electricity costs and above-CPI cost increases on chemicals.

Capital expenditure

Stay-in-business capital expenditure was up 27% to R1.63 billion from R1.29 billion in 2019.

Construction of the SO_2 abatement plant at Polokwane smelter began in August 2018. Expenditure on this project, which is scheduled for completion in H1 2021, totalled R351 million in 2020 (R791 million in 2019). Stay-in-business capital was invested in emergency repairs to ACP phase B (R156 million), rebuild of ACP phase A (R387 million), Mortimer smelter end-wall rebuild (R70 million), Polokwane smelter end-wall rebuild (R54 million), Waterval smelter concentrate floor replacement (R39 million), as well as procuring long-lead items for the slag-cleaning furnace rebuild scheduled for 2021 (R212 million).

Developments

Approval to proceed with the slag-cleaning furnace 1 (SCF1) rebuild was obtained in Q4 2020, and work is on track to meet the Q2 2021 shutdown date. The project includes numerous design improvements and safety enhancements enabling the furnace to operate at higher power, with increased throughput and metal recoveries.

Prefeasibility studies for increasing the capacity of ACP and installing a second slag-cleaning furnace are well advanced and are expected to be completed in the first-half of 2021. These projects support downstream treatment of the potential Future of Mogalakwena (FoM) growth volumes.

Outlook

The journey to zero harm will continue in 2021, focused on eliminating low-frequency, high-impact incidents.

We are undertaking the full rebuild of ACP phase B in tandem with the annual scheduled furnace rebuild, and full rebuild of the slag-cleaning furnace; this unit will be down for the full second half of 2021.

We are confident that the rebuilt phase A unit will safely deliver throughout the year, as it has so many times in the past, while phase B is out of commission.

Rustenburg Base Metal Refinery (RBMR)

		2020	2019
Safety			
Fatalities		0	0
TRCFR		1.79	2.62
Base metal production	kt	24.6	38.0
Cash costs/base metal tonne	R/tonne	91,667	60,055

RBMR performs bulk separation of precious metals from base metals using milling and magnetic separation at the magnetic concentrator (MC) plant. The PGM-rich magnetic fraction is upgraded in a three-stage leaching process to produce a final concentrate, fed to the PMR. The non-magnetic fraction is treated at BMR to produce base metal products – nickel and copper cathode, cobalt sulphate and a sodium sulphate by-product.

Safety and health

The number of reportable injuries at RBMR decreased by 40% to six, while the TRCFR improved 32% to 1.79 in 2020. The MC plant recorded three years without a lost-time injury in the review period.

Production

Converter matte receipts were 39% lower than 2019 and base metal production decreased by 35% due to the ACP stoppages and Covid-19. The operation continued to make progress on raw-material efficiency improvements. Full-year nickel production for 2020 at 13,410 tonnes was 41% below 2019.

Costs

Cash operating costs rose to R2.3 billion in 2020. The 1% increase in absolute costs mainly reflects annual inflation and additional maintenance costs. Cash operating cost per base metal tonne was impacted by lower volume and ended at R112,586 (+65%) compared to R68,367 in 2019.

Capital expenditure

Stay-in-business capital expenditure was 6% below 2019 at R247 million, focused on replacing critical plant equipment to ensure operational stability.

Expansion capital includes the new polishing copper leach circuit which will increase copper recovery. This project was initiated in 2018 and is scheduled to be completed in Q3 of 2022 at a total capital cost of R808 million.

Developments

Civil works for the copper circuit debottlenecking project began in Q1 2020 but were hampered by the lockdown in South Africa. Similarly, fabrication of internationally sourced (USA, Italy and Germany) specialised, critical long-lead equipment was severely impacted by their respective pandemic restrictions. As a result, project completion has been deferred to Q2 2022. The copper debottlenecking project includes installing of a first-of-its-kind autoclave and aims to improve the BMR copper recovery from 70% to 90%.

Outlook

RBMR should continue to operate normally in 2021. Opportunities to improve operational efficiencies and optimise operating costs through enhanced operating and asset maintenance strategies will be explored in 2021.

Precious Metals Refinery (PMR)

		2020	2019
Safety			
Fatalities		0	0
TRCFR		2.96	2.07
PGM production excluding tolling	Moz	2,713.1	4,650.0
Cash costs/PGM oz	R/oz	335	204

PMR receives final concentrate from the magnetic concentrator plant at RBMR, which is refined into various high-purity PGMs and semi-refined gold to meet market requirements.

Safety and health

TRCFR deteriorated 43% to 2.96 in 2020, despite the intensified focus on a comprehensive safety improvement plan.

Platinum salt sensitivity (PSS) and rhodium salt sensitivity (RSS) remain the major health risks at PMR. These risks are being mitigated by implementing world-class occupational and environmental exposure-control standards in the workplace, and by regularly monitoring changes in the work environment and personnel at PMR.

Production

The refinery operated steadily given the challenges experienced during the year, with work in process inventory managed to an acceptable level. PGM production decreased 42% to 2.7 million ounces (2019: 4.6 million ounces) in line with the respective ratios received in the feed. Refined production was particularly affected by two temporary shutdown periods at the ACP in the first half of the year, exacerbated by the shutdown of Phase B in November 2020.

Product quality

Platinum, palladium and rhodium purity continued to meet market specifications. PMR maintained 99.99% purity for platinum and palladium, and 99.98% purity rhodium for the review period, achieving high customer satisfaction levels.

Costs

PMR's cash operating costs for 2020 remained constant at R1.0 billion. Cash operating costs per platinum ounce increased to R844 due to lower volumes.

Capital expenditure

Stay-in-business capital expenditure was 10% lower at R87 million for projects to ensure the ongoing integrity of the asset and business continuity.

Developments

Iridium and rhodium sidestream recoveries improved over the year and the first batches of palladium 'good delivery ingots' were delivered to our customers during the year.

Outlook

PMR is expected to continue operating stably and well within its nameplate refining capacity. Opportunities to improve raw-material efficiencies and reduce operating costs through enhanced operating and asset maintenance strategies continue to be explored.

Guidance for 2021 is to produce between 4.6 million and 5.0 million PGM ounces.

The 1.0 million ounces of PGM work in progress inventory build-up in 2021 is expected to be treated over the next 24 months.

Overview of sustainability capitals

In line with our purpose to re-imagine mining to improve people's lives, we closely monitor how the value we create is shared with our stakeholders. Our approach to the sustainability (non-financial) aspects of our business, integral to our strategy, is summarised below (refer to ESG report for details).

Our sustainability focus is embedded in our strategy, and based on the Anglo American sustainable mining plan (detailed in our ESG report) that focuses on global sustainability pillars with stretch goals by 2030 (summarised overleaf).

This plan is reinforced by critical foundations and non-negotiable business-as-usual practices that position Anglo American Platinum to achieve its legal and social licence to operate. Without these, the aspirational goals in the sustainable mining plan cannot be realised.

Sustainable mining plan – progress in 2020

✓ On track/good performance (>97%) ~ In progress ✗ Behind schedule/unperformed (<90%)

5-year sustainability plan roll out ✓

5-year sustainable mining plans in place for all Anglo American Platinum operations

	Trusted corporate leader	Thriving communities	Healthy environment
2020 goals Targets shifted to 2021 due to Covid-19	**Policy advocacy** 1 Local accountability forums at all operations **Accountability** 2 Local accountability forums at all operations **Ethical value chains** 3 50% of Anglo American Platinum operations with third-party audits against recognised responsible-mine certification system	**Health and wellbeing** 1 Baseline studies supporting SDG3 completed **Livelihoods** 2 Livelihoods baseline and strategies completed for all sites **Education** 3 Baseline and strategy in place to achieve targets for all sites	**Biodiversity** 1 Net-positive impact (NPI) methodology, biodiversity value assessments and site-specific indicators in place at all high-risk sites 2 An established biodiversity framework, supporting processes, capacity and resources in place to enable rigorous application of the mitigation hierarchy across the mining life cycle 3 Partnerships established to support NPI method **Climate change** 4 GHG emissions down 22% against business-as-usual projections 5 Reduce energy consumption by 8% relative to business-as-usual projection 6 Initiate four priority projects to meet 2030 targets **Water** 7 Freshwater abstraction down 20% 8 Recycling up 75% 9 No level 3 or higher water incidents
Progress against 2020 goals	**Policy advocacy** ~ 1 Policy advocacy paper on related topics finalised **Accountability** ✓ 2 Local accountability forums convened at all operations, except Mototolo/Der Brochen (due end-2021) **Ethical value chains** 3 Mine certification – Unki Mine completed IRMA third-party audit in 2019 ✓ – IRMA roll-out plan for other sites being developed ✓ – Responsible platinum and palladium standard: process sites accredited ✓ 4 Responsible sourcing ~ – Group supply chain is rolling out responsible sourcing standard and guidelines at all sites	**Health and wellbeing** ✓ 1 Baseline studies completed for all Anglo American Platinum operations. Development of regional health intervention plans being aligned with community-orientated primary care, and health impact assessments **Livelihoods** ✓ 2 Draft livelihoods strategy developed, concentrating on key focus areas of impact projects **Education** ~ 3 Anglo American schools programme under way at all sites. Focus areas: whole school development, early childhood development, ICT connectivity – phase 2 planning	**Biodiversity** ✓ 1 NPI readiness and biodiversity baseline assessments for Eastern and Western Limb sites completed in 2020. 2 Biodiversity framework in place 3 Partnership review process under way **Climate change** ~ 4 On track to meet energy-savings target. Progress with carbon-intensity target, although lagging on 2020 savings against business-as-usual target 5 Energy consumption was reported to be 18.05 million GJ, 11 % below year-end target 6 Implementation of identified projects planned **Water** ~ 7 Reduction in freshwater abstraction was -2% 8 Water recycling level was 60% 9 One level 3 incident reported

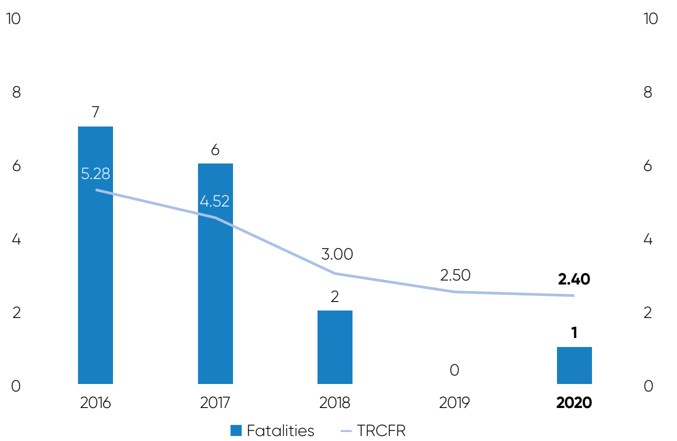
Committed to United National Sustainable Development Goals (SDGs)

We are fully committed to contributing to the UN's targets, as detailed in our ESG report. We have integrated and mapped our initiatives to the SDGs, illustrated below. The strongest contribution by Anglo American Platinum in South Africa were to prosperity (56.9%) through economic and value-adds via procurement, employment, infrastructure and community development, followed by social support in the people sphere (31.7%). This provides a solid foundation from which our sustainable mining plan activities contribute to development goals.

Human: safety and health

Safety approach

The safety, health and wellbeing of our employees remain a top priority and core value for Anglo American Platinum. Our robust health and safety strategies underpinned our leading response this year to managing Covid-19 across our operations and host communities. At the same time, we maintained our unwavering focus on eliminating fatalities by reducing (and ultimately eliminating) injuries from the workplace, and mitigating any adverse effects on human health.



Covid-19 response plans

Our Covid-19 critical controls and preventative measures ensured we successfully managed infection rates at our operations. All related protocols in the workplace were implemented in close collaboration with and approval from recognised unions. They minimum requirements set by the DMRE's directives and the Minerals Council's standard operating procedures.

At year end, we had a 97% recovery rate from infections, well above the national average. In all employee deaths from Covid-19 during the year, there were three or more co-morbidities.

WeCare programme

This integrated programme focuses on protecting the health and wellbeing of our employees and full-time contractors, as well as measures to support our host communities, during the pandemic. As part of WeCare, we have:

- Helped colleagues better understand how to protect themselves and others from infection, monitor their health to detect early symptoms, and manage their health if they test positive for Covid-19.
- Established our own testing facilities, implemented thorough screening measures, secured isolation and quarantine facilities for employees and their families, and appointed additional medical support staff.
  - 140 new fixed-term contracts that run to June 2021 in anticipation of a second wave of infections. This enables our permanent medical staff to focus on medical surveillance
  - 28 dedicated personnel to manage contact tracing
  - Over 120 mental health first-aiders trained to support our operations and extended our wellness support programme to people at our isolation and quarantine sites.

Responding to local communities' needs

Our WeCare community response plans are providing much-needed support for our host communities. We committed over R220 million to provide food parcels, masks, hand sanitisers, medical equipment, screening stations and isolation facilities for these communities. These initiatives have benefited over 100,000 households in our host communities.

Health approach

Against the backdrop of the pandemic and an increasing burden of communicable and non-communicable diseases, our approach extends beyond protecting our people and striving for zero harm to promoting employee wellbeing and optimal levels of health.

While our emphasis this year was on mitigating Covid-19 infections, we continued to focus on ensuring no new cases of occupational disease from exposure to health hazards at our operations. Equally, we aim to support the health and wellbeing of our employees through a proactive, integrated, holistic approach to managing workplace and personal health.

Diagnostic tests	**13 393**
Positive cases	**3 293**
Recovered	**3 093**
Active cases	**176**
Deaths	**18**

In 2020:
- We recorded four new cases of noise-induced hearing loss (2019: three)
- We continued to reduce levels of exposure to health hazards in the workplace
- There were no regulatory work stoppages or non-compliance notices issued for medical or health-related matters

In 2019, we achieved the 90:90:90 targets on HIV management set by UNAIDS. At the end of 2020, 94% of our permanent workforce (20,080 employees) knew their HIV status. The uptake of ART by HIV-positive employees (4,454 in the review period) was 92% with 84% having viral load suppression. The number of reported new cases of HIV, however, remains a challenge. For 2020, 168 cases were reported (2019: 325).

We recorded no new tuberculosis (TB) cases in 2020 and one related TB death. Our TB incidence rate decreased to 187 per 100,000 (2019: 328), significantly below the national average of 615.

Mental health support

We are placing greater emphasis across our operations on supporting employees in managing mental health issues. This has been critical in helping to mitigate effects associated with the pandemic, which can be greater for people with pre-existing mental health conditions.

In 2020, we recorded 2,427 consultations across our operations (2019: 1,629), mainly for mental health 50% and social issues (48%). The increase in consultations was primarily due to people in isolation for Covid-19 risk management.

Investing in community health

In 2020, our community health initiatives focused on mitigating the impact of the pandemic on lives and livelihoods. Our Covid-19 community response plans are discussed above. We also provided direct community support to combat gender-based and domestic violence.

Human: our people

Approach

Adopting a people's approach to the pandemic, our human resources (HR) team developed a response plan to mitigate business disruption and ensure the wellbeing of employees. Key points of this plan included:
- Continuous communication with stakeholders (especially representative trade unions), including engagements led by the CEO
- Recognising the significant financial impact of lockdown, we paid all employees' basic salaries, housing allowances and company contributions to medical and pension funds from the start of the pandemic to date
- Work-from-home arrangements and support, including mental health support.

Social and relationship: communities

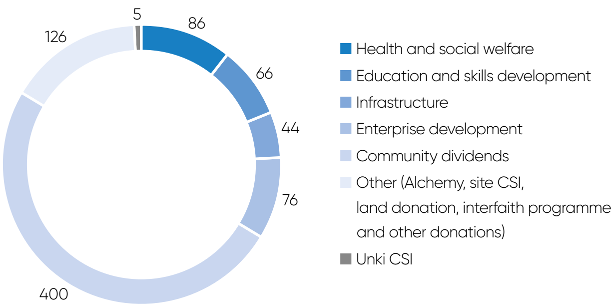
Approach

Maintaining and improving our social licence to operate depends on our ability to enhance this capital at all levels of our society. While a licence to operate is a tangible, regulated entity, the social licence to operate is a fluid concept more easily identified by its lack, rather than its presence. Social capital itself is the outcome of the investment we make in building relationships with our stakeholders.

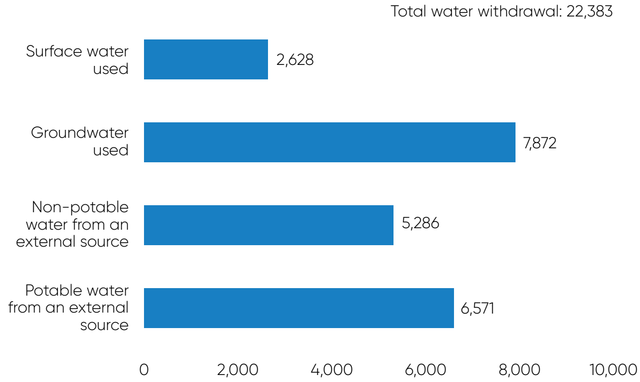
Stakeholder inclusivity underpins our approach to value creation and is integral to securing our social licence to operate. We intensified our stakeholder engagements in 2020 to build relationships and mitigate the impacts of Covid-19 as much as possible. However, we recognise more needs to be done to manage and build relationships if we are to maintain the trust and acceptance of our stakeholders.

In 2020, our total social investment spend was R859 million, which included SLP and corporate social investment (CSI) spend in South Africa of R236 million (2019: R231 million) in line with mining charter requirements, and in Zimbabwe of R5.5 million (2019: R9.3 million).

Total social investment spend in 2020
(Rm)



Water withdrawal by source in 2020
(000 m³)



Supply chain – beyond compliance

In recent years, we have contributed significantly to our country's transformation and economic growth by empowering local businesses through inclusive procurement and supplier development, as well as industry-wide enterprise development.

2020 was a challenging year for all because of Covid-19, and subsequent lockdowns to mitigate associated risks. The Anglo American Platinum supply chain teams initiated the vendor partnership programme in May 2020 to collaborate with some key suppliers to support our communities in their efforts to prepare for the steadily rising rate of infections in South Africa. In total, 55 vendors participated in helping us roll out support to our communities valued at R1.93 million. In addition, we sourced cloth masks manufactured by host communities valued at R546,000 and distributed these to local schools.

For the review period, procurement with our host-community suppliers totalled R3.8 billion, including R2.3 billion spent with our doorstep suppliers. Local procurement totalled R21 billion.

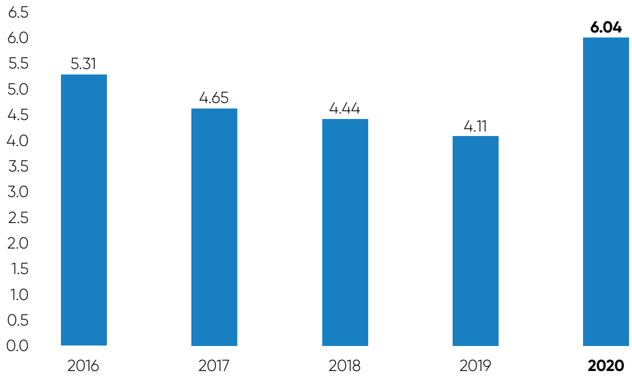
Natural: environment

Approach

A pillar of our sustainable mining plan is to maintain a healthy environment, focusing on three key areas: biodiversity, climate change and water use. We have set challenging goals in each area, with a target date of 2030. We are ultimately aiming for a future where we have created waterless, carbon-neutral mines, as well as delivering positive biodiversity outcomes.

While our progress against short-term targets was hampered by myriad consequences of the pandemic in 2020, we are confident that we are on track to reach the goals in our sustainable mining plan.

Energy intensity (PGM production)
(GJ/(PGM + gold) ounce)



FutureSmart Mining is Anglo American's innovation-led pathway to sustainable mining, delivering step-change innovations that will transform the nature of mining – how we source, mine, process, move and market our products. We envisage a much-reduced environmental footprint from new ways of mining, which include using a number of precision mining technologies and data analytics.

Given that our licence to operate relates directly to environmental permits and authorisations (over 3,800 permits with 25,000 associated conditions and commitments), all Anglo American Platinum operations are internally reviewed each year for compliance. In 2020, most reached or exceeded the targeted minimum permitting requirements maturity of 3.6 out of 5.0, except Der Brochen and Mototolo, which are expected to reach this level in 2021. The overall score improved to 3.1 from 2.9 in 2019, exceeding the target of 3.0. Our Unki operation was the best performer, improving its year-on-year score from 4.0 to 4.2.

Sustainability commitments

✓ Achieved/on target ✗ Not achieved/below target ~ In progress

Objective areas	2020 target	2020 performance	
Safety and health	Zero fatalities	One fatality at managed operations.	✗
	TRCFR (per million hours) below 2.54	2.40 TRCFR	✓
	LTIFR (per million hours) below 2.12 (15% improvement target on prior 3-year average) **Note: No longer a targeted metric**	2.01 LTIFR	✓
	HIV management: 90% of at-risk population know their status	94% of employees know their HIV status	✓
	HIV management: 90% of HIV-positive undergoing treatment (on ART)	92% of known HIV-positive employees on ART	✓
	TB incidence rate of below 600 per 100,000 **Note: No longer a targeted metric**	TB incidence rate of 187 per 100,000 employees	✓
	Medical surveillance: 100% annual medical surveillance of people potentially at risk of exposure to airborne pollutants (category A)	100% annual medical surveillance of category A employees (excludes Unki)	✓
Mineral policy and legislative compliance	26% ownership of ore reserves and mineral resources by historically disadvantaged South Africans (HDSAs)	At 31 December 2020, 48.6% ownership measured as HDSA shareholding in the businesses we control and the portion of our business transferred to HDSAs, which excludes ownership held by HDSAs through mandated investments	✓
	MCIII procurement expenditure: **Measure:**	**Performance:**	✓
	Mining goods	**Mining goods**	
	21% historically disadvantaged persons (HDP)	47% HDP	
	5% women/youth	10% women/youth	
	44% BEE-compliant	66% BEE-compliant	
	Mining services	**Mining services**	
	50% HDP	69% HDP	
	15% women	13% women	
	5% youth	5% youth	
	10% BEE-compliant	94% BEE-compliant	
	According to MCIII targets (2019-2024) – HDPs in:		~
	Top management (board) 50%	42%	
	Women in top management (board): 20%	33%	
	Executive management (PMC) 50%	50%	
	Women at PMC level 20%	33%	
	Senior management: 60%	55%	
	Women in senior management 25%	20%	
	Middle management: 60%	73%	
	Women in middle management 25%	28%	
	Junior management: 70%	83%	
	Women in junior management 30%	24%	
	Core skills 60%	67%	
	Maintain ISO 14001 certification: 100% renewal of certificates for RBMR and PMR	Both Rustenburg Base Metals Refinery (RMBR) and Precious Metals Refinery (PMR) had their surveillance 2 Bureau Veritas (BV) audits in 2020 and were recertified against ISO 9001, ISO 14001:2015 and ISO 45001:2018	✓
	Zero level 4 and 5 environmental incidents	On target – no level 4 or 5 environmental incidents reported	✓
	Zero environmental legal non-compliance directives	One directive (order) was issued on 10 March 2020 at Unki Mine for start of unauthorised activities – a fine of ZW$60,000 was paid and application being prepared to authorise these activities	✗

Objective areas		2020 target	2020 performance	
Labour relations and our performance		Target of 115 PGM ounces produced per employee	Not achieved – 93 PGM ounces produced per employee due to disruptions caused by Covid-19	✗
		Labour unavailability below 19.07%	Average absence rate for 2020 is **29.77%** (2019: 18.37%, 2018: 20%). Year-on-year increase is due to Covid-19 and subsequent protocols instituted as per relevant guidelines and regulations	✗
Community development		Implementation of SLP2 projects	To date, over 80% of SLP2 projects completed. Progress delayed by lockdowns, community mobilisations, legal requirements and contractor delays. To ensure compliance to our SLP commitment, a reviewed execution plan is driving delivery by end-April 2021. The DMRE (regulator) was notified about challenges that impacted delivery by the end of 2020. Twickenham SLP2 implementation is under way and due in 2021.	~
		1% after-tax profit to be spent on community development	Social performance spend internally totalled R236 million, excluding Unki spend of R5.5 million	✓
Access to and allocation of natural resources	Energy	– Energy used: 20.2 million GJ – Energy intensity: 0.78GJ/tonne milled) Premised on trend required to achieve 2030 targets for 30% reduction (off 2016 baseline)	– Actual energy used = 18.05 million GJ, 11% below target – Actual energy intensity = 0.82GJ per tonne milled.(above target on lower production)	✓ ✗
	CO_2 emissions	– CO_2e: 4.46 million tonnes – Carbon (CO_2e) intensity: 0.173 tonnes CO_2/ tonne milled Premised on trend required to achieve 2030 targets for 30% reduction (off 2016 baseline)	– Actual CO_2e emissions = 3.94 million tonnes, 12% below target – Actual carbon intensity = 0.178t CO_2e per tonne milled (above target on lower production)	✓ ✗
	Water	Reduction in potable and raw-water consumption towards 2030 reduction of freshwater goal: – Potable water abstraction of 22.5Ml/d	– Potable water withdrawal of 18Ml/d, as 29% of total water consumption	✓
		– Potable water intensity target of 0.32m^3/tonne milled	– Potable water intensity of 0.30m^3/tonne milled	✓
		– Raw-water abstraction of 8.4Ml/d	– Raw-water withdrawal of 7.2Ml/d	✓
		– Optimal use of effluent by Mogalakwena and ACP/Waterval smelter to 19.4Ml/d	– Optimal use of effluent of 14.4Ml/d	✗
		– 90% compliance with Anglo American water management standards	– 95% compliance	✓
		– Installation of all critical measuring instrumentation	– 81% critical measuring instruments installed – all critical meters to be completed by end Q1 2021	~

Ore Reserves and Mineral Resources

Our mineral asset base is a competitive advantage for Anglo American Platinum

Gordon Smith
Executive head: technical

General statement

The Ore Reserves and Mineral Resources report is issued annually to inform stakeholders, shareholders and potential investors of the mineral assets held by Anglo American Platinum. Our method of reporting is in accordance with the principles and guidelines for public reporting of the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code, 2016) and section 12.13 of the Listings Requirements of the JSE.

From 31 December 2020, our approach of reporting Ore Reserves and Mineral Resources will change from an attributable ownership basis to 100% basis. This will streamline internal reporting processes and ensure alignment between the Anglo American Platinum and Anglo American plc reports. Estimates (tonnes and content) for individual operations and summaries quoted in this report are on a 100% basis and the attributable interest is referenced in tables or where relevant.

To ensure continuity, transparency, consistency for reconciliations and reporting, as well as effectively informing all stakeholders, 2019 estimates have been restated on a 100% basis. Ore Reserve and Mineral Resource estimates are quoted as at 31 December 2020.

This section of the report should be read with the full Ore Reserves and Resources report on our website.

Note: 4E is the sum of platinum, palladium, rhodium and gold.

Ore Reserves

Salient features: year-on-year changes

The combined South African and Zimbabwean Ore Reserves decreased 1.3% from 151.5 4E Moz to 149.6 4E Moz in the review period, primarily due annual production and reallocation of Ore Reserves to Mineral Resources. The reduction of Ore Reserves has been partially offset by increased Ore Reserves at Dishaba and Tumela mines after converting Mineral Resources to Ore Reserves, as well as improved economic assumptions at Mogalakwena Mine.

At Mogalakwena, pit-shell optimisation, mainly related to improved economic assumptions, resulted in converting additional material, previously classified below cut-off value, to Ore Reserves (+2.8 4E Moz). The extent of the increase was offset by reallocating Ore Reserves to Mineral Resources due to pit-design changes to improve haulage connectivity and access (-2.6 4E Moz) and annual production (-1.7 4E Moz). Overall, Mogalakwena Platreef Ore Reserves, including stockpiles, decreased by 1.6 4E Moz to 117.2 4E Moz in 2020. The combination of basket metal prices and the exchange rate used to optimise the Mogalakwena pit is based on long-term forecasts in a balanced supply/demand scenario. Mining costs are escalated in real terms to account for anticipated mining inflation, increasing mining depth and haul distance.

At Dishaba and Tumela, mine-design changes and favourable modifying factors resulted in the conversion of UG2 Reef Mineral Resource to Ore Reserves (+0.9 4E Moz), partially offset by production (-0.7 4E Moz). Merensky Reef Ore Reserves increased by 22.2% (0.3 4E Moz) after converting the 15E drop-down project area to Ore Reserves.

Ore Reserves at the Mototolo Complex, Unki Mine and non-managed joint operations decreased primarily from annual production.

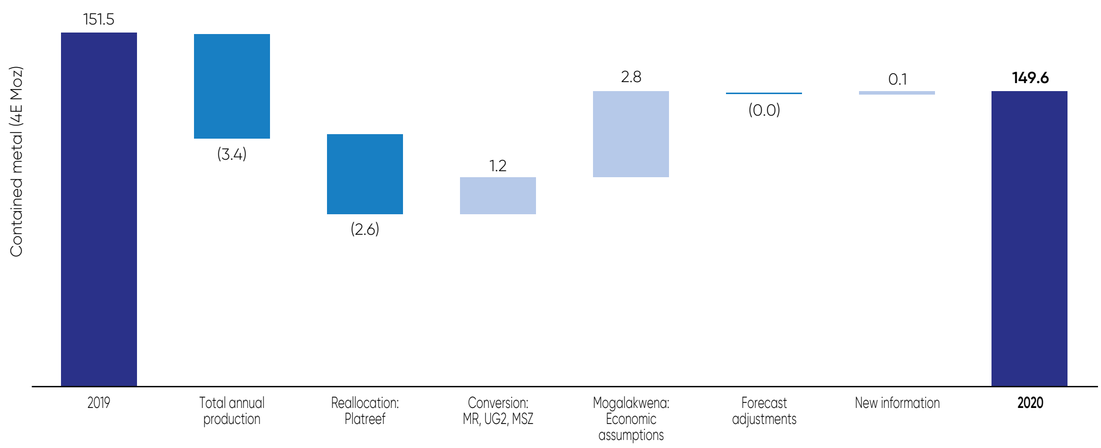
Recent developments

The Mototolo Mine and Der Brochen project have been consolidated and now report as a single-entity operation. The Der Brochen portion of the complex is expected to be included in the life-of-mine plan for the 2021 reporting cycle, pending the completion of various technical studies.

Anglo American Platinum has a royalty mining agreement with Two Rivers Platinum Mine to access mining areas adjacent to the current Thorncliffe farm boundary from the Lebowa shaft of Mototolo Complex Mine. This agreement provides mining flexibility to Lebowa shaft, which has reached the northern limit of the current mining right boundary. The Ore Reserves involved are not reflected in this report as the SAMREC Code stipulates that only Mineral Resources and Ore Reserves which are fully permitted can be declared.

Anglo American Platinum Merensky, UG2, Platreef and Main Sulphide Zone (MSZ) Ore Reserves – South Africa and Zimbabwe

2019 – 2020 reconciliation (4E Moz)



- *Details of the individual operations that contributed to the inclusive Ore Reserves reconciliation are stated per reef and mine in the full Ore Reserves and Mineral Resources report. Ore Reserves reflect the total Proved and Probable Ore Reserves.*
- *Estimates of 0.0 represent numbers less than 0.05.*

Mineral Resources

Salient features: year-on-year changes

The combined South African and Zimbabwean Mineral Resources, inclusive of Ore Reserves, decreased by 0.8% from 835.5 4E Moz to 828.9 4E Moz in the review period. This was primarily due to annual depletion (–3.6 4E Moz), the disposal of the Unki Mine KV and SR claims (-1.4 4E Moz), and effects of updated geological models at managed underground operations.

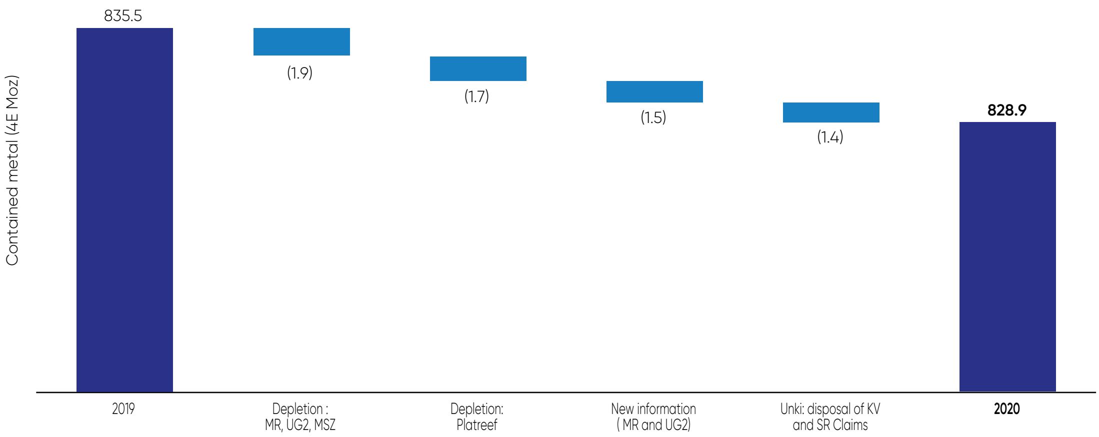
Recent developments

As noted, the Mototolo Mine and Der Brochen project have been consolidated and now report as a single entity. The Der Brochen project Merensky and UG2 Mineral Resources have been transferred and now report within the Mototolo Complex.

The Central Block and Kwanda North mineral endowment area has been included in the Mogalakwena mining right. This area has not been classified as Mineral Resources while further exploration and evaluation work is under way and will therefore not have any impact on the 2020 Mogalakwena reported Mineral Resource base.

The KV and SR claims previously reported at Unki Mine have been sold to Mimosa Platinum Mine. This disposal resulted in a decrease of 1.4 4E Moz from the Unki Mine MSZ Mineral Resource inclusive of Ore Reserves, based on the 2020 declaration.

Anglo American Platinum Merensky, UG2, Platreef and Main Sulphide Zone (MSZ) inclusive Mineral Resources – South Africa and Zimbabwe
2019 – 2020 reconciliation (4E Moz)



* *Details of the individual operations that contributed to the inclusive Mineral Resources reconciliation are stated per reef and mine in the full Ore Reserves and Mineral Resources report. Inclusive Mineral Resources reflect the total Measured, Indicated and Inferred Mineral Resources.*

Integrated value-based and FutureSmart Mining technology concepts

We are guided by our purpose to re-imagine mining to improve people's lives.

By re-imagining mining, we will unlock the maximum potential of the orebodies containing precious and base metals in our endowment portfolio. Concurrently, this will create sustainability around our Ore Reserves and Mineral Resources inventory, while maximising value and positively impacting on people, communities and the environment.

By embracing step-change technologies through modernisation and innovation in Anglo American Platinum, our operations can apply value-based modelling and integrated planning approaches to the Ore Reserves and Mineral Resources definition, aligned with sustainable value creation. Through digitalisation, data analytics and AI (artificial intelligence), FutureSmart Mining is enhancing our performance across the mining value chain, from discovery to integrated mine planning, optimised extraction and processing tailored to market conditions and expectations.

We are applying innovative technologies that are fundamentally changing the way data is acquired and processed, while developing integrated systems. These in turn enable people to optimise decisions and effectively realise goals and stretch benchmarks. This has also facilitated our ability to pursue the highest-value options, projects and technologies in current and future operations.

These factors are a fundamental consideration in the design and execution of current drilling programmes, especially in the Northern Limb. Fit-for-purpose, agile, collection of data beyond lithology and assays includes spectral, advanced geophysical, orientated structural, mineralogical and multi-parameter geometallurgical datasets. When used in resource modelling, this expanded suite of data will inform value-based planning and decision-making, reducing risk to Ore Reserves and Mineral Resources reporting and the underpinning business plans.

In recent years, many innovative concepts and technologies (including enhanced software) have fundamentally changed the definition of Ore Reserves and Mineral Resources as well as mining and processing effectiveness and efficiency.

Mechanisation at Amandelbult complex

- Mechanised mining at Amandelbult makes underground work safer and more cost effective. Due to the higher percentage of dilution from non-mineralised material, this mining method may consequently reduce the reported Ore Reserve grade as areas of mechanisation expand.

Developing multi-parameter, value-based ore control (VBOC) algorithms

- This approach enables mine geologists and planners to optimise ore definition, mine planning, extraction and processing based on value, not PGM grade metrics alone. Our Ore Reserves for Mogalakwena are reported based on this principle.

Transition from rigid, less flexible drillhole databases to more advanced and agile systems

- Data storage and retrieval is critical to the timely and effective estimation of Mineral Resources. The new system facilitates enhanced QAQC protocols as well as adequate storage of all expanded analytical types and volumes of data, fit for future use. This has been implemented at Mogalakwena, with all other sites to follow.

Spatial inventory management system (SIM) and dynamic 3D stockpile block modelling

- The Anglo American SIM platform is a digital twin of the material flow in a mining operation, providing the most accurate and up-to-date information about all material held across our supply chains and enabling us to predict how material will change as it is transformed from *in-situ* rock via blasting, extraction, stockpiling and processing operations, including bulk-ore sorting. It will enable tracking parcels of material with associated properties and uncertainty at a granular level from pit to customer. The 3D stockpile models deliver real-time information on stacked, reclaimed and feed material. This improves confidence in stockpile Ore Reserve estimates and business planning. These solutions are currently being trialled for implementation at Mogalakwena.

Ore control 3D blast-movement modelling and monitoring

- To account for material movement during blasting, the application of software that utilises movement vectors, muckpile topography, blasting parameters and face configuration, while considering mining directions, delivers a full 3D spatial model that allows optimisation of ore separation post-blast. The results are minimising dilution and ore loss (modifying factors in Ore Reserve calculations) and maximising value delivered to the plant, while also facilitating more accurate material destination control. This is currently being trialled for implementation at Mogalakwena.

Measure while drilling (MWD)

- Reverse-circulation drilling rigs are fitted with the RockMa™ system, providing a proxy for fracture percentage and rock strength to develop hardness and blastability index models for optimised blast design and estimation throughput potential at different plants. This is currently being implemented at Mogalakwena.

Bulk-ore sorting

- Bulk-Ore sorting is the application of penetrative technology with a mechanical selection process that permits real-time, automated instrument-driven selection of smaller parcels of ore based on sensor data applied in VBOC algorithms. Bulk-ore sorting offers the potential to select and exclude dilution entrained in plant-bound ore streams, with greater levels of selectivity than is practically available from truck-and-shovel mining methods, as is the current practice at Mogalakwena, where bulk-ore sorting is being implemented.
- While the scanning technology cannot read PGM grades at abundances of parts-per-million, it can read nickel and copper values and other mineralogical data which are correlated with PGM values. The value case for bulk-ore sorting lies in:
  - excluding dilution from the mill-feed and liberating mill capacity to process higher-grade (higher-value) ores, resulting in increased metal production.
  - plant feed; characterisation, which enables plant optimisation in terms of recovery, throughput and concentrate quality; and
  - reduction in feed variability.
- Given that bulk-ore sorting is specifically set up to exclude low-grade or marginal dilution material, inadvertently included in the plant feed because the mining selectivity is coarse, then there is no influence on the definition of Ore Reserves and Mineral Resources.

Fourier transform infrared (FTIR) and hyperspectral scanning technologies

Both are in execution at Mogalakwena with a roll out to all other sites scheduled in 2021.

- FTIR can be used to predict value-driving rock responses that are traditionally difficult, costly or time-consuming to measure. This analytical technology measures light absorbed by a sample in the infrared region of the light spectrum. As it covers a large wavelength range, machine learning applied to the FTIR data can predict a diverse range of mainly mineralogical and metallurgical parameters. The translation of spectral data into a measure for recovery as part of the VBOC calculations, as well as Ore Reserves and Mineral Resources models, will add confidence to estimates as well as resource development planning (RDP).
- Hyperspectral imaging, a high-resolution digital scanning technology, objectively (undetected by the human eye) can be used to predict value-driving rock responses (including mineral textures), with mineralogy as the primary attribute. This assists in comminution and recovery predictions in geometallurgical models during resource modelling, adding granularity and confidence. In turn, this informs future Reserve conversions. The technique is also useful in the early stages of an exploration programme to better understand mineralisation styles for a deposit.

Internal controls

Well-established processes and protocols ensure reliable Ore Reserves and Mineral Resources reporting.

In line with internal review and audit schedules, as well as improvement initiatives, existing processes and reviews encompass:

Methodology

- Formal sign-off of the geological structure and geological discount factors; drillhole and sample databases; and the Mineral Resource classification
- A Mineral Resource classification scorecard for consistent resource-classification statements
- Various single and multiple disciplinary reviews in the framework of the business-planning process
- Mine design and scheduling for consistent Ore Reserve reporting, which considers the company's business plan and economic tail management process
- Further refinement of the basic resource equation (BRE), an internal reconciliation of Mineral Resources segregated into the various business plans and investment centres
- The annual review and sign-off of Ore Reserves and Mineral Resources.

Information communicated

- Ore Reserves and Mineral Resources waterfall charts indicating year-on-year changes
- Prill and base-metal grade distribution of the Mineral Resources inclusive of Ore Reserves
- Spatial distribution of the Ore Reserve and Mineral Resource classifications of managed mines
- Reporting Mineral Resources, inclusive of Ore Reserves
- Statement of Mineralisation.

Ore Reserves and Mineral Resources management database

- Digital data capture of all relevant Ore Reserves and Mineral Resources information
- Integration with Anglo American plc's Group Mineral Resource and Ore Reserve reporting management systems
- Internal database audit and approval.

Assurance/external reviews

External independent audits are executed to ensure that our standards and procedures are aligned with world best practice and include both process and numerical estimate audits.

To comply with the Anglo American Platinum three-year external review and audit schedule, the following detailed audits of data gathering, data transformation and reporting of Ore Reserves and Mineral Resources processes were carried out in 2020.

- Tumela and Dishaba mines – The Mineral Corporation.

External audits summary

The Mineral Corporation audits comprised site inspections and reviews of Tumela and Dishaba mines' estimation processes. No technical fatal flaws or material issues were identified in the detailed numbers audit of Mineral Resource and Ore Reserve estimates. The Mineral Corporation states that the Mineral Resource estimates are supported by an extensive, validated geological database and satisfy the SAMREC Code requirements for reasonable prospects for eventual economic extraction; and the Ore Reserve estimates are based on a detailed life-of-mine plan that has been tested for economic viability under a set of realistically assumed production levels, modifying factors and economic inputs. A summary note on the audit results is in the full Ore Reserves and Mineral Resources report.

Risk

The geosciences and integrated planning departments follow risk management processes outlined in the Anglo American risk matrix. This is done to systematically evaluate, mitigate and subsequently reduce risks relevant to the Ore Reserves and Mineral Resources estimation and reporting. Presently, no area of risk is considered significant using current controls.

It is generally recognised that Ore Reserves and Mineral Resources estimations are based on projections that may vary as new information becomes available, specifically if assumptions, modifying factors and market conditions change materially. Since the parameters associated with these considerations vary with time, the conversion of Mineral Resources to Ore Reserves may also change over time. For example, mining costs (capital and operating), exchange rates and metal prices may have significant impacts on converting Mineral Resources to Ore Reserves and reallocating Ore Reserves to Mineral Resources in cases where there is a reversal in the economics of a project or area. The assumptions, modifying factors and market conditions therefore represent areas of potential risk. In addition, security of mineral right tenure or corporate activity could have a material impact on the future mineral asset inventory.

Covid-19 has been the most prevalent event in 2020 and was identified as the highest-ranking risk for Anglo American Platinum. The impact of Covid-19 cuts across different stages of the mining value chain and affects employees as well as host communities. The pandemic has brought certain issues to the fore, with an increased focus on health and safety for employees and communities alike, a heightened concern on business continuity, realising the effects of supply-chain disruption, and the accelerated shift to a digital, low-carbon economy.

However, Covid-19 has had no direct impact on the declaration of Ore Reserves and Mineral Resources except for its effect on the timelines/pace of extracting our mineral assets.

For more detail on our approach to risk and opportunity management, see page 74.

Environment, social and governance

ESG considerations are important inputs in determining reasonable prospects of eventual economic extraction (RPEEE) and modifying factors for estimating and reporting Ore Reserves and Mineral Resources. Items related to environmental and social aspects as outlined in SAMESG Guidelines (2017) have been incorporated in table 1 of the SAMREC Code (2016) to ensure compliance and inform all stakeholders and investors.

The sustainable mining plan

We have integrated ESG into our business strategy, as articulated in our commitment to reshape ESG. This emphasis on sustainability is set out in the Anglo American sustainable mining plan. This plan has nine stretch goals across three pillars (trusted corporate leader, healthy environment, and thriving communities) to be achieved by 2030, with milestones in 2020 and 2025.

For more, see overview of capitals in this report and details in ESG report.

Competence and responsibility

In line with the Listings Requirements of the JSE, Anglo American Platinum prepares its Mineral Resource and Ore Reserve statements for all its operations with reference to SAMREC Code guidelines and definitions (the SAMREC Code, 2016 edition). Competent persons have been appointed to work on, and assume responsibility for, the Mineral Resource and Ore Reserve statements for all operations and projects, as required.

The lead competent person with overall responsibility for compiling the 2020 Ore Reserves and Mineral Resources Report is the executive head: technical, Dr Gordon Smith (PrEng). He confirms that the information on Mineral Resources and Ore Reserves in this report complies with the SAMREC Code and that it may be published in the form and context in which it was intended.

Dr Smith holds the following qualifications from the University of the Witwatersrand: BSc (mining engineering), MSc in engineering, MBA and PhD. He has 42 years' mineral industry experience across precious, base and ferrous metals, chrome, diamonds, semi-precious stone and coal operations. In this period, he has held technical, managerial and executive positions at Rio Tinto (Zimbabwe), Falcon Mines plc, the Chamber of Mines – research organisation, CSIR – mining technology, Snowden Mining Industry Consultants and Metora Mineral Resources prior to joining Anglo American Platinum in 2003.

He is a permanent employee of Anglo American Platinum and is registered with the Engineering Council of South Africa (ECSA) as a professional mining engineer, registration number 930124. ECSA is based on the 1st floor, Waterview Corner Building, 2 Ernest Oppenheimer Avenue, Bruma Lake Office Park, Bruma, Johannesburg, 2198, South Africa.

The lead competent person has appointed the following competent persons, employees of Anglo American Platinum and Anglo American plc respectively, who are responsible for reviewing Mineral Resources and Ore Reserves estimates and the associated year-on-year reconciliations as well as approvals for the publication in this report.

Field	Competent person	Title	RPO	Membership number	Relevant experience
Mineral Resources	Iain Colquhoun	Principal resource estimation platinum	SACNASP, PrSciNat	400097/00	23 years (36 years in total)
Ore Reserves	Nicholaas J Nel	Principal mine planner	SAIMM member	706878	21 years

Competent persons for the individual operations are listed in the relevant sections of the full report. All have sufficient relevant experience in the type of deposit and activity for which they have taken responsibility. Details of Anglo American Platinum's competent persons are also available on written request from the company secretary.

Gordon Smith PrEng, PhD, MBA, MSc (engineering), BSc (mining engineering)
Engineering Council of South Africa (930124)
Executive head: technical

Anglo American Platinum
55 Marshall Street, Johannesburg, South Africa
15 March 2021

Changes in Ore Reserves and Mineral Resources for 2020

Summary of Ore Reserve and Mineral Resource estimates

For reconciliation purposes, the summary estimates are reported on both the 100% basis and Anglo American Platinum's attributable interests. Detailed individual operations' estimates that contributed to the summary of Ore Reserve and Mineral Resource are stated per reef and mine in the full Ore Resources and Mineral Reserves report (on a 100% basis).

	100% basis						Attributable basis					
	2020			2019			2020			2019		
Classification	Million tonnes (Mt)	Grade 4E g/t	Contained metal 4E Moz	Million tonnes (Mt)	Grade 4E g/t	Contained metal 4E Moz	Million tonnes (Mt)	Grade 4E g/t	Contained metal 4E Moz	Million tonnes (Mt)	Grade 4E g/t	Contained metal 4E Moz
Proved Ore Reserves	937.4	3.07	92.6	947.4	3.12	94.9	924.9	3.07	91.1	934.6	3.11	93.4
Probable Ore Reserves	535.9	2.99	51.5	520.8	3.05	51.0	521.4	2.99	49.6	504.6	3.01	48.9
Ore Reserves – South Africa	1,473.4	3.05	144.1	1,468.3	3.09	145.9	1,446.2	3.04	140.7	1,439.2	3.08	142.3
Proved Ore Reserves	24.3	3.33	2.6	27.2	3.29	2.9	24.3	3.33	2.6	27.2	3.29	2.9
Probable Ore Reserves	26.7	3.28	2.8	26.1	3.24	2.7	26.7	3.28	2.8	26.1	3.24	2.7
Ore Reserves – Zimbabwe (Unki)	51.0	3.30	5.4	53.3	3.27	5.6	51.0	3.30	5.4	53.3	3.27	5.6
Ore Reserves – South Africa and Zimbabwe	1,524.4	3.05	149.6	1,521.6	3.10	151.5	1,497.2	3.04	146.1	1,492.5	3.08	147.9
Measured exclusive Resources	1,048.6	4.58	154.3	1,028.8	4.65	153.7	851.1	4.34	118.8	831.7	4.42	118.3
Indicated exclusive Resources	2,235.0	3.42	246.0	2,227.6	3.44	246.3	2,086.6	3.29	220.6	2,078.9	3.30	220.8
Inferred exclusive Resources	1,823.4	4.08	239.1	1,825.8	4.08	239.6	1,518.6	3.86	188.6	1,520.9	3.87	189.1
Mineral Resources exclusive of Ore Reserves[1] – South Africa	5,107.0	3.89	639.5	5,082.2	3.92	639.6	4,456.2	3.69	528.1	4,431.5	3.71	528.2
Measured exclusive Resources	7.5	4.09	1.0	7.9	4.12	1.1	7.5	4.09	1.0	7.9	4.12	1.1
Indicated exclusive Resources	110.8	4.29	15.3	112.3	4.29	15.5	110.8	4.29	15.3	112.3	4.29	15.5
Inferred exclusive Resources	38.6	4.07	5.0	47.8	4.22	6.5	38.6	4.07	5.0	47.8	4.22	6.5
Mineral Resources exclusive of Ore Reserves[1] – Zimbabwe (Unki)	156.9	4.23	21.3	168.0	4.26	23.0	156.9	4.23	21.3	168.0	4.26	23.0
Mineral Resources exclusive of Ore Reserves[3] – South Africa and Zimbabwe	5,264.0	3.90	660.8	5,250.2	3.93	662.6	4,613.2	3.7	549.4	4,599.5	3.73	551.2
Measured inclusive Resources	2,052.3	3.99	263.5	2,089.2	3.99	267.8	1,831.4	3.80	224.0	1,866.1	3.80	228.0
Indicated inclusive Resources	2,718.5	3.41	298.0	2,718.6	3.41	298.0	2,564.1	3.29	271.4	2,564.1	3.29	271.5
Inferred inclusive Resources	1,823.4	4.08	239.1	1,825.8	4.08	239.6	1,518.6	3.86	188.6	1,520.9	3.86	189.1
Mineral Resources inclusive of Ore Reserves[2] – South Africa	6,594.2	3.78	800.6	6,633.6	3.77	805.4	5,914.1	3.60	684.1	5,951.2	3.60	688.6
Measured inclusive Resources	34.5	3.97	4.4	36.8	3.99	4.7	34.5	3.97	4.4	36.8	3.99	4.7
Indicated inclusive Resources	139.1	4.21	18.8	139.3	4.21	18.9	139.1	4.21	18.8	139.3	4.21	18.9
Inferred inclusive Resources	38.6	4.07	5.0	47.8	4.22	6.5	38.6	4.07	5.0	47.8	4.22	6.5
Mineral Resources inclusive of Ore Reserves[2] – Zimbabwe (Unki)	212.2	4.15	28.3	223.9	4.18	30.1	212.2	4.15	28.3	223.9	4.18	30.1
Mineral Resources inclusive of Ore Reserves[2] – South Africa and Zimbabwe	6,806.4	3.79	828.9	6,857.5	3.79	835.5	6,126.3	3.62	712.3	6,175.1	3.62	718.6
Measured exclusive Resources	63.0	0.79	1.6	63.0	0.79	1.6	63.0	0.79	1.6	63.0	0.79	1.6
Indicated exclusive Resources	8.1	0.82	0.2	8.1	0.82	0.2	8.1	0.82	0.2	8.1	0.82	0.2
Inferred exclusive Resources	1.2	0.91	0.0	1.2	0.91	0.0	1.2	0.91	0.0	1.2	0.91	0.0
Mineral Resources exclusive of Ore Reserves[1] – South Africa tailings	72.3	0.80	1.9	72.3	0.80	1.9	72.3	0.80	1.9	72.3	0.80	1.9
Measured inclusive Resources	63.0	0.79	1.6	63.0	0.79	1.6	63.0	0.79	1.6	63.0	0.79	1.6
Indicated inclusive Resources	8.1	0.82	0.2	8.1	0.82	0.2	8.1	0.82	0.2	8.1	0.82	0.2
Inferred inclusive Resources	1.2	0.91	0.0	1.2	0.91	0.0	1.2	0.91	0.0	1.2	0.91	0.0
Mineral Resources inclusive of Ore Reserves[2] – South Africa tailings	72.3	0.80	1.9	72.3	0.80	1.9	72.3	0.80	1.9	72.3	0.80	1.9

Tonnage is reported as dry metric tonnes, and Ore Reserves reported as run-of-mine (ROM) tonnes.

- *'Mineral Resources exclusive of Ore Reserves' and 'Scheduled Resources converted to Ore Reserves' are not additive because of modifying factors being applied in the conversion from Mineral Resources to Ore Reserves.*
- *Mineral Resources are quoted exclusive of appropriate known and unknown geological losses.*
- *Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.*
- *Rounding of figures may result in computational discrepancies.*

1 Exclusive Resources: Mineral Resources exclusive of the portion converted to Ore Reserves.
2 Inclusive Resources: Mineral Resources inclusive of the portion converted to Ore Reserves.

Remuneration report

Anglo American Platinum has been agile and proactive in addressing the Covid-19 challenge

Nombulelo Moholi
Chairperson

Part 1: background statement

Chair's statement

Dear shareholders

I am pleased to present the Anglo American Platinum Limited remuneration report for the year ended 31 December 2020. In line with best practice, as prescribed by King IV, this report is presented in three parts. The first is a background statement on how the company has subscribed to the principle of fair, responsible and transparent remuneration practice. The second sets out its remuneration philosophy and policy, and the third details policy implementation.

The Covid-19 pandemic has been central to many of the human resource and remuneration issues requiring attention from companies globally. Specifically, Anglo American Platinum has been agile and proactive in addressing this challenge, while doing its best to protect our most vulnerable employees in an ethical and responsible way. Examples include flexible work arrangements and support for vulnerable employees to ensure their continued financial wellness. In terms of management and executive remuneration, there were no changes to performance conditions of existing long-term incentive awards, no specific retention awards made, no adjustments to the number of 2020 long-term incentive awards granted in April 2020, nor deviations from the executive remuneration policies disclosed in the 2019 remuneration report.

We adjusted the mix of cash and deferred portions of the annual short-term incentive and refined the long-term incentive performance vesting measures this year, in line with parameters communicated in the 2019 report.

It is evident from the remuneration implementation report, specifically the total single figure of remuneration statement, that despite headwinds Anglo American Platinum maintained a strong financial position with EBITDA of R42 billion and net cash position of R18.7 billion.

We continue to monitor pay-fairness measures in Anglo American Platinum (equal pay for equal value of work) and pay ratios required by the Department of Labour in the annual EEA4 submissions. We also monitor the organisational pay-gap using both the Gini co-efficient and Palma ratios*, and are kept apprised of research conducted, inter alia, by BUSA (Business Unity South Africa) on the most appropriate pay-gap measure for statutory disclosure.

The remuneration committee (remco) oversaw remuneration outcomes related to the exits of senior executives, including the CEO, and appointment of our new CEO and members of the platinum management committee (PMC). Exit arrangements were based on statutory and regulatory commitments, as well as established precedent in the company, including compliance with incentive plan rules, meriting the good standing and loyal service of incumbents. Remuneration for new appointees was established in the context of market benchmarks, internal parity and providing a competitive offer (detailed in the implementation report).

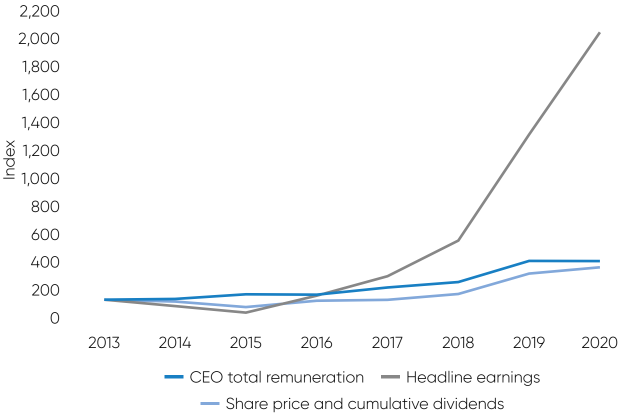
* *Gini co-efficient is a measure of income distribution across a population, while Palma is a measure which is gaining traction as a simple and effective measure of the pay gap.*

The table indicates the performance conditions' vesting outcome percentage over the last seven years for LTIP awards.

	2012	2013	2014	2015	2016	2017	2018	Average
LTIP vesting (%)	61	90	33	35	95	98	55	67

The graph shows the correlation between the CEO's total remuneration and Anglo American Platinum' performance over the past nine years.

Company performance and CEO total remuneration
(Indexed: 2013 = 100)



Headline earnings have grown significantly more than the CEO's total remuneration over this period which is, however, aligned with growth in total shareholder returns. The total remuneration of the CEO in 2020 is on an annualised pro forma basis, to be as comparable as possible with total remuneration reported for the previous CEO from 2012 to 2019.

The remuneration committee at a glance

Purpose

As tasked by the board, the committee assists in setting the company's remuneration policy and remuneration for directors and prescribed officers. As per its terms of reference, published on our website www.angloamerican.com, the committee's responsibilities are to:

- Make recommendations to the board on the general policy for remuneration, benefits, conditions of service and staff retention
- Annually review the remuneration packages of executive directors and prescribed officers
- Make specific decisions regarding the remuneration packages of executive directors and prescribed officers
- Approve and monitor operation of the company's share incentive plans.

The committee's full terms of reference are aligned with the Companies Act and King IV and embrace best practice.

Remuneration committee composition

Nombulelo Moholi (chairperson) Profile on page 22	**Norman Mbazima** Profile on page 23	**Daisy Naidoo** Profile on page 22	**Thabi Leoka[1]** Profile on page 22
Independent non-executive director	Non-executive board chairperson	Independent non-executive director	Independent non-executive director

Meetings and attendance

Attended: 5/5	**Attended: 5/5**	**Attended: 5/5**	**Attended: 2/2[1]**

Attendance by invitation: chief executive officer (CEO), global head of reward from Anglo American plc, executive head: human resources, senior manager: remuneration and benefits, compliance officer of employee share schemes and representatives of Bowmans.

Changes to committee: Thabi Leoka was appointed in October 2020 as an independent non-executive director and committee member.

1 T Leoka joined the committee in October 2020 and has a 100% attendance record since joining.

Remuneration discussions

Remco has deliberated on items tabled to maintain a strategic focus on resolving remuneration challenges and providing a remuneration policy to support the future of the organisation. Discussions in 2020 included:

Adding value in 2020

Anglo American Platinum remuneration policy changes

Once-off changes

- Mitigating the impact of share price volatility on long-term incentive plan (LTIP) award grant values
- Rebalancing performance measure for LTIP awards
- Rebalancing performance measures of the annual bonus for executive directors
- Rebalancing short-term incentive (STI)/deferred STI weightings
- Promoting long-term executive ownership
- Bonus deferral for bands 3 – 5
- Unki remuneration strategy for incentives
- Unki pension fund age
- External directorships

Annual discussions

Topics discussed

- Bonus payments
- Bonus share plan (BSP) nominations
- Approve the vesting percentage and performance conditions for LTIP awards
- Annual remuneration report
- Salary increases to employees
- Pay-gap measures
- Race and gender parity (income differential)
- Share scheme compliance officer report
- Business unit, CEO and finance director (FD) key result area (KRAs)
- Non-executive director (NED) remuneration and fee trend update
- Executive remuneration and NED fee benchmark
- Segmental CPI update
- Executive remuneration benchmarking and trends update

Governance controls and protocols

No executive director or prescribed officer is involved in deciding their own remuneration. In 2020, the committee received advice from Anglo American plc's human resource department and Bowmans, as the committee is comfortable that Bowmans provided objective and independent advice.

The company's auditors, PwC, have not provided advice to the committee. Bowmans will continue as the remuneration committee adviser until 31 October 2021.

Remuneration in context

The table below reflects the total spend on employee remuneration and benefits in 2020 and 2019, compared to headline earnings and dividends payable in those years.

Distribution statement		2020	2019
Headline earnings	Rm	**30,346**	18,603
	% change	**63**	
Dividends paid	Rm	**13,779**	4,921
	% change	**180**	
Dividends payable for the year (total)[1]	Rm	**12,099**	13,985
	% change	**(13)**	
Payroll costs for all employees	Rm	**14,783**	12,897
	% change	**15**	
Employees	Headcount	**25,796**	25,268
	% change	**1**	
Community engagement development spend[2]	Rm	**459**	392
	% change	**17**	
Taxation paid	Rm	**7,941**	3,349
	% change	**137**	
Royalties paid	Rm	**2,496**	1,788
	% change	**40**	

1 The board has declared a final cash dividend of R45.58 per share, which is equivalent to R12.09 billion.
2 CSI spend recorded centrally in corporate office. This includes all CSI and SLP spend as well as Covid-19-related spend.

The company delivered good performance in 2020. As a result, bonus shares to the value of R124,643,910 were awarded and the vesting percentage of the LTIP awards granted in 2018 was 55.30%. The KRA outcomes for the CEO are summarised on page 46.

Social responsibility and contribution

In response to the Covid-19 pandemic, contributions and donations made by the Anglo American Platinum CEO, FD and NEDs to South Africa's Solidarity Fund and other selected charities were matched by Anglo American plc (detailed on page 15).

Wider workforce considerations and our approach to fairness

Anglo American Platinum continues the practice of fair, responsible and equitable remuneration. As such, remco regularly reviews the company's internal wage gap. In addition, lower increases are granted to executive management compared to other employees. The committee also seeks to find a balance between the interests of executives and shareholders to ensure fair and responsible outcomes. For this reason, a significant portion of the pay of our senior employees is at risk and subject to stretching performance conditions.

Conclusion

We trust this remuneration report provides an accurate overview of the company-wide remuneration policy and its implementation. We specifically provide an in-depth view on executive remuneration in the past year, as Anglo American Platinum achieved specific targets through technical and business innovations while retaining capacity and key talent over a number of years.

Nombulelo Moholi
Chairperson

Part 2: Remuneration philosophy and policy

Remuneration philosophy

We aim to attract, retain and incentivise high-calibre individuals to develop and implement the company's business strategy, thus creating optimal long-term shareholder value.

Remuneration principles

- Consistency of reward-package elements
- Diversity of remuneration principles and approach to fair and responsible pay.

Remuneration policy

The remuneration policy complies with King IV recommendations and is based on the following principles:

- Remuneration practices are aligned with the company strategy
- Total rewards are set at competitive levels in the relevant market to ensure we attract, motivate and retain highly talented individuals
- Total rewards are managed to align to the principle of responsible, equal, fair and competitive pay
- Incentive-based rewards are linked to achieving demanding performance conditions, consistent with shareholder interests over the short, medium and long term
- Performance measures and targets for incentive plans are structured to operate effectively throughout the business cycle and support the business strategy
- Prudent application of long-term incentive schemes to minimise shareholder exposure to unreasonable financial risk.

Remuneration linked to strategy and performance

We continually assess our remuneration strategy, practices and policies to ensure they remain aligned with and continue to support the strategic objectives of the company and the environment in which it operates.

Our new approach to performance

Our ambition is to be the most-valued mining company in the world. Achieving this requires working differently, collaborating to drive performance, technology, innovation and intelligent risk.

Our new approach to performance management shifts our focus from measuring individual performance retrospectively to optimising the performance of the team now and in future. The CEO and FD are still measured on individual critical and strategic tasks.

1. **From** individual **to** team performance
2. **From** annual **to** continuous performance discussions
3. **From** performance assessment **to** performance optimisation
4. **From** risk aversion **to** smart risk and innovative thinking
5. **From** knowing **to** living our values

Covid-19's impact on the business, CEO and FD key results areas (KRAs)

Even though the pandemic has affected Anglo American Platinum's KRA targets, no adjustments were made to KRA outcomes for the negative impact on production and sales.

Executive director package design and total remuneration opportunity at different levels of performance

The charts illustrate the pay mix of the CEO (figure 1), FD (figure 2) and prescribed officers (figure 3) at entry, on-target performance and stretch performance where applicable from 2020.

Figure 1: CEO

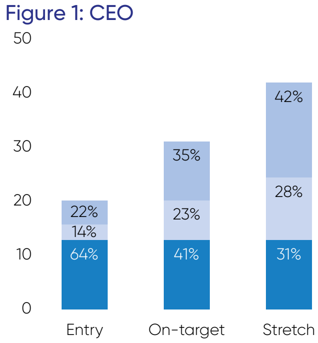


Figure 2: Finance director

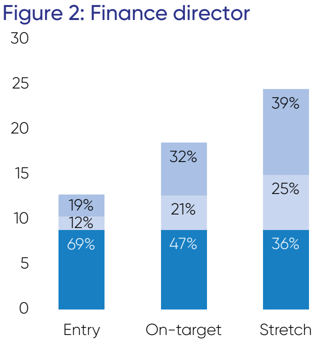
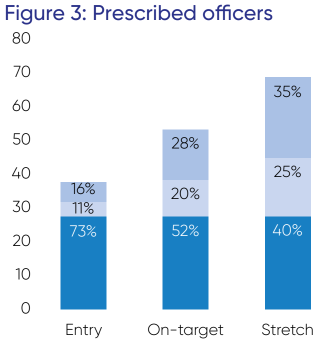


Figure 3: Prescribed officers



■ Basic, benefits and pension ■ Bonus award (cash and shares) ■ LTIP

Key assumptions:

Pay element	Entry	On-target	Stretch
Fixed	2020 basic salary, benefits and pension	2020 basic salary, benefits and pension	2020 basic salary, benefits and pension
Annual bonus	25% of maximum bonus opportunity	62.5% of maximum bonus opportunity	100% of maximum bonus opportunity
LTIP	25% of maximum bonus opportunity	60% of maximum LTIP opportunity	100% of maximum LTIP opportunity

2020 comparator remuneration benchmarking group

The committee's key task is to preserve the relevance, integrity and consistency of benchmarking. Benchmark data is used to provide insights on trend lines and compare practices.

The committee is comfortable that the comparative group (below) for executive directors, prescribed officers and non-executive directors are representative of our business model, product range and market capitalisation.

African Rainbow Minerals Limited
AngloGold Ashanti Limited
Exxaro Resources Limited
Gold Fields Limited
Harmony Gold Mining Company Limited
Impala Platinum Holdings Limited
Kumba Iron Ore Limited
Northam Platinum Limited
Sibanye-Stillwater
South32 Limited

Elements of remuneration

The key elements of total remuneration in 2020 are outlined below.

Guaranteed salary

Non-union affiliated employees

Guaranteed salary is reviewed annually and positioned competitively against peers comparable in size, sector, business complexity and international scope. Company performance, affordability, inflation and average industry and sector increases are considered in determining any annual adjustment. Increases are generally inflation-linked and, where affordable, additional budget is allocated for adjusting remuneration levels that are not appropriately aligned to internal pay ranges and/or market rates for a specific job.

Industry and size-based organisations are used to benchmark total guaranteed pay and total remuneration (includes: guaranteed pay, STI, deferred STI and LTI). Adjustments are informed by positioning current remuneration within a tolerance pay range of 80% to 120% for guaranteed pay for a specific job or grade. Pay levels that are not within the tolerance pay range are adjusted for closer alignment to the market 50th percentile at which Anglo American Platinum benchmarks remuneration.

Union-affiliated employees

Guaranteed salary levels depend on the outcome of wage negotiations with representative unions.

Benefits

Core benefits are offered as a condition of service, with some elective flexible offerings for employees on a total package pay system. Core benefits primarily comprise retirement, risk and medical-scheme participation. The company regularly reviews these benefits for affordability, flexibility and perceived value to employees.

Medical schemes offer numerous plans to accommodate affordable healthcare and flexibility for a wide scope of employee income levels and membership profiles.

Retirement benefits are provided through defined-contribution funds, with contribution levels aligned to market best practice and fund rules.

Death benefits provided cater for the high-risk environment in which our employees work. In the event of a fatality or injury-on-duty incident, benefits available to beneficiary families of employees who pass away in service include:

- A lump-sum payment from both the retirement fund and Rand Mutual Assurance (COIDA)
- A monthly pension as per COIDA for both spouse and dependant children
- A company cash provision to assist beneficiary families in the waiting period for benefit pay-out from the fund and COIDA
- Company assistance to spouse and family on mine
- Company transport to and from the funeral.

Incentive rewards

Anglo American Platinum administers incentive schemes to encourage and reward delivery of its strategic initiatives over the short, medium and long term. The short-term incentive focuses on achieving business targets in that financial year, while the long-term incentive closely aligns the interests of executives with shareholders over the longer term. It encourages executive directors and prescribed officers to build a shareholding in the company, which sustains ongoing performance and the creation of shareholder value.

Short-term incentive (STI)	
Participation:	Executive directors, prescribed officers, management and corporate employees.
Consists of:	Annual cash incentive linked to performance in the financial year, and payable in cash at the end of the performance period. Forfeitable bonus shares awarded as deferred incentive under the bonus share plan (BSP) and equal in value to the annual cash incentive. The shares are restricted, one-third for two years and two-thirds for three years, during which they may be forfeited if employment is terminated in breach of scheme rules. Participants will earn dividends, if the company declares dividends, on bonus shares in the restricted period. Forfeitable deferred cash payments based on a multiple of the annual cash incentive are applicable to middle management. The deferred cash payments are restricted for two years, during which they may be forfeited if employment is terminated in breach of scheme rules.
Performance measures:	Awards for the CEO and FD are based on company performance (70%) and achieving personal critical tasks score (30%). Performance measures are weighted 70% for business-unit performance and 30% for critical and important tasks that focus on portfolio management, value optimisation and people management. Penalty metrics are applied for fatalities. Business performance measures include: – 20% safety, health and environment – 15% group performance – 35% business unit performance Personal critical task performance measure include: – 20% strategic measure aligned to business transformation – 10% personal measure The company is allocated a score which is the outcome of the business-unit performance (70%) and critical tasks (30%). This informs the incentive of prescribed officers and senior management. The award for remaining participants (excluding union-affiliated employees) is based on company and team performance.
Value of annual cash incentive:	**CEO**: The maximum cash incentive is 125% of base salary. *Annual cash incentive = [(company performance score 70% + (personal critical tasks score 30%)] × maximum cash incentive (125%) x base salary.* **Finance director**: The maximum cash incentive is 80% of base salary. *Annual cash incentive = [(company performance score [70%]) + (personal critical tasks score [30%])] × cash incentive (80%) x base salary.* **Prescribed officers, management and corporate employees**: A bonus rate of 40% to 60% for senior management and 72% for prescribed officers. Incentive salary is set at 80% of total package* for management and 100% of base salary for prescribed officers. The company's performance is measured at each year end against set performance targets. *Annual cash incentive = applicable bonus rate (40% – 72%) x [(company performance score [70%]) + (company critical tasks score [30%]) x base salary or 80% of total package*
Face value of bonus shares and value of deferred cash:	**CEO**: 100% of annual cash incentive. **Finance director**: 100% of annual cash incentive. **Prescribed officers and senior management**: 100% of annual cash incentive. **Middle management** (deferred cash): 70% of annual cash incentive. Face value of bonus share award = average price of shares purchased or the 10-day volume weighted average price for treasury shares allocated x number of shares awarded.

* *Total package includes basic salary; employer contribution to retirement, medical aid, a selection to car allowance and or a 13th cheque.*

Short-term incentive (STI) continued	
Changes in 2020:	Rebalancing performance measures for an annual bonus for the CEO by: – Reducing the current business performance weighting excluding safety, health and environment from 60% to 50% (15% group performance, 35% business-unit performance) – Reducing the individual measure from 30% to 10% – Increasing the safety, health and environment measure from 10% to 20% – Introducing a strategic measure aligned to business transformation of 20%. Aligning deferral requirements with market practice for executive directors by: – For the CEO: changing the ratio of the bonus opportunity and bonus shares from the current 100% of base pay and 150% bonus shares from a 40/60 split to a 50/50 split to a bonus opportunity of 125% of base pay and bonus shares to 125%. The FD is already on a bonus opportunity of 100% cash bonus and shares of 100% to meet the required 50/50 split – Reducing the deferral of bonus shares (BSP) from 100% after three years to one-third after two years and two-thirds after three years. Aligning deferral requirements with market practice for prescribed officers and senior management by: – Changing the ratio of the bonus/bonus shares from a 40/60 split to 50/50 – Reducing the deferral of bonus shares (BSP) from 100% after three years to one-third after two years and two-thirds after three years. Safety deductor: – Would apply to incentive results where there are adverse safety or fatality outcomes. Proposed changes for 2021: – No changes anticipated.

Outperformance incentive award

Once-off cash-settled outperformance awards to platinum management committee members, excluding the CEO, which vest in early 2024 on the company attaining a 2023 EBITDA margin of 25% (at 2018 prices and foreign exchange rates). In addition, the awards only vest if highly stretching targets measured at Anglo American plc, to which the company contributes, are also achieved. The maximum outperformance award for the FD and prescribed officers is 175% of base salary.

Long-term incentive plan (LTIP)	
Participation:	Executive directors, prescribed officers and senior management.
Consists of:	Conditional full-value shares that vest after three years, subject to meeting company performance conditions.
Maximum value of award (face value):	**CEO:** 150% of base salary. **Finance director:** 125% of base salary. **Prescribed officers:** 100% of base salary. **Senior management:** 30% of 80% of total package.
Performance measures:	Awards are subject to four stretching performance conditions. The 2020 LTIP performance condition weightings are calculated over a three-year vesting period: 50% of the award will vest subject to satisfying total shareholder return (TSR) targets, and 50% of the award will vest subject to a balanced scorecard of metrics comprising: – 15%: ROCE (return on capital employed) – 15%: Attributable free cash flow – 5%: Energy efficiency – 5%: CO_2 emissions – 5%: Water – 5%: Social sustainability and transformation.
Performance period:	Performance conditions are measured over a three-year period, commensurate to the financial years of the company.
Changes in 2020	Rebalancing performance conditions for the LTIP by aligning the weighting and targets of: – TSR from 70% to 50% – ROCE from 10% to 15% – Cumulative attributable free cash flow from 10% to 15%, and – Safety and sustainable development (ESG measure) from 10% to 20%. No changes anticipated for 2021.
Company and individual limits:	The aggregate limit for the BSP and LTIP is 26,968,188 shares, representing around 10% of the issued capital. The company does not issue new shares to settle the plan but purchases them in the market to avoid shareholder dilution. The total number of shares awarded in 2020 was 284,110, representing 0.1% of issued share capital. The company is below 1% and has no intention of exceeding 10% of issued capital.

Share-based awards to managers and executives aged 58 and above

The company's LTIP and BSP rules do not permit allocations to managers and executives within two years of the retirement age of 60. To continue recognising the contribution of managers who have reached age 58, a cash award (in lieu of share awards) is provided. Cash payments under the LTIP are awarded annually, subject to performance conditions, based on the fair value of the grant the executive would have been entitled to under the LTIP. For the BSP, cash payments are awarded annually based on the actual bonus earned by the individual. To avoid forfeiture, participants are required to remain in employment until normal retirement.

Employee share ownership plan (ESOP)

Purpose and background:	Our ESOP recognises the importance of enabling all employees to share in the success of our business. The scheme incentivises and empowers those employees who do not otherwise participate in the company's share incentive plans to acquire shares in Anglo American Platinum, subject to provisions in the ESOP agreement and rules.
Operation:	The ESOP scheme was implemented on 1 August 2018. The mechanics span a five-year period, set out below. The total quantum of the scheme is R25,000 per employee, payable as follows: – R9,000 cash paid in 2018 – R4,000 cash paid in 2019, R4,000 forfeitable shares allocated in 2019 – R4,000 cash paid in 2020, R4,000 forfeitable shares allocated in 2020. Vesting occurs in years 4 and 5, ie 2021 and 2022 respectively.

Minimum shareholding targets for executive directors and prescribed officers

Executive directors and prescribed officers are required to accumulate and hold a predetermined and market-aligned minimum shareholding. The minimum shareholding requirement (MSR) must be accumulated from LTIP and BSP awards on an elective pre-tax and pre-vesting basis, where executive directors and prescribed officers will choose the quantum of shares to hold.

These individuals are required to accumulate and hold an appropriate percentage of their share incentive awards to meet the target. The extent to which targets have been met is calculated by multiplying the share closing price at financial year end by the number of shares held and expressing this as a percentage of annual base salary. Details of individual holdings at 31 December 2020 are disclosed on pages 147 to 149.

Service contracts

All executive directors and prescribed officers have permanent employment contracts with Anglo American Platinum or its subsidiaries. The contracts prescribe notice periods of 12 months for the CEO and six months for the FD and prescribed officers. Executive directors and prescribed officers are subject to a restraint-of-trade period of six months from date of termination. Senior management's notice period was increased to three months as a retention mechanism. These contracts are regularly reviewed to ensure they remain aligned with governance and legislative requirements.

Termination policy

In the event of a termination, the company has the discretion to allow the director, prescribed officer and senior management to either work out their notice or to pay the guaranteed pay for the stipulated notice period in lieu of notice.

Guaranteed pay includes base salary and benefits.

No performance bonus payment is made if a director, prescribed officer and senior management's reason for termination is resignation or dismissal.

Performance bonuses are paid to good leavers on a pro rata basis.

Unvested BSP awards are accelerated to termination date and paid in full if the reason for separation is mutually agreed separation, retirement, death and ill-health retirement.

Unvested LTIP awards will continue to vest three years from grant date. Payments will be pro-rated if an employee's reason for termination is mutually agreed separation, retirement, death and ill-health retirement.

Remco has the discretion to award a payment in cases where special circumstances exist for:
- Performance bonus
- Deferred bonus cash award
- LTIP cash award.

External appointments

Executive directors are not permitted to hold external directorships or offices without the approval of the committee. If approval is granted, directors may retain fees payable from one such appointment. The company policy on internal and external directorships stipulates that:
- The executive director may retain fees payable from one external directorship or office only. Fees from internal directorships or offices may never be retained and must be ceded to Anglo American Platinum.
- Fees not retained by the executive director from both external and internal sources must be ceded to Anglo American Platinum.
- The executive director may, as part of the non-executive directorship position, participate in one committee of that board. This would be regarded as one external sitting.

Non-executive directors' remuneration

Non-executive director appointments are made in terms of the company's memorandum of incorporation and confirmed at the first annual general meeting of shareholders after their appointment and then at three-year intervals.

Fees reflect the director's role and membership of committees. A fee applies for any special meetings in addition to board and committee meetings. Fees are reviewed by the committee annually and require approval from shareholders at the annual general meeting. Non-executive directors do not participate in any of the company's short or long-term incentive plans, and they are not employees of the company.

Non-executive director fees for 2020 are tabulated in part 3 of this remuneration report.

Shareholder engagement

We value our continued engagement with various stakeholders, and we endeavour to maintain our relationships with all in the hope that we will continue to receive their valued input.

Non-binding advisory vote from our shareholders

At the annual general meeting on 25 June 2020, our 2019 remuneration policy was endorsed by 99.26% of shareholders and the implementation report was endorsed by 99.70% of shareholders. We believe this reflects recognition of our ongoing commitment to engage with and act on concerns where necessary. If the remuneration policy or implementation report are voted against by shareholders exercising 25% or more of the voting rights, dissenting shareholders will be invited to engage with the company. The manner and timing of such engagement will be provided, if necessary.

Engagement with independent adviser

Bowmans was appointed as the interim independent adviser for one year. Remuneration consultants are engaged by, and report directly to, the committee and must be independent from Anglo American management. Consultation fees are contractually agreed.

Part 3: Implementation of policies for the financial year

Implementation of remuneration policy

This section outlines implementation of Anglo American Platinum' remuneration policy for executive directors in the 2020 financial year and how the organisation intends to operate in the next financial year. All decisions for executive remuneration were made in line with the company's remuneration policy for this financial year and bearing Covid-19 uncertainties in mind.

2020 changes to platinum management committee (PMC) and payments to exiting executives

Where departure is on mutually agreed terms, the committee may treat the departing individual as a good leaver in terms of one or more elements of remuneration. The committee uses this discretion judiciously and shareholders will be notified of any exercise of this discretion as soon as reasonable. Exit arrangements were offered to the CEO Chris Griffith, and executive head: mining, Dean Pelser.

Chris Griffith

Chris received separation payments of R3 million and £50,000 in FY20 for leaving after a period of very good performance and long loyal service to the group. His unvested BSP shares were accelerated to their respective termination dates, as per policy, and his conditional LTIPs will vest as normal and be pro-rated for service to his termination date, as per policy. His conditional LTIPs will vest as normal and be pro-rated for service to their termination dates.

Dean Pelser

Dean received a severance package, equating to two weeks for every year of completed service, R500,000 for the car benefit, special leave for the month of May and served out his garden leave of six months. His 2020 LTIP awards were settled in cash prorated for his service. His unvested BSP shares were accelerated to their respective termination dates, as per policy, and his conditional LTIPs will vest as normal and be pro-rated for service to his termination dates.

All policy rules were applied as per the good-leaver status of both employees. They both received pro-rated STI and BSP awards to reflect the portion of the year they were in active service during the 2020 performance year.

Appointments included CEO, Natascha Viljoen, executive head: corporate affairs, Yvonne Mfolo; and executive head: safety and asset reliability, Riaan Blignaut. More details on respective arrangements appear on page 34.

The impact of Covid-19

We value and care for our employees. During the pandemic, we addressed the financial wellness of our employees by ensuring their financial security. All employees received their fixed basic salary throughout the lockdown, as well as medical aid, pension and housing benefits.

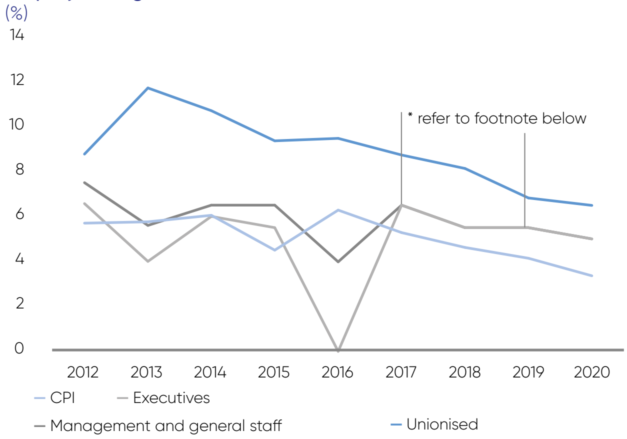
Flexible working conditions and the success of work from home for certain support staff/teams did not impact on the performance and productivity of our business.

Remuneration linked to strategy and performance

Base salary adjustments

The committee approved a 5.5% increase on the total package for senior management and base salary for executive directors and prescribed officers for 2020 to align more closely with industry peers and retain executive talent. This compares with an average base salary increase of 6.83% for union-affiliated staff (6.49% in 2019). The chart below reflects these increases against CPI.

Figure 4: Executive, management and union–affiliated employees against CPI

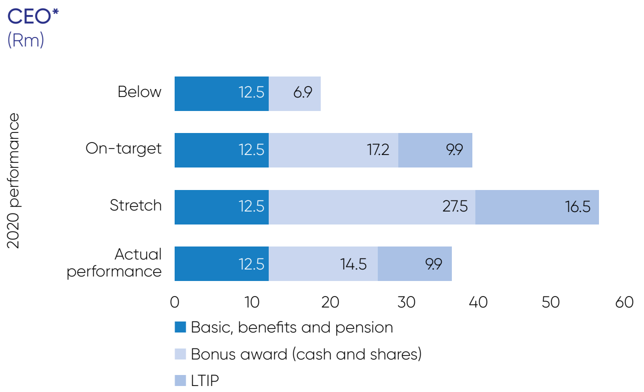


** CEO, FD, prescribed officers and management received the same salary percentage increase for financial years 2017-2020.*

Historically, giving higher increases to union-affiliated employees compared to management has narrowed the pay gap.

2020 STI outcomes (cash and deferred bonus shares)

The extent to which annual performance measures were met in 2020 is set out below.



* The STI outcome graph reflects the CEO's actual performance, which was annualised and the outcomes were compared with the 2020 performance targets.

The chart above reflects the CEO's actual 2020 performance outcomes compared with 2020 performance targets. Natascha Viljoen joined Anglo American Platinum on 1 April 2020 and these values were pro-rated for the months of service in the financial year.

KRA outcomes are summarised for the company, CEO and prescribed officers on page 46.

The annual cash incentive and BSP award for the CEO and prescribed officers are set out below.

2020 annual cash incentive payments and deferred bonus shares to be awarded in 2021

Name	Annual cash incentive R	Percentage of base salary	BSPs awarded R	Cash award in lieu of BSP	Percentage of basic salary
Executive directors					
N Viljoen[1]	5,418,923	71%	5,418,923	–	71%
CW Miller	3,343,584	46%	3,343,584	–	47%
Prescribed officers					
GA Humphries	1,716,319	32%	1,716,319	–	32%
R Blignaut[2]	913,680	32%	1,311,567	–	47%
GL Smith[3]	1,727,796	32%	–	1,727,796	32%
LN Mogaki	1,570,725	32%	1,570,725	–	32%
P Moodliar	1,485,459	32%	1,485,459	–	32%
Y Mfolo[4]	864,000	32%	1,202,977	–	45%
Former prescribed officers					
S Macheli-Mkhabela[5]	370,454	32%	–		–%

1 N Viljoen joined Anglo American Platinum 1 April 2020.
2 R Blignaut joined Anglo American Platinum 1 May 2020, he received a pro-rated incentive bonus for the period within AAP, his BSP allocation is for the full 12 months of service within the group, as per the scheme policy.
3 GL Smith is within two years of retirement and will receive the cash value equivalent in line with policy as described on page 141.
4 Y Mfolo joined Anglo American Platinum 1 May 2020, she received a pro-rated incentive bonus for the period within AAP, her BSP allocation is for the full 12 months of service within the group, as per the scheme policy.
5 S Macheli-Mkhabela left Anglo American Platinum and moved within the group. BSPs will be awarded, as per the policy, by the new business unit.

2018 LTIP outcomes and 2020 LTIP awards

The annual share awards allocations for 2020 and performance outcomes for 2018 share awards (with performance period ended 31 December 2020) for the CEO and prescribed officers are set out below and based on pages 144 to 145.

Name	Number of LTIP awards	Market face value	% of base salary
Executive directors			
N Viljoen	16,695	16,521,450	150%
CW Miller	9,262	9,165,525	125%
Prescribed officers			
GA Humphries	5,353	5,297,280	100%
R Blignaut	4,274	4,230,000	100%
LN Mogaki	4,899	4,847,916	100%
P Moodliar	4,478	4,431,000	100%
Y Mfolo	4,042	4,000,000	100%
Total	49,003	48,493,171	

LTIP performance metrics for 2020

The vesting of LTIP awards is based on achieving four stretching performance conditions measured over a three-year period. The table below summarises performance conditions applying to conditional share awards granted under the LTIP in 2020:

Performance measure and weighting	Vesting schedule	Performance period
Total shareholder return (TSR) (50%). The TSR performance is benchmarked against the returns of African Rainbow Minerals, Royal Bafokeng Platinum Ltd, Sibanye-Stillwater, Harmony Gold Mining, Impala Platinum, Northam Platinum	Vesting for the TSR performance condition is on a sliding scale if the company achieved: – TSR 5% below the index: 0% vests – TSR equal to the index: 50% vests – TSR 6% above the index: 100% vests Linear vesting occurs between these points.	1 January 2020 to 31 December 2022
Return on capital employed (ROCE) (15%)	Vesting for the ROCE performance condition is on a sliding scale if the company achieved: – ROCE equal to 30.5%: 25% vests – Maximum ROCE set at 40.5%: 100% vests Linear vesting occurs between these points.	1 January 2020 to 31 December 2022
Attributable free cash flow (15%)	Vesting for the cumulative attributable cash flow performance condition is on a sliding scale if the company achieved: – Threshold of 90% of budgeted cumulative three-year attributable free cash flow (FCF) (R7.8 billion): 25% vests – Maximum threshold of 105% of budgeted three-year cumulative attributable FCF (R9.1 billion); 100% vests Linear vesting occurs between threshold and maximum.	1 January 2020 to 31 December 2022
Safety and sustainable development (ESG measure) – Energy efficiency (5%) – Social sustainability and transformation (5%) – CO_2 emissions (5%) – Water (5%)	Energy efficiency 5%: The range of achievement requires a 4% to 10% improvement in energy intensity by 2022, indexed on 2019 actual. Threshold 4%, Target 7% and Stretch 10% Social sustainability and transformation 5%: Vesting is split as: – 2.5% social sustainability targets are based on two key indicators, the Anglo social way and sustainable mining plan – 2.5% transformation, including mining charter 2018; BBBEE, social and labour plans and employment equity. Aligning these plans is critical to achieve transformational goals. CO_2 emissions (5%): The range of achievement requires a 5% to 15% improvement in GHG intensity by 2022, indexed to 2019 actual. Threshold 5%, Target 10% and Stretch 15% Water (5%) Potable water consumption makes up the bulk of AAP's freshwater withdrawal and is therefore a meaningful enabler for Anglo American freshwater reduction ambitions. However, the baseline data and definitions required updating to align with current global water guidelines, such as ICMM*. In addition, new water-reduction programmes will be required to ensure we achieve the 2030 target** AAP will continue to monitor and track water withdrawal reduction and use 2019 baseline (7,642k m^3/Mt Milled) to set targets for 2022. Threshold 4%, Target 7% and Stretch 10%	1 January 2020 to 31 December 2022

* *International Council for Mining and Metals: a practical guide to consistent water reporting (March 2017).*
** *2030 targets = 50% reduction in freshwater withdrawals, as a group average, using 2020 baseline data and updated group definitions in line with ICMM requirements.*

Vesting of LTIP awards (2018 – performance period ended 31 December 2020)

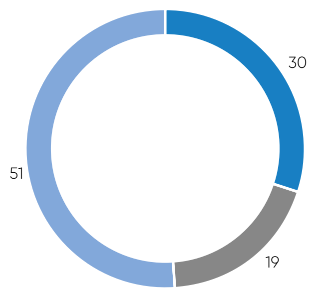
The extent to which performance measures for the 2018 award were met is detailed below. These awards will vest on 20 April 2021 after a three-year vesting period has lapsed.

LTIP measures	Below	Threshold	Target	Above
Total shareholder return (70%)		•		
Return on capital employed (10%)				•
Cumulative attributable free cash flow (10%)	•			
Safety and sustainable development (10%)		•		
Resulting vesting LTIP award	55.3%			

Total single-figure remuneration outcomes

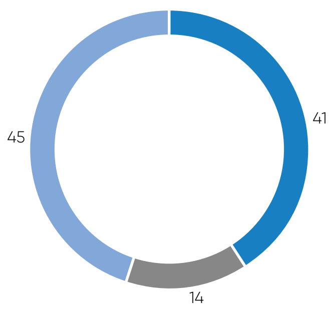
Total remuneration outcomes and mix between fixed and variable pay in 2020 for the CEO, FD and prescribed officers are shown below.

CEO's 2020 remuneration outcomes
(%)



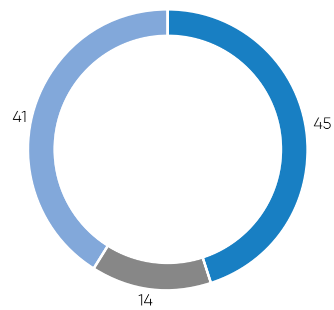
- Guaranteed pay (including benefits)
- Bonus award (cash and shares)
- LTIP

Financial director's 2020 remuneration outcomes
(%)



- Basic, benefits and pension
- Bonus award (cash and shares)
- LTIP

Prescribed officers' 2020 remuneration outcomes
(%)



- Basic, benefits and pension
- Bonus award (cash and shares)
- LTIP

Amandelbult operations

Executive directors and prescribed officers

Total remuneration and detail on outstanding and settled long-term incentives of executive directors and prescribed officers for 2019 and 2020 are reflected in the tables below. The format is aligned to the King IV recommended single total figure disclosure of remuneration.

Total single-figure remuneration (income statement)

Executive directors and prescribed officers	Financial year	Base salary[1] R	Retirement and medical aid[2] R	Cash incentive R	BSP share or cash award[3,4] R	LTIP reflected[5,6] R	Other R	Total single figure of remuneration R
Executive directors								
N Viljoen[7]	**2020**	**7,605,506**	**1,134,439**	**5,418,923**	**5,418,923**	**–**	**856,634**	**20,434,425**
	2019	–	–	–	–	–	–	–
CW Miller[15]	**2020**	**7,332,420**	**1,142,034**	**3,343,584**	**3,343,584**	**–**	**–**	**15,161,622**
	2019	5,212,620	796,223	3,390,290	3,390,290	–	–	12,789,423
Prescribed officers								
GA Humphries	**2020**	**5,297,280**	**862,598**	**1,716,319**	**1,716,319**	**9,062,249**	**–**	**18,654,765**
	2019	5,021,112	800,507	2,169,120	3,036,769	12,150,694	–	23,178,202
R Blignaut[8]	**2020**	**2,820,000**	**453,958**	**913,680**	**1,311,567**	**–**	**–**	**5,499,205**
	2019	–	–	–	–	–	–	–
GL Smith[9]	**2020**	**5,332,704**	**831,684**	**1,727,796**	**1,727,796**	**9,122,429**	**–**	**18,742,409**
	2019	5,054,689	787,345	2,183,624	3,057,073	12,231,867	–	23,314,598
LN Mogaki	**2020**	**4,847,916**	**782,056**	**1,570,725**	**1,570,725**	**9,122,429**	**–**	**17,893,851**
	2019	4,595,172	738,533	1,985,113	2,779,158	12,231,866	–	22,329,842
P Moodliar	**2020**	**4,584,750**	**742,249**	**1,485,459**	**1,485,459**	**–**	**–**	**8,297,917**
	2019	3,500,000	567,530	1,512,000	2,116,800	–	–	7,696,330
Y Mfolo[10]	**2020**	**2,666,664**	**450,239**	**864,000**	**1,202,977**	**–**	**–**	**5,183,880**
	2019	–	–	–	–	–	–	–
Former directors								
CI Griffith[11]	**2020**	**9,778,971**	**1,736,949**	**1,019,762**	**1,019,762**	**26,562,626**	**5,166,719**	**45,284,789**
	2019	9,044,327	1,589,218	7,353,037	11,029,556	35,943,105	1,076,719	66,035,962
I Botha[12]	**2020**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2019	1,190,990	177,613	–	–	–	–	1,368,603
Former employees								
DW Pelser[13]	**2020**	**5,279,373**	**833,974**	**2,912,401**	**2,912,401**	**9,573,118**	**7,643,138**	**29,154,405**
	2019	5,459,064	872,125	2,358,313	3,301,638	13,210,328	–	25,201,468
S Macheli-Mkhabela[14]	**2020**	**1,143,378**	**185,153**	**370,454**	**–**	**8,605,823**	**–**	**10,304,808**
	2019	4,335,072	700,689	1,872,747	2,621,846	11,539,704	–	21,070,058
VP Pillay[15]	**2020**	**–**	**–**	**–**	**–**	**3,350,278**	**–**	**3,350,278**
	2019	–	–	–	–	8,983,857	–	8,983,857
I Pillay[16]	**2020**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2019	2,726,456	464,975	–	–	–	1,222,815	4,414,246

Notes
1 *Base salary is the aggregate of basic salary plus an optional car allowance and provision towards a 13th cheque.*
2 *Benefits are reported as the sum of retirement and medical aid contributions.*
3 *The value of the 2021 BSP shares awarded on the basis of performance for the 2020 financial year is reflected in the 2020 single figure of remuneration.*
4 *The value of the 2020 BSP shares was awarded on the basis of performance for the 2019 financial year.*
5 *The value of the 2018 LTIP with a performance period ending on 31 December 2020 is reflected in the 2020 single figure of remuneration at a 90-day VWAP of R1,222.76 per share.*
6 *The value of the 2017 LTIP with a performance period ending on 31 December 2019 is reflected in the 2019 single figure of remuneration at a 90-day VWAP of R1,096.93 per share.*
7 *N Viljoen has an offshore GBP component to her remuneration which has been converted at monthly exchange rates and reported in ZAR. The amount reported as 'other' refers to the value of the use of a company vehicle for N Viljoen.*
8 *R Blignaut joined Anglo American Platinum on 1 May 2020.*
9 *GL Smith falls within the two-year cut-off threshold as per the share award policy referenced in part 2, page 141. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date.*
10 *Y Mfolo joined Anglo American Platinum on 1 May 2020.*
11 *CI Griffith received an exit agreement reported under bonus and BSP, separation payments (R3,000,000 and GBP50,000) all reported under other. CI Griffith's value of the use of the company vehicle is also reported as 'other'.*
12 *I Botha resigned effective 28 February 2019.*
13 *DW Pelser left Anglo American Platinum in November 2020 and received separation agreement reported under other (R5,383,347 severance pay, R500,000 car benefit, R2,912,401 performance bonus, R2,912,401 BSP cash in lieu for 2020 and R1,759,791 LTIP pro-rated 35/36 months).*
14 *S Macheli-Mkhabela transferred to Anglo American plc SA effective 1 April 2020.*
Includes replacement awards for benefits lost on resignation from previous employer.
15 *In 2018 VP Pillay fell within the two-year cut-off threshold as per the share award policy referenced in part 2, page 141. LTIP and BSP are awarded as cash payments, conditional on remaining in service until the effective retirement date, which was 31 December 2018.*
16 *I Pillay resigned effective 31 August 2018.*

Unvested long-term incentive awards and cash value of settled awards

Incentive scheme	Award date	Vest date	Value at grant date per share R	Vesting %	Number of awards/ shares	Cash value on settlement in 2019	Fair value on 31 Dec 2019[1]	Cash value on settlement in 2020	Fair value on 31 Dec 2020[2]
N Viljoen									
LTIP	6 May 2020	13 May 2023	989,61	60,0%	16,695	–	–	–	12,248,387
Total					16,695	–	–	–	12,248,387
CW Miller									
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	11,493	–	7,564,210	–	8,431,908
LTIP	6 May 2020	13 May 2023	989,61	60,0%	9,262	–	–	–	6,795,122
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	2,540	–	–	–	3,105,810
Total					23,295	–	7,564,210	–	18,332,840
GA Humphries									
LTIP	13 Apr 2017	13 Apr 2020	367,15	98,0%	11,303	–	7,439,160	8,339,164	–
LTIP	20 Apr 2018	20 Apr 2021	321,33	55,3%	13,402	–	8,129,684	–	9,062,249
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	6,643	–	4,372,144	–	4,873,677
LTIP	6 May 2020	13 May 2023	989,61	60,0%	5,353	–	–	–	3,927,261
BSP	13 Apr 2016	13 Apr 2019	399,00	100,0%	2,466	1,856,503		–	–
BSP	13 Apr 2017	13 Apr 2020	367,15	100,0%	3,415	–	3,746,016	2,570,949	–
BSP	15 Feb 2018	15 Feb 2021	321,33	100,0%	7,580	–	8,314,729	–	9,268,521
BSP	13 Feb 2019	13 Feb 2022	755,89	100,0%	3,704	–	4,063,029	–	4,529,103
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	2,275	–	–	–	2,781,779
Total					56,141	1,856,503	36,064,762	10,910,113	34,442,590
R Blignaut									
LTIP	6 May 2020	13 May 2023	989,61	60,0%	4,274	–	–	–	3,135,646
Total					4,274	–	–	–	3,135,646
GL Smith									
LTIP	13 Apr 2016	13 Apr 2019	399,00	94,5%	9,661	6,869,665	–	–	–
LTIP	13 Apr 2017	13 Apr 2020	367,15	98,0%	11,379	–	7,489,180	8,395,235	–
LTIP	20 Apr 2018	20 Apr 2021	321,33	55,3%	13,491	–	8,183,671	–	9,122,429
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	6,687	–	4,401,103	–	4,905,958
LTIP	6 May 2020	13 May 2023	989,61	60,0%	5,389	–	–	–	3,953,672
BSP	13 Apr 2016	13 Apr 2019	399,00	100,0%	5,801	4,367,225	–	–	–
Total					52,408	11,236,890	20,073,954	8,395,235	17,982,059
LN Mogaki									
LTIP	13 Apr 2016	13 Apr 2019	399,00	94,5%	9,661	6,869,665	–	–	–
LTIP	13 Apr 2017	13 Apr 2020	367,15	98,0%	11,379	–	7,489,180	8,395,235	–
LTIP	20 Apr 2018	20 Apr 2021	321,33	55,3%	13,491	–	8,183,671	–	9,122,429
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	6,079	–	4,000,942	–	4,459,895
LTIP	6 May 2020	13 May 2023	989,61	60,0%	4,899	–	–	–	3,594,181
BSP	13 Apr 2016	13 Apr 2019	399,00	100,0%	5,414	4,075,876		–	–
BSP	13 Apr 2017	13 Apr 2020	367,15	100,0%	6,561	–	7,196,958	4,939,383	–
BSP	15 Feb 2018	15 Feb 2021	321,33	100,0%	8,176	–	8,968,500	–	9,997,286
BSP	13 Feb 2019	13 Feb 2022	755,89	100,0%	3,698	–	4,056,447	–	4,521,766
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	2,082	–	–	–	2,545,786
Total					71,440	10,945,541	39,895,698	13,334,618	34,241,343

Incentive scheme	Award date	Vest date	Value at grant date per share R	Vesting %	Number of awards/ shares	Cash value on settlement in 2019	Fair value on 31 Dec 2019[1]	Cash value on settlement in 2020	Fair value on 31 Dec 2020[2]
P Moodliar									
LTIP	6 May 2020	13 May 2023	989,61	60,0%	4,478	–	–	–	3,285,312
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	1,586	–	–	–	1,939,297
Total					6,064	–	–	–	5,224,609
Y Mfolo									
LTIP	6 May 2020	13 May 2023	989,61	60,0%	4,042	–	–	–	2,965,438
Total					4,042	–	–	–	2,965,438
Former director									
CI Griffith[4]									
LTIP	13 Apr 2016	13 Apr 2019	399,00	94,5%	31,072	22,094,348	–	–	–
LTIP	13 Apr 2017	13 Apr 2020	367,15	98,0%	33,436	–	22,006,171	24,668,519	–
LTIP	20 Apr 2018	20 Apr 2021	321,33	55,3%	39,283	–	23,829,158	–	26,562,626
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	17,920	–	11,794,191	–	13,147,116
LTIP	6 May 2020	13 May 2023	989,61	60,0%	–	–	–	–	–
BSP	13 Apr 2016	13 Apr 2019	399,00	100,0%	12,533	9,435,344	–	–	–
BSP	13 Apr 2017	13 Apr 2020	367,15	100,0%	18,732	–	20,547,693	14,102,199	–
BSP	15 Feb 2018	15 Feb 2021	321,33	100,0%	28,178	–	30,909,294	–	34,454,931
BSP	13 Feb 2019	13 Feb 2022	755,89	100,0%	14,031	–	15,391,025	–	17,156,546
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	–	–	–	–	–
Total					195,185	31,529,692	124,477,532	38,770,718	91,321,219

Incentive scheme	Award date	Vest date	Value at grant date per share R	Vesting %	Number of awards/ shares	Cash value on settlement in 2019	Fair value on 31 Dec 2019[1]	Cash value on settlement in 2020	Fair value on 31 Dec 2020[2]
Former employees									
DW Pelser[5]									
LTIP	13 Apr 2016	13 Apr 2019	399,00	94,5%	10,434	7,419,238	–	–	–
LTIP	13 Apr 2017	13 Apr 2020	367,15	98,0%	12,289	–	8,088,104	9,066,618	–
LTIP	20 Apr 2018	20 Apr 2021	321,33	55,3%	14,570	–	8,838,195	–	9,852,034
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	7,222	–	4,753,217	–	5,298,464
LTIP	6 May 2020	13 May 2023	989,61	60,0%	–	–	–	–	–
BSP	13 Apr 2016	13 Apr 2019	399,00	100,0%	5,450	4,102,978	–	–	–
BSP	13 Apr 2017	13 Apr 2020	367,15	100,0%	8,176	–	8,968,500	6,155,220	–
BSP	15 Feb 2018	15 Feb 2021	321,33	100,0%	8,241	–	9,039,800	9,295,246	–
BSP	13 Feb 2019	13 Feb 2022	755,89	100,0%	4,028	–	4,418,434	4,543,290	–
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	2,474	–	–	2,790,491	–
Total					72,884	11,522,216	44,106,250	31,850,865	15,150,498
S Macheli-Mhkabela									
LTIP	13 Apr 2016	13 Apr 2019	399,00	94,5%	9,114	6,480,447	–	–	–
LTIP	13 Apr 2017	13 Apr 2020	367,15	98,0%	10,735	–	7,065,326	7,920,103	–
LTIP	20 Apr 2018	20 Apr 2021	321,33	55,3%	12,727	–	7,720,227	–	8,605,823
LTIP	16 Apr 2019	16 May 2022	755,89	60,0%	5,735	–	3,774,536	–	4,207,517
LTIP	6 May 2020	13 May 2023	989,61	60,0%	–	–	–	–	–
BSP	13 Apr 2016	13 Apr 2019	399,00	100,0%	4,743	3,570,720	–	–	–
BSP	13 Apr 2017	13 Apr 2020	367,15	100,0%	5,237	–	5,744,622	3,942,623	–
BSP	15 Feb 2018	15 Feb 2021	321,33	100,0%	6,685	–	7,332,977	–	8,174,151
BSP	13 Feb 2019	13 Feb 2022	755,89	100,0%	3,239	–	3,552,956	–	3,960,520
BSP	12 Feb 2020	12 Feb 2023	989,61	100,0%	1,965	–	–	–	2,402,723
Total					60,180	10,051,167	35,190,644	11,862,726	27,350,734

Notes
1 *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2019 is R1,096.93 per share.*
2 *The 90-day volume-weighted average price (VWAP), for determining the fair value of unvested awards at 31 December 2020 is R1,222,76 per share.*
3 *The value of R752.84 was used for settlement of the 2017 BSP and LTIP awards.*
4 *CI Griffith did not receive a LTIP2020 nomination and his unvested BSP's will only vest on termination date 31 March 2021. LTIP's will vest on their normal vesting dates prorated for service.*
5 *DW Pelser received LTIP2020 as cash in lieu prorated for service, BSP 2018, 2019 and 2020 were accelerated to termination date and vested at the November 2020 share price of R1,127.927*

Non-executive directors' fees

Increase in fees

Fees payable to non-executive directors are annually benchmarked to industry and size-based comparators. There is a significant disparity between non-executive director fees and competing industry rates, resulting in these fees significantly lagging the market median for each committee of the board. As communicated to shareholders at the 2017 AGM, the committee has incorporated a three-year catch-up strategy to align current fees to market levels. For 2020, non-executive director fees were adjusted in line with inflation, with an additional adjustment together capped at 20% to move closer to the market median. This process started a second three-year catch-up to the median, anticipated to be completed in 2022. Please refer to resolution 9 in the notice for the proposed adjustments approved by shareholders at the 2020 AGM. During the Covid-19 pandemic, the directors voluntarily contributed 30% of their fees to the Solidarity Fund and other Covid relief funds for Covid support.

The tables below reflect non-executive fees for 2019 and 2020.

Non-executive directors' fees

Current	Financial year	Directors' fees R	Ad hoc committee meeting R	Committee fees R	Total remuneration R
M Cutifani [3,8]	**2020**	**423,616**	**28,000**	**130,510**	**582,126**
	2019	425,000	–	120,667	545,667
RMW Dunne [1,2,3,4,5,6]	**2020**	**155,900**	**28,000**	**470,500**	**654,400**
	2019	425,000	23,000	906,333	1,354,333
N Mbazima [2,3,5,6]	**2020**	**2,239,020**	**28,000**	**621,453**	**2,888,473**
	2019	1,331,667	–	431,000	1,762,667
V Moosa	**2020**	**–**	**–**	**–**	**–**
	2019	488,336	–	215,783	704,119
NP Mageza [1,3,4]	**2020**	**1,287,491**	**28,000**	**559,330**	**1,874,821**
	2019	978,609	–	361,000	1,339,609
NT Moholi [2,4,5,6]	**2020**	**467,913**	**28,000**	**739,530**	**1,235,443**
	2019	425,000	23,000	683,667	1,131,667
D Naidoo [1,2,4]	**2020**	**400,574**	**28,000**	**442,365**	**870,939**
	2019	425,000	23,000	408,000	856,000
A O'Neill [8]	**2020**	**433,242**	**28,000**	**–**	**461,242**
	2019	425,000	–	–	425,000
JM Vice [1,4,6]	**2020**	**443,736**	**28,000**	**538,682**	**1,010,418**
	2019	425,000	23,000	419,333	867,333
S Pearce [8]	**2020**	**433,242**	**28,000**	**–**	**461,242**
	2019	425,000	–	–	425,000
D Emmett [5,6,9]	**2020**	**–**	**–**	**363,780**	**363,780**
	2019	–	–	332,667	332,667
T Leoka [2,4,5]	**2020**	**202,010**	**–**	**67,224**	**269,234**
	2019	–	–	–	–
R Dixon [4,6]	**2020**	**202,010**	**–**	**47,633**	**249,643**
	2019	–	–	–	–
Total	**2020**	**6,688,754**	**252,000**	**3,981,007**	**10,921,761**

1 *Audit committee.*
2 *Remuneration committee.*
3 *Nomination committee.*
4 *Corporate governance committee.*
5 *Social, ethics and transformation committee.*
6 *Safety and sustainable development committee.*
7 *Directors' fees ceded to Anglo Operations Limited (AOL), a wholly owned subsidiary of Anglo American plc.*
8 *Directors' fees ceded to Anglo American Services UK Limited, a wholly owned subsidiary of Anglo American plc.*
9 *D Emmett is not a director but a committee member only.*

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on **part 2 and 3** of this remuneration report.

Approval

This remuneration report was approved by the board of directors of the company on 15 March 2021.

Nombulelo Moholi
Chairperson

Johannesburg

15 March 2021

Analysis of shareholders

Analysis of shareholders

An analysis of the share register at year end showed the following:

Ordinary shares

	2020		2019	
	Number of shareholders	% of issued capital	Number of shareholders	% of issued capital
Size of shareholding				
1 – 1,000	12,508	0.49	9,833	0.43
1,001 – 10,000	1,191	1.52	969	1.24
10,001 – 100,000	410	4.50	320	3.70
100,001 – 1,000,000	73	7.04	75	7.05
1,000,001 – and over	11	86.45	13	87.58
	14,193	100.00	11,210	100.00
Category of shareholder				
Bank, nominee and finance companies	555	9.84	404	9.57
Companies	372	79.10	246	77.71
Individuals	10,505	0.65	8,715	0.62
Insurance companies	192	1.02	54	0.87
Pension and provident funds	585	5.75	302	4.86
Trust funds and investment companies	1,845	3.56	1,390	6.27
Other corporate bodies	139	0.07	99	0.10
	14,193	100.00	11,210	100.00
Shareholder spread				
Public shareholders	14,182	20.97	11,203	22.39
Non-public shareholders	11	79.03	7	77.61
Directors and associates	5	0.03	1	0.01
Persons interested, directly or indirectly, in 10% or more	1	78.56	1	77.28
Subsidiaries	5	0.44	5	0.32
	14,193	100	11,210	100

Major shareholder

According to the company's share register at year end, the following shareholders held shares equal to or in excess of 5% of the issued ordinary share capital of the company:

	Number of shares	%	Number of shares	%
Anglo American South Africa Investments Proprietary Limited	208,417,151	78.56	208,417,151	77.28

Geographical analysis of shareholders

Resident shareholders held 240,444,619 shares (0.90%) (2019: 241,971,698) and non-resident shareholders held 24,847,587 shares (9.37%) (2019: 27,710,188) of the company's issued ordinary share capital of 265,292,206 shares at 31 December 2020 (2019: 269,681,886).

The treasury shares of 1,185,745 (2019: 854,112) held in terms of the Bonus Share Plan and other schemes, has been included in the shareholder analysis. The shareholder details above include the shares issued by the company in respect of the community economic empowerment transaction.

Shareholders' diary

Financial year end	31 December
Annual general meeting	13 May 2021 at 10:00
Reports	
Announcement of interim results	26 July 2021
Integrated annual report for the full year to 31 December	March
Suite of annual reports	March
Dividends	
Dividend for 2020 declared	22 February 2021
Last date to trade for 2020 dividend	9 March 2021
Share trading ex-dividend from	10 March 2021
Record date	12 March 2021
Payment date	15 March 2021

Administration

Directors

Executive directors
N Viljoen (chief executive officer)
CW Miller (finance director)

Independent non-executive directors
RJ Dixon
T Leoka
NP Mageza
NT Moholi
D Naidoo
JM Vice

Non-executive directors
M Cutifani (Australian)
NB Mbazima (Zambian)
AM O'Neill (Australian)
ST Pearce (Australian)

Company secretary
Elizna Viljoen
elizna.viljoen@angloamerican.com

Telephone +27 (0) 11 638 3425
Facsimile +27 (0) 11 373 5111

Financial, administrative, technical advisers
Anglo Corporate Services South Africa Proprietary Limited

Corporate and divisional office, registered office and business and postal addresses of the company secretary and administrative advisers
55 Marshall Street, Johannesburg, 2001
PO Box 62179, Marshalltown, 2107

Telephone +27 (0) 11 373 6111
Facsimile +27 (0) 11 373 5111
+27 (0) 11 834 2379

Sponsor
Merrill Lynch South Africa Proprietary Limited The Place,
1 Sandton Drive, Sandton, 2196 PO Box 651987, Benmore 2010

Telephone +27 (0) 11 305 5822
juliabenade@baml.com

Registrar
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank 2196
PO Box 61051
Marshalltown, 2107

Telephone +27 (0) 11 370 5000
Facsimile +27 (0) 11 688 5200

Auditor
PricewaterhouseCoopers Inc.
PwC Towers
4 Lisbon Lane
Waterfall City
2090

Investor relations
Emma Chapman
emma.chapman@angloamerican.com

Telephone +27 (0) 11 373 6239

Lead competent person
Gordon Smith
gordon.smith@angloamerican.com

Telephone +27 (0) 11 373 6334

Fraud line – yourvoice
Anonymous whistleblower facility 087 232 5426 (South Africa)
www.yourvoice.angloamerican.com

Human resources-related queries
Job opportunities: www.angloamericanplatinum.com/careers/job-opportunities

Bursaries, email: bursaries@angloplat.com

Career information: www.angloamericanplatinum.com/careers

Key statistics

for the year ended 31 December 2020

Safety indicators

For the year ended 31 December

	Number of fatalities					Fatal-injury frequency rate (FIFR)[1]				
Operations	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Tumela Mine	**–**	–	–	1	2	**–**	–	–	0.056	0.11
Dishaba Mine	**1**	–	2	2	–	**0.091**	–	0.144	0.135	–
Mogalakwena Mine	**–**	–	–	–	–	**–**	–	–	–	–
Unki Platinum Mine	**–**	–	–	–	–	**–**	–	–	–	–
Amandelbult concentrators[2]	**–**	–	–	–	–	**–**	–	–	–	–
Mogalakwena concentrators	**–**	–	–	–	–	**–**	–	–	–	–
Unki concentrator	**–**	–	–	–	–	**–**	–	–	–	–
Mototolo concentrator[3]	**–**	–	–	–	–	**–**	–	–	–	–
Mototolo Lebowa and Borwa shafts[4]	**–**	–	–			**–**	–	–		
ACP	**–**	–	–	–	–	**–**	–	–	–	–
Waterval smelter	**–**	–	–	1	–	**–**	–	–	0.664	–
Mortimer smelter	**–**	–	–	–	–	**–**	–	–	–	–
Polokwane smelter	**–**	–	–	–	–	**–**	–	–	–	–
Unki smelter[5]	**–**	–	–			**–**	–	–		
Rustenburg Base Metal Refiners	**–**	–	–	–	–	**–**	–	–	–	–
Precious Metals Refinery	**–**	–	–	1	–	**–**	–	–	0.579	–
Greenfield projects[6]	**–**	–	–	–	–	**–**	–	–	–	–
Total/aggregate[7]	**1**	–	2	6**	7*	**0.016**	–	0.027	0.073	0.067

	Lost-time injury frequency rate (LTIFR)[8]					Total recordable case frequency rate (TRCFR)[9]				
Operations	**2020**	2019	2018	2017	2016	**2020**	2019	2018	2017	2016
Tumela Mine	**3.50**	2.89	3.11	4.05	2.92	**3.92**	3.12	3.61	4.78	4.57
Dishaba Mine	**3.72**	3.97	3.38	2.69	3.14	**4.18**	4.24	4.53	4.44	4.76
Mogalakwena Mine (incl. services)	**1.04**	1.36	0.45	0.68	0.85	**1.15**	1.47	0.79	1.35	2.26
Unki Platinum Mine	**1.16**	–	1.17	1.68	0.95	**1.62**	0.43	1.40	2.80	4.13
Amandelbult concentrators[2]	**0.82**	1.02	0.82	4.05	1.51	**0.82**	1.36	2.45	6.30	3.03
Mogalakwena concentrators	**0.19**	0.86	1.18	0.81	0.78	**0.58**	0.86	1.18	1.29	2.34
Unki concentrator	**–**	2.18	–	–	–	**2.61**	2.18	–	–	–
Mototolo concentrator[3]	**5.25**	–	–	–	2.60	**5.25**	1.19	–	–	2.60
Mototolo Lebowa and Borwa shafts[4]	**0.65**	0.93	–			**0.98**	1.85	–		
ACP	**3.82**	4.62	4.14	3.05	1.06	**4.77**	5.55	6.90	3.05	1.06
Waterval smelter	**2.10**	2.62	1.96	3.32	2.60	**2.80**	2.62	2.61	7.30	3.25
Mortimer smelter	**–**	5.30	7.51	5.09	1.89	**–**	5.30	7.51	6.78	5.67
Polokwane smelter	**2.33**	2.22	–	–	–	**2.33**	2.22	–	4.53	2.28
Unki smelter[5]	**–**	–	–			**–**	–	–		
Rustenburg Base Metal Refiners	**1.49**	1.57	0.85	1.43	2.44	**1.79**	2.62	2.84	2.57	6.41
Precious Metals Refinery	**2.96**	1.56	2.13	1.16	6.03	**2.96**	2.07	2.13	2.32	7.23
Greenfield projects[6]	**1.16**	1.03	1.07	0.94	0.82	**3.10**	2.75	4.73	1.57	1.37
Total/aggregate[7]	**2.01**	2.14	2.10	3.17	3.65	**2.40**	2.50	3.00	4.52	5.28

Notes
1 *FIFR – Fatal injury frequency rate (calculated) is a measure of the rate of all fatal injuries per million hours worked.*
2 *Includes Amandelbult CRP (chrome recovery plant).*
3 *Includes Mareesburg tailings facilities from 2019 (previously included under greenfield projects).*
4 *Mototolo Lebowa and Borwa shafts acquired 1 November 2018.*
5 *Unki smelter operational from September 2018.*
6 *Projects (2020 greenfield): Twickenham Platinum Mine, Unki Housing Infrastructure and Debottlenecking projects, Der Brochen Exploration and Infrastructure, Polokwane SO_2 Abatement project, Mareesburg TSF phase 2 and phase 3, Western Limb Greenfields Exploration.*
7 *Rustenburg and Union divested operations included to respective dates of divestment – 31 October 2016 and 31 January 2018.*
* *2016 total fatalities includes four fatalities at Rustenburg operations and one fatality at Union Mine.*
** *2017 total fatalities includes one fatality at Union Mine.*
8 *LTIFR – Lost-time injury frequency rate (calculated) is a measure of the rate of all lost-time injuries per million hours worked.*
9 *TRCFR – Total recordable case frequency rate (calculated) is a measure of the rate of all injuries requiring treatment above first aid per million hours worked.*

Health

For the year ended 31 December

New cases of occupational disease	2020	2019	2018	2017	2016
Noise-induced hearing loss	**4**	1	2	6	23
Chronic obstructive airways disease	**–**	–	–	–	–
Occupational tuberculosis	**–**	–	–	–	–
Occupational asthma	**–**	1	1	3	1
Occupational dermatitis	**–**	–	1	3	1
Occupational cancers	**–**	–	–	–	–
Platinosis (platinum salt sensitivity)	**–**	1	–	–	2

Workers potentially exposed to hazards[1]	2020	2019	2018	2017
Total number of workers[2]	**37,077**	36,700	37,096	37,947
Inhalable hazards and carcinogens				
Workers potentially exposed to inhalable hazards above exposure limit[3]	**58**	127	555	546
Workers potentially exposed to carcinogens above exposure limit[4]	**714**	428	527	983
Noise				
Workers potentially exposed to noise levels ≥85dB(A) <105dB(A)	**23,358**	19,978	18,639	21,465
Workers potentially exposed to noise levels ≥105dB(A)	**–**	–	–	3
Number of pieces of equipment emitting noise ≥107dB(A)[5]	**8**	12	16	34

Employee wellness	2020	2019	2018	2017	2016
HIV management					
≥90% at risk population know their status[6]	**94%**	97%	88%	82%	NM
Employees who know their status[7]	**20,080**	21,587	17,955	20,173	22,222
≥90% known HIV+ employees on anti-retroviral therapy (ART)	**92%**	91%	90%	86%	70%
Employees on anti-retroviral therapy (ART)	**4,454**	4,516	4,203	5,073	3,569
Tuberculosis					
Tuberculosis new cases	**42**	74	72	148	253
Tuberculosis retreatment cases	**–**	–	–	7	33
Tuberculosis deaths	**1**	3	5	5	14

Absenteeism (days)	2020	2019	2018	2017	2016
Absenteeism due to injury on duty	**20,176**	31,962	22,702	30,514	42,670
Absenteeism due to non-work-related illness and injuries	**285,762**	352,051	384,474	496,109	767,587
Total absenteeism rate (%)	**5.68**	7.48	7.63	8.61	8.77

Notes:
Impact of attrition not factored
NM = not measured
1 Exposure above the occupational exposure limit ('A' classification band) without taking PPE into account.
2 All workers – employees and contractors. Mototolo Mine included from January 2020.
3 2019 figure restated to include contractors.
4 2019 restated to include inferred potential diesel particulate matter (DPM) exposure for Mototolo Mine (acquired 1 November 2018.) 2020 includes potential DPM exposure at Tumela Mine not previously recorded.
5 SA mining industry noise sources to be below 107dB(A). Count includes seven items at Unki.
6 HIV management excludes Unki. Reporting against 90:90:90 UN Aids targets began in 2017.
7 All known HIV-positive plus non-reactive cases. 2016 = number of employee VCT cases (tested)

Human resources

Employment equity as per mining charter

We continue to ensure the representation of historically disadvantaged persons (HDPs) and women in particular at management level, in line with our employment equity plan. The focus remains on removing barriers to ensure their equal participation in management structures. There is still a need to improve on female representation, particularly women at senior management levels.

Overall, there has been a significant improvement across occupational levels, as well as by race and gender. There has also been a slight improvement in employees with disabilities' representation due to a voluntary declaration initiative, but more work is needed at the different operations on voluntary declaration as well as disability awareness and training.

Measure	2020 progress against target %	Compliance target (MCIII 5-year targets) 2019-2023 %
Top management (board level)	42	50
Women in top management	33	20
Executive management	50	50
Women at executive level	33	20
Senior management	55	60
Women in senior management	20	25
Middle management	73	60
Women in middle management	28	25
Junior management	83	70
Women in junior management	24	30
Core skills	67	60

Note: Chief Executive Officer and Finance Director are part of Board and excluded from Platinum Management Committee (PMC)

Employment equity per occupational level

(2020 statistics as per Employment Equity Act requirements)

	Male				Female				Foreign nationals		
Occupational levels	African	Coloured	Asian	White	African	Coloured	Asian	White	Male	Female	Total
Top management			1	4	2			1			8
Senior management	45	4	15	76	17		7	12	6	1	183
Professionally qualified and experienced specialists and mid-management	676	20	23	388	270	8	21	140	36	7	1,589
Skilled technical and academically qualified workers, junior management, supervisors	2,438	32	10	561	838	12	7	161	129	5	4,193
Semi-skilled and discretionary decision-making	11,277	9		86	2,611	3	1	14	1,120	1	15,122
Unskilled and discretionary decision-making	376	5		3	130	2			2		518
Total permanent employees	14,812	70	49	1,118	3,868	25	36	328	1,293	14	21,613
Temporary employees	9	–	–	–	–	–	–	–	–	–	9
Grand total	14,821	70	49	1,118	3,868	25	36	328	1,293	14	21,622

Note: All numbers are for the year ended 31 December 2020

Human resources continued

Employment statistics as at end December 2020

Breakdown of South African workforce*

	2020	2019	2018	2017	2016	2015
Gauteng	263	259	237	255	278	330
Limpopo	16,804	16,940	16,926	22,010	21,669	23,259
North West	2,983	2,988	2,957	2,878	2,862	17,991
Mpumalanga	1,572	1,541	1,527	177	136	136
Total own employees	21,622	21,728	21,647	25,320	24,945	41,716
Contracting staff						
Non-mining embedded contractors (labour hire)	54	26	28	37	87	401
Contractors**	2,583	2,282	1,916	2,201	2,129	2,171
Total contracting staff	2,637	2,308	1,944	2,238	2,216	2,572
Employment creation in provinces***						
Gauteng	4	22	(18)	(23)	(52)	(47)
Limpopo	(136)	14	(5,084)	341	(1,590)	(1,563)
North West	(5)	31	79	16	(15,129)	(2,332)
Mpumalanga	31	14	1,350	41	–	(4)
Total own employees	(106)	81	(3,673)	375	(16,771)	(3,946)
Labour turnover % (including voluntary separation packages)						
SA operations						
Gauteng	0.08	0.10	0.11	0.25	0.15	0.20
Limpopo	3.66	3.65	4.24	4.77	5.13	4.54
North West	0.65	0.44	0.56	0.69	2.56	4.73
Mpumalanga	0.26	0.35	0.08	0.03	0.01	0.02
Zimbabwe						
Unki	0.20	0.24	0.21	0.19	0.14	0.12
Anglo American Platinum total turnover	4.86	4.77	5.20	5.93	8.00	9.60

* *A further 1,258 employees and 279 contractors are employed at our Unki operations in Zimbabwe.*
** *Includes mining (volume) and capital contractors.*
*** *Employment creation numbers influenced by the divestment of Rustenburg operations in November 2016 (-14,833 employees), Union Mine in February 2018 (-4,985 employees) and acquisition of Mototolo Mine on 1 November 2018 (+1,348 employees).*

Turnover per region

For comparative purposes, the table below includes Zimbabwe in our turnover calculation:

	2020 excluding VSPs		2020 including VSPs		2019 excluding VSPs		2019 including VSPs		2018 excluding VSPs		2018 including VSPs		2017 excluding VSPs		2017 including VSPs	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Gauteng	14	0.07	17	0.08	22	0.10	22	0.10	19	0.09	23	0.11	60	0.23	65	0.25
Limpopo	578	2.69	793	3.66	763	3.48	799	3.65	747	3.47	913	4.24	1,211	4.67	1,235	4.77
Mpumalanga	52	0.24	57	0.26	76	0.35	76	0.35	17	0.08	17	0.08	8	0.03	8	0.03
North West	130	0.60	141	0.65	95	0.43	96	0.44	117	0.54	121	0.56	172	0.66	179	0.69
Zimbabwe	44	0.20	44	0.20	52	0.24	52	0.24	46	0.21	46	0.21	46	0.18	49	0.19
Grand total	818	3.80	1,052	4.86	1,008	4.6	1,045	4.77	946	4.39	1,120	5.2	1,498	5.78	1,536	5.93

VSP – Voluntary separation packages.

Turnover by gender and age in 2020

%	South Africa					
	20-30	31-40	41-50	51-60	61-72	Total
Turnover excluding VSPs						
Female	0.04	0.18	0.10	0.08	0.01	0.42
Male	0.09	0.75	0.70	1.60	0.24	3.38
Total	0.13	0.93	0.80	1.68	0.26	3.80
Turnover including VSPs						
Female	0.04	0.19	0.11	0.11	0.01	0.47
Male	0.09	0.85	0.80	2.49	0.26	4.48
Total	0.13	1.04	0.90	2.60	0.28	4.95

%	Zimbabwe					
	20-30	31-40	41-50	51-60	61-72	Total
Turnover excluding VSPs						
Female	–	–	–	–	–	–
Male	0.48	1.04	0.64	1.20	0.16	3.52
Total	0.48	1.04	0.64	1.20	0.16	3.52
Turnover including VSPs						
Female	–	–	–	–	–	–
Male	0.48	1.04	0.64	1.20	0.16	3.52
Total	0.48	1.04	0.64	1.20	0.16	3.52

Training in 2020

	Black		Coloured		Asian		White		Total HDSA trained	Total trained
Type of training	Male	Female	Male	Female	Male	Female	Male	Female		
Graduates	36	21	–	–	2	2	7	1	62	69
Bursaries	24	10	1	–	2	1	–	4	42	42
Learnerships (engineering)	145	96	5	–	2	–	11	–	248	259

Average training hours in 2020

Per employee	2020	2019	2018	2017
Professionally qualified and experienced specialists and mid-management	28	33	28	39
Semi-skilled and discretionary makers	29	56	50	96
Senior management	13	17	19	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	46	51	49	85
Unskilled and defined decision makers	91	59	108	101
Total per employee	33	53	50	90

Human resources continued

Freedom of association

Membership of recognised unions and associations
As at 31 December 2020

	2020	2019	2018	2017	2016	2015
Association of Mineworkers and Construction Union (AMCU)	**8,707**	9,284	9,886	13,664	13,691	24,382
National Union of Mineworkers (NUM)	**6,099**	5,974	5,670	6,437	6,378	8,200
United Association of South Africa (UASA)	**2,297**	2,160	2,157	2,544	2,630	5,827
General Industrial Workers of South Africa (GIWUSA)	**842**	855	917	–	–	–
National Union of Metalworkers South Africa (NUMSA)	**228**	–	50	269	270	347
Total	**18,173**	18,273	18,680	22,914	22,969	38,756
Total workforce represented, excluding management	**96.35%**	94.37%	94.82%	95.74%	96.88%	96.67%

Social

Rm	2020	2019	2018	2017	2016
Total social investment[1]	**803**	619	609		
CSI spend[2]	**241.5**	240.5[RA]	264.2	301.1	546

1 Total social investment: CSI spend including contributions paid to community trusts and dividends paid to communities from 2018.
2 Including Unki, excluding overhead costs.

Environmental indicators

for the year ended 31 December

	2020	2019	2018	2017	2016
Materials – kilotonnes					
Rock broken – managed operations (100%)	**89,234**	91,570	97,369	98,340	112,433
Ore milled – managed operations (100%)	**22,092**	25,179	25,378	26,066	37,165
Accumulated low-grade stockpiles	**61,407**	60,500	59,909	55,710	49,060
Coal	**109.97**	128.94	133.96	142.27	132.58
Liquid petroleum gas (LPG)	**4.87**	6.1	5.68	4.62	4.84
Grease	**0.25**	0.29	0.29	0.34	0.37
Fuels – megalitres	**76.35**	74.38	79.55	74.88	75.68
Lubricating and hydraulic oils	**2.44**	13.12	2.83	7.66	53.14
Energy – terajoules					
Energy from electricity purchased	**12,209**	13,768	13,402	14,889	18,112
Energy from processes and fossil fuels	**5,836**	6,311	6,609	6,608	6,516
Total energy consumed	**18,045**	20,079	20,011	21,497	24,628
Energy intensity – GJ/tonne milled	**0.82**	0.80	0.79	0.82	0.66
Water – megalitres					
Total water withdrawals[1]	**22,357**	25,094	24,433	26,533	32,687
Potable water from an external source	**6,571**	7,642	6,142	9,433	12,327
Non-potable water from an external source[2]	**5,286**	6,884	6,189	5,595	10,021
Surface water used	**2,628**	1,717	1,418	1,396	4,521
Groundwater used	**7,872**	8,851	10,684	10,110	5,826
Water recycled in processes	**29,098**	28,877	25,783	28,791	54,631
Water intensity – m³/tonne milled					
Total withdrawal intensity	**1.01**	1.00	0.96	1.02	0.88
Potable water intensity	**0.297**	0.303	0.242	0.362	0.332
Land – hectares					
Land under company charge for current mining activities	**115,275**	118,085	98,374	109,299	108,202
Land under management control	**37,701**	40,511	41,594	43,240	42,142
Land used for current mining and related activities	**8,626**	7,756	7,539	8,600	7,903
Total tailings dam area	**1,127**	1,127	1,316	1,564	1,593
Total waste rock dump area	**1,276**	1,134	1,134	928	947
All land owned	**11,054**	11,054	13,685	13,685	13,685
Emissions – kilotonnes					
GHG emissions, CO_2e (scope 1 and 2 only)	**3,943**	4,436	4,118	4,612	5,579
From electricity purchased	**3,454**	3,903	3,560	4,049	5,034
Internally generated – from fossil fuels	**488**	533	558	563	545
Nitrous oxides[3]	**NA**	1,645	1,521	0,937	1,395
Sulphur dioxide[3]	**NA**	21,97	22,29	14,78	23,97
Particulates (point sources)	**0.03**	0.03	0,03	0,04	0,18
GHG emissions intensity – tonnes CO_2e/tonne milled	**0.178**	0.176	0.162	0.177	0.150
Discharge – megalitres					
Discharge to surface water	**463**	566	352	769	913
Quality					
Surface water quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Surface water quality deterioration offsite	**Yes**	Yes	Yes	Yes	Yes
Adverse surface water impact on humans	**No**	No	No	No	No
Groundwater quality monitored at all operations	**Yes**	Yes	Yes	Yes	Yes
Groundwater quality deterioration	**Yes**	Yes	Yes	Yes	Yes
Adverse groundwater impact on humans	**No**	No	No	No	No

Environmental indicators continued

for the year ended 31 December

	2020	2019	2018	2017	2016
Waste – kilotonnes					
Mineral waste accumulated in:					
Tailings dams (active and inactive)	**443,089**	422,180	400,059	467,072	439,118
Rock dumps	**1,621,347**	1,554,357	1,488,359	1,184,522	1,115,410
Slag dumps	**7,378**	6,902	6,340	5,820	5,218
Non-mineral waste generated					
Hazardous to landfill[4]	**1.19**	2.61	5.6	9.22	15.51
Hazardous incinerated[5]	**0.46**	0.09	0.09	–	–
Non-hazardous to landfill[6]	**0.61**	1.5	2.3	3.58	5.82
Non-hazardous incinerated[7]	**0.32**	–	–	–	–
Environmental incidents and complaints					
Level 1	**143**	131	209	381	603
Level 2	**14**	20	12	10	28
Level 3	**1**	1	–	–	–
Level 4 and 5	**–**	–	–	–	–
Formal complaints	**8**	11	8	9	23
Substandard acts and conditions	**995**	998	1,536	1,480	1,786
Products – ounces					
Total refined PGMs and gold	**2,989,693**	4,885,547	4,507,335	4,621,211	4,641,604

Notes:
Rustenburg and Union divested operations included to respective dates of divestment – 31 October 2016 and 31 January 2018.
Unki Smelter operational from September 2018 and Mototolo Lebowa and Borwa shafts acquired 1 November 2018.
1 *Total water withdrawals or abstractions (total water inflows). Water usage for primary and non-primary activities no longer reported.*
2 *Non-potable water from external sources includes waste or second-class water (prior years).*
3 *Annual calculated tonnage of NOx and SO_2 from processes only available for reporting by 31 March 2021 as per the NAEIS (DEA reporting) system.*
4 *No offset solutions were found for five waste streams that were still sent to landfill during 2020 and therefore excluded from zero waste to landfill (ZW2L).*
5 *2020 hazardous waste incinerated includes Covid-19 biohazardous waste.*
6 *The Mareesburg TSF phases 2 & 3 waste disposal did not form part of ZW2L managed operations' reporting. Non-hazardous waste to landfill reflects at 0.57 kilotonnes excluding 0.04 kilotonnes from these projects.*
7 *Non-hazardous waste is sent for incineration after recyclables have been removed and the remaining non-recyclables cannot report to the refuse derived fuel (RDF) facility. Also when waste is inadequately sorted to enable relevant ZW2L offtake, incineration might be required.*
NA Not available.

Bastion

Anglo American Platinum Limited

Incorporated in the Republic of South Africa
Date of incorporation: 13 July 1946
Registration number: 1946/022452/06
JSE code: AMS – ISIN: ZAE000013181

www.angloamericanplatinum.com

A member of the Anglo American plc group

www.angloamerican.com

Find us on Facebook

Follow us on Twitter