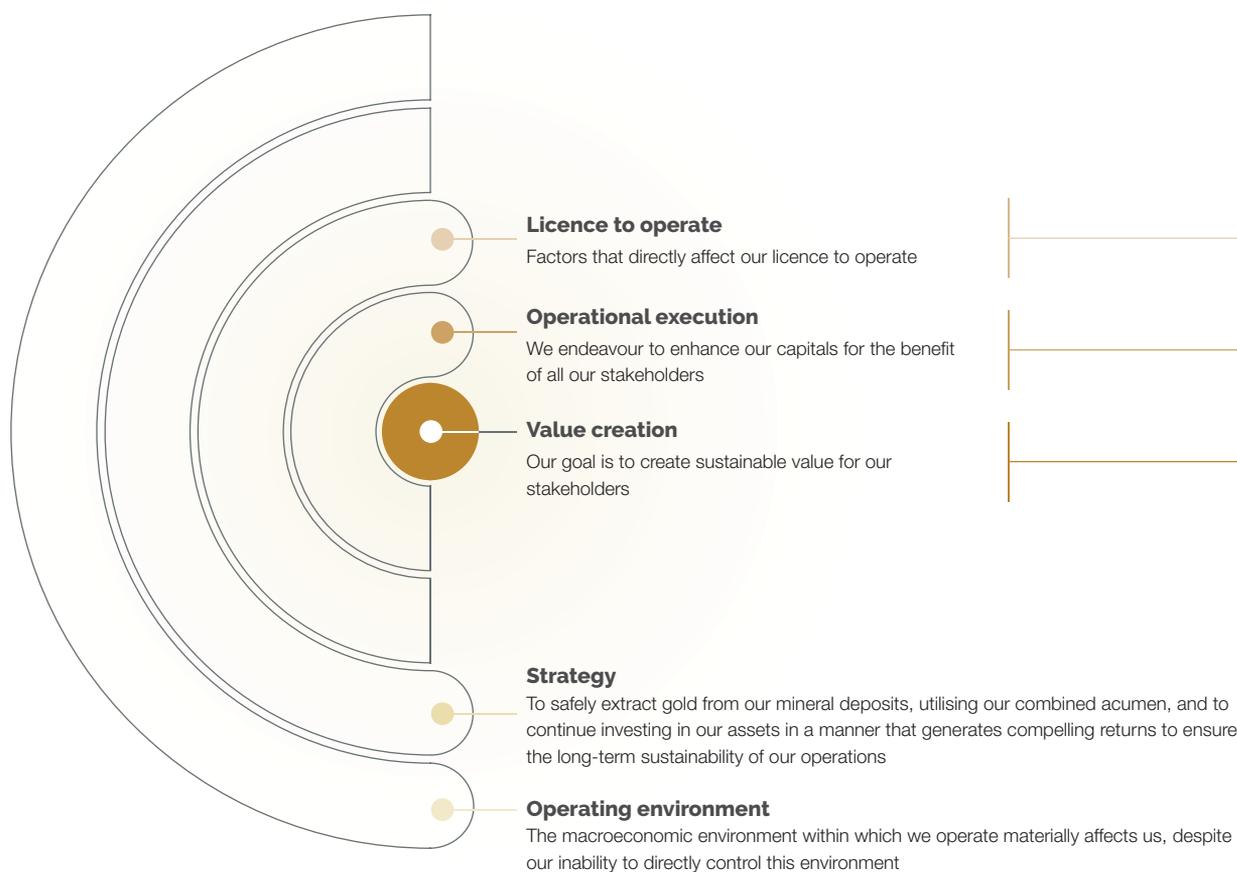


Our material matters

Material matters are those issues with the potential to substantially impact our performance or ability to create value in the short, medium and long term. Identifying these material matters forms an integral part of our strategic planning activities.

OUR MATERIALITY CATEGORIES

In March 2020, we conducted an in-depth and externally-facilitated materiality assessment to determine the matters most material to the Group. We classified our material matters according to our spheres of influence, which reflect our increasing ability to drive value creation, as follows:



For a discussion on **our operating environment**, including more information on these items, refer to [page 28](#).

Refer to [page 31](#) for more detail on the measures introduced by the South African government to counter the COVID-19 pandemic and the actions we took in response thereto.

Our **strategy** is to safely extract gold from our mineral deposits utilising our combined acumen, and to continue investing in our assets in a manner that generates compelling returns to ensure the long-term sustainability of our operations. We provide more information on our strategy on [page 5](#).

Our operating environment encompasses significant issues which have the potential to substantially impact our performance or ability to create value. As these items are almost entirely outside our control, they are not included in our list of material matters. These issues include:

COVID-19 pandemic	In 2020, our operating environment was overshadowed by the COVID-19 pandemic. The unfolding, global COVID-19 pandemic is a human crisis of historic scale and complexity
Gold price	The US\$ gold price has a direct impact on our profitability and capital allocation decisions
US\$/ZAR exchange rate	As the rand is our functional currency, the US\$/ZAR exchange rate influences our revenue
Resilience	The fragile South African economy and its impact on societal stability affects our operations
Uncertainty	Regulatory uncertainty and uncertainty associated to the COVID-19 pandemic adversely affects investor confidence and capital allocation decisions
Lawlessness/corruption/security	Civil disruption and a lack of law enforcement adversely impacts our operational stability

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

OUR MATERIAL MATTERS AND THE CAPITALS THEY AFFECT

Licence to operate



Regulatory compliance

Interpreting and applying the Mining Charter and other regulations can be challenging



Societal/community relationships

Managing the sometimes unrealistic expectations of the communities in which we operate



Climate change

We are conscious of the potential impact of climate change on our future sustainability



Operational execution



Capital allocation

We diligently deploy and manage our capital to create sustainable value for all stakeholders



Geological complexity

We focus on improving underground mining flexibility and optimising our tailings operations



Energy availability

We manage the reliability of the energy supply and respond proactively to disruptions



Technological interconnectivity

We keep abreast of technological advancements and apply selected, proven methodologies and technology



Health and safety

Consistently high health and safety standards are fundamental to retaining the support of employees, regulators, investors and communities



Organised labour

We maintain constructive and transparent relationships with the unions representing our labour force



External operational disruption

We actively monitor and respond to external threats of disruption to our operations



Environmental impact

We monitor the impact of our pollution, tailings, water usage, greenhouse gases (GHGs) and carbon footprint on the environment



Value creation



Capital structure

We continuously consider means to improve our return on capital



Value-accretive growth

We have a pipeline of internal growth projects and also regularly evaluate acquisition opportunities



We address these material matters, which we have influence over, under each of the capitals on pages 36 to 73, where additional information is provided on our:

- achievements to date
- targets
- the importance of the selected targets
- related risks
- short- to medium-term focus
- long-term objectives.