

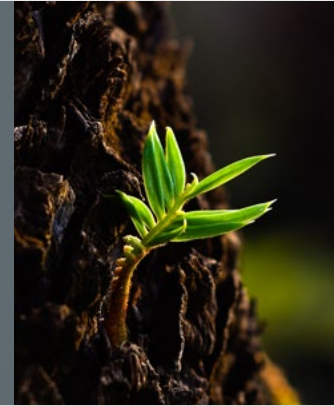


integrated
review 2023



rooted in heritage,
igniting tomorrow

Welcome to the Royal Bafokeng Holdings (RBH) 2023 integrated review. This report is our primary communication to stakeholders, providing insights into RBH's business model, governance processes and performance. It outlines our mandate as the investment holding company of the Royal Bafokeng Nation (the RBN, the Nation, or Morafe). Our aim is to offer a balanced, transparent and integrated view of our value preservation and creation in the year under review, and our prospects for protecting and growing the wealth of the Nation in the medium to long term.



Our theme

As stewards of the wealth of the RBN, we are mandated to preserve and grow the RBN's financial capital for the benefit of present and future generations. Over our 18-year history, we have fulfilled this obligation by delivering a reliable and consistent dividend to our shareholder, the Royal Bafokeng National Development Trust (RBNDT). This dividend enables the RBNDT, working together with other RBN implementing entities, to address the needs of Morafe, supporting critical needs and services such as infrastructure, education and healthcare.

The theme of our 2023 integrated review, **“rooted in heritage, igniting tomorrow”**, serves as a reflection of our role as responsible stewards of RBN resources. It encapsulates our connection to the rich heritage and traditions of the Bafokeng people.

“Rooted in heritage” symbolises our commitment to preserving the collective intergenerational wealth we have inherited, acknowledging the sacrifices that brought us to this point. It signifies our dedication to carrying forward the values, wisdom and principles that have defined the RBN over time.

“Igniting tomorrow” speaks to our proactive approach in envisioning and preparing for the future. It embodies our commitment to initiatives aimed at ensuring the sustained growth and prosperity of the RBN. This forward-looking aspect of our theme underlines our determination to navigate an evolving landscape, while adopting global strategies, prudent portfolio management and strategic talent management to position ourselves for success.

We invite all our stakeholders to join us on this journey.

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About this report

1

Our mandate



FULFILLING OUR MANDATE

RBH operates within a dual mandate: **safeguarding** the long-term financial independence of the RBN and **generating** sufficient income for the RBN DT, our sole shareholder, to fulfil the social and infrastructural needs of the Nation.



OUR APPROACH TO VALUE CREATION

Our approach to value preservation and creation is informed by our mandate and intricately woven into our strategy. We aim to be agile in execution, as evident in the evolution of our investment portfolio over time, the trade-offs we make and our overall financial and non-financial performance. Our goal is to safeguard and enhance our capital base, ensuring the continued delivery of yields needed for the RBN DT to fulfil its objectives.

2

Integrated thinking



HOW WE IDENTIFY AND PRIORITISE OUR MATERIAL MATTERS

Integrated thinking is fundamental to our approach to identifying and prioritising material matters. These matters encompass key issues, opportunities, and risks that significantly impact our ability to consistently create, protect and minimise the erosion of value for our stakeholders. Informed by a collaborative effort involving stakeholder inputs and a thorough evaluation of risks and opportunities within our operating environment, these material matters play a pivotal role in shaping the evolution of our strategy. They influence targets across short- (one-year), medium- (two to three years), and long-term (five years and beyond) horizons.

Our commitment to integrated thinking ensures that material matters are not only identified but also deeply embedded in our strategic decision-making processes.

Material matters form the basis of our integrated review, providing stakeholders with a comprehensive understanding of our strategic priorities, challenges, and opportunities.

Our integrated reporting process

3

As an unlisted company, we voluntarily publish this integrated review. As such, we retain the right to withhold proprietary information tied to our strategy and competitive advantage. Nonetheless, we remain committed to upholding integrated reporting standards and best practices.



THE PROCESS WE FOLLOW TO COMPILE THE RBH INTEGRATED REVIEW

The RBH integrated review undergoes a rigorous process to ensure comprehensive and accurate reporting. In the initial phase, we identify and prioritise material matters through benchmarking exercises, stakeholder and risk reviews, with active engagement from the executive management team. Content gathering incorporates inputs from business units, board submissions and interviews with the executive management team, utilising both internal and trusted external sources of information. Our integrated review and Annual Financial Statements (AFS) are prepared in parallel to ensure information, data alignment and consistency, reflecting our commitment to integrated thinking.

An independent audit of our AFS was conducted by KPMG, expressing an unqualified audit opinion in accordance with International Standards on Auditing (ISA). Broad-Based Black Economic Empowerment (B-BBEE) scorecard information related to our social performance was independently verified by mPowerRatings as part of our B-BBEE verification process.

The reporting frameworks we adhere to:

Our integrated reporting process and the contents of this review align with the guidance provided by the International Integrated Reporting (IR) Framework of the IFRS Foundation, the King IV™ Report on Corporate Governance for South Africa 2016*.

(King IV Code), and the Companies Act, No. 71 of 2008 as amended. Following the International Financial Reporting Standards (IFRS®), our AFS undergo external assurance by KPMG.

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Our 2023 Integrated Review



REPORTING PERIOD

Our integrated review is produced and published annually, covering the period from January 1 to December 31, 2023. Events deemed material that occurred after this date and up to the board approval date of 15 May 2024 have been included. These encompass matters such as board changes, macroeconomic updates, and post-balance sheet events.



TARGET AUDIENCE

The integrated review is prepared for stakeholders with an interest in RBH's performance and future prospects. These include our shareholder, the Royal Bafokeng Nation (RBN), Supreme Council, Morafe (the RBN community), our employees, our investee companies, providers of capital as well as Government and regulatory authorities.



FORWARD-LOOKING STATEMENTS

The report contains forward-looking statements pertaining to RBH's plans, objectives, goals, operations and performance. These statements are not guarantees or predictions of future performance. Forward-looking statements inherently involve risk and uncertainty as they are related to future events and circumstances that may be beyond RBH's control, potentially leading to actual results differing significantly from those implied or expressed in these statements. Factors contributing to such variations could include changing conditions in the operating environment or regulatory developments. Forward-looking statements are not reviewed by external assurance providers.



REPORTING SCOPE AND BOUNDARY

Throughout this report, we refer to the RBNDT (our shareholder), the RBN and our investee companies in as far as they relate to our strategic value drivers and mandate. These entities are, however, not included in the metrics that pertain to our activities as an investment holding company. Information regarding environmental, social and governance (ESG) affairs of subsidiaries and associates, over which RBH does not exercise operational control, is not detailed in this review. Unless otherwise stated, all ESG disclosures relate only to RBH's activities.



APPROVAL

The board of RBH acknowledges its responsibility to ensure the integrity and completeness of this integrated review. The Social and Ethics Committee, in its advisory capacity provide oversight of the integrated review on behalf of the board, has applied its collective mind and reviewed the content of this report. The board is satisfied that this integrated review was prepared in accordance with all relevant frameworks and standards, addresses all material issues and presents a fair and balanced account of the performance of RBH in the period under review. The board of directors approved the 2023 integrated review on 15 May 2024.

2

Safeguarding the wealth of the Nation



Established in 2006 through the strategic merger of Royal Bafokeng Finance and Royal Bafokeng Resources, RBH has a unique mandate to preserve and grow the wealth of the RBN. Our journey is intertwined with the history of Bafokeng, whose tenacity and forward-thinking form the cornerstone of our sustainability-driven culture and commitment to excellence. Communal ownership of resources and assets, a hallmark of the Bafokeng people, lays the foundation for RBH's governance approach, guided by a traditional ethos that serves as a compass directing our strategy and organisational culture.

About RBH

RBH operates as a long-term investor with a track record of acquiring substantial stakes in high-growth, defensive sectors and high-quality companies with established track records. Our investment portfolio, valued at R49 billion as at 31 December 2023, comprises both listed and unlisted assets across diverse geographies and sectors, such as telecommunications, infrastructure, property, financial services, pharmaceuticals, resources and industrials.

We take pride in our active management approach, providing prudent oversight of our investment portfolio. Anchored by an intergenerational perspective, this strategy is designed to deliver a reliable dividend income and portfolio capital appreciation to our shareholder. Since our establishment, we have consistently delivered dividends that meet or exceed shareholder expectations, enabling the RBNDT to address the essential socio-economic needs of Morafe.

Beyond the financial dividend, RBH actively contributes to the socio-economic development of the RBN community through our social transformation strategy. The business strategically aligns with the Nation's broader objectives and embraces its role as a responsible corporate citizen, in accordance with the mandates of the B-BBEE Act. The capacity to execute on this is inherently linked to RBH's ability to deliver on our core mandate and support the RBN in the attainment of the targets and aspirations of the RBN Plan '35.

Our mission

To protect and manage the RBN's assets to provide predictable income and capital growth for the inter-generational benefit of Morafe in a sustainable and ethical manner while being a positive contributor to national imperatives.

Our value drivers

- We operate ethically and execute with integrity
- We embrace and drive positive change
- Trust (Boitshepegi) and Respect (Tlotlo) are central to our relationships

Our mandate

RBH has a dual mandate:

- To safeguard the long-term financial independence of the RBN
- To generate sufficient income to enable our shareholder to meet social and infrastructural needs of the RBN

Our values

Our values are informed by our commitment to the welfare and wellbeing of the RBN. They underpin our organisational culture and approach to stakeholder engagement.

Honesty

Be open, truthful and ethical in all our actions and interactions, and act with integrity.



Accountability

Accept responsibility, follow through to the end, remain answerable at all times and stand by our word.

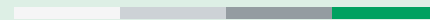


Respect

Respect for self, RBH and others in our engagements, and remain open to diverse perspectives. Recognise our individual and collective humanness by embracing the principles of 'Botho': I am because we are; we treat each other in an equitable manner without favouritism or discrimination.

Responsiveness

Engage with all stakeholders in a timely and effective manner.



Transparency

Be open with information, where possible, and be clear about our intentions.



Commitment

Committed to the RBH purpose and vision: be mindful that we serve a greater purpose and exercise stewardship to the unique mandate that we have been entrusted with – the upliftment and sustainability of the RBN is the cornerstone of what we do.

What differentiates RBH?

RBH has a unique mandate – to grow and protect the wealth of the RBN. We prioritise long-term investments and a resilient portfolio as fundamental principles for inter-generational wealth creation. This strategic approach is evident in our diversified, growth-oriented investment portfolio, aimed at safeguarding and enhancing our capital base over time.

Our investment strategy is shaped by the aspirations of the RBN, anchoring the Nation's vision "to remain a relevant and innovative traditional African community in a changing world".

Rich Bafokeng heritage driving a business that is guided by a strong sense of purpose and vision

Robust governance structure founded on the principles of transparency, collective wellbeing and a long-term inter-generational outlook

A strong, experienced and diversified board

An esteemed management team with extensive expertise in the investment industry

Strategic positioning in a dynamic market

Level 1
B-BBEE contributor

High levels of employee satisfaction

Demonstrated commitment to ethical business practices through sound governance practices and the integration of ESG considerations into our investment decisions

Our investment portfolio

We have built a diversified, growth-orientated investment portfolio for the RBN, and aim to protect and grow our capital base over time. This will enable us to continue delivering the yield necessary for the RBN to meet its inter-generational community development objectives.



ASSET MANAGEMENT

- Visio Fixed income fund
- All Weather
- Global Equity funds

4.09%

MINING

- Northam Platinum

9.62%

MINING, OIL AND GAS SERVICES

- MOGS
- KEG (Kenyan LPG Terminal)

5.16%

4.74%

TELECOMMUNICATIONS

- YeboYethu
- Liquid Intelligent Technologies

3.48%

PHARMACEUTICAL

- Dis-Chem

FINANCIAL SERVICES

50.36%

- FirstRand
- OUTsurance
- Discovery
- RMI Investment Managers Affiliate 2B
- Royal Investment Managers
- Transaction Capital
- Ethos Mid Market

INFRASTRUCTURE

- ISQ Global Infrastructure Fund III
- Distributed Power Africa
- STANLIB Infrastructure Fund
- Adams Solar PV Project Two
- Electra Capital
- Gouda Wind Energy Facility
- Sishen Solar Facility
- Hall Core Water
- Dipalopalo
- EnviroServ

4.10%

PROPERTY

- RMB Holdings
- Growthpoint GSAH
- Zenprop UK
- NEPI Rockcastle
- Big Yellow
- Lango Real Estate

4.37%

OTHER

- JC Decaux Sub-Saharan Africa
- Cash
- Infrasalience
- Eldo

14.08%

RBH
portfolio
sector
profile

2023 value creation highlights

Financial performance

R49 billion

NET ASSET VALUE

2022: R46 billion

R728 million

DIVIDEND PAID TO SHAREHOLDER

2022: R849 million

R8.5 billion

TOTAL DIVIDEND PAID TO SHAREHOLDER SINCE 2006

2022: R7.8 billion

Social performance

Level 1

B-BBEE CONTRIBUTOR



ENTERPRISE AND SUPPLIER DEVELOPMENT

- 84 RBN SMMEs
- 98% are 100% Black owned
- 2% are 51+ Black owned
- 30% are 100% Black Women owned









SKILLS DEVELOPMENT

- 14 students awarded bursaries
- 45 unemployed youth **certified competent** for learnerships
- 5 CA trainees graduated since programme inception

ARTISAN TRAINING PROGRAMME

- 50 learners recruited for first cohort
- 26 females and 24 males
- Across 5 engineering trades: Electrical, Fitting, Diesel Mechanic, Boiler Maker, Instrument Mechanic

Social projects arising from the 2021 platinum transaction:

	 Artisan training programme	 Enterprise and supplier development	 Renewable energy project	 Integrated water solution
Commencement date:	Launched in October 2023	Launched in February 2023	Commenced in 2022	Launched in April 2022
Highlight:	Implemented in partnership with Impala Platinum, the programme first intake of 50 learners, training began in October 2023	25 RBN SMMEs presented funding proposals resulting in 12 SMMEs approved for funding and R13 million deployed	Market and technical assessment completed Feasibility study in progress	Special dividend of R350 million paid in 2021 and 2022 to facilitate the implementation of this project
Progress:	 Execution phase	 Execution phase	 * Planning phase	 Execution phase

RBH timeline

→ 2005 – 2011

2005

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- **Acquisition of 10.1% in Zurich Financial Services (ZICSA)**

2006

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- **RBH formed** through merger of Royal Bafokeng Resources and Royal Bafokeng Finance
- **KGOSI Leruo Molotlegi** appointed as **founding Chairman**
- **Acquired 100% of Fraser Alexander, 26% of joint venture Metuba Engineering and Construction, a 51% equity interest in Hard Rock Mining and a 25.1% stake in Pasco Risk Management**
- **Structured corporate social investment (CSI) and transformation strategies** introduced
- **First annual report/annual review produced**

2007

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- **Acquired 12.5% stake in Metair Investments**
- **Acquired 25.1% stake in M-Tech**
- **Acquired Mining, Oil and Gas Services Proprietary Limited (MOGS)**
- **Acquired 30% holding in Praxima Payroll System**
- **Acquired 26% stake in MB Technologies**
- **B-BBEE transaction with Implats completed – RBH becomes largest shareholder in Implats (13.4%)**
- **Acquired 65% interest in South African Coal Mining Holdings (SACMH)**
- **Acquired 30% stake in Zaptronix**
- **Acquired 25.01% stake in DHL**

2011

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- **Acquired initial 5% stake in RMB Holdings (RMH) and RMB Insurance (RMIH) followed by an additional 10%, increasing its investment in RMH and RMIH to 15%, respectively**

D

- **Disposed of Senwes and SACMH**

2010

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- **RBPlat is formed, takes over management of Bafokeng Rasimone Platinum Mine (BRPM) joint venture (JV) and lists on the JSE (RBH's interest in the listed entity is 52.8%)**
- **Acquired 10.5% shareholding in Atterbury Investment Holdings**
- **RBH internship "class of programme" is formed**

2009

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- **Increased shareholding in ZICSA to 25.1%**
- **Increased equity in MOGS from 50.1% to 100%**
- **The transfer of economic and management control of the BRPM from Anglo Platinum to RBH**

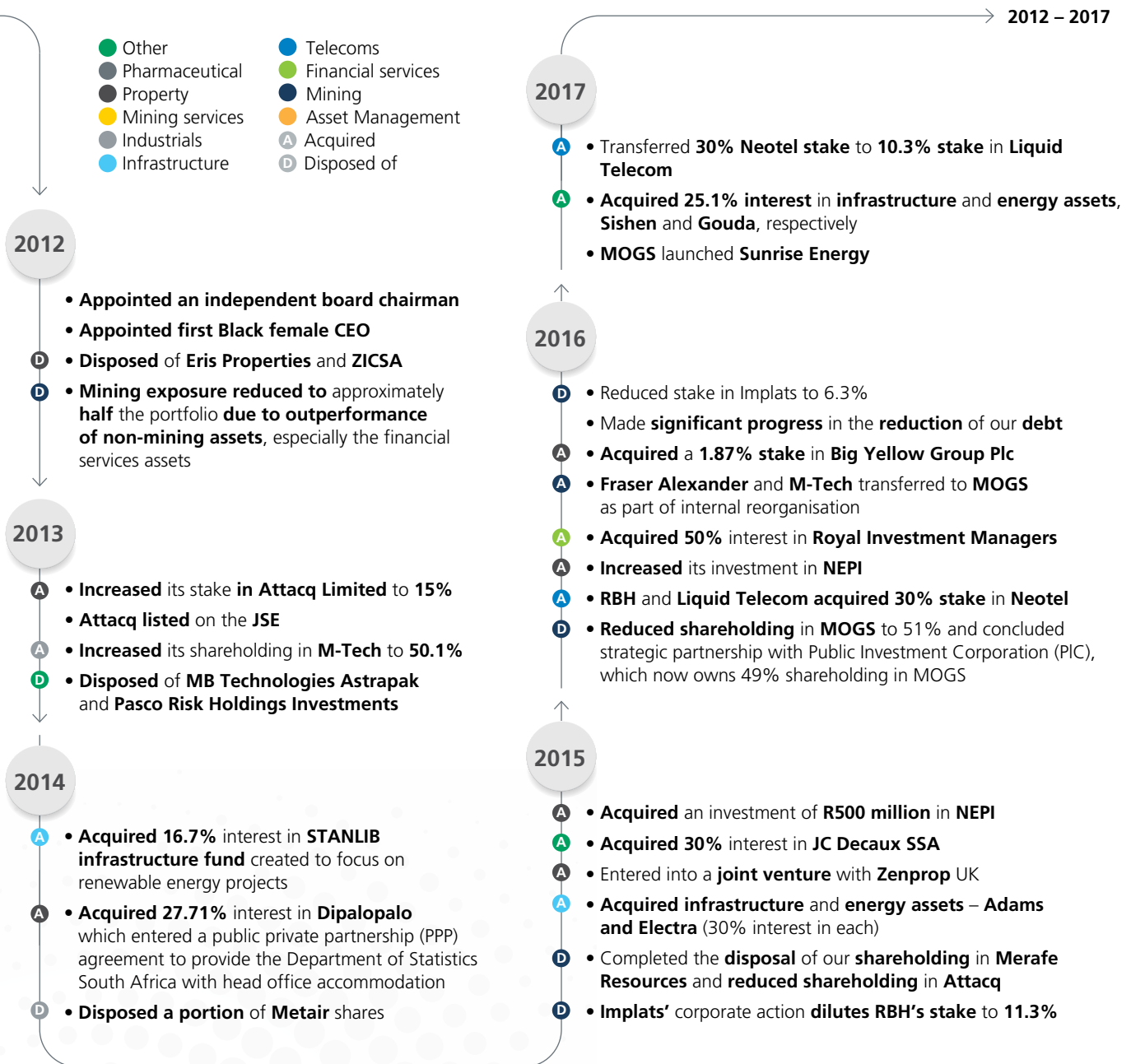
2008

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- **Acquired a 1.97% stake in Vodacom SA, the first investment in the telecommunications sector**
- **Increased its shareholding in the BRPM joint venture to 67%**
- **Acquired 15% interest in Eris (formerly Rand Merchant Bank Properties)**



- | | |
|-------------------|----------------------|
| ● Other | ● Telecoms |
| ● Pharmaceutical | ● Financial services |
| ● Property | ● Mining |
| ● Mining services | ● Asset Management |
| ● Industrials | ● Acquired |
| ● Infrastructure | ● Disposed of |

2018

- **Disposed** of **Implats** shares started and the stake was **reduced** to **5%** by end of 2018
- **Reduced exposure** in financial assets
- **Flipped Vodacom SA stake** to **Vodacom Group** via **YeboYethu**
- Launched **Chartered Accountancy training programme**
- Launched **Itirele Moshia learnership programme**

2019

- **Exited** remaining shareholding in **Implats** and used the proceeds to **reduce debt by 30%**

2020

- **Liquid Telecom** restructured its business for its **Africa Data Centre** strategy
- **Acquired stake** in **Transaction Capital Limited**
- **Acquired 30%** stake in **Hall Core Water**
- **RMH unbundled FirstRand** resulting in RBH holding a **4%** direct stake in FirstRand Group
- **Established** the **COVID-19 Relief Fund**

2023

- **Full disposal** of remaining stake in **Momentum**
- **Disposal** of remaining stake in **RBPlat**, which contributed to the significant reduction of debt
- **\$31 million** allocation towards **global equity funds**
- **\$25 million** allocation towards **Visio Fixed Income fund**
- Continued implementation of the RBN social projects committed to following the 2021 platinum transaction

2022

- **RMI unbundled Discovery** and **Momentum** resulting in RBH holding a **3.8%** and **3.5%** direct stake, respectively
- **\$35 million** allocation towards **global equity funds**
- **R150 million** investment into **local market neutral fund**
- **Increased stake** in **Transaction Capital**
- **Acquired stake** in **EnviroServ**
- **Acquired stake** in **KEG** (Kenyan LPG Terminal)
- **Commenced RBN social projects**
 - Planning for a renewable energy and battery storage project for the RBN
 - Established an enterprise and supplier development fund for the RBN SMMEs
 - Establishing an artisan training programme and trade school to reduce youth unemployment in the RBN
 - Special dividend of R175 million declared towards RBN water infrastructure solution

2021

- Completed **acquisition** of stake in **Transaction Capital**
- **Disposed** of its **majority stake** in **RBPlat** to **Northam Platinum**
- **Acquired 6.63%** stake in **Dis-Chem**
- **Disposed** of its full stake in **Attacq**
- **Acquired stake** in **Growthpoint purpose-built student accommodation**
- **Acquired stake** in **Distributed Power Africa (DPA)**
- **Acquired stake** in a **global infrastructure fund** (I Squared Capital)
- Partial **disposal** in **FirstRand** and **RMI**
- Unlocked shareholder value in mining assets through the transaction with Northam Platinum which included commitments to address significant socio-economic development needs in the RBN
- Special dividend of R175 million declared towards RBN water infrastructure solution



Moses Kgosana
Chairman

Q&A with the board chairman

Introducing our new board chairman

Moses Kgosana was appointed to the RBH board in August 2023 and became chairman effective 1 January 2024. He brings a wealth of leadership, governance and financial experience. As he steps into this role, the new RBH chairman shares his strategic vision and reflections on RBH.

Q What are some of your initial impressions since joining RBH and taking over as board chair?

A *I am honoured and privileged to have been appointed the chairman of RBH – a role I value, given my history with Royal Bafokeng Nation, which began in the late 1990s when I was their first auditor. The growth of RBH to become a R49 billion investment holding company over the years has left a deep impression on me. The sense of purpose, clarity of mandate and good governance under the leadership of the outgoing chairman, Monhla Hlahla, have further heightened my appreciation. I am privileged to be associated with an organisation that embodies such strong values and principles.*

Q What is your vision for the business and how does this align with your personal ambitions and aspirations?

A *My aspirations for RBH strongly align with its mandate. I envision RBH as a leading community-based investment company in Africa and beyond, positioned to compete globally by growing its assets and preserving value for the shareholder. These aspirations mirror my lifelong commitment to being the best I can be and leaving any organisation I am associated with better than I found it.*

Q In a world defined by uncertainty and a constantly evolving operating environment, what key external factors do you see impacting the business in the short and medium term?

A *The prosperity of RBH is intricately linked to the economic fortunes of South Africa and the global economy. Domestically, the business confronts persistent socio-economic challenges intensified by fluctuations in commodity prices, high rates of poverty and unemployment, and a crumbling infrastructure. These factors are anticipated to continue to influence the trajectory of the business in the foreseeable future.*

On the global front, RBH is exposed to elevated levels of uncertainty, particularly due to South Africa's status as a small yet open economy. Considerations such as foreign exchange fluctuations, inflationary pressures and technological advancements become crucial factors to navigate. Beyond these economic challenges, climate change remains the most significant challenge of our time, calling upon business leaders to adopt sustainable practices, innovate in resource management and contribute to protecting the planet.



Q What are your key priorities going forward and strategies for ensuring RBH remains agile and responsive to external challenges and opportunities?

A *My key priorities involve aligning with the strategic objectives set out by the board and executive management team of RBH, providing guidance and oversight to ensure the business remains true to its unique mandate. As chairman, I will champion key strategic initiatives, focused on serving Morafe and safeguarding the long-term financial wellbeing of the Nation.*

It is imperative that RBH continues to contribute to the developmental needs of the Nation by preserving and growing the value of its portfolio and delivering a consistent and reliable dividend to the shareholder. This will continue to be achieved through a diversification strategy grounded in long-term sustainability, agility and responsiveness.

Collaboration with the stakeholder engagement team at RBH will be crucial. I plan to work closely with them to ensure open communication and transparency – efforts aligned with RBH's core values, contributing to maintaining strong relationships with various stakeholders.

Q How will you ensure accountability and transparency where board decisions and actions are concerned?

A *My participative leadership style ensures transparency in both decision-making and actions taken by the board. This approach, anchored in open communication, trust and integrity, will guide interactions within the board and my engagements with KGOSI. The commitment aligns seamlessly with RBH's pledge to operate ethically, execute with integrity, and champion positive change. Trust (Boitshepegi) and Respect (Tlotlo) will serve as the bedrock of decision-making and stakeholder engagement.*

Q Monhla Hlahla retired as board chair after serving the business from 2011 to 2023. Do you have any words of acknowledgement for her?

A *I assumed the role of RBH chair following Mme Monhla Hlahla's retirement after her dedicated service from 2011 to 2023. I acknowledge Mme Monhla's historic role as the first independent and Black female chairman, leading RBH with dedication, integrity and humility. She successfully cultivated a committed and skilled leadership team.*

During her last board meeting in December 2023, I witnessed her customary words of encouragement to the board and management, emphasising the need for continuous improvement and excellence in all endeavours. I extend my sincere well wishes to her and express gratitude for her contribution to RBH.

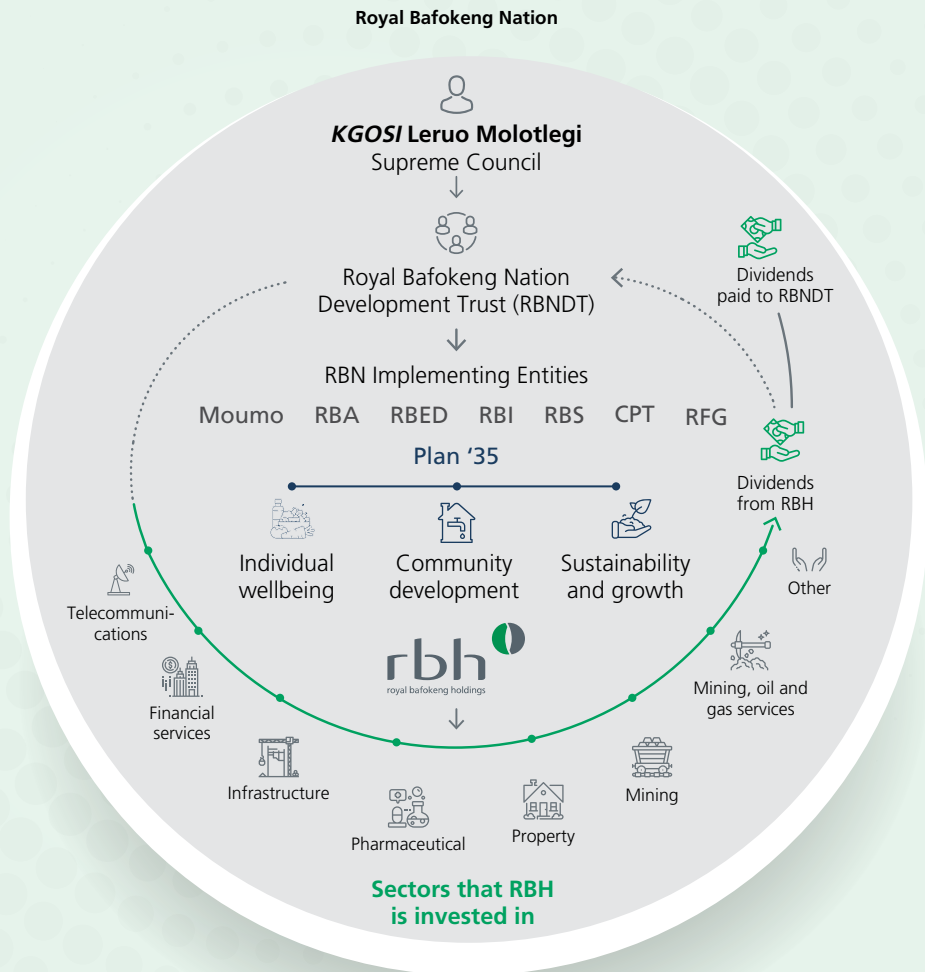
I also extend my gratitude to the RBH board members, both past and present, for their ethical leadership that has shaped RBH to be a respected and one of the leading community-owned investment companies. Special appreciation goes to Mme Albertinah Kekana, her executive team and the entire staff of RBH for their invaluable contribution.

Our place in the RBN

The RBN, a traditionally governed Setswana-speaking community, is home to approximately 128 000 residents residing across 29 villages in the Rustenburg valley. Twice a year, the entire community gathers during Kgotha-Kgothe, the highest decision-making body. This assembly fosters open communication between the community and its leaders, allowing active participation in decision-making processes.

The Supreme Council, the second-highest governing body after Kgotha-Kgothe, is responsible for policy development and oversight. To execute the will of the RBN people, various governance structures and implementing entities have been established, including Royal Bafokeng Administration (RBA), Royal Bafokeng Enterprise Development (RBED), Moumo, Cross Point Trading (CPT), Royal Futures Group (RFG), Royal Bafokeng Institute (RBI) and Royal Bafokeng Sport (RBS). The RBN Development Trust (RBNDT), established in 2004, oversees the commercial and socio-economic imperatives of the Nation.

RBH actively collaborates with its fellow entities within the RBN, synergising efforts to contribute meaningfully to the Nation's overarching vision. While RBH's focus remains steadfast on our mandate – preserving the wealth of the nation and generating income for the shareholder – we recognise that our success is interwoven with the collective prosperity of the RBN. This collaborative and introspective approach ensures that we align our strategies with the evolving needs and aspirations of the RBN, fostering a dynamic and mutually beneficial partnership.



RBN '35 PLAN

THE RBN'S STRATEGIC BLUEPRINT FOR SOCIO-ECONOMIC DEVELOPMENT

The RBN's Vision 2035 is to be "a relevant and innovative traditional African community in a changing world." Plan '35 serves as a developmental roadmap and strategic framework, directing the realisation of the RBN's vision. Grounded on the understanding that mineral resources are finite, this framework offers a comprehensive, long-term perspective and action plan to guide the Nation towards a prosperous and sustainable future.

Plan '35 is structured around the three pillars below.



Individual development

Better standard of living for all individuals by improving individual quality of life and social wellbeing.



Community development

Collaboratively building an inclusive traditional community to be proud of.



Sustainability and growth

Respecting our resources as treasured assets and achieving inclusive growth and employment into the long term.

Plan '35 is designed to empower individuals and the broader community by providing them with the skills needed for self-reliance. The roadmap also aims to contribute to a Nation of healthy individuals who live with dignity, take pride in their identity and traditional heritage and exercise stewardship of their resources. Achieving this involves investing in skills, community development initiatives and infrastructure necessary to grow and diversify the Nation's economy, ultimately creating intergenerational wealth.

RBH contributes to the RBN Plan '35 sustainability and growth pillar in terms of stewardship of resources. We also support individual and community development in the RBN through our social impact spend.


OBAKENG PHETWE

I am delighted to present my message for the 2023 period, offering insights into RBH's performance from the shareholder's perspective. Despite global uncertainties and a challenging economic backdrop, RBH demonstrated resilience in maintaining its portfolio's value and fulfilling commitments to the shareholder and Morafe. This underscores RBH's strategic foresight and dedication to steward the wealth of the Nation amid a challenging operating environment.

Message from the shareholder

Our operating context

2023 unfolded against a backdrop of unprecedented macroeconomic events, leaving an indelible mark on the global landscape. Rising interest rates, surging inflation and escalating geopolitical tensions, extending from Ukraine and Russia to the Middle East, contributed to heightened economic complexities globally. Here at home, frequent power blackouts and the continued rise in unemployment further added to the challenges.

Our regional economy faced additional strain, compounded by the drop in the price of platinum group metals (PGMs), leading to job losses and increased pressure on household incomes. As we reflect on the complexities of our operating environment, we acknowledge the far-reaching challenges impacting businesses globally, the broader South African economy and Morafe.

In the face of these challenging economic times, I express gratitude for the invaluable expertise and oversight provided by the boards of RBH and RBNDT, as well as the executive management team of RBH. Our engagements in 2023 were robust, featuring productive discussions on various critical topics, including the financial performance and sustainability of RBH, strategy, technology and talent. Notably, our board-to-board strategy session in March 2023 yielded fruitful insights and deliberations.

Operational resilience in the face of uncertainty

RBH remained steadfast in delivering on its mandate in the face of global uncertainties, adhering to the agreed dividend policy, showcasing financial stability and responsible stewardship of the wealth of the Nation. Additionally, RBH supported various initiatives aimed at improving the wellbeing of Morafe. This pleasing performance is attributed to the strength of the executive team and staff at RBH. The resilience is also credited to a robust and competent board, recently strengthened by the appointments of Rre Moses Kgosana and Mme Fatima Abrahams following the retirement of Mme Monhla Hlahla and Mme Tshidi Nyama in 2023. Our new board members have already begun adding value, and I anticipate a constructive relationship moving forward.

Strategic review for geographic diversification

The Strategic Asset Allocation (SAA) supports RBH in maintaining a productive relationship with the shareholder by facilitating the efficient implementation of RBH's investment mandate. Despite the ongoing relevance of the SAA, the heightened uncertainty in the operating environment necessitates an increase in our offshore investments. Throughout 2023, we diligently reviewed our Shareholder Compact and SAA to ensure their continuous relevance, strategically positioning RBH for geographic diversification.

Investing in the wellbeing of the RBN

Following the success of the 2021 platinum transaction, RBH demonstrated its ongoing commitment to the prosperity of the Nation by providing financial support to four social initiatives. These initiatives, undertaken in collaboration with various RBN entities, are aligned to Plan '35, which is outlined on page 19 of this report. The focus areas include skills development, enterprise development, energy security, and water supply.

"RBH demonstrated its ongoing commitment to the prosperity of the Nation by providing financial support to four social initiatives. These initiatives, undertaken in collaboration with various RBN entities, are aligned to Plan '35."

While I express overall satisfaction with the progress of our four social initiatives, the delays faced in the water project are a cause for concern. We recognise the significant impact these delays have had on the Nation's quality of life and acknowledge the valuable lessons learned from these setbacks. We extend our sincere apologies to Morafe for any inconvenience caused. I want to assure Morafe of our unwavering commitment to resolving these issues and ensuring the successful and timely completion of the water project for the benefit of all.

Outlook

Looking ahead to 2024, RBH is poised for continued success and growth. The achievements of 2023, including the review of the SAA and efforts towards geographic diversification, have established a solid foundation for the future. In the upcoming year, RBH is intensifying these efforts, ensuring alignment with the expectations of all stakeholders. The business's global strategy, portfolio management, board augmentation, and talent management initiatives are all geared towards positioning RBH for long-term success. As we navigate the path forward, we eagerly anticipate ongoing collaboration with our strategic partners, collectively addressing the macro socio-economic issues that confront our region.

Acknowledgements

My heartfelt gratitude to *KGOSI* for providing steadfast leadership, invaluable guidance and unwavering support during the year under review. I also extend my gratitude to the Supreme Council, RBN DT board of trustees, employees, RBN colleagues, and all our strategic partners. Your dedication and collaborative efforts have been the cornerstone of RBH's resilience and success.

I would also like to express my heartfelt appreciation to Mme Monhla Hlahla, who served as board chair from March 2011 until her retirement on 31 December 2023, and Mme Tshidi Nyama, who served as a non-executive director and chair of the Social and Ethics Committee from October 2007 to August 2023. Your outstanding service and dedication have significantly contributed to shaping RBH into the successful business it is today. As you embark on new journeys, we wish you the very best in all your future endeavours. Your legacy at RBH will undoubtedly continue to inspire us.

Obakeng Phetwe

CEO Royal Bafokeng Nation Development Trust

3

Creating
sustainable value



ALBERTINAH KEKANA

RBH delivered a commendable set of results amid challenging trading conditions, showcasing the resilience of our business model. The successful implementation of our diversification strategy has been key to this achievement. Our strategy, aligned with our shareholder's vision, is designed to ensure RBH remains adaptable in an operating environment marked by uncertainty.

Message from the CEO

Performance highlights

RBH navigated a volatile macroeconomic landscape shaped by challenges like the US banking crisis, inflation and high interest rates. These factors necessitated agile decision-making and a proactive stance to adapt to changes in an uncertain global environment. Despite these headwinds, our financial services portfolio exhibited resilience, outperforming expectations.

We executed transactions in the year under review, notably the strategic sale of RBPlat shares to Implats and a partial exit from Momentum. These were purposeful decisions designed to optimise our portfolio and align with our diversification ambitions. The overall portfolio exhibited a commendable 7% increase, in harmony with broader economic trends. We achieved a 7% increase in net asset value (NAV), going from R46 billion in 2022 to R49 billion during the period.

Our strong liquidity position enabled us to pay down our debt by 50%, showcasing our commitment to maintaining suitable levels of gearing. While we maintain a low tolerance for risk and adopt a prudent approach to debt management, we view debt not merely as an obligation but as a tool that offers future flexibility and the capability to navigate uncertainties. It is for this reason that we continue to be strategic in our approach to debt management and are committed to cultivating positive relationships with banks, securing favourable rates, and ensuring the availability of facilities for potential future needs.

Our 2023 achievements underscore a continued growth trajectory. This success is a direct result of the disciplined execution of our diversification strategy, which has remained steadfast over the years and resulted in a robust portfolio underpinned by high-growth assets and a strong balance sheet.

Our strategic ambition

Our strategy is informed by the vision of the RBN to remain a relevant and innovative traditional African society in a changing world. We have built a diversified, growth-oriented portfolio and aim to protect and grow our capital base over time.

Our growth ambitions are underpinned by four strategic levers:

1

Ensure consistent and sustainable returns to RBNDT

2

Manage portfolio risk and protect against permanent loss of capital

3

Diversify the portfolio to maintain a strong balance sheet under various economic outcomes

4

Grow the portfolio in real terms

In 2023, we continued to prioritise diversification, focusing on geographic and asset class diversification. Key allocations included investments in global funds and venturing into fixed income, showcasing our commitment to maintaining a balanced portfolio. In addition, we remain committed to infrastructure as a strategic and non-cyclical asset class.

While we experienced challenges in executing global investments, our tactical approach held us in good stead. These challenges stemmed from our transitioning from an established player in the South African market to a relatively unknown entity globally. Additionally, inherent complexities emerged due to factors such as exchange rates and currency fluctuations. Nevertheless, our adept investment team and strategic approach played a pivotal role in overcoming these hurdles. The team was supported by our executive management team and board, who provided strategic oversight during the period.

Creating value for all our stakeholders

In 2023, we continued to enhance our ESG framework with a view to integrating sustainability into our investment decision-making. This aligns with our commitment to deliver meaningful value to each of our stakeholders, including our shareholders, Morafe, and those who share our vision and collective aspirations. We maintain a transparent relationship with the RBN through our shareholder, the RBNDT, enabling us to remain in tune with our mandate and the needs and priorities of the Nation. This commitment is evident in the financial and strategic support we have provided to the four social RBN initiatives established on the back of the 2021 platinum transaction. These initiatives are at various stages of implementation. We are pleased with the overall progress made in 2023, noting some challenges with some of the initiatives, as reported in the shareholder message on page 20 of this report. We appreciate the support and collaboration from our sister entities in the RBN, with whom we have been at the forefront of implementing most of these initiatives.

On the regulatory front, we proudly maintained our Level 1 B-BBEE rating. This not only reflects our commitment to broad-based transformation and economic development but also resonates with the vision of the RBN and the developmental imperatives of broader South African society.

Empowering our people to deliver on our vision

Our people are the heart of our business, enabling us to fulfil our vision. They play a pivotal role in upholding RBH's reputation as a responsible corporate citizen and a capable steward of the Nation's resources. Currently, we are undergoing a transformation, shifting from a local player with a known reputation to a global investor. This transition requires a change in mindset and operational approach. It is imperative for us to position RBH for efficient offshore investments, considering factors such as global market size and the challenges of being a smaller investor on the global stage.

To support this transformation, in 2023, we continued investing in our performance management and learning and development policies and processes. Additionally, we conducted our employee engagement survey, which had a 100% response rate and an improvement in the overall engagement score to 87.2%. Our aim is to ensure that we have the best person in each role, and that our employees remain engaged as we navigate the challenges and opportunities that come with the next chapter of RBH's story.

Board augmentation

In 2023, RBH underwent changes in its board composition following the retirement of two non-executive directors.

I extend my sincere appreciation to Monhla Hlahla, who retired as chair in December 2023 after serving as a non-executive director and subsequently as board chair from March 2012. Furthermore, my gratitude extends to Tshidi Nyama, who joined the board in October 2007 and served as a non-executive director and chair of the Social and Ethics Committee (SEC) until her retirement in August 2023. Under their leadership, RBH experienced significant achievements, including the historic platinum transaction which unlocked significant value in the portfolio and enabled us to contribute to social initiatives aimed at enhancing the welfare of Bafokeng. We are poised for continued success with the valuable contributions of our new board members.

I look forward to working closely with our new board chairman Moses Kgosana who was appointed board chairman effective January 2024. Additionally, I look forward to the value that Prof. Fatima Abrahams, who was appointed a non-executive director in August 2023, will add to the business.

Looking ahead

The operating environment is set to remain challenging, particularly given the expected continuation of electricity shortages. The National Treasury forecasts GDP to increase by only 1.9% in 2024 and to remain muted at 1.4% over the period 2024 – 2026. While South Africa's economic potential remains, the country is fast reaching a boiling point with rising unemployment, infrastructure constraints and reduced household incomes. Our focus on sustainable value creation will persist in the context of this difficult macroeconomic environment.

Acknowledgments

I express my gratitude to *KGOSI* for decisive and forward-thinking leadership, as well as to the Supreme Council and the board of trustees for their wise counsel. Special acknowledgment goes to our shareholder, the RBNDT, for their ongoing support and guidance. I extend my appreciation to the board, executive management team and employees of RBH for your unwavering commitment to the success of RBH. I eagerly anticipate our continued engagement as we collaborate to fulfil our mandate.

Albertinah Kekana
CEO

Our strategy

Our strategic intent aligns with our commitment to fulfill our mandate of intergenerational wealth creation and to support the objectives and aspirations of our shareholder.

We embrace an integrated approach to consistently generate value for our shareholder and the broader stakeholder universe. Our strategy relies on four critical levers that influence our capacity to create value in the short, medium, and long term. This approach is guided by our prudent portfolio management and commitment to sustainable value creation.

Yield

Provide a sustainable yield to RBNDT

- Ensure adequate cash generation for:
 - Annual dividend payments
 - Covering operating expenses
- Generate reinvestable liquidity over time

Capital perseverance

Manage portfolio risk and protect against permanent loss of capital:

- Limit exposure to single-assets/sectors
- Ensure diversified investments

Capital growth

Grow the portfolio in real terms and achieve an above-inflation portfolio return supported by:

- A strong capital base associated with our diversified portfolio:
 - A strong balance sheet
 - Cash-generative assets
 - Active engagement with investee companies through board representation, enabling effective monitoring and evaluation of risk considerations and the strategic management of our assets
 - A highly skilled management team
 - An experienced, long-standing board

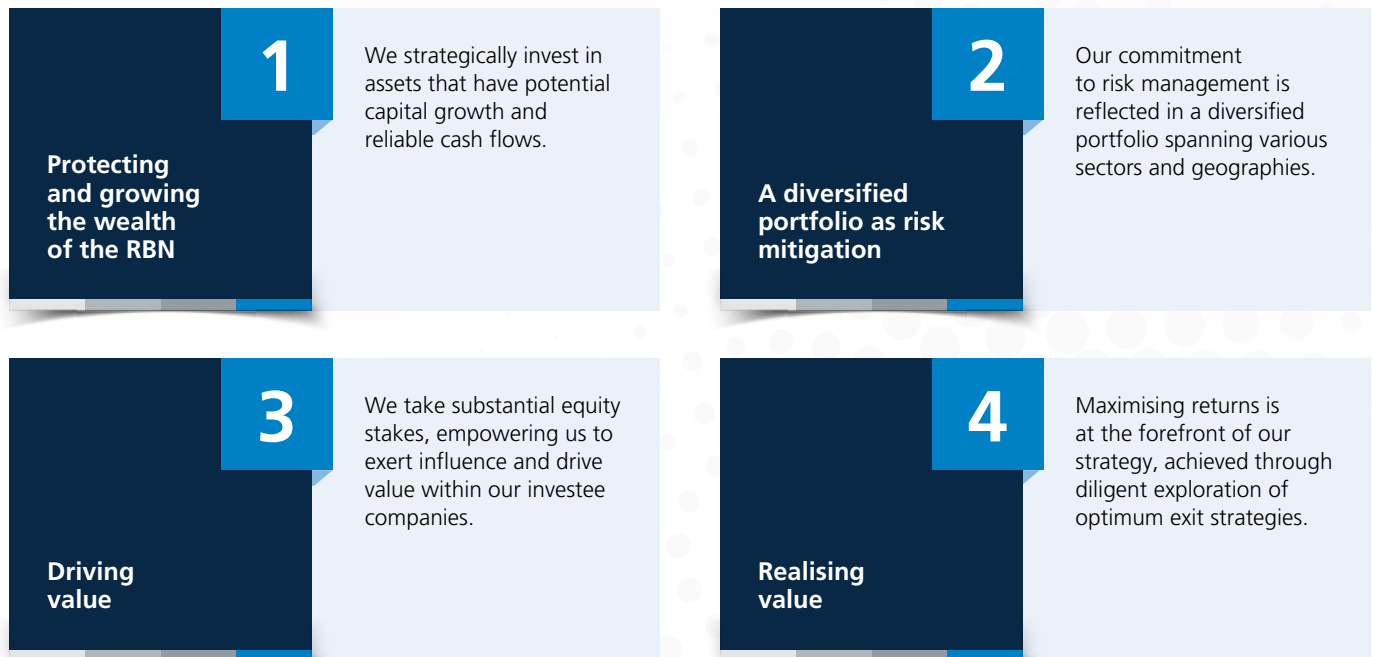
Diversification

We strategically diversify from non-sustainable assets to optimise capital allocation, prioritising those with strong earning potential like infrastructure and financial services. Additionally, we are increasing offshore investments, recognising the importance of geographic diversification. This shift enhances resilience by spreading risk across markets, aligning with our commitment to sustainable value creation. It positions us advantageously, navigating dynamic landscapes and harnessing growth potential in diverse regions.

Our investment approach

Our well-defined and value-creating investment strategy presents a compelling value proposition. Over the 18 years since our establishment, we have built a robust investment portfolio and consistently delivered predictable dividends to our shareholder, including special dividends following the historic unbundling of our mining sector assets in 2021 and 2022.

Our investment philosophy is anchored in four pillars:



Our ESG approach

As a business whose mandate is to foster intergenerational wealth creation, RBH promotes sustainable development for our key stakeholders and broader South African society. We consistently enhance our ESG approach by aligning with industry best practices and providing transparent disclosures that cater to the information needs of our stakeholders. Our methodology is guided by our business model, strategy, and international benchmarks.

In 2023, we took proactive measures to formalise our ESG strategy and approach. This enhances our ability to monitor and evaluate progress effectively, ensuring that our actions resonate with our ESG objectives and contribute meaningfully to sustainable practices. Through these initiatives, we aim to set and maintain standards that not only meet regulatory requirements but also reflect our commitment to responsible and impactful business practices.

Ethical investing

We consider the following criteria when evaluating investment opportunities.

Evidence of:	<p>Effectiveness of risk identification process and management of system implementation</p> <p>Appropriate assessment of impact and mitigation or offset strategy</p> <p>Compliance with RBH's investment exclusion list</p>	
Acceptable levels of:	<p>Legal and regulatory compliance</p> <p>ESG awareness within the organisation</p> <p>Consideration of ESG principles in the business strategy and decision-making</p>	
Compliance with:	<p>Anti-corruption laws of the country</p> <p>Employment equity requirements</p> <p>King IV governance and responsible investing principles</p>	

Our value-creation model

Our business model revolves around various capitals, each influencing our operations, stakeholder relationships and decision-making. The quality and availability of each capital influence our ability to create sustainable value.

Our capitals



FINANCIAL

Financial capital refers to the economic resources available to us, including the portfolio Net Asset Value (NAV) and debt. It forms the bedrock for strategic investments, enabling growth, diversification and the fulfilment of our financial obligations.

Inputs

- Portfolio NAV
- Optimal portfolio debt levels

Quality and availability of inputs

Financial capital refers to the economic resources available to us, including the portfolio NAV and debt. It forms the bedrock for strategic investments, enabling growth, diversification, and the fulfilment of our financial obligations.



SOCIAL AND RELATIONSHIP

Social and relationship capital embodies the value derived from our interactions and relationships. It encompasses the Shareholder Compact, strategic asset allocation policy, Plan '35, and active engagement mechanisms. This capital ensures sustainable practices, transparency, and a positive reputation.

- Shareholder Compact
- Strategic Asset Allocation policy
- Plan '35
- Active shareholder engagement
- Engagement with investee companies, regulators and shareholder community
- Social impact spend

Active engagement with our shareholder fosters sustainable practices. Transparency, governance, and reliance on traditional structures underpin a reputable brand. However, challenges may arise from limited engagement in certain passive or third-party managed offshore investments.



INTELLECTUAL

Intellectual capital encompasses the intangible assets that contribute to our competitive advantage. It includes the skills, sector expertise, analysis, research, and innovation brought by RBH employees. This capital is crucial for informed decision-making, risk management and long-term productivity.

- Skills, sector expertise, analysis, research and innovation
- Contributions by our shareholder and investee companies
- Investment policy
- ESG framework

Sector-specialised teams contribute to outcomes, balancing costs against dividends. Our commitment to sustainable principles is reflected in no-go investment zones. Our leadership's holistic approach and innovation enhance decision-making and overall productivity.

Our capitals



HUMAN

Human capital (HC) represents the skills, knowledge and capabilities of our workforce. This capital includes the number of employees, training and development initiatives and remuneration strategies. Our forward-thinking HC approach fosters a diverse, values-driven culture aligned with the Nation's objectives.

Inputs

- RBH has 37 employees (2022: 35)
- Skills development spend

Quality and availability of inputs

Intense competition necessitates continual professional development. A forward-thinking HC strategy results in a diverse, values-driven workforce.



NATURAL

Natural capital comprises the resources derived from the environment. In our context, it involves platinum deposits, mineral rights on RBN land, and natural resources managed by investee companies. While our direct environmental impact is limited, we actively engage with stakeholders to ensure sustainable resource management.

- Platinum deposits and mineral rights on RBN land
- Natural resources managed by investee companies

While RBH's direct environmental impact is limited, active engagement ensures sustainable resource management. Collaboration with investee companies, regulators, the RBN, and other stakeholders is crucial for maintaining quality.



MANUFACTURED

Manufactured capital refers to the tangible assets and infrastructure under our control. This includes property, information and communications technology (ICT) systems, and equipment. Managing threats to our information systems is vital for maintaining business agility and resilience. Manufactured capital supports business continuity and adaptability.

- Tangible assets including infrastructure and property
- ICT systems and equipment

Essential threat management is crucial for information systems. Appropriate ICT systems and equipment ensure business continuity and resilience in the face of disruption.

Core strategic business activities

- We manage a portfolio of diversified long-term investments to produce a sustainable dividend for the benefit of our shareholder and Morafe.

Outputs






















- The RBH portfolio continues to improve in quality because of diversification
- The portfolio has grown 63.7% over the last 10 years
- Debt was reduced by 50% during the year.
- The RBH investment portfolio has a current net asset value of R49 billion
- Gross assets of R50 billion (2022: R48 billion)
- R728 million dividend paid, in line with dividend policy (2022: R849 million)

Business-enablement activities

- The development and implementation of robust governance systems ensures sustainable creation of wealth is protected and enhanced.
- RBH's structured corporate social investment programmes support specific priorities in line with our social transformation strategy and the imperatives of Plan '35. Our key areas of focus include education, enterprise development and sports, partnering with various stakeholders, including our investee companies, non-governmental organisations (NGOs) and government, making financial donations to, or directly supporting, projects that improve the quality of education, empower the youth and support inclusive development.

Outputs

- RBH has built a sound reputation as one of the largest community-based investment companies in the world, based on the NAV of our portfolio
- A strong, professional, hardworking team delivers effectively against our mandate
- Our infrastructure is fit for purpose. RBH has built and maintains a robust information and security network
- Our impact on the environment remains minimal

Capitals	Outcomes	Key metric	Stakeholders affected
 FINANCIAL	<p>We facilitate the preservation and growth of the wealth of the Nation through:</p> <ul style="list-style-type: none"> • The effective management of entrusted financial resources • A diverse and committed employee base • Responsible investing practices guided by our relevant policies • Rigorous oversight of our investee companies • Comprehensive risk management and governance practices 	<ul style="list-style-type: none"> • Dividend to shareholder: R728 million • 7% growth in NAV • 50% debt reduction • Diversification of portfolio 	
 SOCIAL AND RELATIONSHIP	<p>Our engagement with the RBNDT, investee companies, regulators, government, and various stakeholders enhances opportunity identification, mitigates the risk of sanctions or negative outcomes, and maximises wealth creation.</p>	<ul style="list-style-type: none"> • B-BBEE Level 1 • Social Impact spend 	    
 INTELLECTUAL	<p>Our core operational targets align with the RBNDT's budgetary requirements and the strategic objectives of the business.</p>	<ul style="list-style-type: none"> • Portfolio NAV growth 	 
 HUMAN	<p>RBH affords its employees an environment where personal growth and development opportunities are encouraged. This, in turn, enables employees to gain knowledge to improve job performance.</p>	<ul style="list-style-type: none"> • Number of employees • Employee turnover • Skills development spend 	 
 NATURAL	<p>RBH maintains a low environmental footprint due to the nature of our business operations.</p>		 
 MANUFACTURED	<p>Our systems, technology, office equipment, and infrastructure are optimised to enhance outcomes for RBH and our stakeholders.</p>		  

Stakeholder engagement

Our stakeholder engagement follows a formal framework that aligns with RBH's mandate, vision, material matters and strategic imperatives. This framework ensures governance arrangements and organisational policies are in place, fostering mutually beneficial relationships and positive societal outcomes.

We engage with an extensive range of stakeholders, focusing on groups with material influence on our strategy or performance. Key stakeholders include our shareholder, the Supreme Council, Morafe, investee companies, employees, capital providers and regulatory authorities.

Stakeholder engagement principles

Transparency	We openly share information where appropriate, clarifying our intentions.
Inclusivity	We create shared value for all our stakeholders.
Responsiveness	We engage with stakeholders in a timely and effective manner.
Consensus driven	We seek win-win situations and will prioritise alternative dispute resolution during conflicts.

Quality of our relationships

The needs and priorities of our stakeholders can present strategic risks or opportunities. Consequently, the quality of each of our stakeholder relationships either supports or impedes our ability to fulfil our mandate. We classify the quality of our relationships into five categories.



Developing relationships

Initiating two-way communication; relationship still developing



Connected relationships

Collaborative engagement based on mutual benefit with joint decision-making and actions



Good relationships

Based on two-way communication and constructive engagement; RBH acts independently from stakeholders



Strong relationships

Stakeholder integrated into governance, strategy and operations management through meaningful and ongoing collaboration

The value we create for each stakeholder

Our stakeholder goals inform the value we seek to deliver to each of our stakeholders.



Our key relationships

Stakeholder	Contribution to value creation	How we engaged	Quality of relationship
RBN DT	RBN DT is our singular shareholder and contributes to value creation through our strategic financial partnership, guidance and support.	Engaged through board-to-board meetings, AGMs, and periodic reporting.	Strong relationship
Needs and expectations	<ul style="list-style-type: none"> • Growth in NAV • Portfolio diversification • Sustainable growth strategy and portfolio resilience • Debt reduction while maintaining appropriate levels of gearing • Strong and experienced management team • Ethical culture underpinned by transparency and accountability • Legal and regulatory compliance • Collaboration and support for the RBN's Plan '35 		
Our response	<ul style="list-style-type: none"> • Paid an annual dividend • Maintained a strong governance, driving a culture of ethical leadership • Highly skilled management team and an engaged workforce • Easy access for engagement and prompt response to queries • Robust engagements and recognition of shareholder needs and material matters • Executed multi-year socio-economic development projects that are responsive to the RBN's social imperatives and support Plan '35 		
Stakeholder	Contribution to value creation	How we engaged	Quality of relationship
Supreme Council and Morafe	Support our value creation through the preservation of RBN's legacy, traditions, and contributions to governance, social cohesion and inclusive development.	Engaged through the RBN DT in the form of quarterly presentations, reports and related submissions consolidated and presented to the Supreme Council, which in turn, engages with Morafe.	Strong relationship
Needs and expectations	<ul style="list-style-type: none"> • Preservation of the wealth of the RBN • Growth and diversification of the portfolio • Trust and accountability • Contribution to socio-economic development 		
Our response	<ul style="list-style-type: none"> • Strong management team supported by capable and experienced board members • Sound governance practices • Open and constructive relationship built on trust and transparency • Easy access for engagement and timeous response to queries 		

Stakeholder	Contribution to value creation	How we engaged	Quality of relationship
Employees	Employees lie at the heart of our operations, contributing skills, experience, diversity, and productivity.	Conducted employee engagement initiatives, including wellness and team-building activities. Further information is provided in the Human Capital section on page 54 of this review.	Connected relationship
Needs and expectations	<ul style="list-style-type: none"> • Remuneration and benefits • Safe and harmonious working environment • Recognition and rewards • Career development opportunities 		
Our response	<ul style="list-style-type: none"> • Fair remuneration and benefits • Safe and productive work environment • Opportunities for career development and personal growth • Easy access for engagement and timeous response to queries 		
Stakeholder	Contribution to value creation	How we engaged	Quality of relationship
Investee companies	Investee companies support our strategic objectives through capital preservation and asset growth.	We conducted one-on-one engagement with our investee companies, including representation of RBH employees on investee company boards. We also engaged through transparent disclosures including annual reports and press releases.	Good relationship
Needs and expectations	<ul style="list-style-type: none"> • Strategic financial partnerships • Sustainable value creation • Predictable yields and revenues • Ethical business practices 		
Our response	<ul style="list-style-type: none"> • Active shareholder who maintains open lines of communication through direct engagement, support to management teams and board representation • Integration of ESG considerations into portfolio management • Active support on annual B-BBEE audits 		

Stakeholder	Contribution to value creation	How we engaged	Quality of relationship
Providers of capital	Providers of capital contribute through strategic financial partnerships and industry knowledge.	Published annual and periodic reports and engaged with providers of capital on a one-on-one basis.	Good relationship
Needs and expectations	<ul style="list-style-type: none"> • Financial value creation • Predictable yields and revenues • Portfolio growth and resilience • Ethical practice and responsible investments 		
Our response	<ul style="list-style-type: none"> • Disciplined strategic execution with a focus on diversification and sustainability • Ongoing focus on embedding risk management in asset allocation and investment decision-making 		
Stakeholder	Contribution to value creation	How we engaged	Quality of relationship
Government and regulatory authorities	Provide the regulatory and policy framework required for value creation.	Legal and regulatory compliance facilitated by regular direct on strategic matters.	Good relationship
Needs and expectations	<ul style="list-style-type: none"> • Legal and regulatory compliance • Transparent reporting and disclosures • Active participation in and contribution to policy development • Contribution to tax base • Contribution to wellbeing of both the RBN and broader South African society 		
Our response	<ul style="list-style-type: none"> • Published our integrated review • Ongoing regulatory compliance, accountability and transparency • Contribution to tax revenue and job creation • Maintained B-BBEE Level 1 rating • Maintained clear channels of communication and prompt response to queries 		

Material matters

Our material matters encompass factors most likely to shape our ability to sustain value creation over time. This review focuses on elements within our control amid the dynamic operational landscape – factors impacting our six capitals and our role as a sustainable business dedicated to continual value creation, preservation, and minimising erosion for our shareholder and stakeholders.

The identification of material matters is a collective responsibility across all business units. It involves a meticulous evaluation of risks and opportunities within our operating environment, coupled with a thoughtful consideration of stakeholder needs and priorities. These matters, shape our strategy, inform our business model, and influence targets across short, medium, and long-term horizons.

We continue to adopt a double materiality approach to identify and prioritise material matters based on their impact on our value creation (inward-focused) and their societal, community, and environmental impact (outward-focused). This process aligned with international standards, drawing insights from the JSE's sustainability disclosure guidelines, Sustainability Accounting Standards Board (SASB), and the Global Reporting Initiative (GRI).

Materiality determination process

	Identify →	Assess →	Prioritise →	Apply and validate
Inputs	Identify relevant matters based on industry trends, market dynamics, internal documentation and stakeholder engagement.	Evaluate the internal and external impacts of RBH's actions.	Prioritise material matters based on their importance.	Ensure consistency with strategic objectives, six capitals and KPIs.
Process	We take an integrated approach to identify material matters that could affect our ability to preserve or create value in the short, medium and long term. This entails an analysis of our operating environment and business context including feedback from our stakeholders as well as benchmarking against industry peers.	Each material theme is assessed across a range of factors including its impact on our ability to create value (inward-focused), along with its impact on society, communities and the environment (outward-focused).	Senior management prioritises material matters based on their importance. This is then reviewed by the board.	Integrate material matters into our strategy by contextualising them into strategic priorities, guiding our integrated approach to decision-making, and ensuring alignment with strategic objectives, six capitals and key performance indicators.

RBH's 2023 material matters

Sustainable growth and wealth preservation

As responsible stewards, we prioritise sustainable growth and wealth preservation to meet today's needs without compromising the wellbeing of future generations.

How this is managed

- Portfolio growth and resilience through strategic asset acquisitions
- Long-term investment horizons
- Business strategy focused on the growth and diversification of the portfolio
- Support to investee companies through board representation



Achievements

- Met dividend commitment to shareholder
- De-risked portfolio through debt reduction
- Reduced concentration risk through geographic diversification
- Advanced the integration of ESG considerations into investment decisions

Responsible investment

Our approach to investment is built on the knowledge that for Bafokeng to thrive into the future, ESG considerations need to be factored into everything we do.

How this is managed

- Strong governance and compliance framework
- Ethical culture
- Clear policies on investment decision-making
- Ongoing engagement with regulators



Achievements

- Used Shareholder Compact and the SAA to guide investment decisions
- Applied ESG criteria to all investment decisions
- Met dividend obligation to shareholder
- Maintained Level 1 B-BBEE rating

Agility and innovation through technological advancements

Remaining responsive to evolving challenges, we embrace innovation and leverage technology to enhance our operations in a dynamic environment.

How this is managed

- Effectively ensuring all activities associated with information and technology are aligned with our overall strategic objectives
- Compliance with IT governance principles as set out in King IV



Achievements

- Improved organisational efficiencies using technology
- Reviewed and approved IT strategy and policies

RBH's 2023 material matters continued

Good governance and ethical leadership

Our governance approach is rooted in traditional values integrated with modern modalities, emphasising accountability, integrity, collective decision-making, and ethical leadership.

How this is managed

- Strong governance and compliance framework
- Contribution to broader development agenda of South Africa through job creation and tax contributions
- Clear policies on investment decision-making
- Ongoing engagement with regulators
- Increased focus on IT security and data management controls with a view to managing IT risks and enhancing business continuity



Achievements

- Conducted a shareholder engagement survey and applied recommendations obtained from stakeholders
- Completed an internal board evaluation

Contribution to society and leveraging good stakeholder relations

Understanding stakeholder interests and concerns is integral to our social license to operate, fostering positive relationships through accountability, integrity, collective decision-making, and ethical leadership.

How this is managed

- Ongoing assessment of CSI expenditure and progress against planned initiatives
- Partnering with RBN entities to support the strategic imperatives of Plan '35



Achievements

- Supported the implementation of multi-year community investment projects through a partnership approach that allows for synergies and collaboration
- Maintained Level 1 B-BBEE rating

The future world of work

Building a performance-driven culture is a priority, creating an engaged and motivated workforce. This is supported by a safe and productive working environment that enables employees to thrive into the future and ensures the right talent is in place to support the long-term ambitions of the business.

How this is managed

- Implementation of HC strategy geared towards attracting, developing and retaining top talent
- Succession planning to ensure a steady pipeline of talent to meet future business needs
- Implementation of structured wellness programmes aimed at improving employee engagement, health and safety



Achievements

- Completed automation of performance review system
- Implemented ongoing learning and development programmes
- Implemented several employee engagement initiatives including off-site team building and an employee wellness day

Risk management

We foster a proactive risk culture that integrates a top-down approach, systematically incorporating risk considerations into all decision-making processes. Simultaneously, a bottom-up approach grounds our risk management in strategic imperatives and day-to-day activities. Ethical practice forms the bedrock of our risk management philosophy, guiding prudent business decisions rooted in sound governance principles.

Our integrated risk management framework ensures consistency in addressing uncertainties within our operational landscape. This encompasses risks and opportunities associated with our strategy, prevalent in both our internal and external operating environments. We conduct assessments of existing and emerging risks to maintain a comprehensive perspective.

Aligned with the six capitals, our risk management culture is shaped by our risk framework, guidelines, SAA, and other policies. These documents emphasise the consideration of the needs and priorities of our key stakeholders, reflecting our commitment to responsible corporate citizenship. Each risk is evaluated within the bounds of board-approved risk appetite and tolerance levels, subject to periodic reviews and updates.

Our enterprise risk management (ERM) philosophy adheres to industry best practices and incorporates the following frameworks:

- Integrated ERM Framework of 2004 – Committee of Sponsoring Organisations
- ISO 31000 of 2009 – International Organisation for Standardisation
- ISO 37000 of 2021 – International Organisation for Standardisation

- King IV Code
- Integrated Reporting Framework

Understanding our risk environment serves as a strategic compass, guiding decision-making processes across the entire organisation.

Risk management framework

The Chief Financial Officer is responsible for ERM and has a direct line to the Audit and Risk Committee (ARC).

Risks are identified, analysed and rated

The risk register is prepared periodically.

Risk register is compiled and submitted to ARC

Every quarter, existing and emerging risks are presented to ARC for inclusion in the risk register at the board's discretion.

ARC recommends risk register to the board

The board approves the risk register and makes decisions on risk appetite.

Risk governance

The board oversees RBH's risk framework, policies, and processes, entrusting these matters to the ARC. While the ARC handles material matters, the board remains ultimately responsible for developing and implementing the risk management strategy and plan. The ARC's mandate ensures comprehensive reporting, providing the board with valuable insights into the company's material risks and opportunities. Through the ARC, the board assesses potential risks and opportunities. The board is satisfied that RBH has effective risk management processes.

Risk appetite

RBH maintains a low tolerance for risks that could erode capital, damage reputation, or significantly impact society. We enforce a zero tolerance for unethical behaviour, including fraud and corruption, adhering to the highest standards of governance and ethical practice. Internal controls align with the nature and scale of business processes. A robust Code of Conduct and whistle-blowing policy are in place to facilitate disclosures related to ethical breaches, fraud, and corruption. The Code of Conduct undergoes regular reviews and updates.

Key developments in 2023

In 2023, we continued our prudent investment approach by reducing portfolio concentration and debt, and maintaining sufficient liquidity in the portfolio, further mitigating business risks. The risk framework was updated in alignment with strategic objectives and priorities, including a board review of risk appetite and tolerance levels.

Outlook

Looking ahead, RBH will maintain a vigilant approach to risk within a robust control environment. Oversight of RBH's risk framework, policies, and processes will continue, setting the direction for risk approach and management in a stakeholder-inclusive manner. Emphasis will be placed on ensuring comprehensive assurance coverage through a combined assurance model. Constant assessment of the threat landscape is a priority to ensure the resilience of information security management systems against evolving threats.

4

Sustaining value creation



Portfolio review

Operating context

RBH demonstrated resilience amid a tumultuous macroeconomic landscape, navigating challenges like the US banking crisis and global economic uncertainties. Robust financial services performance led to a commendable 7% increase in the overall portfolio, reaching R49 billion as at 31 December 2023, from R46 billion NAV in 2022.

Review of portfolio and key transactions

Our strategic priorities for 2023 focused on diversification, both geographically and across asset classes. The intentional move towards increased global exposure aimed to address portfolio concentration, aligning seamlessly with our shareholder-approved SAA. Concurrently, we maintained a steadfast commitment to infrastructure investments as a strategic and non-cyclical asset class. Notably, within this commitment, the exploration of potential opportunities in renewable power marked key highlights during the specific review period.

In our continuous pursuit of responsible investing, we made significant progress in integrating ESG considerations into our decision-making processes. The ongoing development of formalised ESG processes reaffirms RBH's

dedication to sustainable investment practices. This commitment aligns with our core mandate, emphasising responsible investing, managing portfolio concentration and strategically positioning RBH for future global opportunities.

The pleasing performance of our financial services assets was partially offset by setbacks in PGM assets. Another key portfolio development in line with our diversification strategy was the exit from Momentum. Driven by our ambitions to optimise the portfolio and rebalance exposures, this move reflects a nuanced approach to risk management. Proceeds from the Momentum transaction enhanced our liquidity position and provided resources for strategic reinvestments, positioning RBH for continued success.

Outlook

RBH's forward-looking strategy is evident in our emphasis on diversification, spanning geography and asset classes. Notably, the de-risking of our portfolio, exemplified by the reduction of debt by 50% during the period, positions RBH for increased portfolio resilience and growth.

Looking ahead, we expect challenges to persist in the domestic economy, including unemployment, load shedding and logistic constraints, presenting hurdles for the businesses that RBH has invested in. Despite these risks, RBH enters 2024 with strong momentum and a clear set of strategic choices centred on diversification and prudent management of our investment portfolio. RBH's commitment to disciplined strategic execution, coupled with the dedication and expertise of our investment team, who bring diverse skills and competencies to the table, sets the stage for continued success and growth in the face of dynamic market conditions. The board and executive management team are confident that this will contribute to another positive year of top-line growth for our business.

Overview of our performance by asset class

In this edition of our integrated review, we shift from sector-based reporting to an increased focus on asset class performance, offering stakeholders insights into our diversified investment strategy.

In 2023, the board and executive team actively engaged with the shareholder to propose changes to the SAA, aiming to ensure RBH remains fit for purpose and agile in an evolving market. These adjustments, including refined allocations in South African (SA) equity and an increased focus on global equity, underscore our commitment to a dynamic and balanced portfolio.

Aligned with RBH's overarching goal of protecting and growing the wealth of the RBN, guided by prudent stewardship and principles of responsible investment, the changes to our SAA have positioned us for future success.

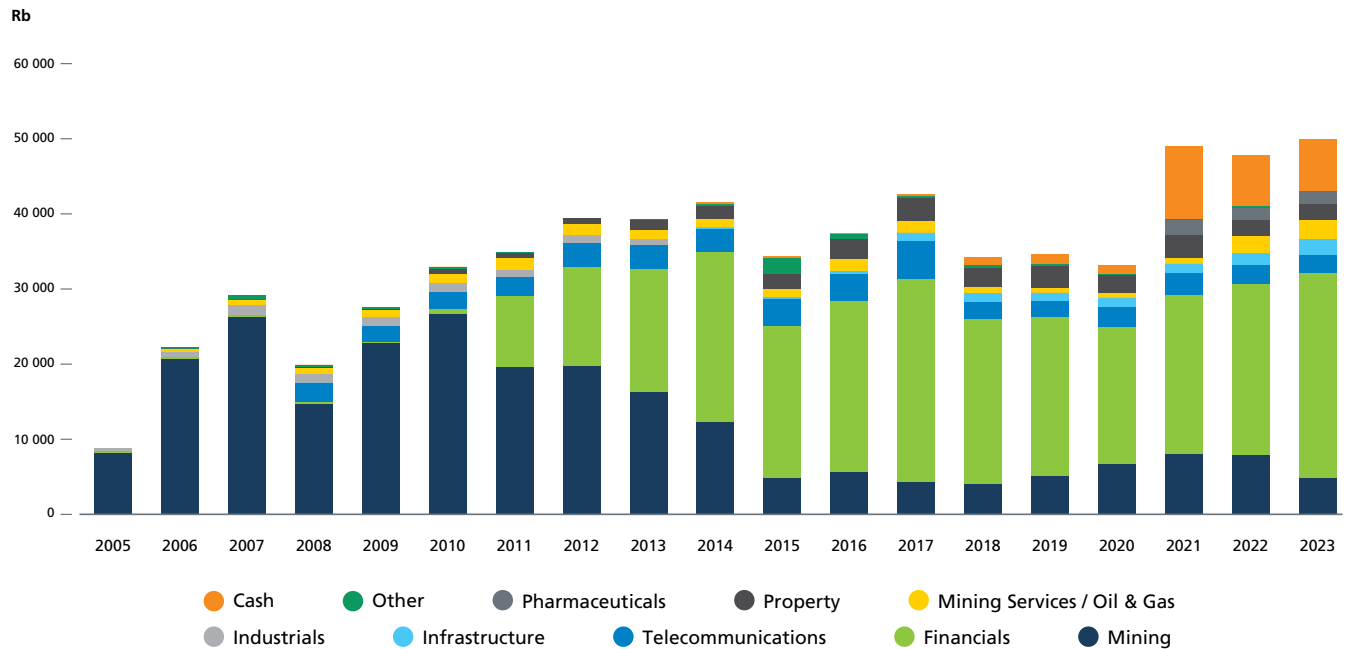
RBH Investment Portfolio summary

Per SAA asset class	2022 December classification	2023 December classification
Africa equity	73%	70.3%
Global equity	1%	2.9%
Real assets:	12%	11.8%
Property	5%	4.4%
Infrastructure	7%	7.4%
Absolute return	0%	0.3%
Credit	0%	0.9%
Cash	14%	13.8%

Investment timeline

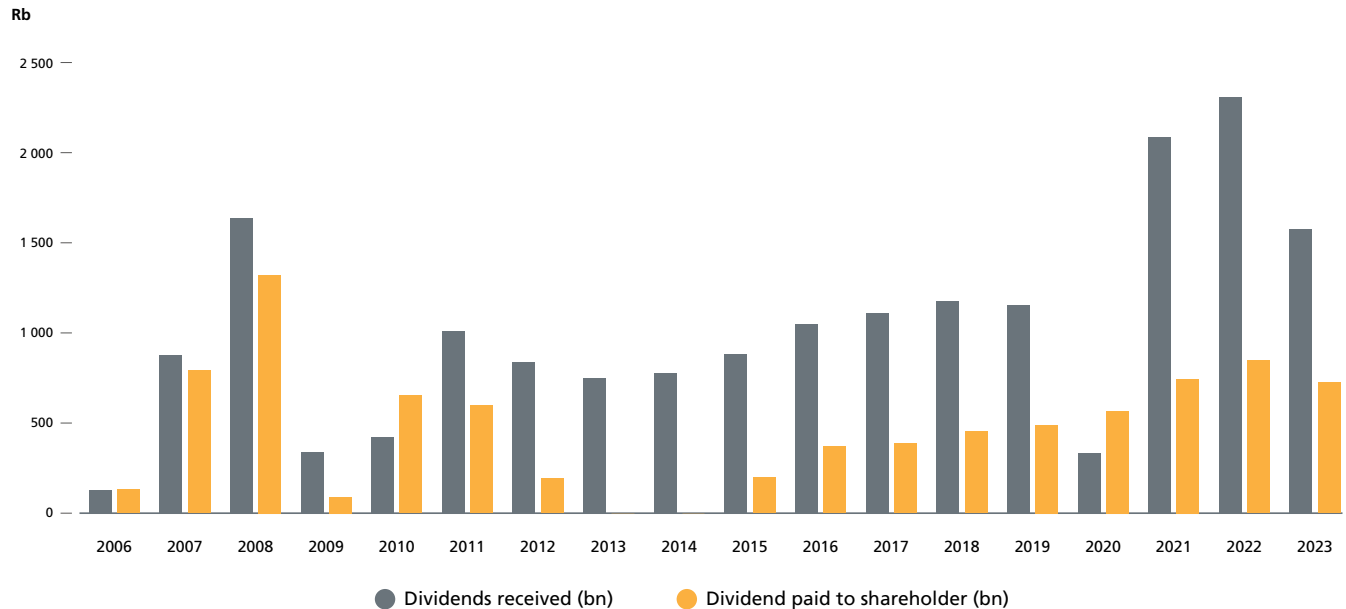
Our investment history and RBH's diversification strategy of recent years are illustrated below.

Gross Asset Value



Financial capital and dividends paid

The graph depicts the dividends received by the portfolio over time and the amounts paid to the shareholder after reinvestment and servicing of debts.

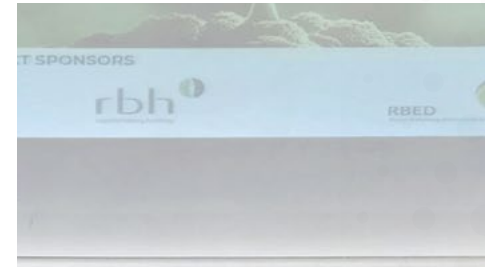


Dividends
received (bn)
**Total
R18.4 billion**

Dividend paid
to shareholder (bn)
**Total
R8.5 billion**

Social impact

Since our establishment in 2006, RBH has contributed R8.5 billion to the RBDNT through dividends. These funds have been directed to our shareholder to contribute towards social initiatives, including the construction of schools, roads, health facilities and the provision of various other social services in the RBN.



While our core mandate is rooted in strategic investments to grow and protect the wealth of the RBN, we actively contribute to the development imperatives of both the Nation and broader South African society. We strive to make a meaningful contribution to broad-based transformation, inclusive development and sustainability. This includes payment of an annual dividend and taxes, procurement of local goods and services, empowerment of youth through skills development and active participation in social investment programmes.

We achieve this in collaboration with a range of strategic partners, including RBN implementation entities, our investee companies as well as civil society, supporting strategic multi-year projects and contributing to sustainable socio-economic development.



RBH SMMEs at the ESD pitch for funding session.

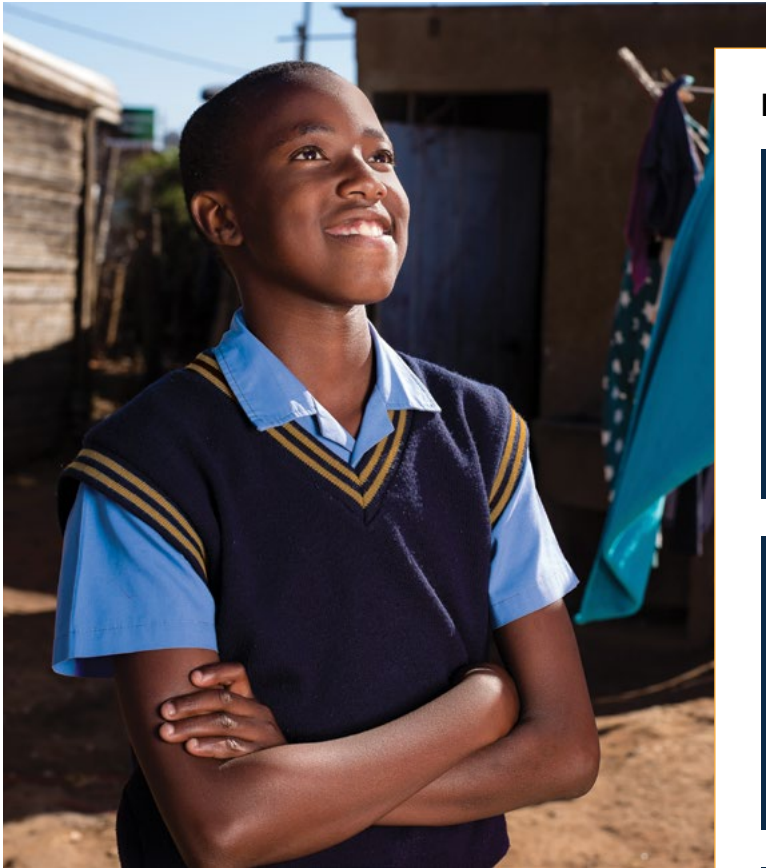
Transformation

RBH is a Level 1 B-BBEE contributor. As a community-owned investment company, our primary goal is to direct revenue from the resources and assets of the RBN towards tangible community development programmes that demonstrate real transformation. This enables us to facilitate broad-based socio-economic development through our shareholder. We are proudly 100% black-owned by the RBN through the RBN DT, and our employment equity profile aligns with the B-BBEE scorecard criteria.

Contributing to socio-economic development

We are a responsible contributor to the national fiscus in the form of taxes and employment opportunities. In the 18 years since our establishment, we have created jobs, the majority of which for historically disadvantaged individuals, enabled local small business development and contributed towards socio economic development as part of our social impact imperatives. Our social investments have benefited not only Bafokeng, but all those who live in the RBN and access services provided by the RBN. We create value for the RBN and broader South African society by investing in community wellbeing. Our social spend is strategically directed towards specific priorities, aligning with our social transformation strategy and the goals of Plan '35. Our vision is to enhance the socio-economic development programmes of the RBN by partnering, and directly supporting those initiatives that are sustainable, improve the quality of education, support the growth of small businesses and empower the youth. This is done in alignment with the B-BBEE codes of good practice.

In pursuit of these objectives, we actively collaborate with various stakeholders, including our investee companies, NGOs, mining houses operating in the region and government entities. Additionally, we work closely with our sister entities in the RBN, such as RBA, RBED, RBI and RBS. This collaborative effort involves financial support and direct support for projects aimed at enhancing the quality of education, empowering the youth, and fostering inclusive development.



Partnerships and collaboration

We actively seek partnerships with civil society and government, emphasising shared values for real transformation. Collaboration extends to investee companies in relevant CSI and enterprise development projects, depending on RBH's ownership interest or agreements. Funding relationships are typically reviewed annually to assess impact and ensure strategic alignment, as per agreements. Delegation of authority terms govern approved applications, ensuring transparent governance. Rigorous monitoring and evaluation, including quarterly visits and reports, with independent evaluations if needed, ensures accountability.

Focus areas and desired goals

EDUCATION

In line with the aspirations of RBI, RBH would like to see the percentage of learners passing Mathematics and Physical science increase from current levels. Additionally, a focus on accounting in schools is included to develop a pipeline of students who are interested in pursuing a career in this stream. This has informed RBH's support of the maths, science and accounting programmes in the RBN.

ENTERPRISE DEVELOPMENT

In partnership with RBED, RBH would like to grow the percentage of SMMEs whose revenue and job creation is on a growth trajectory. This is currently being done through the implementation of the Kgolo ESD programme to develop quality, sustainable SMMEs as part of the RBN's Plan '35.

COMMUNITY DEVELOPMENT

As a responsive and agile business in touch with the communities within which we operate, RBH contributes to community development through various support. This includes investing in and supporting the implementation of the RBN social projects following the 2021 platinum transaction to respond to the most pressing needs in the RBN. This has been the basis for RBH's support of the four social projects committed to following the 2021 platinum transaction.

Social initiatives

The 2021 Northam Platinum transaction unlocked significant value for our shareholder. These initiatives focus on addressing youth unemployment through skills development, supporting SMMEs through ESD, providing reliable and safe water, and ensuring a secure and affordable energy supply. The successful delivery of impactful and sustainable projects relies on precise planning, thorough due diligence, and the careful selection of implementation partners, all of which require time. To expedite the execution of these social initiatives, we have established a steering committee that convenes fortnightly to monitor progress and provide strategic oversight of the projects.

In 2021, RBH declared a special dividend of R175 million and another special dividend of R175 million in 2022, earmarked for the RBN integrated water project. The focus is on ensuring secure, affordable, and high-quality water for Morafe on a sustainable and uninterrupted basis. This ongoing initiative implemented by the RBA addresses challenges related to intermittent water supply and water quality within the RBN. In 2023, notable developments include the completion of borehole drilling and testing across most of RBN areas, plans for anthropogenic aquifers and efforts to fast-track projects like Phokeng North.

Implementation partners

RBNDT

RBA

The renewable energy project is designed to strengthen energy supply security and reduce energy costs for the RBN. In the year under review, the project reached its concluding stages of design. An implementation plan encompassing a core engineering offering and an ongoing access to skills programme has been put in place for the initiative. The project is progressing towards achieving financial close. This milestone marks the stage where all necessary financing agreements and conditions will be met. Subsequently, commercial operations are scheduled to commence thereafter. Various short-term and long-term funding options are being explored to ensure robust support for the project's objectives.

Implementation partners

RBNDT

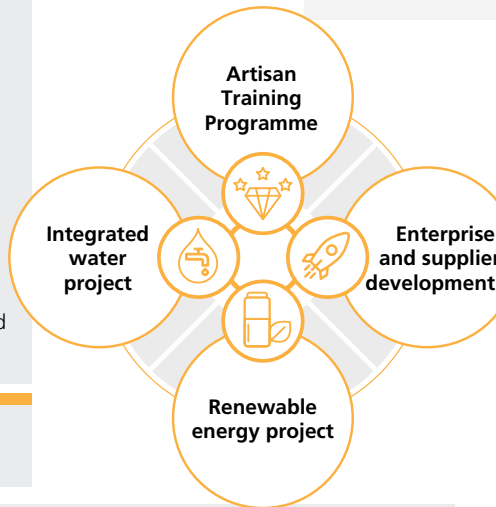
RBA

The Artisan Training Programme is a strategic initiative focused on addressing youth unemployment and enhancing the employability of RBN youth through artisan skills development. Implemented in partnership with Impala Platinum, the programme saw its first intake of 50 learners begin training in October 2023. Plans are underway for additional intakes to capacitate an increased number of learners. These learners will undergo training in engineering trades as part of a comprehensive three-year learnership programme.

Implementation partners

RBI

Impala Platinum



The Kgolo Enterprise and Supplier Development programme is a project designed to foster growth, sustainability, and local economic development by providing access to essential resources such as skills, finance, and facilitating market access. It places a priority on ensuring the quality, scalability, and sustainability of supported SMMEs. The programme offers access to business development skills, short and medium term funding options for working capital needs and long-term loan funding facilitated through a facility established by RBH, and enabling market access.

In 2023, the programme saw 25 RBN SMMEs presenting funding proposals, resulting in 12 approvals totalling R13 million. Despite promising initial strides, continuous vigilance towards execution risk and stakeholder engagement remains a top priority. It is pleasing to note that the funded SMMEs have maintained an almost 100% repayment rate, contributing significantly to the sustainability and scalability of the programme.

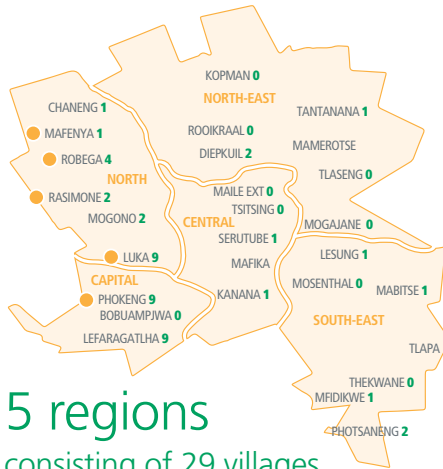
Implementation partners

RBED

Edge Growth

HIGHLIGHTS: KGOLO ESD PROGRAMME

Participants geographic location



5 regions
consisting of 29 villages

RBN VILLAGES

- Number of successful applications

Programme participants

25

INDUSTRIES
REPRESENTED

84

SMMES ACTIVELY
PARTICIPATING

BLACK OWNED

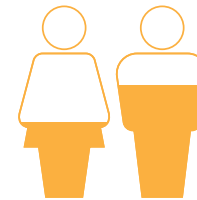
98%

BLACK
WOMEN OWNED
BUSINESSES

37%

40%
FEMALE

60%
MALE



Programme Pillars

- **Access to skills:** deliver customised business support appropriate for life stage of the business
- **Access to market:** Finding more customers or selling to larger companies by accessing corporate supply chain opportunities
- **Access to funding:** provide short and medium to long-term interest free funding to SMMES that would struggle to access funding elsewhere

Programme Interventions

Access to skills

- 34 Bootcamps
- 4 383 Mentorship Hours
- 97% Specialist Projects Completed

Access to market

- 80% identified new opportunities, some registering on new databases

Access to finance

- 25 businesses pitched for funding
- 12 SMMES awarded funding

Impact

Access to skills

- Key areas of skills developed in **pricing, financial management/budgeting and sales/ business development**

Access to market

- 56% secured new work opportunities that has contributed to 25% revenue growth as well as a 31% profit margin

Access to finance

- R13 million in funding awarded to RBN SMMES
- 100% repayment rate

Key metrics

- 468 permanent and 19 temporary jobs created
- Growth in Revenue and Profit that is a step-change versus past growth
- Programme rated 4.5/5 by programme participants

HIGHLIGHTS: ARTISAN TRAINING PROGRAMME

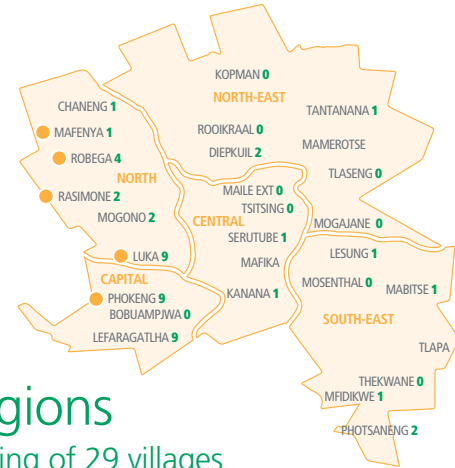
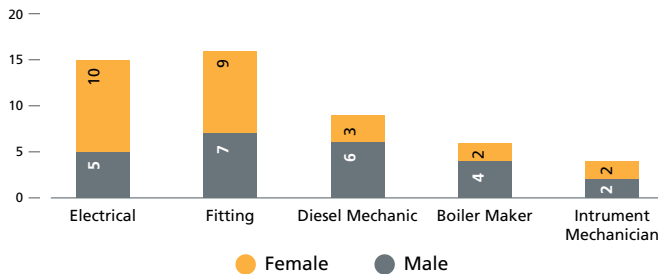
50

**LEARNERS RECRUITED
FOR FIRST COHORT**

5

ENGINEERING TRADES

LEARNER BREAKDOWN



5 regions
consisting of 29 villages

RBN VILLAGES

● Number of successful applications

26
FEMALE



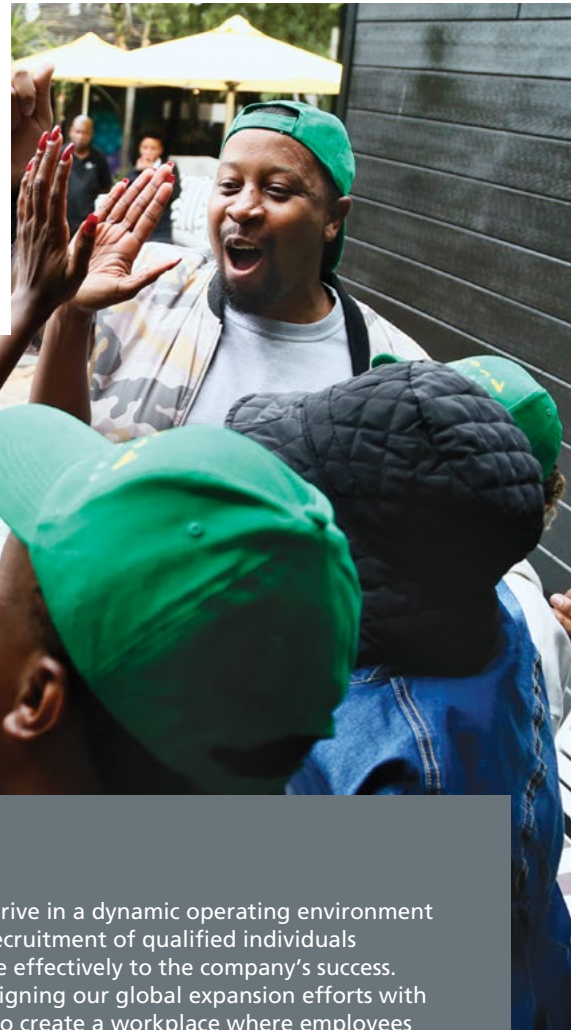
24
MALE



Artisan trainees

Human capital

Our employees enable us to address the diverse needs and priorities of our stakeholders. They serve as ambassadors of RBH, influencing our reputation and enabling us to deliver on our mandate and fulfil our responsibilities as a responsible corporate citizen.

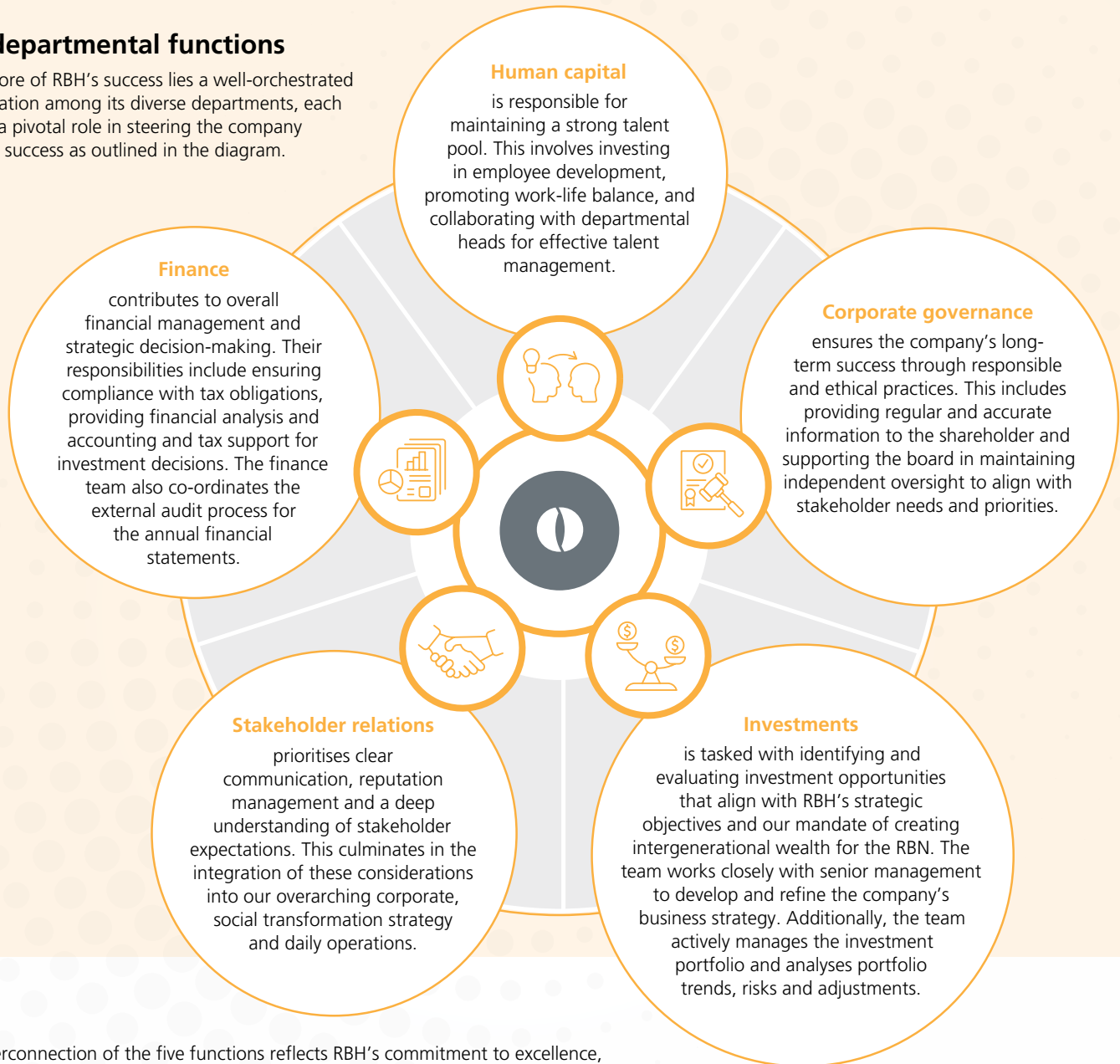


Strategic overview

RBH's human capital strategy cultivates a workforce that can thrive in a dynamic operating environment and the evolving world of work. The strategy emphasises the recruitment of qualified individuals possessing the right skills, experience and attitude to contribute effectively to the company's success. This commitment to human capital was underscored in 2023, aligning our global expansion efforts with a deeper sense of purpose. This transformative approach aims to create a workplace where employees not only find satisfaction, and recognition but also significant opportunities for skills and career development, allowing them to grow with the business and share in the value generated through their dedicated efforts.

Our departmental functions

At the core of RBH's success lies a well-orchestrated collaboration among its diverse departments, each playing a pivotal role in steering the company towards success as outlined in the diagram.



This interconnection of the five functions reflects RBH's commitment to excellence, ethics and sustainable growth. Together, these departments form a cohesive unit, propelling RBH towards continued success in a dynamic business landscape.

Performance and talent management

At RBH, we foster a culture of excellence, urging our employees to uphold high standards of performance that align with our mandate, strategic objectives and organisational culture. To gauge employee effectiveness, we conduct assessments encompassing both performance and values-based behaviour. This approach aims to align individual performance standards and expectations with our strategic business objectives, as outlined in our corporate scorecard. In pursuit of continuous improvement, RBH successfully completed the migration of our performance management system to the cloud in 2023. This transition not only ensures seamless data management but also reflects our commitment to staying at the forefront of technological advancements to enhance our overall performance management processes.

Employee wellness

We believe that maintaining good health and wellbeing is crucial for our employees. Our overarching goal is to support them in managing stress, fostering healthy relationships and achieving optimal productivity. Throughout 2023, we implemented diverse wellness initiatives to address these facets. These included engaging team-building activities, regular team interactions and the provision of counselling and financial advisory services. These services were available to all employees, ensuring a holistic approach to wellbeing. Additionally, we offered a subsidised gym membership subscription to further support physical health. Notably, we observed a rise in employees seeking one-on-one support across emotional, social, physical and personal finance areas.

Employee engagement

We uphold our employee value proposition to be an employer of choice, fostering meaningful engagement with the individuals we attract and retain for the long-term sustainability of our business. Our established engagement structures prioritise effective communication, keeping employees well-informed about key organisational changes, health, wellness, safety, and operational and financial performance. Insights gathered from employee engagement initiatives guide us in enhancing our processes and workplace environments. Our values and culture form the bedrock for behaviours, mindset, and philosophy, providing our employees with a strong sense of belonging in the workplace. Through various initiatives, we consistently embed our values and culture, ensuring ongoing alignment with our organisational purpose and strategic objectives.



2023 employee engagement survey

As part of our ongoing commitment to employee engagement, we conduct an annual survey aimed at understanding the sentiments and perspectives of our workforce. This longstanding practice underscores our dedication to fostering a workplace culture that values feedback and prioritises continuous improvement for the wellbeing and satisfaction of our workforce.

The survey conducted in 2023 achieved a 100% response rate, showcasing improvement from the 91% rate in 2022.

The overall engagement score increased slightly to 87.2% in 2023 from 86.5% in 2022, indicating a positive trend in participant perception and involvement. This increase affirms the effectiveness of our ongoing employee engagement initiatives.

Skills development programmes

Employee initiatives	Employee training and development	<ul style="list-style-type: none"> RBH affords its employees an environment where personal growth and development opportunities are encouraged. This, in turn, enables employees to gain knowledge to improve job performance
Youth empowerment initiatives	RBH Bursary Fund <ol style="list-style-type: none"> CA Bursary (CA) Investment (CFA) Generic stream – creating a pipeline/feeder for RBH programmes 	<ul style="list-style-type: none"> RBH established a bursary programme in 2018 to sponsor qualifying students to pursue a field of study in line with RBH's mandate. By so doing, it affords these students a chance for future success in their chosen profession and a better future overall
	RBH Internship Programme <ol style="list-style-type: none"> Investments Stakeholder Relations Human Resource Finance 	<ul style="list-style-type: none"> The aim of the internship programme is to facilitate the placement of university graduates who have performed well academically and are seeking job opportunities
	RBH Learnership Programme <ol style="list-style-type: none"> Chartered Accountant Trainee Thutopele learnership <ul style="list-style-type: none"> Chartered Secretaries (CGISA) Hospitality and other industries 	<ul style="list-style-type: none"> CA Trainee – The training programme is structured to develop well rounded finance professionals and involves a three-year rotation plan exposing trainees to various business units Thutopele – The programme is designed to afford a learning opportunity to grade 12 learners who come from disadvantaged family backgrounds with limited or no funds to attend/register for a learnership qualification ranging from NQF4 CGISA – Through the Chartered Governance Institute of Southern Africa, RBH aims to enrol qualifying learners in a three-year qualification programme from (NQF 5 to NQF 7) while obtaining practical work experience. Students will be placed at a host company for practical work experience

Learning and development

Learning and development is a key priority for RBH, reflecting our commitment to equipping our workforce with the knowledge and empowerment needed to drive our growth aspirations. Throughout 2023, we implemented a diverse range of training and development initiatives, tailored to address distinct employee needs. Our efforts included financially supporting employees pursuing formal qualifications, spanning from undergraduate to masters levels. In addition, we continued to facilitate access to skills development opportunities through Udemy, an online learning platform offering over 200 000 courses. This approach empowered employees to engage in short courses across various fields at their own pace, fostering continuous learning.

Our commitment to nurturing talent extended to the younger generation, with investments in the education of RBN youth. Through our “Class Of” Programme, we provided internship opportunities to seven* young people in relevant departments within our business. This support ensured they gained valuable work experience, contributing to their holistic development. The positive outcomes of our investment in talent were evident in our strong performance during the year, contributing to maintaining our B-BBEE Level 1 rating.



RBH Chartered Accountancy trainees

SKILLS DEVELOPMENT

In 2023, we expanded our internship and learnerships programmes to encompass industries such as hospitality, retail and corporate secretarial internships. This is over and above the chartered accountancy traineeship programme which aims to create a pathway into RBH's finance and investment departments.

GRADUATE PROGRAMME AND BURSARIES

RBH's bursary fund continues to support students pursuing qualifications relevant to the company's needs, fostering a pipeline of talent that is equipped to meet the future needs of the business and those of broader South African society. The graduate programme, though small in scale, has proven successful in providing a start to young professionals, acknowledging the competitive nature of absorption opportunities.

* 2023 internship programme breakdown

2 Communication interns	1 Finance intern	1 IT Intern
1 Human Capital intern	1 Investments intern	1 Company Secretary Intern

Looking ahead

As we reflect on 2023 and look beyond, we will continue to prioritise our people as a central catalyst for sustainable value creation. Our commitment translates into ongoing investments aimed at instilling a performance-driven culture, one that not only enhances business outcomes but also positively influences the lives of our employees through appropriate rewards, motivation and avenues for personal development. Simultaneously, we remain dedicated to upholding the health and wellness of our employees, recognising it as a cornerstone for fostering an engaged workforce and nurturing effective employee relationships

37*

NUMBER OF EMPLOYEES
2022: 35*
5% ▲



**WOMEN
EMPLOYEES**

57%

2022: 54%
3% ▲

**BLACK
EMPLOYEES**

87%

2022: 86%
1% ▲

**BLACK
AND FEMALE
EXCO MEMBERS**

83%

2022: 83%

Employees given education support

TRAINING, LEARNERSHIPS, BURSARIES



* Includes interns and trainees

5



Sustaining value creation
through good governance

Our governance philosophy

RBH is committed to the highest standards of governance, rooted in our mandate, and the legacy and traditions of Bafokeng. These values, including transparency, accountability and collective decision-making, are integral to our ethos. Aligned with King IV principles, our governance approach focuses on outcomes, emphasising the board's role in achieving ethical culture, effective control and stakeholder legitimacy. These principles are woven into our internal controls, policies and corporate conduct procedures, reflecting our commitment to ethical governance.

Our governance framework is benchmarked against industry peers and aligns with local and international best practices. Guided by robust policies and standards, strategically designed for regulatory compliance, growth, and sustainability, our governance framework ensures the consistent pursuit of stakeholder interests. **We have adopted various frameworks, standards, and codes, reflecting our dedication to maintaining the highest standards of corporate governance:**

- King IV Code
- Responsible Investing Framework
- The Department of Trade, Industry and Competition (dtic) B-BBEE Codes of Good Practice
- The Companies Act

Our governance objectives encompass ensuring the implementation of **effective controls, setting and steering the strategic direction of the business, maintaining legitimacy and consistently delivering strong performance and sustained value creation.**

At the core of our governance philosophy is a commitment to maintaining legitimacy and credibility. This dedication is reflected in open communication, regular stakeholder engagement and adherence to ethical practices. We build trust with our diverse stakeholders, reinforcing our role as responsible stewards of the wealth of the RBN.



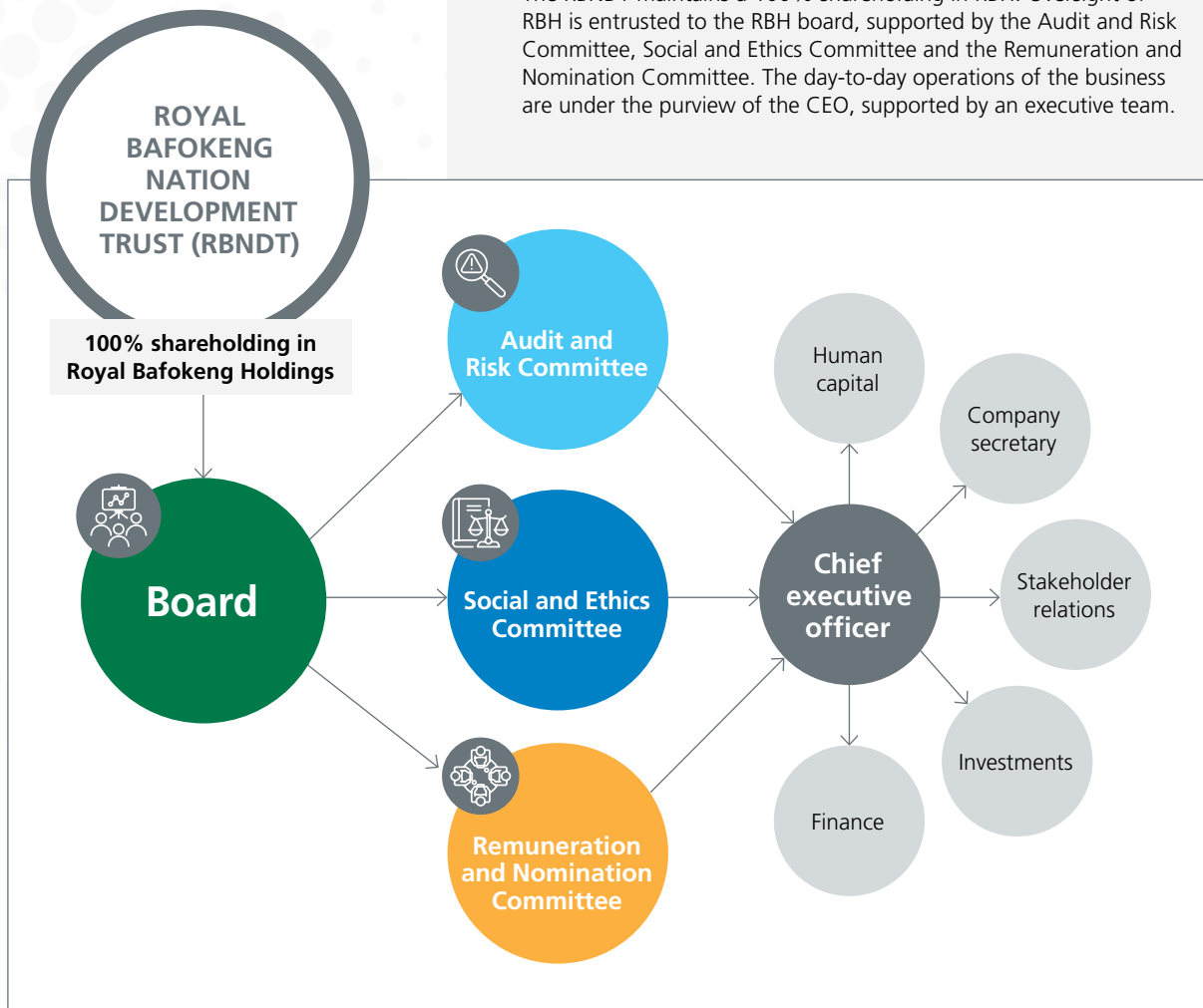
Ensuring effective controls is integral to our commitment to good governance, safeguarding the integrity and stability of our operations. This is achieved through regular risk assessments and a culture of compliance. Our robust internal control environment enhances our capacity to navigate challenges, prioritise stakeholder interests and protect and grow the wealth of the RBN.

Our governance objectives culminate in the pursuit of strong performance and sustained value creation. We strive for excellence in all our operations, from financial management to corporate responsibility.

Our governance objectives culminate in the pursuit of strong performance and sustained value creation. We strive for excellence in all our operations, from financial management to corporate responsibility.

Our governance structure

The RBNDT maintains a 100% shareholding in RBH. Oversight of RBH is entrusted to the RBH board, supported by the Audit and Risk Committee, Social and Ethics Committee and the Remuneration and Nomination Committee. The day-to-day operations of the business are under the purview of the CEO, supported by an executive team.



Leadership responsibilities at RBH

The board, led by the chairman and supported by non-executive directors, actively oversees strategic direction, financial integrity, and stakeholder interests to ensure accountability and sustained performance.

Role and responsibilities of the board

The board is the custodian of corporate governance and ethical leadership. It ensures oversight of financial statements, integrated reviews and public reports. Delegating management to the CEO, the board aligns business goals, promotes ethical conduct, and oversees risk management and compliance. Additionally, it self-monitors, implements succession planning, and addresses matters of discipline for executive directors. Ultimately, the board holds strategic oversight, accountability, and responsibility for RBH's performance and affairs.

Role and responsibilities of board chairman

The chairman of RBH plays a pivotal role in steering governance and strategic leadership. Responsibilities include presiding over board meetings, setting the agenda, and establishing an ethical tone. The chairman ensures the board's effectiveness in shaping and implementing the company's strategic direction, providing overall leadership. Additionally, the chairman is accountable for delivering complete, timely and accurate information to the board, fostering an environment of informed decision-making. Upholding the integrity and effectiveness of the board, setting performance expectations and offering crucial support to the CEO are integral aspects of the chairman's responsibilities.

Role and responsibilities of non-executive directors

Non-executive directors contribute to the company's strategic direction, offering independent oversight in the best interests of RBH's stakeholders. They bring diverse perspectives to foster constructive dialogue within the board. Responsibilities include monitoring management performance against agreed strategic goals, ensuring the effectiveness of internal controls and maintaining the integrity of financial reporting. Non-executive directors also review and oversee remuneration, succession planning and talent management policies, determining appropriate levels of remuneration for executive directors. Additionally, they play a crucial role in overseeing risk management, ensuring financial controls' integrity, and ensuring that company accounts and external reports provide a truthful and fair reflection of actions and performance.

Role and responsibilities of executive directors

The executive directors lead the day-to-day operations of RBH, implementing strategies and ensuring performance delivery aligned with the board's direction. Responsibilities include resource allocation, promoting ethical conduct and maintaining effective internal controls. Executive directors play a key role in providing leadership, acting as the primary external representatives, and delivering timely information to the board. Upholding integrity and collaborating with the chairman are also key aspects of the responsibilities of executive directors.

Key board focus areas in 2023

In the year under review, board decisions were guided by a dedication to positioning RBH for success in a dynamic operating environment, aligning with the company's vision and mandate. Additionally, board focus areas reflected RBH's commitment to creating shared value for stakeholders, prioritising employee wellbeing, and upholding our reputation as a responsible corporate citizen. The board focused on the following topics during 2023:

Strategic performance

Strategic discussions at board and relevant subcommittee meetings remained key on the agenda as guided by the annual workplans. The board debated and provided input into the strategy before approving RBH's global asset strategy and refreshed strategy. This included deliberating on the group's material matters, financial and non-financial targets, relevant risk appetites and decisions around resource allocation. The refreshed strategy – which incorporates the value drivers of growth, risk and capital management – drives value creation as we seek to deliver on our long-term goals and achieve our diversification targets.

Board succession

Succession planning for board members is a critical responsibility overseen by the board, with support from the Remuneration and Nomination Committee. In 2023, the board focused on augmenting its capabilities, culminating in the appointment of two new independent non-executive directors who bring extensive knowledge and experience. This strategic move enhances the board's expertise and positions it to effectively pursue its objectives in the coming years.

Our board of directors

Independent non-executive directors



Moses Kgosana (65)*

Hons B. Compt, UNISA; Chartered Accountant (SA), UNISA; Executive Development Programme, GIBS

Moses was appointed to the board as Chairperson on 1 January 2024. He is the chairman of MOGS and Desmond Leach Trust. Moses also serves as the Audit Committee chairman of Clinix Health group, chairman of the Phembani Remunerations Committee, and a member of its Audit Committee. He held various positions including CEO and chairperson at KPMG and was a member of the IFRS advisory council of the IASB. Moses previously served as non-executive director at Alexander Forbes, Imperial Holdings, Massmart Holdings, Transaction Capital, AECl, and Famous Brands and has over 40 years of accounting, auditing and advisory experience within the public and private sectors.



Monhla Hlahla (60)**
Chairperson

BA Economics (Hons), Pomona College (USA); MA (Urban and Regional Planning), UCLA School of Architecture and Planning (USA)

Monhla joined the board on 1 March 2011 and was appointed as chairman on 27 March 2012. She is a non-executive director at Discovery and previously served as the managing director of Airports Company South Africa, chairman of the Industrial Development Corporation and the president of the African Chapter of Airports Council International. Monhla was a member of the Remuneration and Nomination Committee and the Social and Ethics Committee.






Tshidi Nyama (63)***

BCom, University of the North; MBA, University of Bridgeport (USA)

Tshidi was appointed to the board on 1 October 2007. She is a partner at Makhup Business Services and Coaching. She serves on the board of AVBOB and chairs its social and ethics committee. She has held senior positions at Spoornet and BHP Billiton Manganese, as well as several non-executive directorships. Tshidi was the chairman of the Social and Ethics Committee and a member of the Audit and Risk Committee.



-  Audit and Risk Committee
-  Social and Ethics Committee
-  Remuneration and Nomination Committee

* Appointed as director from 17 August 2023 and chairperson from 1 January 2024.

** Retired 31 December 2023.

*** Retired August 2023.

Independent non-executive directors continued



Tom Boardman (74)

BCom, University of the Witwatersrand;
Chartered Accountant (SA)

Tom was appointed to the board on 1 January 2011. He has held senior positions at Anglo American Corporation, Sam Newman Limited and BoE Limited. He was chief executive of Nedbank Group between 2003 to 2010. He has served as a non-executive director on the board of Nedbank Limited, Woolworths, Millicom International Cellular and Swedish investment holding company, Kinnevik AB. He currently serves on the board of African Rainbow Limited, African Rainbow Capital and African Rainbow Energy & Power. He is the director and deputy chairperson of Tyme Bank. Tom is the chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.



Fran du Plessis (69)

BCom; LLB; Chartered Accountant (SA); BCom Taxation (Hons), University of Cape Town; LLM, University of Stellenbosch

Fran was appointed to the board on 1 June 2012 and has practised as a chartered accountant specialising in the fiscal laws of taxation since 1994. She has served on the board of several companies including Naspers, Life Healthcare, Sanlam, ArcelorMittal and KVV Holdings. She lectures on an ad hoc basis at the University of Stellenbosch. Fran is a member of the Audit and Risk Committee and chairs the Remuneration and Nomination Committee.



Prof Fatima Abrahams (62)

B Econ (Hons) Cum laude; M Comm (UWC); D. Comm (UNISA)

Fatima was appointed to the board on 17 August 2023 and is the chairperson of the Social and Ethics Committee. She is an Emeritus Professor at the University of Western Cape (UWC) and has held positions of Dean and Senior Professor at the University. Fatima has served as chairperson of V&A Waterfront Holdings and a non-executive director of V&A Waterfront Properties, Transnet, B2B Africa and Illiad Ltd. She is a registered Industrial Psychologist and has served as a member of the Education Committee of the HPCSA. She is currently a non-executive director of The Foschini Group and Lewis Group and serves on a number of subcommittees of these companies. In addition, Fatima is a director of several non-listed companies including Kapela investments, BPSA and Marsh.



- Audit and Risk Committee
- Social and Ethics Committee
- Remuneration and Nomination Committee

Non-executive director



Obakeng Phetwe (46)

BCom, North West University; BCom (Hons) CTA, University of South Africa; Chartered Accountant (SA)

Obakeng was appointed to the board on 27 March 2012 and is the chief executive officer of the RBN DT. He previously held the positions of group treasury and business manager for the RBN, finance manager for the RBA, and senior audit manager at Mokua and Associates Chartered Accountants. Obakeng is a member of the Remuneration and Nomination Committee, the Social and Ethics Committee and a permanent invitee to the Audit and Risk Committee.

invitee ● ●

Executive directors



Albertinah Kekana (50)

BCom; Chartered Accountant (SA); Postgraduate Diploma in Accounting; Advanced Management programme, Harvard University (USA)

Albertinah was appointed CEO and a member of the board with effect from 1 November 2012. She was previously the chief operating officer of the Public Investment Corporation and has extensive asset management, investment banking and business leadership experience.



Tinyiko Sihlangu (35)

BCom Accounting (Cum Laude); BCom Accounting (Hons) and CTA; MCom Taxation, University of Pretoria; Chartered Accountant SA (CA); General Management Programme, Harvard Business School (USA)

Tinyiko joined RBH in 2015 as the Group Finance Manager and was appointed as the Chief Financial Officer in 2019. Prior to joining RBH, Tinyiko was the Financial Reporting Manager at MTN Group. She served her articles at PwC and currently serves on boards of RBH's associate companies.



Collective board skills:

- Investment and finance
- Strategy
- Industry expertise
- Governance
- Leadership
- Human capital
- Business acumen
- Stakeholder management

- Audit and Risk Committee
- Social and Ethics Committee
- Remuneration and Nomination Committee

Board report

The board is the highest governing body and custodian of corporate governance within RBH. It bears the ultimate responsibility for RBH's performance, reputation and sustainable value creation.

Our governance approach safeguards against unethical practices and governance failures, ensuring stakeholder value and sustainability are preserved. A formal charter delineates the board's collective and individual responsibilities, authority, composition and functions, subject to annual review. This charter succinctly outlines delegated powers to various board committees.

RBH's board consists of five non-executive directors, with four being independent, aligning with King IV's recommendations and best practices. Two executive directors also contribute

to the board, maintaining a balance between independence and a robust understanding of the business. This balance fosters innovative thinking and agile decision-making, crucial in an environment marked by disruption and uncertainty.

Each board member possesses the qualifications and extensive experience required for their roles, contributing diverse and independent perspectives. The age, tenure, experience, and skills of directors are detailed in the review. The board conducts an annual evaluation of its composition to ensure continued effectiveness.

The board held 10 meetings during 2023 and is satisfied with its composition and performance.

MEETING ATTENDANCE

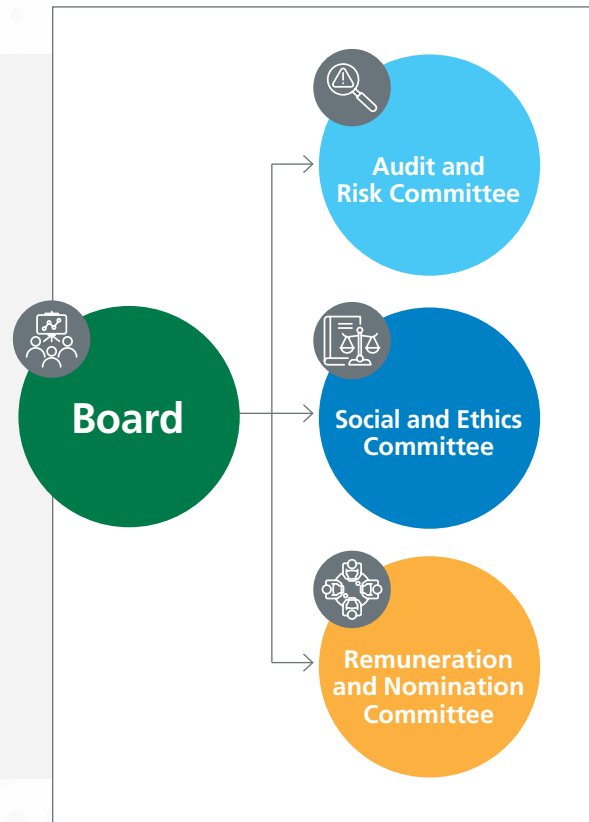
The committee held nine meetings in the year under review and attendance was recorded as noted hereunder:

	6 Apr	18 Apr	Special 10 May	27 Jun	Special 20 Jul	Special and AGM 17 Aug	29 Sep	Strategy session 30 Nov	1 Dec	
M W Hlahla	P	P	P	P	P	P	P	P	P	9
T A Boardman	P	P	P	P	P	P	P	P	P	9
F du Plessis	P	P	P	P	P	P	P	P	P	9
M P P Nyama*	P	P	P	P	P					5
O Phetwe	P	P	P	P	P	P	P	P	P	9
F Abrahams**							P	P	P	3
R M Kgosana***							P	P	P	3
A Kekana	P	P	P	P	A	A	P	P	P	7
T Sihlangu	P	P	P	P	P	P	P	P	P	9

P Present. **A** Absent. * Retired 17 August 2023. ** Appointed 17 August 2023. *** Appointed 17 August 2023 as director and 1 January 2024 as chair.

Board committee reports

The board delegates certain responsibilities to statutory and operational committees to assist in the discharge of its duties, while retaining ultimate accountability for the affairs of the company. Committee activities adhere to approved terms of reference, subject to annual review and board approval. Membership criteria, including independence ratios, are meticulously followed to ensure rigorous independence and effectiveness. Committee Chairs, reporting directly to the group board, provide detailed insights, resolutions, and decisions after each meeting.



Audit and Risk Committee

Mandate: The Audit and Risk Committee (ARC) is responsible for upholding the integrity of internal controls, financial reporting and audit processes. It ensures compliance with all relevant legal and regulatory requirements, safeguarding company assets and monitoring processes and controls that contribute to the sustainability of the company. The committee also holds the responsibility for overseeing IT governance.

Members TA Boardman (Chairman)

F du Plessis
MPP Nyama*
F Abrahams**
O Phetwe***

Attendance by invitation:

A Kekana
T Sihlangu

Meeting attendance

The committee held six meetings in the year under review. The committee is satisfied with its performance.

MEETING ATTENDANCE

	17 Mar	Special 19 Apr	Special 4 May	7 Jun	14 Sep	22 Nov	
T A Boardman	P	P	P	P	P	P	6
F du Plessis	P	P	P	P	P	P	6
M P P Nyama*	P	P	P	P			4
F Abrahams**					A	A	0
O Phetwe***	P	P	P	P	P	P	6
T Sihlangu****	P	P	P	P	P	P	6
A Kekana****	P	A	A	P	P	P	4

P Present. A Absent. * Retired 17 August 2023. ** Appointed 17 August 2023.
*** Permanent invitee **** Invitees

Our performance in 2023

In 2023, the ARC demonstrated a steadfast commitment to robust oversight and governance, fulfilling its mandate with diligence. Key activities included a review of the finance management function, competent resources and capacity. The ARC extended its oversight to internal control systems and day-to-day accounting practices, evaluating their adequacy and efficiency. Company policies and internal controls were examined to ensure proper tax planning, compliance and effective risk identification and management.

In addition, the ARC implemented measures aimed at enhancing the credibility and objectivity of financial statements and reports. The committee considered all factors that might lead to an incomplete or misleading depiction of RBH's position, performance, or sustainability. Beyond financial matters, the ARC participated in nominating auditors and overseeing technology, risk and regulatory compliance.

Looking ahead

In the year ahead, the ARC will continue supporting the board to ensure there are effective internal controls within the business. This will include providing oversight on legislative compliance, arrangements for IT and risk governance, including ongoing monitoring of existing and emerging risks. This commitment aligns with the company's diversification strategy and its overarching goal of creating and preserving value for the shareholder.



Social and Ethics Committee

Mandate: The Social and Ethics Committee (SEC) assumes the responsibility of overseeing and providing strategic direction on sustainability, social and ethics matters, and stakeholder relations. This encompasses vigilant monitoring of the business activities to ensure responsible corporate citizenship and the preservation of its social license to operate. The SEC actively oversees stakeholder engagement, ensuring RBH fosters mutually beneficial relationships with all stakeholders, guided by the vision, mandate, values and strategic imperatives of the business.

Members

F Abrahams

(Chairman)

MPP Nyama*

MW Hlahla**

O Phetwe

RM Kgosana****

Attendance by invitation:

A Kekana

T Sihlangu

Meeting attendance

The committee held three meetings in the year under review.

MEETING ATTENDANCE

The committee held three meetings in the year under review and attendance was recorded as noted hereunder:

	22 Mar	2 Jun	21 Nov	
M P P Nyama*	P	P		2
M W Hlahla**	P	P	P	3
O Phetwe	P	P	P	3
F Abrahams***			P	1
R M Kgosana****			P	1
A Kekana*****	P	P	P	3
T Sihlangu*****	P	P	A	2

P Present. A Absent. * Retired 17 August 2023.

** Retired 31 December 2023.

*** Appointed 17 August 2023.

**** Appointed 17 August 2023 as director and 1 January 2024 as chair.

***** Invitees.

Our performance in 2023

In 2023, the SEC provided oversight of RBH's socio-economic transformation initiatives, focusing on employment equity and B-BBEE. The committee actively supported the integration of responsible business practices, evaluated the influence of social and ethics performance on sustainability and supported stakeholder engagement. In the realm of health and safety, the SEC ensured a commitment to employee wellbeing and compliance with Occupational Health and Safety (OHS) standards. Additionally, the committee provided oversight on recruitment, skills development and organisational culture, emphasising the importance of a positive workplace culture and employee wellbeing.

Looking ahead

In the upcoming year, the SEC is committed to fostering ethical practices, placing special emphasis on social transformation and regulatory compliance through adherence to the B-BBEE scorecard. Furthermore, the SEC will actively contribute to shaping a robust ESG framework, aiming to uphold RBH's reputation as a responsible corporate citizen in alignment with industry best practices.

Composition of the Committee

The members of the committee have the relevant skills, knowledge and expertise required to perform the statutory duties and responsibilities in terms of the relevant sections of the Companies Act.

Roles and Responsibilities

The committee executed its statutory duties and responsibilities to provide oversight and strategic direction in accordance with the committee charter, in terms of which the following areas were monitored: social and economic development, including:

- The Organization for Economic Co-operation and Development (OECD) recommendations regarding corruption
 - The Employment Equity Act
 - The Broad-Based Black Economic Empowerment (B-BBEE) Act
 - The United Nations Global Compact Principles
- Good corporate citizenship, including:
 - Promotion of equality, prevention of unfair discrimination and reduction of corruption
 - Contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed
 - Record of sponsorship, donations and charitable giving
- The environment, health and public safety
- Labour and employment
- Stakeholder relationships, organisational ethics and compliance

2023 activities

The committee discharged its duties by providing monitoring and oversight responsibilities as delegated to it by the board and in line with its work plan for the year. Detailed activities undertaken by the committee in the period under review are outlined below.

Key activities included ongoing engagement with the shareholder, prioritising socio-economic development, skills development, and supplier and enterprise development programmes that are responsive to the social imperatives of our shareholder community.

Social performance

RBH's value proposition goes further than protecting and growing the inter-generational wealth of the Royal Bafokeng Nation (RBN). The business is also firmly focused on creating social value and being a force for good for the benefit of the RBN and the broader South African society. This is in recognition that RBH can only deliver sustainable value to our shareholder and other key stakeholders through financial performance underpinned by meaningful social investments.

In the period under review, RBH made meaningful progress on the strategic social investments that were committed to it as part of the 2021 platinum transaction to address youth unemployment through skills development, support small and medium-sized enterprises through enterprise and supplier development, provide reliable and safe water, and ensure secure and affordable energy supply, as follows:

Integrated Water Supply Project

In 2021, RBH declared a special dividend of R175 million, earmarked for the RBN water infrastructure solution, and a further dividend of R175 million was paid in 2022. The focus is on ensuring secure, affordable, and high-quality water for Morafe on a sustainable and uninterrupted basis. This ongoing initiative addresses challenges related to intermittent water supply and water quality within the RBN.

In 2023, notable developments include the completion of borehole drilling and testing across most RBN areas, plans for anthropogenic aquifers and efforts to fast-track projects like Phokeng North.

Enterprise development

The Kgolo Enterprise Development Programme is a project designed to foster growth, sustainability and local economic development by providing access to essential resources such as skills, finance and facilitating market access. It places a priority on ensuring the quality, scalability and sustainability of supported small, medium and micro enterprises (SMMEs). The programme offers access to business development skills, short-term funding options for working capital needs (approximately 12 months) and long-term loan funding with a duration of three to five years, facilitated through a facility established by RBH, and facilitating market access.

In 2023, the programme saw 25 RBN SMMEs presenting funding proposals, resulting in 12 approvals totalling R13 million. Despite promising initial strides, continuous vigilance towards execution risk and stakeholder engagement remains a top priority. It is pleasing to note that the funded SMMEs have maintained an almost 100% repayment rate, contributing significantly to the sustainability and scalability of the programme.

Artisan Training Programme

The Artisan Training Programme is a strategic initiative focused on addressing youth unemployment and enhancing the employability of RBN youth through artisan skills development. Implemented in partnership with Impala Platinum, the programme saw its first intake of 50 learners begin training in October 2023. Plans are underway for additional intakes to capacitate an increased number of learners. These learners will undergo training in five trades as part of a comprehensive three-year learnership programme.

Renewable Energy Project

The Renewable Energy Project is designed to strengthen energy supply security and reduce energy costs for the RBN. In the year under review the project reached its concluding stages of design. An implementation plan encompassing a core engineering offering and an ongoing access to skills programme has been put in place for the initiative. The project is progressing towards achieving financial close. This milestone marks the stage where all necessary financing agreements and conditions will be met. Subsequently, commercial operations are scheduled to commence thereafter. Various short-term and long-term funding options are being explored to ensure robust support for the project's objectives.

RBH also invested towards corporate social investment (CSI) projects in the areas of education, community development and a sport-in-schools programme. While we accept that there are prevailing socio-economic needs to be addressed, RBH made notable incremental progress in 2023 to be a force for good and contribute positively to the various socio-economic challenges that our shareholder, the RBN community and the broader country have to contend with.

Furthermore, RBH continued to invest a considerable amount of attention on employee engagement. This included prioritising the provision of a productive work environment and fostering a performance-driven culture while being mindful of the importance of employee well-being, including mental health issues.

Environmental, social and governance (ESG) approach

As a business whose mandate is to create inter-generational wealth, RBH plays an important role towards sustainable economic development for our priority stakeholders and the South African society at large. To this end, greater focus was placed on strengthening RBH's ESG approach and improving progress towards responsible investing objectives.

Sound governance practices

RBH's values and organisational culture inform our governance approach, which in turn protects the business against the risk of unethical practice and governance failures that might destroy stakeholder value and negatively impact our sustainability.

This is in line with governance frameworks, which advocate for an outcomes-based approach on matters related to ethical culture, effective control and legitimacy with stakeholders. These continued to be entrenched in the reporting period as reflected by our internal controls as well as policies and procedures that govern corporate conduct.

Social and economic development

The committee monitored the extent to which issues related to socio-economic transformation are advanced as well as how the prevention, detection and response to fraud and corruption contributes to organisational resilience. This included measures taken to advance broad-based empowerment as guided by the B-BBEE and Employment Equity regulations in terms of the following:

- Ensuring the submission of the Employment Equity report
- Ensured compliance with B-BBEE regulations, including amongst others, that a B-BBEE verification is completed and reviewed the report on findings
- Considered that B-BBEE transactions above R25 million threshold are registered with the B-BBEE Commission
- Reviewed procurement practices are in accordance with the RBH Procurement policy and measures are enforced to detect corruption

Good corporate citizenship

- Monitored social performance, the promotion of an ethical culture and how the organisation conducts itself as a responsible corporate citizen. This included a review of donations, sponsorships and charitable contributions made
- Reviewed the adequacy and effectiveness of the organisation's engagement with stakeholders. This included a review of the Group Crisis Communication Plan and progress on the commitments made as part of the 2021 platinum transaction aimed at responding to the most pressing needs of our shareholder community
- Reviewed the quarterly ESG oversight reports for investee companies
- Considered legislative and regulatory developments and how these are applied in practice in terms of social and ethics management
- Ensured that the RBH annual integrated review is compiled in accordance with best practices and recommended to the board for approval
- Considered the report on actual and suspected acts of corruption

Environment, health and safety

Monitored how the safety and health of employees are ensured and how the environmental impact of the organisation is considered. This included:

- A review of compliance with occupational health and safety (OHS) requirements
- Compensation for Occupational Injuries and Diseases Act, No. 130 of 1993 (COIDA) submissions and compliance with legislation on workman's compensation

Labour and employment

Monitored how workplace-related issues are governed in terms of employment equity, fair remuneration, human rights and the creation of an enabling environment for the development of employees in terms of:

- Recruitment and skills development initiatives
- Ongoing identification of culture reinforcement exercises such as employee wellness days, Employee Volunteer Programme and team building

The committee also reviewed policies as informed by the company's policies schedule. It also reviewed the committee's terms of reference and recommended it to the board for approval.



Remuneration and Nomination Committee

Mandate: The Remuneration and Nomination Committee is responsible for RBH's organisational culture and excellence by assisting the board in developing and sustaining a remuneration policy aligned with strategic goals. This encompasses the implementation of competitive reward structures and initiatives promoting employee engagement, wellness, and professional development. The committee evaluates board performance annually and oversees succession planning arrangements. It ensures RBH's remuneration practices adhere to the principles outlined in the King IV Code and reflect best practices in the industry.

Members

F du Plessis

(Chairman)

MPP Nyama*

MW Hlahla**

O Phetwe

F Abrahams***

Attendance

by invitation:

A Kekana

T Sihlangu

Meeting attendance

The committee held five meetings in the year under review.

REMUNERATION AND NOMINATION COMMITTEE MEETINGS 2023

	22 March	10 May	7 June	6 Sept	22 Nov	
F du Plessis	P	P	P	P	P	5
MPP Nyama*	P	P	P			3
TA Boardman	P	P	P	P	P	5
O Phetwe	P	P	P	P	P	5
MW Hlahla**	P	P	P	P	P	5
F Abrahams***				P	P	2
RM Kgosana****				P	P	2
A Kekana*****	P	P	P	P	P	5
T Sihlangu*****	P	P	P	P	P	5

P Present. A Absent. * Retired 17 August 2023. ** Retired 31 December 2023.

*** Appointed 17 August 2023. **** Appointed 17 August 2023 as director and 1 January 2024 as chair.

***** Invitees.

Our performance in 2023

In 2023, the Remuneration and Nomination Committee effectively fulfilled its mandate by focusing on key initiatives to enhance governance and performance within RBH. The committee played a crucial role in refining human capital policies, aligning them with industry best practices. Notably, it actively participated in the appointment of new non-executive directors. The committee's proactive oversight also extended to the induction of new directors, ensuring a seamless transition. The committee's 2023 focus areas highlight its pivotal role in promoting good governance, fostering accountability and nurturing a culture of high performance within RBH.

Looking ahead

In the coming year, the committee will continue to actively engage in reviewing and approving policies and procedures aimed at enhancing and enabling working environment and sustaining robust levels of employee engagement. Emphasis will be placed on shaping and reinforcing a positive organisational culture rooted in the core values of the business. Additionally, the committee will continue its vigilant oversight of talent management and succession planning, contributing to a strategic approach to organisational development.

Executive committee

The day-to-day management decisions and operations of RBH are the responsibility of the Executive Committee.



Albertinah Kekana
Chief executive officer

See board of directors for CV



Tinyiko Sihlangu
Chief financial officer

See board of directors for CV



Udo Lucht
Chief investment officer

BCom (Hons), University of Natal;
Chartered Accountant (SA); CFA



Buyi Mlangeni
Group company secretary

BTech, Durban University of Technology;
National Diploma, (Natal Tech); Executive
Development programme, Wits Business
School; Postgraduate Diploma in Business
Management, Henley Business School



Lesego Lebuso
Group manager:
Stakeholder Relations

BA (Industrial Psychology), UNISA;
BA (Hons), University of Johannesburg;
Masters in Business Leadership, UNISA
School of Business Leadership; Masters in
Philosophy, University of Johannesburg



Ditiro Chesalokile
Human capital manager

BCom (Hons) Human Resource
Management, University of Johannesburg;
Management Advancement programme,
Wits Business School; Masters in People
Management, University of Cape Town

Value-adding executive skills

- | | | | |
|--------------|---------------|-------------------------|---------------------|
| • Governance | • Investments | • Stakeholder relations | • Finance |
| • Strategy | • Tax | • Legal | • People management |



Delegation of authority

The board delegates specific responsibilities to formally established committees through board-approved charters, maintaining accountability while fostering effective governance. This delegation, guided by King IV principles, empowers the executive management to implement RBH's strategy and policies. The board recognises that authority delegation does not diminish its fiduciary duties or obligations to the shareholder. Regular reporting and receipt of minutes from each committee meeting ensure the board maintains oversight.

IT governance

The board, through the ARC, actively oversees the company's IT governance, recognising the strategic importance of technology and information in achieving RBH's objectives and long-term value creation. Our board-approved IT governance policies, covering areas such as governance, data privacy, cyber risks, and IT audit issues, undergo annual reviews. This aligns with King IV, assurance providers and regulatory standards. The emphasis is on key aspects such as cyber security, data governance, business continuity, financial management, technology architecture and operations. To ensure compliance, the CFO ensures that business segments strictly adhere to these policies and standards. Our strategic approach to IT governance, coupled with a culture of continuous learning and development, empowers RBH employees to navigate evolving technological landscapes in accordance with industry standards and best practices.

Internal controls

RBH employs a combination of manual and automated internal controls and systems designed to ensure the integrity and reliability of accounting records and the AFS. This comprehensive framework aims to safeguard, verify, and maintain accountability for RBH's assets. To validate the effectiveness of these measures, the board collaborates with the ARC. Together, they assess the procedures, policies, and internal control systems implemented across the business. The aim is to mitigate risks within RBH, offering reasonable assurance regarding operational efficiency, financial reporting reliability and compliance with relevant laws and regulations. This proactive approach underscores RBH's commitment to good governance and effective risk management practices.

External auditor

The shareholder has appointed KPMG as the external auditor for the company. Ensuring compliance with Section 94(8) of the Companies Act, the board has affirmed the independence of the external auditor and considers them suitable for appointment. To validate this independence, the board carefully examined that the auditor receives remuneration or benefits solely linked to their role as an auditor, avoiding any direct or indirect financial connections with the company beyond permissible limits outlined in the Companies Act and agreed upon with the board. The board also endorsed the external auditors' 2023 annual plan and the related scope of work. This thorough assessment underscores the commitment to maintaining the integrity and impartiality of the external audit process.



Conflict of interest

Directors at RBH are required to disclose any direct or indirect interests in matters before the board, with such disclosures recorded by the company secretary. In adherence to governance principles, directors must also declare conflicts of interest and abstain from related discussions during board or committee meetings. These measures align with legal requirements and internal governance frameworks, promoting transparency and diligence. A quarterly register of directors' interests is circulated before each board meeting, allowing directors to review, verify and update information. The systematic declaration of interests in both board and committee meetings underscores RBH's commitment to managing potential conflicts thoroughly and transparently.

Company secretary

The company secretary, Ms B Mlangeni, appointed in August 2012, plays a vital role in upholding sound governance procedures at RBH. Responsible for reporting to the board on statutory duties and board-related functions, Ms Mlangeni offers directors unrestricted access to her services. In her capacity, she ensures the implementation and adherence to proper corporate governance principles. The board has assessed her competence, qualifications, and experience, affirming her capability to fulfil her responsibilities effectively. Importantly, the board confirmed the absence of any direct or indirect relationships between Ms Mlangeni and board members that could compromise their independence.

Board evaluation

The board places significant importance on performance appraisal as a tool to clarify individual and collective roles and responsibilities of directors, providing insights for enhancing overall effectiveness. These evaluations refine the dynamics between the board and the executive team, ensuring a well-calibrated power balance with the CEO. In 2023, the board conducted an internal evaluation, aligning the process with board work plans and the company's strategic objectives. The valuable insights gained will be discussed in the upcoming reporting period, guiding the board's work plans and priorities for the coming year.

King IV register

Description	Status	Application
1 The governing body should lead ethically and effectively.	✓	RBH is governed by a diverse board of directors, with a majority of the directors being independent. The board acknowledges its collective responsibility for fostering an ethical organisational culture. Board members embody ethical leadership and stakeholder inclusivity. All appointments prioritise harnessing directors' skills, knowledge and expertise to serve the business needs effectively.
2 The governing should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	✓	RBH adheres to an approved Code of Ethics applicable to all, including the board. This code underscores accountability, ethical practices, and transparency in interactions. The SEC monitors the company's overall responsible corporate citizenship performance. RBH ensures compliance with all applicable laws and regulations.
3 The governing body should ensure the organisation is and is seen to be a responsible corporate citizen.	✓	The board, aided by the SEC, provides strategic direction for RBH to be a responsible corporate citizen, aligning with economic, social, and environmental considerations. Annual strategy sessions review RBH's short-, medium-, and long-term goals, maintaining consistency with its mandate. Social spend is directed towards CSI initiatives, with a focus on the RBN.
4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.	✓	The board aligns RBH's strategic objectives with performance and sustainability, emphasizing stakeholder-inclusive decision-making. The ARC and SEC support the board in overseeing reporting quality and integrity. RBH adopts a stakeholder-inclusive approach for sustainable value creation.

Description	Status	Application
<p>5</p> <p>The governing body should ensure reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short-, medium- and long-term prospects.</p>		<p>The board ensures a stakeholder-inclusive approach, balancing material stakeholders' needs. The SEC oversees stakeholder relationships, and the integrated review is shared with stakeholders and published on RBH's website. The ARC reviews and recommends annual financial statements and the SEC reviews and recommends the integrated review to the board.</p>
<p>6</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>		<p>The board is RBH's highest governing authority, committed to accountability, fairness, and ethics. These values build trust and drive sustainable value creation.</p>
<p>7</p> <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>		<p>The board, with Remuneration and Nomination Committee assistance, reviews its composition annually, ensuring a balanced mix of skills, experience, diversity, independence, and knowledge. Transparent processes govern the nomination, election, and appointment of board members, with a majority being independent.</p>
<p>7</p> <p>The governing body should ensure its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p>		<p>RBH is governed by a diverse board with a majority of independent directors, ensuring ethical leadership, sustainability and stakeholder inclusivity. Committee membership aligns with King IV recommendations, maintaining a balanced power structure.</p>

Description	Status	Application
8 The governing body should ensure the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	✓	The board, under the Companies Act and board charter, manages the company, delegating certain functions to committees. There is a clear balance of power to prevent undue decision-making, with committees operating under approved terms of reference.
9 The governing body should ensure the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	✓	The board and committee evaluations occur annually, supporting ongoing improvement. The board is satisfied with the process and outcomes, as per the internal evaluation conducted in 2023.
10 The governing body should ensure the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	✓	RBH follows a clear delegation of authority policy and framework, ensuring effective governance. The board is satisfied that RBH is appropriately resourced, supporting effective delegation to management.
11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	✓	The board is ultimately responsible for risk governance, assigning oversight to the ARC. Risk management is delegated to management, with regular updates provided to the board on the risk management plan.
12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	✓	The board is aware of the importance of technology and information as it is closely linked to the strategy, performance and sustainability of RBH. Through the ARC, the board oversees the governance of IT. In addition, IT risk is integrated into RBH's risk management processes and is considered by the ARC as part of its oversight of risk.

Description	Status Application
13 <p>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	 <p>RBH complies with relevant laws, regulations and non-binding standards. The company secretary guides the board on responsibilities, legislation and regulations. The ARC and SEC assist in reviewing the effectiveness of the compliance monitoring system.</p>
14 <p>The governing body should ensure the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	 <p>The Remuneration and Nomination Committee assists in approving and monitoring the remuneration policy, aligning with fair, responsible and transparent practices. The policy attracts and retains high-calibre executives to execute the company's strategy effectively.</p>
15 <p>The governing body should ensure assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	 <p>RBH adopts a combined assurance framework to optimise assurance coverage from various sources. The ARC oversees the framework, ensuring an effective control environment and supporting information integrity for both internal decision-making and external reports.</p> <p>The board is satisfied that its combined assurance model enables an effective control environment and supports the integrity of information used by RBH for internal decision-making and for external reporting.</p>
16 <p>Principle In execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.</p>	 <p>RBH has identified its priority stakeholder groups. These include groups and individuals who may be affected by our activities, and whose actions can be reasonably expected to affect the RBH's ability to successfully implement its strategic objectives. We actively balance the legitimate and reasonable requirements, interests and expectations of our stakeholders.</p> <p>The board has delegated the governance of stakeholder relationships to the SEC. A formal, inclusive stakeholder engagement framework is in place and has been approved by the board.</p>

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Glossary

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AFS	Annual Financial Statements
ARC	Audit and Risk Committee
B-BBEE	Broad-based Black Economic Empowerment
BRPM	Bafokeng Resource Platinum Mine
CEO	Chief Executive Officer
CPT	Cross Point Trading
CSI	Corporate Social Investment
DPA	Distributed Power Africa
dtic	Department of Trade, Industry and Competition
ERM	Enterprise Risk Management
ESD	Enterprise and Supplier Development
ESG	Environmental, Social and Governance
GRI	Global Reporting Initiative
HC	Human Capital
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing

JSE	Johannesburg Stock Exchange
King IV	King IV Code on Corporate Governance
KPI	Key Performance Indicator
KPMG	KPMG Incorporated
MOGS	Mining, Oil and Gas Services
MW	Megawatt
NAV	Net Asset Value
NED	Non-executive directors
NGO	Non-governmental organisations
OECD	Organisation for Economic and development
OHS	Occupational health and safety
PGM	Platinum Group Metals
Plc	Public-listed company
PPP	Public Private Partnership
PV	Photovoltaic
RBA	Royal Bafokeng Administration
RBED	Royal Bafokeng Enterprise Development
RBH	Royal Bafokeng Holdings
RBI	Royal Bafokeng Institute

RBN or Nation or Morafe	Royal Bafokeng Nation
RBNDT	Royal Bafokeng Nation Development Trust
RBPlat	Royal Bafokeng Platinum
RBS	Royal Bafokeng Sport
RFG	Royal Futures Group
RMH	Rand Merchant Holdings
RMIH	RMB Insurance
SAA	Strategic Asset Allocation
SASB	Sustainability Accounting Standards Board
SEC	Social and Ethics Committee
SMME	Small, medium and micro enterprise
TCFD	Task Force on Climate-related Financial Disclosures
The Companies Act	The Companies Act, No. 71 of 2008
UN	United Nations
US	United States
ZICSA	Zurich Financial Services

Notes



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