Chairman’s review

Responsible stewardship of our natural resources, mitigating the environmental impacts of our activities and going beyond compliance of regulatory standards are key Group policies. All operations, with the exception of Impala Canada, are certified against ISO 14001:2015 for their environmental management systems.

Water remains a key environmental concern – given the water-scarce operating environments in South Africa and Zimbabwe, exacerbated by recent drought conditions. Implats’ leadership in managing water issues was recognised in a CDI “A” score, and the Group achieved a water recycling rate (excluding Impala Canada) well above the internal target of 40%. Energy usage decreased and a low-carbon transition strategy is being developed for South Africa-Zimplats and Impala Canada to utilise hydroelectricity and other clean sources of energy.

It is gratifying that Implats remains within the top 10 constituents of the FTSE/JSE Responsible Investment Index, which comprises stocks with the highest ESG ratings.

Ethics, integrity, engagement

Implats is committed to promoting the highest standard of corporate governance and ensuring that our practices comply with the principles of the King IV Code of Corporate Governance for South Africa.

Stakeholder engagement is a key focus of the Implats strategy and an area of continued and intense focus. An effective stakeholder engagement strategy is in place, paying cognisance to King IV and the AA1000 Assurance Standard principles of materiality, completeness and responsiveness. During the year, the Group established formal community engagement structures which have enabled significantly improved relations with host communities at South African operations. There were no operational disruptions due to mine-related community unrest at any of the Group operations.

Intense and varied engagements with all stakeholders were required in the face of the Covid-19 pandemic. We were encouraged by the collaborative spirit in which these took place – united against a common enemy.

In South Africa, the Group complies with the requirements of the Mineral and Petroleum Resources Development Act (MPRDA) and is committed to meeting the expectations set out in the Broad-Based Black Economic Empowerment (B-BBEE) Charter for the South African Mining and Minerals Industry. While Mining Charter 2018 (Mining Charter III) creates a broadly more supportive environment for the mining industry relative to previous iterations, we welcome further engagement on certain contentious clauses.

In Zimbabwe, Zimplats engages proactively with the government to support its ambitions to grow and diversify the PGM industry and support the government’s economic recovery plan. Sound, value-enhancing relations with the Zimbabwean government – underpinned by ensuring democratic principles and inclusive economic growth – remain a priority.

Outlook

We have had fruitful and collaborative dialogue with government and community leaders in South Africa and Zimbabwe during the year, while embarking on new relationships in Canada. However, the global economic contraction due to Covid-19 has implications for PGM suppliers the world over.

In the medium term, Implats’ view is that the impact of the pandemic is likely to be cyclical rather than structural. The Group continues to expect persistent market deficits in both palladium and rhodium in the medium term. While the platinum market has tightened in the short term in response to heightened investment demand due to global upheaval, an over-supplied market is likely in the medium term.

Implats remains committed to generating superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery, while stimulating the market for PGM products.

Appreciation

This is my final annual review for Implats. On 10 June 2020 I announced my intention to retire from my positions of independent non-executive director and board chairman, which will take effect following the Implats annual general meeting on 26 October 2020. This brings to an end a decade of service to the Group – a role that has been both challenging and deeply gratifying. Over this period, the Group has navigated some of the most volatile and testing times in the history of the PGM industry. To have been a part of this journey has been a rare privilege. It is comforting to retire knowing that the Group is in a significantly stronger position than it was when I joined the board on 1 November 2010.

I leave the Group in exceptionally capable management and board hands. I am confident that Nico Muller, the Group chief executive, will continue to provide superb team leadership and excellent operational performance in all the jurisdictions where Implats has a presence. Adv Thandi Orleyn was appointed an independent non-executive director in August 2020 and announced as chairman designate. She brings a wealth of experience in business and her leadership and strategic insight will be a great asset to the Implats board. I warmly welcome her to the board and wish her all the best in her duties as chair from 26 October 2020.

During the year Udo Lucht resigned from his position as a non-executive director and Botumelo Koshane was appointed as a non-executive director representing the Royal Bafokeng Nation. In my own name, and on behalf of the board, I extend my sincere appreciation to Udo for his many contributions and bid our new colleague a warm welcome.

In conclusion, I wish you farewell and extend my sincere appreciation to my fellow board members, the Implats management team and all Implats employees for their continued contribution during a trying but memorable year.

Dr Mandla Gantsho
Chairman