Welcome to our 2020 Integrated Report

AT IMPLATS WE ARE FOCUSED ON CREATING A BETTER FUTURE. OUR BUSINESS IS ABOUT PEOPLE – THE WAY WE TREAT, DEVELOP AND DEMAND ACCOUNTABILITY FROM EACH OTHER. THE WAY WE BUILD TRUST. THE WAY WE PRODUCE OUR METALS.

We aspire to be the world’s best PGM producer, sustainably delivering superior value to all our stakeholders.

Basis of reporting
The Implats annual integrated report for the period ended 30 June 2020 is produced in compliance with JSE Listings Requirements and the recommendations of the King IV Report on Corporate Governance (King IV™). Additionally, we have compiled this report using the guiding principles and content elements contained in the International Integrated Reporting Council’s International <IR> Framework and guidance on materiality in the preparation of integrated reports.

Integrated reporting aims to demonstrate how companies create value sustainably over time, for a range of stakeholders.

Accordingly, this report includes a comprehensive overview of our material matters (pages 62 to 68), in the eyes of our stakeholders, and the impact these matters have on the value we create.

Assurance
We use a combined assurance model to evaluate and assure various aspects of the business operations, including elements of external reporting (page 14). These assurances are provided by management and the board, internal audit and independent external service providers. In addition, the supplementary reports to our annual integrated report were subjected to varying degrees of external assurance. The Group’s external auditor, Deloitte, provided assurance on the annual financial statements (AFS) for the year ended 30 June 2020 (refer page 6 of the AFS), and limited assurance was provided by Nexia SAB&T on selected sustainability information (page 134 of the ESG report). Implats engaged a combination of consultancy firms (auditors) towards undertaking the external audits against the Mineral Resource and Mineral Reserve estimates and life-of-mine plans (LoM I) which underpin the 2020 declaration (refer page 13 of the Mineral Resource and Mineral Reserve statement). All annual reports are available at www.implats.co.za.

Board responsibility statement and approval
The board acknowledges its responsibility for the integrity of this report. The directors confirm they have collectively assessed the content and believe it addresses the material matters that substantively affect the organisation’s ability to create value over the short, medium, and long term and is a fair representation of the integrated performance of the Group.

The audit committee, which has oversight responsibility for the annual integrated report, has applied its mind to the preparation and presentation of the report. It has concluded that the report has been presented in accordance with the International <IR> Framework and recommended the report for approval by the board of directors.

The board has therefore approved the 2020 annual integrated report for release to stakeholders.

Forward-looking statements
Certain statements contained in this disclosure, other than the statements of historical fact, contain forward-looking statements regarding Implats’ operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats’ operations, including the completion and commencement of commercial operations of certain of Implats’ exploration and production projects, its liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation, regulatory approvals and/or legislative frameworks currently in the process of amendment, or any enforcement proceedings. Although Implats believes the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements due to, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices, global demand, exchange rates and business and operational risk management. For a discussion on such factors, refer to the risk management section of the Group’s annual integrated report. Implats is not obliged to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the dates of the integrated annual report or to reflect the occurrence of unanticipated events.

Disclaimer: This entire disclosure and all subsequent written or oral forward-looking statements attributable to Implats, or any person acting on its behalf, are qualified by caution. Recipients hereof are advised that this disclosure is prepared for general information purposes and is not intended to constitute a recommendation to buy or offer to sell shares or securities in Implats or any other entity.

Sections of this disclosure are not defined and assured under IFRS, but are included to assist in demonstrating Implats underlying financial performance. Implats recommends you discuss any doubts in this regard with an authorised independent financial adviser, stockbroker, tax adviser, accountant or suitably qualified professional.
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WE WELCOME YOUR FEEDBACK TO ENSURE WE COVER ALL ASPECTS THAT MATTER TO YOU
Go to www.implats.co.za or email investor@implats.co.za to provide us with your feedback.

STRATEGIC OBJECTIVES AND STRATEGIES

Our strategic objectives are defined as the deliberate goals established to achieve our vision and mission, underpinned by our values, while our strategies define how the Company will achieve these strategic objectives.

STRAEGIC OBJECTIVES

- Responsible corporate stewardship
- Operational excellence in PGMs
- Organisational effectiveness
- Optimal capital structure
- Competitive portfolio of mineral processing assets
- Market development and value chain optimisation

THESE ICONS REFER TO OUR SIX CAPITALS

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

Information available elsewhere in this report
Information available on our website

ANNUAL INTEGRATED REPORT 2020

01
The Implats code of ethics (the code) has been approved by the Group’s board of directors (the board) and senior management and is binding on every employee, officer, director, contractor and supplier and on all officers and directors of any entity owned or controlled by Implats.

The board gives effect to the code by subscribing to the following values and principles: Implats is committed to minimising adverse impacts on the environment, health and safety and subscribes voluntarily to the most stringent legal prescriptions. No discrimination on any individual or group will be allowed on any arbitrary basis and all employees have the right of freedom of association and fair treatment.

For all employment-based decisions, the only legitimate criteria are an individual’s performance, capability and potential subject to the requirements.

Employees, suppliers and contractors are required to ensure the highest possible standards of environmental control and adhere to the best contemporary practice to ensure a safe work environment for all employees.
Vision, mission and values

To be the world’s best PGM producer, sustainably delivering superior value to all our stakeholders

To mine, process, refine and market high-quality PGM products safely, efficiently and at the best possible cost from a competitive asset portfolio through team work and innovation

We respect, care and deliver

THE VALUES OF OUR CAPITALS

“The primary purpose of an integrated report is to explain to providers of financial capital how an organisation creates VALUE over time. An integrated report benefits all stakeholders interested in an organisation’s ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.”

– The International <IR> Framework.

The CAPITALS are stocks of VALUE that are increased, decreased or transformed through the activities and outputs of the organisation.

Consistent with Implats’ reporting boundary to report only on material items affecting value, the capitals and their impact on the Group and the Group’s impact on the capitals have been discussed in the following sections:

Corporate governance affecting value
Trade-offs per decision by the governing body
(Refer page 26)

Stakeholder material matters and their effect on capitals
The impact of stakeholder matters on strategy, risk and the impact on capitals per stakeholder matter (pages 62 to 73)

CAPITAL INPUTS

- Annual financial statements – mainly cost side of the income statement
- Cash flow opening balances
- Board inputs in sections “Achieving our mandate” and “Guidance and deliberations”
- Stakeholders in section “Allocation of resources”
- Business plan (resource allocation) including natural capital
- Business model, strategy and KPIs

CAPITAL OUTCOMES

- Revenue – mainly income in the income statement
- Cash generated during the year
- Stakeholder matters in section “Performance affecting relationships”
- Operational performance and relationship quality outcomes

Value created (net increase/decrease in capitals)
The increase or decrease in value in financial margins as reported in the financial information provided and movements in cash flow and reserves

The quality of stakeholder relationships per capital
The success of our strategies
Investor returns and the value of the share price

USES OF OUR OUTPUTS

Catalytic converters reducing vehicle emissions  Jewellery  Water purification  Glass manufacturing  Cancer drugs manufacturing  Fertiliser manufacture

STRATEGIC OBJECTIVES AND STRATEGIES

Our strategic objectives are defined as the deliberate goals established to achieve our vision and mission, underpinned by our values, while our strategies define how the Company will achieve these strategic objectives.
Materiality and the reporting boundary

The history of Implats at a glance: strategic phases
Our journey captures the key material issues that have informed our reporting boundary over time

**1924 – 1987**
- Discovery of platinum in the Bushveld Igneous Complex
- First vertical shaft developed
- Major expansion in Rustenburg to raise capacity of mine and match refining capacity

**1990 – 1998**
- Implats acquires interest in Western Platinum and Eastern Platinum (collectively Lonplats) as Karee is merged into these entities
- IRS established to capitalise on Implats’ surplus smelting and refining capacity

**2000 – 2004**
- Strategic acquisitive growth Implats acquires:
  - Mineral rights to Marula
  - Strategic stakes in Zimplats and Mimosa and enters into joint venture to develop Two Rivers
  - Stakes in Barplats and Lonplats are sold

**2006 – 2007**
- Black economic empowerment transactions negotiated
- Implats finalises BEE deal with Royal Bafokeng Holdings (Pty) Ltd (RBH)

**2018**
- Transition of Impala Rustenburg into a profitable and leaner operation in a low price environment
- Impala job security concerns
- PGM prices remain depressed

**2019**
- Redefined vision, mission and strategy to position Implats as a value over volume producer
- Restructure Impala Rustenburg
- Investigate Waterberg
- Higher rand prices
- Impala Rustenburg returns to profitability

**2020**
- Sustained higher price environment
- Reinveststate dividends
- Covid-19 impacts on operations and capital
- Decision to retain stake rather than grow interest in Waterberg
- Acquisition of North American Palladium (Impala Canada)

**Outlook**
- Stakeholder material matters (pages 62 – 68)
- Chairman’s review (page 39)
- Chief executive’s review (page 93)
- Chief financial officer’s review (page 100)
- Operational performance (pages 111 – 153)

**FINANCIAL REPORTING BOUNDARIES**

<table>
<thead>
<tr>
<th>Implats</th>
<th>Significant joint arrangements and associates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subsidiaries</strong></td>
<td><strong>96% Impala</strong></td>
</tr>
<tr>
<td>4% Employee Share Ownership Trust</td>
<td></td>
</tr>
<tr>
<td>27% Tubatse Platinum (Pty) Ltd, Mmakau Mining (Pty) Ltd, Marula Community Trust</td>
<td>13% Minorities</td>
</tr>
</tbody>
</table>
Our reporting boundary based on materiality determination process

Items materially affecting strategy, the business model, capitals, governance, performance and prospects of the Group and its stakeholders have been reported on. Our stakeholders’ needs vary per operation and are internally managed and evaluated on an individual basis. Therefore, where applicable, information has been presented on an individual basis to address individual operations’ stakeholder material matters. Operating statistics for each operation have been aligned with investor requests. The financial information presented was prepared by applying IFRS consolidation techniques to report on associates, but in the operating sections associates are reported at 100%. Production is reported in terms of platinum group metals (PGMs) 6E being platinum, palladium, rhodium, ruthenium and iridium as well as gold (4E excludes ruthenium and iridium).

CONSIDERATIONS

1 VALUE DRIVERS
   - Individual operations contribution to R69.9 billion Group revenue
   - Individual contribution to 2.8moz 6E Group refined production
   - Individual contribution to R14.4 billion Group free cash flow
   - Individual contribution to R4.5 billion Group capital spent
   - Individual operations contribution to headline earnings
   - Unit cost R13 345 per 6E stock adjusted

2 STAKEHOLDER MATERIAL MATTERS
   - Covid-19 impacts on all stakeholders
   - Employee and trade union material matters
   - Community material matters
   - Government material matters
   - Shareholder and investor material matters
   - Customer material matters

3 MATERIAL EXTERNAL RISKS
   - Impact of Covid-19 pandemic on Implats operations
   - Commodity price risk impact on Impala Rustenburg operations
   - Impacts of challenged electricity supply
   - Availability and security of water supply

4 SIGNIFICANT OPPORTUNITIES AND THE ABILITY TO EXECUTE
   - Improved pricing and stability
   - Balanced portfolio
   - Processing capability

5 ORGANISATION’S CURRENT YEAR PERFORMANCE
   Safety
     - Five fatalities at Group level;
     - >14% improvement in LTIFR to 4.54
   Operational
     - 9% (290koz 6E) production disruption as result of Covid-19 pandemic
   Financial
     - R23.3 billion gross profit (240% increase)
     - R29.4 billion EBITDA (179% increase)
   Social
     - R2.6 billion (32% of discretionary spend) spent with local tiered suppliers with >25% black ownership spent on local procurement
     - R5.4 million invested in developing local enterprises social economic spend
   Environmental performance and compliance
     - Direct CO₂ emissions of 411kt against target of 392kt in FY2020
     - Independent assessment confirmed integrity of all our active tailings storage facilities and their adherence to best practice standards

6 EXTERNAL ENVIRONMENT: PERTINENT MACRO- AND MICRO-ECONOMIC CHANGES
   - The impact of Covid-19 will be a feature for some time and operating in a “business as usual” environment will not be possible until effective prevention and treatment measures become readily available
   - Continued tightening in markets for palladium and rhodium expected to support higher pricing in the short to medium term
   - Platinum’s demand and price prospects remain muted in the near term

1 Per million man-hours worked.
Our PGM world

PGMs ARE USED RATHER THAN CONSUMED – THEIR HIGH RECYCLABILITY MEANS THEY CAN BE RE-USED MANY TIMES, REDUCING THEIR IMPACT ON THE ENVIRONMENT

**UNIQUE PROPERTIES**

Platinum Group Metals (PGMs) are a six member family of elements which includes platinum, palladium, rhodium, ruthenium, iridium and osmium. PGMs are an excellent raw material, catalyst and manufacturing ingredient due to their unique chemical and physical properties.

Platinum (Pt) is one of the heaviest and most dense of metals and is both an essential and precious metal. Platinum is durable, malleable and ductile, stable at extremely high temperatures, resistant to corrosion and highly recyclable. The second most abundant of the PGMs is palladium (Pd), which can absorb large amounts of hydrogen at room temperature, is chemically stable with good catalytic properties and it conducts electricity well. Rhodium, the third most found PGM, is highly reflective, hard and durable, an important component in industrial catalytic systems and is often alloyed with other PGMs in furnaces and industrial crucibles.

**WIDESPREAD APPLICATION**

PGMs form the often-invisible heart of many everyday items in modern society. They are used in the manufacture of hard disks, mobile phones and aircraft turbines, in anti-cancer drugs and dental implants, in industrial catalysts and ceramic glazes, and in many more products. Their numerous applications also benefit the environment and our quality of life. They are used in air and water purification, and they are poised to unlock the versatility of green hydrogen in both stationary power generation and transport, where hydrogen can be used with PGMs in fuel cells. Today, the bulk of PGMs are used in autocatalysis, with the remainder used in jewellery, investments, electrical componentry, chemical applications, petroleum refining and in the dentistry, medical and biomedical fields.

**ENVIRONMENTAL HELPERS**

- Platinum gauzes are used in nitrous oxide (N₂O) abatement programmes – annual N₂O emissions account for a large portion of all greenhouse gases. Innovative secondary catalysts using small amounts of PGMs reduce N₂O emissions during fertiliser production by up to 90%.
- Palladium can catalyse carbon monoxide into carbon dioxide and is used in air purification panels in air conditioning systems, especially in enclosed environments.
- Palladium is used in a solution to remove ethylene, a plant hormone that accelerates fruit ripening, ensuring fruit and vegetables stay in a good condition from the ground to the home, reducing waste.
- Palladium has also shown its potential as a catalyst in groundwater purification processes, especially its ability to convert previously hard-to-remove toxic contaminants into benign end products.

**POWERING THE FUTURE**

Implats is proud to be at the forefront of technology developments related to the hydrogen economy via our research and development of fuel cells. Fuel cells employ electro-chemical processes rather than combustion to produce power, using hydrogen as a fuel source and producing electricity, heat and water as by-products. They offer higher efficiencies than conventional technologies, operate quietly and can be economically scaled to fit many applications. Fuel cells are gaining attention for a range of potential applications, from combined heat and power, to distributed power generation, to transport and portable power for mobile appliances.
AUTOCATALYSTS
By far the largest use of PGMs today is in automobile catalytic converters (autocatalysts), which are pollution control devices fitted to cars, trucks, motorcycles, and other, non-road, mobile machinery. Catalytic converters reduce outdoor air pollution in both cities and rural areas. Due to the progressive tightening of vehicle regulations around the world, it would take more than 100 of today’s vehicles with catalytic converters to produce the harmful exhaust emission of just one car sold in the 1960s. Autocatalysts convert more than 90% of hydrocarbons (HC), carbon monoxide (CO) and nitrogen oxides (NOx) from petrol-run engines into less harmful carbon dioxide, nitrogen and water vapour. In diesel cars, oxidation catalysts convert HC and CO to water and carbon dioxide, and catalysed soot filters trap and oxidise particulate matter.

SAVING LIVES
PGMs are the active ingredient in many pharmaceuticals and a vital element in modern surgical technologies and medical componentry. Platinum, for example, is used to create several lifesaving and life-enhancing medical devices, such as pacemakers, catheters, stents, neuromodulation devices to treat Parkinson’s disease and implantable defibrillators. It is also the active ingredient in chemotherapy drugs – including cisplatin, carboplatin and oxaliplatin – and in radio-active implants for cancer-related radiation therapy. Platinum has become the favoured metal in many medical applications because it is biocompatible and durable, with excellent electrical conductivity and radiopacity.

PRE-EMINENT JEWELLERY
Platinum is rare and pure, with a natural white colour. The modern history of platinum only begins in the 18th century, but archaeologists have found objects dating from as far back as 1200 BC, decorated with gold-platinum hieroglyphics. Today, platinum is the pre-eminent metal for bridal jewellery in many countries and promotional campaigns are focused on developing the market for self-purchase and fashion jewellery in Asia in particular.
Who we are and where we operate

Implats is a leading producer of platinum group metals (PGMs) structured around six mining operations and Impala Refining Services, a toll refining business.

Our operations are located on the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe – the two most significant PGM-bearing ore bodies in the world – and the Canadian Shield, an igneous domain for PGMs.

We employ 50,744 people across our operations and market and sell our products in South Africa, Japan, China, India, the US and Europe. The metals we produce are the key to making many industrial, medical, and electronic items, and they contribute to a cleaner, greener world.

The structure of our operating framework allows for each of our operations to establish and maintain close relationships with their stakeholders, while operating within a Group-wide approach to managing the economic, social and environmental aspects of sustainability. As at 30 June 2020, our major shareholders were the Public Investment Corporation (PIC) (13.87%), BlackRock Inc (7.52%), Coronation Asset Management (6.23%), Prudential Investment Managers (5.14%) and Fidelity Management Research Company (5.08%) with the balance of the shares held by various public and non-public shareholders (refer to page 14 of the Group annual financial statements).

Ownership: Implats 74%, Ba-Mogopa Platinum Investments (Pty) Ltd (26%)

Afplats has been impaired and is currently non-operational

TOTAL IMPLATS

Implats is a leading producer of platinum and associated platinum group metals (PGMs)

<table>
<thead>
<tr>
<th>2,813,000oz</th>
<th>Refined &amp;C production</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.050</td>
<td>FIFR</td>
</tr>
<tr>
<td>4.54</td>
<td>TIFR</td>
</tr>
<tr>
<td>11.3</td>
<td>GJ</td>
</tr>
</tbody>
</table>

5 Fatalities
50,744 Number of employees

16,778 GJ (000) energy consumption
3,634 Kt CO2-e carbon emissions footprint
43,122 Mℓ of water consumed
Impala

Ownership: 96%-owned/4% employee share ownership trust
Impala has operations on the western limb of the world-renowned Bushveld Complex near Rustenburg in South Africa. This operation comprises a 10-shaft mining complex and concentrating and smelting plants. The base and precious metal refineries are situated in Springs, east of Johannesburg.

<table>
<thead>
<tr>
<th>39 375</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 758m</td>
<td>&gt;15 years</td>
</tr>
<tr>
<td>1 115koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 110 – 117 for individual operational performance.

<table>
<thead>
<tr>
<th>39%</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R340m</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>210koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 122 – 129 for individual operational performance.

Zimplats

Ownership: > 73%-owned > 27% Tubatse Platinum (Pty) Ltd
Mmakau Mining (Pty) Ltd, Mmarula Community Trust. Zimplats is one of the first operations developed on the relatively under-exploited eastern limb of the Bushveld Complex in South Africa. Mmarula is located in the Limpopo province, some 50 kilometres northwest of Burgersfort.

<table>
<thead>
<tr>
<th>6 130</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 733m</td>
<td>&gt;20 years</td>
</tr>
<tr>
<td>597koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 138 – 145 for individual operational performance.

<table>
<thead>
<tr>
<th>21%</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R679m</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>248koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 146 – 151 for individual operational performance.

IRS

A division of Impala
Impala Refining Services (IRS) is a dedicated vehicle that houses the Group companies (except Impala) and third parties. It provides smelting and refining services through offtake agreements and toll refining and metal concentrate purchases built up by Implats. IRS provides smelting and refining services through offtake agreements with Group companies (except Impala) and third parties. It is situated in Springs, east of Johannesburg.

<table>
<thead>
<tr>
<th>1 540koz</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R800m</td>
<td>&gt;20 years</td>
</tr>
<tr>
<td>261koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 130 – 137 for individual operational performance.

Two Rivers

Ownership: Implats (46%) > African Rainbow Minerals (54%)
Two Rivers is a joint venture and is situated on the eastern part of the eastern limb of the Bushveld Igneous Complex, some 35 kilometres south-east of Burgersfort in Mjumalanga, South Africa.

<table>
<thead>
<tr>
<th>3 329</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R679m</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>248koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 146 – 151 for individual operational performance.

Mmosa

Ownership: 50% owned/50% Sibanye-Stillwater
Mmosa is jointly held by Implats and Sibanye-Stillwater. Its operations are located on the Wedza Geological Complex on the Zimbabwean Great Dyke, 150 kilometres east of Bulawayo. The operation comprises a shallow underground mine, accessed by a decline shaft, and a concentrator.

<table>
<thead>
<tr>
<th>3 522</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R679m</td>
<td>&gt;10 years</td>
</tr>
<tr>
<td>248koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 146 – 151 for individual operational performance.

Impala Canada

Ownership: 100% owned by Implats
Impala Canada is the world’s only pure play palladium producer. Impala Canada owns and operates the Lac des Iles Mine northwest of Thunder Bay, Ontario, Canada and has ownership in two Canadian exploration properties, the Sunday Lake Project and the Shebandowan Joint Venture.

<table>
<thead>
<tr>
<th>879</th>
<th>Contribution to Group 6E production</th>
</tr>
</thead>
<tbody>
<tr>
<td>R657m</td>
<td>&lt;10 years</td>
</tr>
<tr>
<td>97koz</td>
<td>Differentiating factors/investors perspective: page 80</td>
</tr>
</tbody>
</table>

Refer pages 152 – 157 for individual operational performance.

* Acquired on 13 December 2019.
Chairman’s statement on corporate governance

The Implats board recognises that to ensure Implats remains successful over time and creates sustainable value for all stakeholders, it must also create value for society. Our ESG framework aligns the interests of all our stakeholders behind our ability to unlock the power of PGMs to improve the quality of life for everyone, today and for generations to come.

Good governance can only exist in an accountable environment, where there is a clear definition of roles and responsibilities, forums allow frank debate and performance is carefully reviewed. Over the next few pages we outline our progress and describe our governance efforts.

The Implats board is committed to providing effective and ethical leadership to the Group, maintaining the highest standards of good governance to promote quality decision making and executing decisions within a disciplined framework of policies, procedures and authorities. The board is guided by the principles of the King IV Code on Corporate Governance (King IV), the Companies Act, 2008, the JSE Listings Requirements and all other applicable laws, standards and codes. A compliance schedule can be found at www.implats.co.za.

The Implats board works continuously to maintain and develop its governance framework. This ensures good decisions are made and executed, which further the interest of Implats and its diverse stakeholder universe. Independent judgement is exercised on all issues reserved for our review and approval. The board takes full responsibility for the management, direction and performance of the Group.

Dr Mandla SV Gantsho
Chairman

Board representation and how it contributes to value creation

Good corporate governance contributes to value creation by ensuring accountability through reporting and disclosure, effective risk management, clear performance management, transparency and ethical and effective leadership.

In addition, the diversity of our directors in terms of gender, race and professional background facilitates an environment for constructive dialogue and enables the board to consider the needs of a wide range of stakeholder interests.

The Implats board believes these qualities of governance, which are aligned with the principles of King IV, enable the Group to create value for stakeholders in a sustainable manner over the short, medium and long term as described in the strategy section on page 76.

Board skills, experience and diversity

<table>
<thead>
<tr>
<th>Experience</th>
<th>Skills</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and private sector stewardship</td>
<td>Strategic planning and risk management</td>
<td>More than nine years</td>
</tr>
<tr>
<td>Mining engineering, capital projects and operations</td>
<td>Corporate governance</td>
<td>Four to nine years</td>
</tr>
<tr>
<td>Corporate finance and investment banking</td>
<td>Regulatory knowledge</td>
<td>Less than four years</td>
</tr>
<tr>
<td>Human resources management</td>
<td>Capital projects and mineral asset valuations</td>
<td></td>
</tr>
<tr>
<td>Global experience</td>
<td>Financial acumen</td>
<td></td>
</tr>
<tr>
<td>External audit and regulatory compliance</td>
<td>Environmental management</td>
<td></td>
</tr>
<tr>
<td>Mineral asset valuation</td>
<td>Organisational restructuring</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mergers and acquisitions</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Board diversity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
</tr>
<tr>
<td>The board aims to maintain a balance between male and female board members and to ensure that female representation is at 40% or above</td>
<td>7</td>
</tr>
<tr>
<td>Race</td>
<td>African</td>
</tr>
<tr>
<td>The board promotes the appointment of directors from different races and cultures to ensure representation of many stakeholders. The board will endeavour to maintain the representation of HDSAs at 50%</td>
<td>6</td>
</tr>
<tr>
<td>Age</td>
<td>Between 40 and 49 – 4</td>
</tr>
<tr>
<td>The board promotes an appropriate mix of ages to ensure that there are young voices to complement the experienced directors</td>
<td></td>
</tr>
<tr>
<td>Independence</td>
<td>Executive</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
Committee structure

THE BOARD, ASSISTED BY ITS SUB-COMMITTEES, STEERS, APPROVES POLICY AND PLANNING, AND MONITORS ETHICS, REGULATORY COMPLIANCE AND REMUNERATION STRATEGIES. THIS ALIGNS EMPLOYEES WITH THE COMPANY’S STRATEGIC INTENT AND STAKEHOLDER ENGAGEMENT.

**Independent non-executive directors:** Mandla Gantsho, Peter Davey, Dawn Earp, Alastair Macfarlane, Sydney Mufamadi, Babalwa Ngonyama1, Mpho Nkeli, Thandi Orleyn, Preston Speckmann, Bernard Swanepoel  
**Non-executive director:** Boitumelo Koshane  
**Executive directors:** Nico Muller, Meroonisha Kerber, Lee-Ann Samuel

---

**AUDIT COMMITTEE**
- D Earp (Chairman)  
- PW Davey  
- PE Speckmann

**SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE**
- MEK Nkeli (Chairman)  
- MSV Gantsho  
- B Ngonyama  
- PE Speckmann

**HEALTH, SAFETY, ENVIRONMENT AND RISK COMMITTEE**
- AS Macfarlane (Chairman)  
- PW Davey  
- NJ Muller  
- MEK Nkeli  
- LN Samuel  
- ZB Swanepoel

**CAPITAL ALLOCATION AND INVESTMENT COMMITTEE**
- ZB Swanepoel (Chairman)  
- PW Davey  
- D Earp  
- M Kerber  
- NJ Muller

**NOMINATION, GOVERNANCE AND ETHICS COMMITTEE**
- MSV Gantsho (Chairman)  
- PW Davey  
- FS Mufamadi  
- B Ngonyama

---

**EXCO**
Nico Muller, Meroonisha Kerber, Lee-Ann Samuel, Jon Andrews, Tebogo Llale, Alex Mhembere, Mark Munroe, Velile Nhlapo, Kirthanya Pillay, Gerhard Potgieter, Sifiso Sibiya, Johan Theron

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**BOARD EVALUATION PROCESS**

The board sub-committees undergo effectiveness evaluations every two years on an alternating schedule. During the year under review, effectiveness evaluations of the committees and retiring board members were conducted. The results of the evaluations indicated that the committees remain very effective. The recommendations and key focus areas for the next two years have been programmed into the annual workplans. The board resolved to recommend all retiring directors for re-election by shareholders after all received unanimous support.

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1 Lead independent director of Implats board.  
2 Statutory committees.
Our leadership

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mandla Gantsho 58 – Chairman
BCom (Hons), CTA, CA(SA), MSc, MPhil, PhD

Experience
Mandla has previously held senior executive positions in public and private sector organisations, including vice-president for infrastructure and private sector development at the African Development Bank, CEO and MD of the Development Bank of Southern Africa. He is a former independent chairman of Sasol Limited; Ithala Development Finance Corporation, and non-executive director of the South African Reserve Bank. He is currently the independent chairman of Kumba Iron Ore Limited, chairman of Kudumane Manganese Resources (Pty) Ltd, executive chairman of Africa Rising Capital (Pty) Ltd. He also serves as a non-executive director on the board of the newly acquired Impala Canada Limited.

Board appointment
November 2010

Alastair Macfarlane 69 (British)
MSc Mining Engineering

Experience
Alastair has extensive experience in senior and executive management positions in the mining industry, consults to many mining companies within the sector locally and internationally. He is a visiting senior lecturer at the University of the Witwatersrand. Alastair also serves on the board of Sebilo Resources (Pty) Ltd.

Board appointment
December 2012

Peter Davey 67 (British)
BSc (Hons) Mining Engineering, MBA

Experience
Peter was previously a resource analyst at various investment banks in the United Kingdom and he also has extensive production experience in the South African gold and platinum mining industry. He serves on the board of the subsidiary company Impala Platinum Limited.

Board appointment
July 2013

Babalwa Ngonyama 45
BCompt (Hons), CA(SA), MBA

Experience
Babalwa is the founding chairman of the African Women Chartered Accountants (AWCA). She is CEO of Sinayo Securities and also serves as a non-executive director on the boards of Hollard Life Assurance Company, Aspen Pharmaceare Holdings, and enX Group. Babalwa was appointed chairman of council at the University of Cape Town.

Board appointment
November 2010

Dawn Earp 58
BCom, BAcc, CA(SA)

Experience
Dawn has formerly held positions as financial director at both Implats and Rand Refineries. She is a director and a chairman of the audit committee at Anglo Gold Ashanti Pension Fund and Transnet Freight Forwarding (Pty) Ltd and at Aveng Moolmans (Pty) Ltd.

Board appointment
August 2018

Mpho Nkeli 55
BSc Environmental Studies, MBA

Experience
Mpho was a non-executive director at Alexander Forbes, Vodacom SA, African Bank and chairperson of the Commission for Employment Equity. She is currently a director of Search Partners International and an independent non-executive director of Sasol Limited.

Board appointment
April 2015

Sydney Mufamadi 61
MSc and PhD Oriental and African Studies

Experience
Sydney is the chairman of the subsidiary Zimplats Holdings Limited and a non-executive director of Transnet Limited (SOC), Adcorp and Absa Bank subsidiary in Mozambique. He also is the director of the Centre of Public Policy and African Studies at the University of Johannesburg.

Board appointment
March 2015

Implets
ANNUAL INTEGRATED REPORT 2020

12
Thandi Orley

**Experience**
Thandi was previously a long-serving member of the Implats board until she stepped down in 2015. She has held several senior level positions in the public sector including as the director of the CCMA. Thandi serves as a director of Peotona as well as several Peotona investee companies. She is chairman of the board of BP Southern Africa.

**Board appointment**
August 2020

---

Preston Speckmann

**Experience**
Preston has held various senior positions at MMI Holdings, Metropolitan Group and Old Mutual, South Africa. He is a former audit partner of PricewaterhouseCoopers. He currently serves as a non-executive director of Santam, various Sanlam and Santam subsidiary companies including MiWay, African Rainbow Life (ARL), Sanlam Investments, and Sanlam Emerging Markets. He chairs the ARL board. He is the chairman of various audit and risk committees in the Sanlam Group and he also chairs the Volkswagen Financial Services risk committee.

**Board appointment**
August 2018

---

Bernard Swanepoel

**Experience**
Bernard is a former CEO of Harmony Gold. He is currently a non-executive director of Omnia Holdings Limited, Zimplats Holdings Limited and Impala Canada Limited.

**Board appointment**
March 2015

---

Meroonisha Kerber

**Experience**
Meroonisha was appointed to the board as chief financial officer and executive director. She previously spent 10 years at Deloitte after which she held various senior positions at Anglo American Platinum and AngloGold Ashanti. Meroonisha serves on the boards of Impala Platinum Limited, Impala Canada Limited and Zimplats Holdings Limited.

**Board appointment**
August 2018

---

Lee-Ann Samuel

**Experience**
Lee-Ann has held senior positions in human resources across financial services, mining and telecommunications industries. She serves on the boards of Impala Platinum Limited and Impala Canada Limited.

**Board appointment**
November 2017

---

Boitumelo Koshane

**Experience**
Boitumelo was appointed to the board as a non-executive director representing Royal Bafokeng Nation (RBN). She serves on various boards linked to the Royal Bafokeng entities and was previously a non-executive director of Impala Platinum Limited.

**Board appointment**
August 2019

---

Nico Muller

**Experience**
Nico was appointed to the board as chief executive officer and executive director. He has had a long career in the mining industry, which has exposed him to multiple commodities ranging from diamonds and gold to platinum. Nico serves as chairman of subsidiaries Impala Platinum Limited and Impala Canada Limited. He is also a non-executive director of Zimplats Holdings Limited.

**Board appointment**
April 2017

---

Boitumelo Koshane

**Experience**
Boitumelo was appointed to the board as a non-executive director representing Royal Bafokeng Nation (RBN). She serves on various boards linked to the Royal Bafokeng entities and was previously a non-executive director of Impala Platinum Limited.

**Board appointment**
August 2019

---

Lee-Ann Samuel

**Experience**
Lee-Ann has held senior positions in human resources across financial services, mining and telecommunications industries. She serves on the boards of Impala Platinum Limited and Impala Canada Limited.

**Board appointment**
November 2017
Implats overall assurance model

Implats applies a combined assurance model (CAM), which is designed to optimise the assurance provided over the Group’s top-10 strategic risks, risk management and the internal financial controls. The audit committee oversees the internal audit function, which operates as an independent objective assurance for the Group. It coordinates, among other things, the combined assurance map to chart out the assurance provided across the enterprise. The objective of the CAM is to report on key assurance activities provided by the four lines of assurance across the enterprise to minimise duplication of effort and to identify assurance gaps that may exist in these areas in order to optimise the assurance provided in the Group. The CAM further assists in ensuring that key risks have an optimal control assurance in place in line with the risk appetite and tolerance set.

The CAM depicts assurance from all four lines of assurance within a rolling plan and is presented and discussed at the audit committee meetings twice per annum.

Risk, governance and assurance

The board is responsible for overseeing the Group’s risk management and internal control systems, which management is responsible for implementing. The health, safety, environment and risk committee (HSER) and audit committee consist of independent non-executive directors, supporting a strong risk governance framework.

The HSER committee monitors and reviews the risk profile and the effectiveness of all risk management activities and, in particular, monitors adherence to agreed risk limits. Other board sub-committees perform additional risk oversight through rigorous analysis of management’s assumptions for their assigned Group risks.

Implats’ internal audit function provides assurance to the Implats board via designated committees of the board, with a direct reporting line to the audit committee for the purpose of functional independence, and the CFO for administrative purposes and alignment with the organisation. External audit and other external assurance providers provide assurance on financial and non-financial information.

The risk management process

The most important purpose of enterprise risk management is to institutionalise an ongoing and rigorous identification of risks in all aspects of the business, encourage open and honest dialogue about these risks and ensures the implementation of the necessary controls and risk treatment initiatives.

Implats’ risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. In this context, both the upside (opportunity) and downside consequences of all uncertainties that could affect one or more of our objectives at different levels can be considered. Effective risk management enables management to deal with uncertainty and associated threats and opportunities, enhancing the enterprise capacity to build value.

In the current year, the focus has been on ensuring that all organisational officers across the business are informed of the value of rigidly adopting the risk management process when addressing complexity as part of their decision-making process.
The Implats risk management and assurance process

MANDATE AND POLICY
Policy statement
- States Implats’ risk management intent, procedures and guidelines
- Details the board-approved risk management processes
Risk management plan
- Details plans embedded in Implats management processes
Assurance plan
- Details the assurance reviews to ensure risk management is implemented at Implats

COMMUNICATION AND TRAINING
Communication strategy
- Details the risk communication
Stakeholder analysis
- Stakeholder that requires risk communication training needs analysis
- Details of who is going to receive what training
Training strategy
- Identifies and details training needs and programmes within the Enterprise Risk Management (ERM) network
- Continuous risk management knowledge sharing ensuring consistency in dealing with risks throughout Implats

ROLEs AND RESPONSIBILITIES
Process owners
- Board
- Board sub-committees
Exco
- CEO
- OpCo heads
- Risk and control owners
Support function
- Risk department (ERM)
- Assurance function
- Group internal audit and forensic investigations (IGIA)
- External assurance providers

MONITOR REPORTS AND IMPROVE
Progress monitoring of risk management plan
Annual gap analysis
Progress monitoring of risk of assurance plan
Group internal audit reports to audit committee
Governance reporting
- Annual integrated report
- HSER committee
- STR committee
- CAIC committee
- Audit committee

INDEPENDENT ASSURANCE
- Financial audits
- Risk-based performance and compliance audits
- Other external audits

IMPLATS COMBINED ASSURANCE MODEL
- Performance and management framework
- Implementation of standards at management level

To the extent that organisational risks are controllable, these are included in the CAM which incorporates the top-10 strategic risks, internal financial controls and lower tier risks identified/managed by the first line of assurance via the control self-assessments (CSAs)

COMMUNICATION AND CONSULTATION
RISK indicator
RISK analysis
RISK evaluation
RISK treatment/mitigation

MONITORING AND REVIEW
Technology solutions
- Cura (risk data)
- IsoMetrix (risk data)
- SAP (risk data)
Managing performance through remuneration

The year under review

The full Implats remuneration report is available on the Implats website and was included in the notice to shareholders for the financial year ended 30 June 2020, a year in which the Implats strategic journey was bedded down to set the Group on a firm footing for long-term sustainability and value creation for all stakeholders.

The Covid-19 pandemic significantly disrupted business performance during the second half of the financial year, resulting in the review of various employment policies. New policies were developed to address specific issues which arose, including policies around work from home, special leave and vulnerable employees.

The Company did all it could to ensure its employees and communities were not left destitute. At our South African operations, we continued to pay employees who were not at work their full salary during the initial three-week national lockdown, and continued to pay the living out allowance and contributions to medical aid and retirement funding when the lockdown was extended. Where necessary, we applied for the special Temporary Employee Relief Scheme (TERS) benefit made available by government to support employers who were not able to work. To provide assistance to our communities, we partnered with Gift of the Givers and other NGOs to provide food and support to the destitute. The board of directors and the executive committee also supported the call to contribute up to a third of salaries and fees to either the Solidarity Fund or other charitable organisations.

Shareholder engagement and voting

Our remuneration reporting has continued to be favourably viewed by our shareholders. There has been some improvement since FY2017 and the trend over the past three years is mostly positive as shown in the table below:

<table>
<thead>
<tr>
<th>Element of report</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration policy</td>
<td>56.40%</td>
<td>94.27%</td>
<td>89.36%</td>
</tr>
<tr>
<td>Remuneration implementation report</td>
<td>58.96%</td>
<td>78.65%</td>
<td>90.60%</td>
</tr>
</tbody>
</table>

Further engagements with our shareholders to enhance our remuneration reporting and pay transparency were affected by the Covid-19 lockdown and restrictions placed on travel and meetings. We will resume these engagements as soon as we are able to.

During our engagement with shareholders concerns were raised, which have been responded to by effecting the following changes to our remuneration policy:

- Malus and clawback policy applicable to all variable pay elements was approved by the STR committee and implemented
- Minimum shareholding requirement (MSR) for the CEO and the executive committee has been implemented, doubling the requirement applicable to Exco members and trebling the requirement for the CEO. We view this as a positive change to ensure the interests of executives and shareholders remain aligned over the long term
- We have replaced return on capital (ROC) with return on capital employed (ROCE) as a performance target for the vesting performance share awards under our long-term incentive (LTI)
- Changes to the LTI plan increased the weighting of LTIs in the pay mix for executives and senior management
- The weighting of the short-term incentive (STI) operational measures were changed, with the inclusion of free cash flow as a key Group and operational metric
- The introduction of the medium-term bonus share award for management employees and the discontinuation of performance shares for employees below executive level were two of the major changes in the remuneration review completed last year. The impact of this change for employees at executive level is that a higher proportion of their total pay is linked to performance.

This is in line with our intention to, where appropriate and justified, respond to the issues raised by our shareholders.

During the year, the Implats minimum wage for permanent full-time employees remained significantly higher than the prescribed national minimum wage and, following a review by PwC in January 2020, our Gini coefficient is 0.266, which compares favourably to the National (0.436) and Mining Circle (0.416) data in the PwC database. The Gini coefficient ranges from 0 – 1, where 0 represents total equality (i.e. income is distributed equally), and 1 represents extreme inequality (i.e. all income is concentrated in the hands of a few individuals). Therefore, the closer the number is to 1, the higher the levels of inequality.
The Palma ratio was also calculated for Implats, which compares the total remuneration of the top 10% earners of the Company compared to the total remuneration of the bottom 40% earners, eliminating the impact of middle class earners making up around half of the population. The Palma ratio for Impala Platinum is 1.074, which compares favourably with the Mining Circle ratio of 1.964 and the National Circle ratio of 2.235.

We successfully concluded a three-year wage agreement with AMCU, the majority union in Rustenburg and at Marula, in November 2019, without any labour disruptions. This achievement is an indication of the improved relationship between Implats and AMCU and should ensure an uninterrupted labour environment at these operations for the next three years. The wage agreement at the Refineries in Springs expired on 30 June 2020 and a one-year wage agreement was concluded because of the limitations placed on extended wage negotiation sessions due to the Covid-19 pandemic.

Remuneration strategy
The principle of performance-based remuneration is one of the cornerstones of Implats’ remuneration strategy. It is underpinned by sound remuneration management and governance principles, which are promoted across Implats to ensure the consistent application of the remuneration strategy and policy.

Remuneration philosophy

<table>
<thead>
<tr>
<th>FUNCTIONS OF THE POLICY</th>
<th>KEY REMUNERATION PRINCIPLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ensure that the Company’s remuneration policy and practices encourage, reinforce and reward the delivery of sustainable shareholder value creation</td>
<td>• The remuneration policy is aligned to the overall business strategy, objectives and values of the Group</td>
</tr>
<tr>
<td>• Attract, motivate, retain and reward executives and employees for establishing a high-performance culture that delivers on its promises to all stakeholders</td>
<td>• The remuneration policy ensures that executive remuneration is fair and responsible in the context of overall Company remuneration</td>
</tr>
<tr>
<td>• Motivate and reinforce individual, team and business performance in the short, medium and long term</td>
<td>• Salaried employees are rewarded on a total remuneration basis, which includes fixed, variable, short, medium and long-term (where appropriate) remuneration as well as intangible rewards in line with market best practice</td>
</tr>
<tr>
<td></td>
<td>• Remuneration is benchmarked against the appropriate target markets depending on the location of the operation, the nature of the work and the level in the organisation</td>
</tr>
<tr>
<td></td>
<td>• The fixed (guaranteed) component of the reward structure includes a base salary, pension and benefits that are set within an appropriate band above and below the appropriate market median</td>
</tr>
<tr>
<td></td>
<td>• Total remuneration (base salary, pension, benefits and incentives) is targeted at the median for on-target performance and at the upper quartile for superior performance of the relevant peer group</td>
</tr>
<tr>
<td></td>
<td>• Incentives used for retention are clearly distinguished from those used to reward performance</td>
</tr>
<tr>
<td></td>
<td>• Performance bonuses are capped at a maximum percentage of 200% of the on-target incentive</td>
</tr>
<tr>
<td></td>
<td>• Adherence to principles of good corporate governance, as depicted in “best practice” and regulatory frameworks (e.g., King IV)</td>
</tr>
<tr>
<td></td>
<td>• The risks associated with performance metrics and levels of performance for each metric are considered when designing incentive schemes and personal performance scorecards</td>
</tr>
<tr>
<td></td>
<td>• Performance levels are set using a sliding scale to avoid an “all or nothing” result. Thresholds are applied below which there is no reward and caps are applied at the stretch level of performance</td>
</tr>
</tbody>
</table>
Managing performance through remuneration

Linking remuneration to strategy

During FY2020 we continued to focus on the alignment of the Group’s strategic objectives with the remuneration policy and ensuring that the CEO and Exco team’s performance is evaluated in terms of these objectives. Their earning capacity has to therefore be aligned with the attainment of these strategic objectives.

The six strategic objectives of the Company for FY2020 are defined in diagram 1.

Diagram 1

These strategic objectives are then converted into strategic key performance areas which are cascaded into the Implats balanced scorecard and the CEO’s personal scorecard.

The CEO’s balanced scorecard (BSC) for FY2020 was agreed as follows, and includes deliverables related to each of the strategic objectives listed above:

<table>
<thead>
<tr>
<th>Balanced scorecard</th>
<th>CEO Nico Muller</th>
<th>1 July 2019 – 30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KPI</strong></td>
<td>Weighting</td>
<td>Performance rating</td>
</tr>
<tr>
<td><strong>1</strong> Financial: Improve the BP2020 projected Group free cash flow</td>
<td>20%</td>
<td>4.7</td>
</tr>
<tr>
<td><strong>2</strong> Rustenburg: Deliver the Impala Rustenburg restructuring objectives for FY2020</td>
<td>20%</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>3</strong> Growth: Implement decision on Waterberg post DFS and develop a suitable funding strategy</td>
<td>20%</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>4</strong> Portfolio optimisation: Identify and develop value accretive business development opportunities to optimise our current asset base and enhance the portfolio in line with the company strategy</td>
<td>20%</td>
<td>4.5</td>
</tr>
<tr>
<td><strong>5</strong> Stakeholder relations: Strengthen stakeholder engagement to ensure:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. all stakeholders remain fully engaged in the Rustenburg restructuring and wage negotiation processes to mitigate any potential related-operational disruptions</td>
<td>5%</td>
<td>5.0</td>
</tr>
<tr>
<td>b. the long-term prosperity of our business investments in Zimbabwe and to advance the country’s economic development aspirations</td>
<td>5%</td>
<td>5.0</td>
</tr>
<tr>
<td>c. our licence to operate at Marula is not compromised due to chrome disputes</td>
<td>5%</td>
<td>5.0</td>
</tr>
<tr>
<td>d. culture and performance: Promote actions and behaviours in others that instil ownership, leadership and accountability at all levels within the organisation. Create an energetic and vibrant working environment which stimulates a desire to succeed and actively engages all employees. Improve employee engagement score by 5% on identified areas of improvement</td>
<td>5%</td>
<td>3.6</td>
</tr>
</tbody>
</table>

100% | 4.43
FY2021 Key strategic objectives

STRATEGIC PILLARS

<table>
<thead>
<tr>
<th>Strategic Pillars</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible corporate stewardship</td>
<td>We develop, protect and strengthen our license to operate through industry leading ESG performance</td>
</tr>
<tr>
<td>Operational excellence in PGMs</td>
<td>We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery</td>
</tr>
<tr>
<td>Organisational effectiveness</td>
<td>We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver</td>
</tr>
<tr>
<td>Optimal capital structure</td>
<td>We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework</td>
</tr>
<tr>
<td>Competitive portfolio aligned to market requirements</td>
<td>We seek to leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies</td>
</tr>
<tr>
<td>Market development and value chain optimisation</td>
<td>We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand</td>
</tr>
</tbody>
</table>

The key deliverables for the CEO for FY2021 have been agreed with the board and are defined as follows in his BSC:

Balanced scorecard
CEO Nico Muller
1 July 2020 – 30 June 2021

<table>
<thead>
<tr>
<th>KPA</th>
<th>KPI</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational sustainability</td>
<td>FY2021 business plans to include specific programmes that focus on ensuring long-term viability of Impala Rustenburg, Impala Canada and Marula</td>
<td>25%</td>
</tr>
<tr>
<td>Strategy</td>
<td>Refine Group strategy to reflect market changes and support the delivery of the capital allocation framework and ESG practices and targets</td>
<td>25%</td>
</tr>
<tr>
<td>Leadership</td>
<td>Strengthen leadership capacity through the identification of potential successors for the CEO and Exco roles which is underpinned by transformation, exposure and ownership</td>
<td>25%</td>
</tr>
<tr>
<td>Stakeholder engagement</td>
<td>Ensure the board, investors, employees, regulator and organised labour’s engagement and participation in the evolution of the Implats Group strategy</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>
Managing performance through remuneration

Linking remuneration to strategy

How we link pay to performance
Implats remuneration philosophy aims to attract and retain motivated, high-calibre employees, whose interests are aligned with those of our shareholders. This is achieved through the right mix of guaranteed and performance-based remuneration (variable pay), which provides for differentiation between high, average and low performers. The pay mix of guaranteed and variable remuneration differs according to the level of the employee to reflect the employee’s ability to influence the outcome of the Company’s performance, the more senior the employee, the higher the proportion of variable pay in his/her total remuneration package.

The CEO’s proportion of variable pay is 64% of his total on-target remuneration, for the Exco team this is 56% and 51% for the senior executives which is aligned with the philosophy of performance-based pay.

Below we illustrate the total pay and values under various performance scenarios.

Figure 1
Pay mix as % of GP – on-target
as at 30 June 2020 (%)

Figure 2
Pay mix as % of total pay – on-target
as at 30 June 2020 (%)

Figure 3
Pay mix as % of total pay – at threshold
as at 30 June 2020 (%)

Figure 4
Pay mix as % of total pay – at stretch
as at 30 June 2020 (%)
The introduction of the medium-term bonus share award for management employees and the discontinuation of performance shares for employees below executive level were two of the major changes in the remuneration review completed last year. The impact of this change for employees at executive level is that a higher proportion of their total pay is linked to performance.

Total earning potential at threshold, on-target, and stretch performance for the CEO, members of the executive committee and senior management is reflected below. The current TGP is used for the CEO, but the average TGP is used for the Exco members and the senior management team. At performance below threshold level, no variable remuneration would be earned.

**Pay mix principles**

The pay structure is linked to the employees’ area of responsibility and endeavours to reward them appropriately for their contribution to achieving organisational results best explained as per the diagram below.
## Managing performance through remuneration

<table>
<thead>
<tr>
<th>Element</th>
<th>Eligibility</th>
<th>Policy objectives</th>
<th>Strategic intent</th>
</tr>
</thead>
</table>
| Guaranteed Package (GP) – includes basic salary and employee benefits | All employees | • The key objective is to reward executives and employees fairly and consistently according to their role and their individual contribution to the Company’s performance  
• To achieve external equity and competitive remuneration, Implats uses surveys of peer-group deep level mining companies  
• The benchmark for guaranteed pay is the market median of the relevant peer group | • Competitive GP to attract and retain high calibre executives and employees, based on expertise, track record and experience  
• To benchmark our guaranteed packages with peers that are similar in revenue, market capitalisation, number of employees and mining methods  
• Market benchmarking is used to assist in determining pay ranges for executives and employees to ensure the Company is able to attract and retain the best talent |
| Benefits – included in GP standard benefits with flexible options | All employees, except where specified differently | The key objective is to provide benefits in addition to cash remuneration based on the needs of our executives and employees  
(a) Medical aid  
Implats provides healthcare assistance through providing a flat rate contribution subsidy for the principal member and dependants | • To ensure external competitiveness and advance employee wellness, engagement and effectiveness  
• To ensure our employees have access to decent and affordable healthcare benefits  
• Benefits are managed to ensure affordability for employees and the Company |
| | | (b) Retirement  
Implats policy is to provide, where appropriate, additional elements of compensation as listed below:  
• Participation in a retirement scheme.  
In most instances, the Company and the employee contribute towards retirement savings  
• Life insurance is provided as a fixed amount or a multiple of salary  
• Disability insurance, which comprises an amount to replace partially lost compensation during a period of medical incapacity or disability, is provided to all employees and executives as part of the retirement funds | |
| | | (c) Car and travel allowances  
To provide business travel benefits as part of the GP | |
| | | (d) Leave  
To offer attractive vacation leave benefits – compulsory and leave that can be encashed | |

### Eligibility: D-band and above

- A monthly travel benefit is provided up to 30% of monthly salary
- To ensure that our employees take sufficient time off work to rest and spend time with their families
<table>
<thead>
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<th>Strategic intent</th>
</tr>
</thead>
</table>
| Executive Incentive Scheme (EIS) | All D-band and above employees, except for D-band employees participating in production bonus schemes | • The key objective is to create a high-performance culture by rewarding individuals and teams for achieving and/or exceeding the Company’s objectives. These objectives include financial and non-financial measures  
• Operational objectives for each shaft are measured against the operational plans approved by the board and include safety, production, unit costs and free cash flow. The corporate strategy and operational objectives in terms of the annual business plans form the basis of the Group objectives  
• The threshold, target and stretch levels of performance are set relative to the budget and operational plans. The on-target annual incentive for different levels is set relative to the comparator market as a percentage of the TGP of eligible employees  
• Incentives are not paid for performance below threshold and incentives paid at stretch performance are capped to limit the liability of the Company. The incentive scenarios are modelled to ensure affordability while offering a meaningful reward | • To encourage and reward executives and employees for short-term (12 months or less) performance  
• To drive improved performance at Group, operational and individual level  
• To differentiate performance-based pay in a defensible, transparent manner and attract and retain high performers  
• To ensure behaviours that are aligned to annual operational business plans are rewarded appropriately |
| Medium-term incentive (MTI) in the form of bonus shares. The MTI links the STI and the LTI | Middle management and above | The medium-term incentive is linked to the EIS whereby a portion of the cash bonus is awarded in the form of bonus shares and the bonus shares vest in equal parts after 12 and 24 months of award | The objective of the medium-term incentive is to support the delivery of the annual business plans over multiple years and to incentivise management for the consistent delivery thereof |
Managing performance through remuneration

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Long-term Incentives (LTI) with the delivery mechanism being “The Implats 2018 Share Plan”</td>
<td>Middle management and above. Different instruments are offered to different levels of staff</td>
<td>The key objective of the long-term incentive is to attract, motivate, retain and reward senior employees who can influence the medium to long-term performance and strategic direction of the Group. The instruments on the following page are used to achieve these objectives:</td>
<td>• The intent is to encourage and reward long-term performance and value creation that aligns with shareholders (long-term view is 36 months) • To retain high performers • To encourage ownership and engagement to sustainably improve company performance</td>
</tr>
<tr>
<td>(a) Bonus shares</td>
<td>Encourage senior and key employees to identify closely with the objectives of Implats and shareholders over the medium term</td>
<td>Eligibility: D-band and above employees</td>
<td></td>
</tr>
<tr>
<td>(b) Performance shares</td>
<td>Align senior and key employees’ interests with the continuing growth of the Company and delivery of sustainable value to its shareholders</td>
<td>Bonus shares (categorised as the MTI) – to encourage ownership and engagement to improve performance at all levels of management over multi-years – linking short-term performance to medium and long-term business drivers (vesting 12 and 24 months)</td>
<td></td>
</tr>
<tr>
<td>(c) Matching shares</td>
<td>Incentivise participants of the scheme to build-up the required MSR targets over six years</td>
<td>Eligibility: E-band employees and Exco</td>
<td></td>
</tr>
<tr>
<td>(d) Restricted shares</td>
<td>Encourage executives to retain Implats shares and build up an Implats share portfolio to create ownership</td>
<td>Performance shares – only offered to executives to encourage and reward long-term performance that aligns with shareholders (vesting after 36 months, subject to the attainment of defined corporate performance targets)</td>
<td></td>
</tr>
<tr>
<td>Eligibility: Exco</td>
<td>Matching shares – only offered to executives in recognition of meeting MSR requirements. One matching share is awarded for three shares owned</td>
<td>Eligibility: Exco</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Allows participants to defer the vesting of performance shares, annual STI or bonus share awards into restricted shares to meet the MSR</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In addition to the remuneration elements referred to above, we also make use of the following in exceptional circumstances:

**Sign-on awards**
In exceptional cases for certain business critical appointments, Implats may offer sign-on awards (short term or long term) to new members of executive management and key employees, specifically in instances where the new employee is losing out on share or bonus awards from their previous company.

**Retention payments**
In exceptional circumstances, management has the discretion to make retention payments in the form of cash or equity-based payments to executives and key employees below the Group executive team. Any retention payments to the Group Executive team must be approved by the social, transformation and remuneration committee (STRCom or the “committee”). Implats reserves the right to make the retention payment subject to vesting periods and performance and/or continued employment provisions as well as pre-vesting forfeiture where appropriate.

More details of the elements of remuneration can be seen in our remuneration report which is available on the www.implats.co.za website. The STRCom, which has oversight of the remuneration function at Implats, takes into account the wider societal issues affecting the Company, good corporate governance and business sustainability over and above compliance to the regulatory framework. The committee regularly reviews the Company’s compliance in relation to legislation, applicable codes, best practice guidelines and other industry or national standards relevant to its work. The shareholders will again be asked to endorse the remuneration policy and the implementation thereof.

**Short-term incentive outcomes for FY2020**
The STI scheme and related performance targets for the 2020 financial year were approved by the STRCom in August 2019 and the outcomes of performance against the Group targets were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Unit</th>
<th>Weight</th>
<th>Threshold (%)</th>
<th>Target (%)</th>
<th>Maximum (%)</th>
<th>Full year FY2020</th>
<th>Bonus % achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unit Weight</td>
<td></td>
<td>Actual</td>
<td>Threshold 0%</td>
<td>Target 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safety LTIFR</td>
<td>per million</td>
<td>100%</td>
<td>4.54</td>
<td>5.59</td>
<td>5.03</td>
<td>4.47</td>
<td>188%</td>
</tr>
<tr>
<td>Mine-to-market pt ounces</td>
<td>000 oz</td>
<td>40%</td>
<td>1 171</td>
<td>1 217</td>
<td>1 352</td>
<td>1 487</td>
<td>0%</td>
</tr>
<tr>
<td>Unit costs (W/C &amp; SIB)</td>
<td>R/pt oz</td>
<td>25%</td>
<td>30 867</td>
<td>31 658</td>
<td>28 527</td>
<td>25 960</td>
<td>25%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Rm</td>
<td>15%</td>
<td>14 395</td>
<td>1 481</td>
<td>4 804</td>
<td>8 127</td>
<td>200%</td>
</tr>
</tbody>
</table>

Group and operational performance was negatively impacted by the coronavirus pandemic and the associated lockdowns and operating restrictions enforced by government. Overall performance to end February 2020 indicated that the Group and each of the operations were well on their way to achieving on-target performance. The negative impact of the pandemic was felt especially in the last quarter, with the result that the mine-to-market platinum ounces metric did not reach threshold and returned a bonus outcome of 0%. Despite this, the Group returned a solid set of results, with significant increases in free cash flow and an improved balance sheet. The STRCom was of the view that the 74% overall outcome was not a fair reflection of the full year performance of the organisation, and in addition to the bonus earned based on this outcome, approved the granting of an ex gratia bonus award based on a moderated performance outcome of 90% for the Group. In comparison, Group performance for FY2019 was 120%.
Corporate governance effecting value

According to King IV, the board is tasked primarily with steering and setting the strategic direction of the group, approving policy and planning, oversight, monitoring and ensuring accountability.

Below is a description of how the board, through its sub-committees, discharged this duty.

### Audit Committee

**Committee mandate**
- Review accounting policies and ensure the financial information issued to stakeholders is supported by robust internal controls and risk management processes
- Safeguard the Company’s assets by monitoring the proper operation of adequate and effective internal control systems
- Monitor the reporting processes and preparing fairly presented financial statements in compliance with the applicable laws, regulations and accounting standards
- Monitor the activities of the external auditors, including their independence, and ensure the scope of their non-audit services does not impair their independence
- Make recommendations on dividend declarations, in line with the Group’s capital allocation framework, balance sheet and liquidity policy and the dividend policy
- Review and recommend, for adoption by the board, publicly disclosed financial information, which for FY2020 included:
  - The interim results for the six months ended 31 December 2019
  - The annual results for the year ended 30 June 2020
  - Quarterly production reports
  - Trading updates to shareholders

**Strategic future focus areas**
- Protecting the Group’s balance sheet from the impact of Covid-19
- Monitoring management’s efforts to build sufficient liquidity to cover minimum working capital, as determined by the board
- Evaluating the Group’s initiatives to further strengthen the effectiveness of its internal financial controls
- Monitoring the work of the new external auditors to ensure their deeper understanding of the business

### Deliberations to direct and support strategy

<table>
<thead>
<tr>
<th>Allocated risks and stakeholder material matters addressed</th>
<th>Deliberations</th>
<th>Trade-offs</th>
</tr>
</thead>
</table>
| **Risks**
  - Impact of Covid-19 on Impalas operations
  - Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar
  - Failure to comply with legal and regulatory requirements through the value stream |
| Zimbabwe’s discontinuation of a multi-currency environment and the challenge this presented for the business. |
| Assisted the board in determining the funding structure for the acquisition of Impala Canada. |
| The restructuring of the Marula B-BBEE structure. |
| Recommending to the board for approval of the following: |
  - capital allocation framework
  - balance sheet and liquidity policy
  - dividend policy |
| Financial capital is the primary enabler of the strategic decisions that result in the maintenance and growth of other capitals: |
  - Regulatory compliance with the new currency regime has resulted in the Group’s exposure to currency risk at its Zimbabwean operations, which will potentially deplete financial capital |
  - The Marula B-BBEE loan restructuring will strengthen our social licence to operate |
  - Financial capital returned to investors in the form of dividends is an important reflection of the value created for investors |
  - While Covid-19 affects all our capitals to varying degrees, the board’s oversight of the Group’s internal control environment safeguards our financial and manufactured capitals, while also giving effect to our strategic objectives to ensure responsible corporate stewardship through our reporting practices and organisational effectiveness |

<table>
<thead>
<tr>
<th>Stakeholders – shareholders and regulators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration of Impala Canada</td>
</tr>
<tr>
<td>Customers: Impact of Covid-19 lockdown regulations on South African operations</td>
</tr>
<tr>
<td>Governance disclosures and contributions toward ESG-related matters</td>
</tr>
</tbody>
</table>

1. Refer pages 47 – 55 of this report.
2. Refer pages 62 – 68 of this report.
### Stakeholder matters

<table>
<thead>
<tr>
<th>Deliberations affecting value</th>
</tr>
</thead>
</table>
| **Liquidity position, dividend policy and capital allocation framework**  
(CFO review page 98) | During the year under review the audit committee contributed to the value creation process. It approved a balance sheet and liquidity policy, a new capital allocation framework clearly setting out strategic objectives and a dividend policy, 30% of free cash flow, pre-growth capital for any given period.  
The committee supported improvements to the capital structure including the induced conversion of the US$ convertible bond and progress on reducing outstanding debt at Impala Canada and Zimplats, the extension of the Marula B-BBEE debt repayment period and increasing flexibility of its existing revolving credit facility.  
The committee acknowledges the significant improvements in the liquidity position of the Group, notably the improvements in the net cash balance, the cancellation of the treasury shares and the resumption of dividend payments. |
| **Good corporate governance, internal control and approved audit plan completed** | Value is derived from good corporate governance. To this end, the committee monitored the performance of the Group’s external auditors in their first year of appointment and the impact of Covid-19 on reporting processes to ensure consistent internal financial controls.  
The valuation applied throughout the period, where methodologies and key assumptions used for impairment were reviewed.  
The committee reviewed and approved the Group delegation of authority matrix and considered the independence of external auditors and the appropriateness of the non-audit services policy.  
In addition, the committee reviewed the procurement function’s performance, the impact of B-BBEE fronting and associated internal controls, as well as the contributions made to host communities. |
| **Committee performance** | The committee evaluated their effectiveness during the year under review through a self-assessment process, which included an evaluation of the chairman of the committee. The process was led by the nomination, governance and ethics committee, on behalf of the board.  
The committee was rated 4.5 out 5 with the opportunity to improve to outstanding. |
| **Financial review and guidance** | The committee has guided the business planning process, considering the significant changes in PGM markets, the external operating environment and the impact of Covid-19, which has increased economic uncertainty.  
Impala Canada’s operational performance was monitored to ensure it remains within the planned parameters (tonnes milled, production cost, revenue, capital and cash flow) set at acquisition. |
The Company continues to operate in a sustainable way under the guidance of the social, transformation and remuneration committee.

### Committee mandate
- Monitor social and economic development, including the Group’s standing relative to the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development’s (OECD’s) recommendations on combating corruption, and South Africa’s Employment Equity Act and Broad-Based Black Economic Empowerment Act
- Ensure good corporate citizenship, including the Group’s efforts to promote equality and prevent unfair discrimination
- Monitor the Group’s contribution to the development of the communities in which it operates and records of sponsorships, donations and charitable giving
- Review the framework, policies and guidelines for the implementation of transformation and sustainable development
- Monitor implementation of the revised Group reward strategy, policy and philosophy, to ensure responsible reward practices are implemented

### Strategic future focus areas
- Embedding the key learnings from the Covid-19 crisis, which have made it necessary to change some past practices
- Deepening the improved relationships with stakeholders
- Progressing the succession planning for key roles in the organisation
- Supporting the mental health of employees, dependants and health workers due to the ongoing pandemic
- Improving Implats’ ESG performance and its transition to becoming a cleaner, lower-carbon producer

### Deliberations to direct and support strategy

#### Allocated risks and stakeholder material matters addressed

<table>
<thead>
<tr>
<th>Risks</th>
<th>Deliberations</th>
<th>Trade-offs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Impact of Covid-19 on Implats’ operations</td>
<td>Gender mainstreaming to ensure Group policies and practices made working environments safe spaces for women to flourish. Preferential procurement and local economic development through enterprise development in South Africa, Zimbabwe and, later, Canada, to ensure local communities benefit from mining. Approval of the corporate performance scorecards, and the CEO’s performance scorecard, including bonus parameters, to ensure remuneration is aligned with Group strategic objectives and executives are rewarded for their effort. Implementation of a malus and clawback policy and minimum shareholding requirements for executives. A deep-dive into risks posed by Covid-19 to local communities and what the Company has done to assist them prepare to stop the spread of the virus.</td>
<td>There is no trade-off for implementing good corporate governance practices, as all capitals benefit from legitimate and ethical leadership. In addition to innovative thinking and collaboration, financial capital is required to give effect to our strategic objectives related to responsible corporate stewardship, operational excellence in PGMs and organisational effectiveness, which enhance our human and social capitals and safeguard our manufactured and environmental capitals.</td>
</tr>
<tr>
<td>2. Ability to reduce labour complement in line with restructuring programme, while limiting disruptions from affected stakeholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Inability to maintain our social licence to operate due to strained stakeholder relations and/or failure to provide value-enhancing sustainability initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Challenged capacity and efficiencies of management layers at South African operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Regulatory compliance through the value stream, as informed through key legislation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Stakeholders
- shareholders, organised labour, communities, regulators, customers
- All stakeholder material matters

1 Refer pages 47 – 55 of this report.
2 Refer pages 62 – 68 of this report.
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Good corporate citizenship</td>
<td>To promote social and economic development, the committee focused on activities with local suppliers to ensure they benefit from discretionary expenditure and are capacitated to provide products and services to the core business.</td>
</tr>
<tr>
<td>Mining Charter and Social and Labour Plans (SLP)</td>
<td>The committee continues to monitor regulatory compliance including delivery against SLPs, updates on delayed projects and plans to address these delays. The majority of community projects have been completed and delayed projects will be finished under the supervision of the regulator. Management continued to implement the housing and accommodation strategy as approved by the board.</td>
</tr>
<tr>
<td>Pay for performance</td>
<td>The committee agreed annual performance targets with the executive and continuously monitor delivery. Agreed targets were impacted by Covid-19 but the committee commended management for their efforts in protecting the business and ensuring a rapid recovery from Covid-19-related business interruptions. The committee amended the vesting condition for long-term incentives to align with feedback received from shareholders. The committee approved the malus and clawback policy and approved the minimum shareholding requirement multiples.</td>
</tr>
<tr>
<td>Employee relations</td>
<td>In November 2019, the Company reached a wage agreement with AMCU without disruptions to operations. Management kept the committee informed about employees’ well-being during the Covid-19 pandemic.</td>
</tr>
<tr>
<td>Committee performance</td>
<td>The committee evaluated their effectiveness during the year under review through a self-assessment process, which included an evaluation of the chairman of the committee. The process was led by the nomination, governance and ethics committee, on behalf of the board. The committee was rated 4.5 out 5 with the opportunity to improve to outstanding.</td>
</tr>
</tbody>
</table>
The committee monitors management’s implementation of the HSER strategy to deliver safe production without causing harm to our employees, other stakeholders or the environment.

**Committee mandate**
- Approve and monitor the implementation of the Group’s health, safety and environment (HSE) strategy
- Monitor HSE performance in terms of the Company’s policies, systems, standards, codes of practice and procedures
- Monitor the HSE management function and recommend improvements where necessary
- Review the HSE element of the Company’s business plan and approve the HSE disclosures in the annual reports
- Institute investigations into matters where inadequacies in matters of health, safety and environmental regulatory compliance have been identified, or as directed by the board
- Ensure a functioning risk management system and coordinate the appropriate allocation of top risks to the respective board sub-committees
- Remain responsible for the risks assigned to it, but ensure the board is assured that all risks have been identified and are managed effectively

**Strategic future focus areas**
- Reorganising work practices and organisational (medical) capacity around Covid-19 to ensure health and safety is not compromised
- Structuring the Group’s management of HSER issues according to international ESG best practice

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### Deliberations to direct and support strategy

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<tbody>
<tr>
<td><strong>Risks</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Impact of Covid-19 on Implats operations</td>
<td>Assessing the Group’s tailings storage facilities for safety and ongoing management.</td>
<td>Any loss of life in the workplace is unacceptable and destructive to our human, social and relationship, intellectual and financial capitals.</td>
</tr>
<tr>
<td>- Deterioration in safety performance</td>
<td>Monitoring waste recycling to ensure very little waste ended up at landfill sites and that most can be recycled.</td>
<td>Most initiatives come at a financial cost, impacting financial capital, but as other capitals are enhanced, financial capital is also increased:</td>
</tr>
<tr>
<td>- Electricity supply at South African and Zimbabwean operations</td>
<td>Deepening the understanding of underground fires in different types of excavations.</td>
<td>- Investing in initiatives to improve our health and safety performance and environmental compliance/responsibility will enhance our human and natural capitals and improve operational excellence</td>
</tr>
<tr>
<td>- Regulatory compliance through the value stream, as informed through key legislation</td>
<td>Exploring the subject of environmental profit and loss, where the Company’s negative impact on the environment is assessed along with the positive impact, with a view to preserve the environment and to improve it.</td>
<td>- Tailings dams upgrades result in gains from a climate control perspective and increases our social, human and environmental capitals</td>
</tr>
<tr>
<td>- Security of water supply in South Africa (Bojanala and Rustenburg)</td>
<td>Monitoring the Group’s medical and safety preparedness to mitigate the spread of Covid-19.</td>
<td>- Water is a resource shared with other stakeholders, therefore, its sustainable use is imperative to maintaining our operations and our social licence to operate</td>
</tr>
</tbody>
</table>

### Stakeholders<sup>2</sup> – Shareholders, employees, organised labour, regulators
- Covid-19 risk and impacts: operational changes, risk of contracting Covid-19 in the workplace
- South Africa – Covid-19 national lockdown: evolving regulatory requirements and restrictions
- Governance, disclosure and contributions towards ESG-related matters
- Employee safety
- Integration of Impala Canada

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<sup>1</sup> Refer pages 47 – 55 of this report.

<sup>2</sup> Refer pages 62 – 68 of this report.
Operational discipline is a key pillar for safe production. The committee dedicated sufficient time to monitor management activities in achieving operational discipline at all operations. This included ensuring health and safety policies, codes and standards were in place and adhered to, and that incidents of non-adherence were dealt with appropriately.

The committee is responsible for overseeing the Group risk management framework. The committee was kept informed of key and emerging risks. The board’s decentralised method of risk oversight by each committee ensures that the HSER committee fully addressed any risk where it is covered by more than one committee of the board.

The Group has in-house health care facilities, which provide superior health care to employees and their families where applicable. During the year under review, the committee noted that the planned introduction of the National Health Insurance may impact on these in-house services. The committee will continue to monitor developments as the government of South Africa clarifies its policy position.

The Company experienced several major unwanted events during the year under review. The committee discussed causes and remedial actions taken to avoid repetition of such events. The deliberations have led to changes and improvements in internal codes of practice and safety standards.

The committee evaluated their effectiveness during the year under review through a self-assessment process, which included an evaluation of the chairman of the committee. The process was led by the nomination, governance and ethics committee, on behalf of the board.

The committee was rated 4.5 out 5 with the opportunity to improve to outstanding.

While it is fully acknowledged that the board is responsible for risk management at Implats, risk management is viewed as pervasive throughout the organisation. Oversight of the risk management system and process is the responsibility of the HSER committee, while each sub-committee takes responsibility for the risks relevant to it.
**CAPITAL ALLOCATION AND INVESTMENT COMMITTEE**

The committee advises the board on the responsible allocation of limited resources to ensure the best return to stakeholders on invested capital.

### Committee mandate
- Advise the board on the allocation of capital and future investment/disinvestment after due consideration of life-of-mine plans
- Monitor the implementation of approved capital projects to ensure they are delivered on time and within budget
- Evaluate and advise the board on the performance of assets in terms of their return on investment
- Review and monitor the implementation of the Impala Rustenburg strategic review

### Strategic future focus areas
- Monitoring the receipt of planned returns from each investment made
- Ensuring projects deferred due to Covid-19 are resumed and delivered according to plan
- Assisting the board with ongoing development and implementation of Group strategy

## Deliberations to direct and support strategy

### Allocated risks and stakeholder material matters addressed

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</tr>
</thead>
<tbody>
<tr>
<td>1. Impact of Covid-19 on Implats operations</td>
<td>Assisted the board in developing a capital allocation policy, through which investment and divestment decisions are made. Deliberated on major investment decisions, such as the acquisition of North American Palladium and the Waterberg Project, in preparation for consideration and approval by the board.</td>
<td>Impala Canada&lt;br&gt;The acquisition of Impala Canada has given effect to our strategic objective to build a competitive and diversified asset portfolio.</td>
</tr>
<tr>
<td>2. Ability and capacity to align Impala Rustenburg margins to current metal pricing environment</td>
<td>Set key performance areas for capital project delivery and monitored implementation. Processed and recommended other brownfields capital investment projects for board approval. Considered the impacts of Covid-19 on project delivery.</td>
<td>Impala Rustenburg shaft closures&lt;br&gt;The restructuring of Impala Rustenburg resulted in certain shaft closures, which gives rise to associated rehabilitation activities to ensure that we remain a responsible corporate citizen and safeguard our social and natural capitals.</td>
</tr>
<tr>
<td>7. Impala Canada: Delivery on business case and integration into Implats</td>
<td></td>
<td>Waterberg&lt;br&gt;The original investment decision was informed by Implats’ stated strategy to rebalance its portfolio of mining assets towards lower-risk, shallow and mechanisable orebodies, with the potential to increase all capitals through the expansion. The board’s decision not to exercise the Waterberg option in the context of the capital allocation framework, prioritises balance sheet strength and shareholder returns relative to investor appetite to finance large greenfield projects in general.</td>
</tr>
</tbody>
</table>

### Stakeholders – Shareholders and regulators
- Environmental impacts of shaft closures from Impala Rustenburg restructuring

### Stakeholder matters

<table>
<thead>
<tr>
<th>Resource and Reserve</th>
<th>Deliberations affecting value</th>
</tr>
</thead>
<tbody>
<tr>
<td>The committee reviewed the incorporation of Afplats and Impala Rustenburg 17 Shaft resources into the Group’s life-of-mine. The deliberations led the board to agree that there were currently no plans to develop new deep-level conventional mines.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contractor mining strategy</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The committee deliberated the proposed strategy to outsource end of life mines to contractor miners. The commercial aspects of such a strategy were interrogated and it was agreed that this would only be done if mining can be done safely and profitably.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess inventory</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The committee paid special attention to excess inventory which the Group had accumulated due to constrained processing and refining capacity. The committee tasked management to study contributing factors and implement controls to ensure the integrity of the processing and refining infrastructure.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Committee performance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The committee evaluated their effectiveness during the year under review through a self-assessment process, which included an evaluation of the chairman of the committee. The process was led by the nomination, governance and ethics committee, on behalf of the board. The committee was rated 4.5 out 5 with the opportunity to improve to outstanding.</td>
<td></td>
</tr>
</tbody>
</table>
The committee strategically advises the board on matters related to corporate governance, board composition, leadership and performance.

**Committee mandate**
- Review the size of the board and its committees and make recommendations on the appointment of suitably qualified people to the board
- Make recommendations to the board regarding appointments to its committees to ensure they are staffed appropriately to carry out their mandates
- Ensure the recommendations of the board evaluation process are included in the work plan and that implementation is closely monitored
- Deliberate on the implementation of King IV on matters pertinent to the committee’s work, including but not limited to, ethical leadership, board term limits and director independence

**Strategic future focus areas**
- Implementing recommendations emanating from the committee evaluation process
- Ongoing implementation of King IV
- Developing and embedding an ethical culture
- Succession planning for executive directors and other senior executives, and embedding a culture of ethical leadership
- Ensuring an adequately resourced board capable of making legitimate decisions
- Ensuring the Group’s ability to implement the amended outcomes of the Impala Rustenburg strategic review

### Deliberations to direct and support strategy

<table>
<thead>
<tr>
<th>Allocated risks and stakeholder material matters addressed</th>
<th>Deliberations</th>
<th>Trade-offs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholders(^1) – Shareholders, employees and regulators</td>
<td>Executive succession planning for key roles. Considered strategic board renewal, with several long-serving members coming to the end of their tenure. The succession of the current chairman who leaves after the 2020 annual general meeting. Considered the board’s effectiveness, evaluation of its committees, with the recommendations from the evaluation to be included in future work-plans.</td>
<td>Strategic board renewal will bring new skills and competencies, but may result in a reduction in experience and the Implats-specific knowledge base. Strategic renewal and balancing the skills and knowledge base of the board is necessary to react to challenges as they change over time. Investing in the effectiveness of board directors has a positive impact on our human, intellectual and social capitals, which fosters legitimacy that enhances our social licence to operate.</td>
</tr>
</tbody>
</table>

\(^1\) Refer pages 62 – 68 of this report.
OUR OPERATING ENVIRONMENT
Amid a challenging operating context, Implats delivered a solid performance. This can be attributed at least in part to a clear adaptive strategy.
THE ONSET OF THE COVID-19 PANDEMIC HAS BROUGHT A SET OF ENTIRELY NEW DIMENSIONS TO AN ALREADY CHALLENGING BUSINESS ENVIRONMENT. THE WORLD ENTERED A NEW DECADE FACING UNRESOLVED GEOPOLITICAL TENSIONS AND CONTINUED MACROECONOMIC VOLATILITY. WE ARE NOW FACING A GLOBAL HEALTH CRISIS THAT IS LIKELY TO BRING FUNDAMENTAL CHANGE AT ALL LEVELS OF LIFE ON OUR PLANET.

The June 2020 update to the International Monetary Fund’s (IMF’s) World Economic Outlook saw it lower its global growth forecasts, again, to -4.9% for 2020, with Covid-19 having a more negative impact on activity in the first half of 2020 than first anticipated.

In South Africa, the weakening rand, water shortages and power supply interruptions from power utility Eskom, were challenging for domestic producers, while high unemployment and widening inequality continue to pose risks. Zimbabwe’s economic crisis continued to deepen, with widespread shortages of basic commodities and potential for socio-political instability.

All three major PGM markets – platinum, palladium and rhodium – recorded fundamental deficits during 2019, with structural demand growth from Europe and Asia underpinning PGM demand. Continued primary and secondary supply shortfalls and demand destruction during the course of the year will likely see deficits in palladium and rhodium and a tightening of the platinum market over the short term.

Strategy and performance

Amid this challenging operating context, Implats delivered a solid performance. This can be attributed, at least in part, to a clear and adaptive strategy.

The Implats strategic journey over the past few years has set the Group on a firm footing for long-term sustainability. Following Implats’ review of its business in 2018, the key objectives during 2019 were to: restructure the loss-making operations at Impala Rustenburg and reposition the complex to the lower half of the cost curve; optimise the Group’s value chain; improve organisational effectiveness; enhance the competitiveness of the Implats portfolio; optimise the balance sheet and capital allocation priorities; and protect and strengthen the Group’s licence to operate.
Responsible corporate stewardship

The Group’s “zero harm” vision remains a core strategic focus. Management efforts during the year to effect Group-wide safety risk management interventions resulted in an improved safety performance. This progress was supported by sustained expenditure in implementing Group-wide safety initiatives, technical solutions and training.

Despite these efforts, five lives were lost at managed operations during the year, which remains a cause of deep regret and serious concern to the board and management. Our commitment to achieving our vision of zero harm has been further solidified in the wake of these tragic events, and efforts are being redoubled, Group-wide, to eliminate fatalities and injuries.

The Group’s work in promoting the health and well-being of its employees was stepped up to new levels in a bid to manage the Covid-19 pandemic. The Covid-19 risk prevention measures flattened the curve in cases recorded at South African operations during the country’s infection peak. Assistance with employee indebtedness and mental health issues was also ramped up in response to the additional hardships caused by Covid-19. Good progress also continues to be made in addressing other employee wellness issues, such as HIV, tuberculosis and noise-induced hearing loss.

Sustainable community development in mine host communities continues to be prioritised. The Group’s sustainability initiatives are fully explored in the 2020 ESG report.
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 CDP “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 (MPPRDA) 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 Boitumelo Koshane was appointed an independent non-executive director in August 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 warmly welcome her to the board and wish her all the best in her duties as chair from 26 October 2020.

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
Market analysis

PLATINUM SUPPLY/DEMAND OUTLOOK

<table>
<thead>
<tr>
<th></th>
<th>2020 (Forecast)</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEMAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>4 070</td>
<td>5 017</td>
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<tr>
<td>Automotive</td>
<td>2 026</td>
<td>2 651</td>
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<tr>
<td>Other industrial</td>
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<tr>
<td>Jewellery</td>
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<td>2 090</td>
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<tr>
<td>Investment</td>
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<td>1 150</td>
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<tr>
<td>Total demand</td>
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<td>8 257</td>
</tr>
<tr>
<td>SUPPLY</td>
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<td></td>
</tr>
<tr>
<td>Primary</td>
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<td>6 063</td>
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<tr>
<td>South Africa</td>
<td>3 442</td>
<td>4 411</td>
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<tr>
<td>Zimbabwe</td>
<td>475</td>
<td>482</td>
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<tr>
<td>North America</td>
<td>314</td>
<td>324</td>
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<tr>
<td>Russian sales</td>
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<tr>
<td>Others</td>
<td>125</td>
<td>123</td>
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<tr>
<td>Secondary</td>
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<td></td>
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<tr>
<td>Recycle – auto</td>
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<td>1 241</td>
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<tr>
<td>Recycle – jewellery</td>
<td>281</td>
<td>481</td>
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<tr>
<td>Recycle – other</td>
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<td>40</td>
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<tr>
<td>Total supply</td>
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<td>8 004</td>
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<tr>
<td>Movement in stocks</td>
<td>666</td>
<td>(253)</td>
</tr>
<tr>
<td>Industrial balance</td>
<td>2 223</td>
<td>2 507</td>
</tr>
<tr>
<td>Industrial and jewellery</td>
<td>881</td>
<td>887</td>
</tr>
<tr>
<td>Industrial, jewellery and investment</td>
<td>666</td>
<td>(253)</td>
</tr>
</tbody>
</table>

PALLADIUM SUPPLY/DEMAND OUTLOOK

<table>
<thead>
<tr>
<th></th>
<th>2020 (Forecast)</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEMAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>9 659</td>
<td>11 299</td>
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<tr>
<td>Automotive</td>
<td>8 103</td>
<td>9 484</td>
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<tr>
<td>Other industrial</td>
<td>1 556</td>
<td>1 805</td>
</tr>
<tr>
<td>Jewellery</td>
<td>165</td>
<td>218</td>
</tr>
<tr>
<td>Investment</td>
<td>(187)</td>
<td>(78)</td>
</tr>
<tr>
<td>Total demand</td>
<td>9 637</td>
<td>11 438</td>
</tr>
<tr>
<td>SUPPLY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>6 251</td>
<td>7 109</td>
</tr>
<tr>
<td>South Africa</td>
<td>2 035</td>
<td>2 557</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>395</td>
<td>399</td>
</tr>
<tr>
<td>North America</td>
<td>943</td>
<td>954</td>
</tr>
<tr>
<td>Russian sales</td>
<td>2 667</td>
<td>2 987</td>
</tr>
<tr>
<td>Others</td>
<td>212</td>
<td>212</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycle – auto</td>
<td>2 513</td>
<td>2 934</td>
</tr>
<tr>
<td>Recycle – jewellery</td>
<td>36</td>
<td>44</td>
</tr>
<tr>
<td>Recycle – other</td>
<td>480</td>
<td>488</td>
</tr>
<tr>
<td>Total supply</td>
<td>9 280</td>
<td>10 586</td>
</tr>
<tr>
<td>Movement in stocks</td>
<td>(357)</td>
<td>(872)</td>
</tr>
<tr>
<td>Industrial balance</td>
<td>(415)</td>
<td>(777)</td>
</tr>
<tr>
<td>Industrial and jewellery</td>
<td>(544)</td>
<td>(951)</td>
</tr>
<tr>
<td>Industrial, jewellery and investment</td>
<td>(357)</td>
<td>(872)</td>
</tr>
</tbody>
</table>

RHODIUM SUPPLY/DEMAND OUTLOOK

<table>
<thead>
<tr>
<th></th>
<th>2020 (Forecast)</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEMAND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>982</td>
<td>1 132</td>
</tr>
<tr>
<td>Automotive</td>
<td>840</td>
<td>974</td>
</tr>
<tr>
<td>Other industrial</td>
<td>143</td>
<td>158</td>
</tr>
<tr>
<td>Jewellery</td>
<td>132</td>
<td>132</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total demand</td>
<td>982</td>
<td>1 132</td>
</tr>
<tr>
<td>SUPPLY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>606</td>
<td>760</td>
</tr>
<tr>
<td>South Africa</td>
<td>476</td>
<td>616</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>North America</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Russian sales</td>
<td>54</td>
<td>68</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycle – auto</td>
<td>302</td>
<td>360</td>
</tr>
<tr>
<td>Recycle – jewellery</td>
<td>302</td>
<td>360</td>
</tr>
<tr>
<td>Recycle – other</td>
<td>302</td>
<td>360</td>
</tr>
<tr>
<td>Total supply</td>
<td>906</td>
<td>1 119</td>
</tr>
<tr>
<td>Movement in stocks</td>
<td>(74)</td>
<td>(13)</td>
</tr>
<tr>
<td>Industrial balance</td>
<td>(74)</td>
<td>(13)</td>
</tr>
<tr>
<td>Industrial and jewellery</td>
<td>(74)</td>
<td>(13)</td>
</tr>
<tr>
<td>Industrial, jewellery and investment</td>
<td>(74)</td>
<td>(13)</td>
</tr>
</tbody>
</table>

IMPLICATIONS FOR IMPLATS

- Benefit of polymetallic ore bodies results in burgeoning co-product revenue, limiting the near-term financial impact of weak platinum pricing
- Targeted marketing development aimed at securing long-term demand growth and underpinning life-of-mine demand for our primary product
- Focus on delivering near-term value from palladium-rich ore bodies in Zimbabwe and Canada
- Drive efficiency gains to offset potential impact of lower medium-term pricing
- Substantial and structural re-pricing of the UG2 basket price has meaningful implications for the viability of deep level, labour-intensive operations across the Group
- High production exposure to rhodium relative to the peer group and ability to extend and expand rhodium production is a core competitive advantage
Our operating context

Our Group strategy is influenced by the external macro-environment in which we operate, PGM markets and the strategies of our competitors. This environment presents opportunities to be taken advantage of and threats to be mitigated, while leveraging our strengths and addressing our weaknesses.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>5. PGM market fundamentals and outlook</td>
<td>6. ESG considerations</td>
<td>7. Stakeholder expectations</td>
<td></td>
</tr>
</tbody>
</table>

The advent of the Covid-19 pandemic has presented material challenges to the Group and its key stakeholders. The pandemic has resulted in unexpected public health and associated operational challenges and clouded the global macro-economic outlook. It is our expectation that much of FY2021 will be characterised by a “business unusual” operating environment as a result.

IMPLICATIONS FOR VALUE

1. COVID-19

- The health and safety of our employees and the social welfare of our communities remain key priorities for Implats, underpinned by our values of respect and care and our strategic imperative of responsible corporate stewardship
- The unprecedented confluence of interrupted PGM demand and primary supply, caused by the halt to economic activity due to national lockdowns to slow the spread of Covid-19, has resulted in substantial adjustments to individual forecast market components in 2020 and 2021 and created forecast risk on customer requirements and hence revenue generation for the Group

STRATEGIC FOCUS AREAS

- Responsible corporate stewardship
- Operational excellence in PGMs
- Organisational effectiveness
- Optimal capital structure
- Competitive portfolio of mineral and processing assets
- Market development and value chain optimisation

OUR RESPONSE

- Implats took proactive steps to safeguard its business, with a key focus on securing the well-being of employees. The Group response to Covid-19 seeks to sustain the operating activities necessary to secure the vital role Implats plays in the livelihoods of its employees, its host communities and the national economies in which it operates
- Implats supported the decisive action taken by the South African, Canadian, and Zimbabwean governments to help manage the curve of the Covid-19 infection rate and committed itself to contributing where possible to socio-economic stability
- The geographical diversification of Implats operational footprint and its strong financial position have proved vital in successfully navigating the variability in the Group’s operating environment. The risk-based approach to resuming operations and ensuring continuous supply of finished product to our customer base resulted in strengthened relationships and improved profitability and balance sheet positioning
After a lengthy period marked by anaemic global growth, escalating US-China trade tensions, an uncertain macro-economic outlook in Europe and the lingering threat of the eventual form of Brexit, the advent of the Covid-19 pandemic assailed business confidence and sentiment in 2020.

The pandemic’s economic impact continues to play out and, even with a relatively robust “V-shaped” recovery assumed on the easing of widespread lockdowns, the short- and medium-term hit to global GDP is expected to be substantial. In June, the IMF revised its view of the 2020 global GDP contraction to 4.9% from its April 2020 forecast of 3%. In addition, the expected rebound in growth in 2021 was adjusted to 5.4% (despite the lower implied base in 2020, and from the previous forecast of 5.8%).

Negative revisions have been driven by downgrades to both consumption growth and subdued investment as firms defer capital expenditure amid high uncertainty, partially offset by the benefit of policy support to private domestic demand.

The IMF continues to highlight the higher-than-usual degree of uncertainty inherent in this outlook and indicates its forecasts are premised on the maintenance of current accommodative financial conditions. The IMF calls for strong multilateral cooperation and liquidity assistance for those countries facing health crises and external funding shortfalls, including debt relief and financing through the global financial safety net.

2. MACRO-ECONOMIC FACTORS

- An uncertain macro-economic outlook inevitably impacts expectations for GDP growth and industrial production and investment and hence demand for natural resources. While precious metals as an asset class tend to outperform in a “risk off” environment, consumer activity, a key driver of vehicle sales, jewellery and electronics, is likely to remain muted.

IMPLICATIONS FOR VALUE

OUR RESPONSE

- We focus on developing and deepening relationships with our key customers globally
- We anticipate and respond to the changing needs of our stakeholders due to challenging macro-economic factors in the regions in which we operate
- We tailor our market development activities to support key market segments and grow new areas of demand
- We align and support key institutional partners, including the IPA, PGI and WPIC
- We focus on optimal capital allocation and leverage our strong balance sheet to entrench operational resilience to offset potential price pressures because of weaker-than-expected demand

STRATEGIC FOCUS AREAS

- Responsible corporate stewardship
- Operational excellence in PGMs
- Optimal capital structure
- Market development and value chain optimisation
Our operating context

Implats’ commitment to delivering superior value to all stakeholders is premised on ensuring full compliance with the legislative and policy environments in which the Group operates. While the socio-political context in both South Africa and Zimbabwe remains dynamic, in some respects, the mining regulatory and policy environments have improved in both countries over the past year. The stability of the Canadian regulatory framework is a welcome benefit of the geographical diversification resulting from the acquisition of Impala Canada.

### STRATEGIC FOCUS AREAS

- Responsible corporate stewardship
- Competitive portfolio of mineral and processing assets
- Market development and value chain optimisation

### 3. REGULATORY ENVIRONMENT IN SOUTH AFRICA, ZIMBABWE, AND CANADA

- Policy uncertainty regarding fiscal contributions, ownership, procurement, and beneficiation has the potential to increase host governments’ share of returns relative to other key Group stakeholders, including employees, communities and shareholders. In addition, policy uncertainty and instability can influence and ultimately limit appetite for inward investment in regions where resource nationalism is flagged as a growing risk.

### IMPLICATIONS FOR VALUE

### OUR RESPONSE

- We actively and constructively engage with the needs of our host governments in response to challenging macro-economic factors in the regions in which we operate.
- In South Africa, the Group is fully committed to improving the competitiveness of the mining sector by ensuring its ongoing growth, transformation, and sustainability, through consistent and regular engagement between industry stakeholders and the Department of Minerals Resources and Energy (DMRE).
- 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.
- In Zimbabwe, Zimplats has continued to engage proactively with the government to support its ambitions to grow and diversify the PGM industry and enable the mining sector—a key component of the country’s economic recovery programme.
- The Zimbabwean government has signalled its intention to repeal the 51% indigenous equity requirement for the diamond and platinum mining sectors and replace the Indigenisation and Economic Empowerment Act with an Economic Empowerment Act, consistent with its “Zimbabwe is Open for Business” campaign.
Commodity pricing is vulnerable to changing market dynamics and investor sentiment, with Implats expected to experience cyclical in revenue over the long term as a result.

The South African rand is the dominant producer currency of primary PGM supply. It therefore remains vulnerable to domestic and international macro-economic factors. Volatility has been compounded by a deterioration in the general domestic economic climate over the past year, Covid-19 and the associated steps taken by the South African government to prevent a rapid escalation in infection rates.

Emerging market carry trade and “risk-on” arguments impact positively on the rand’s performance as a high-yielding and liquid currency, despite the erosion of interest rates caused by the South African Reserve Bank’s monetary policy response to the onset of the pandemic. The economic scarring expected from the impact of severe limitations to economic activity due to stringent domestic lockdown conditions is likely to be meaningful and create additional fiscal headwinds in the medium term.

**STRATEGIC FOCUS AREAS**

- Operational excellence in PGMs
- Optimal capital structure
- Competitive portfolio of mineral and processing assets
- Market development and value chain optimisation

**OUR RESPONSE**

- Implats formulates currency and commodity price forecasts which consider market fundamentals and global risk factors
- Group-wide cost savings and turnaround initiatives have been implemented to reposition our higher-cost operations as sustainable and resilient generators of attractive returns at all stages of an expected PGM cycle
- Operational excellence interventions are implemented to counteract inherent cost inflation associated with our producing assets
- Portfolio optimisation is focused on growing exposure to our best assets, achieving a structural improvement in achievable margins and returns over time, and is supported by a commitment to through-the-cycle capital investment
- Restored profitability and targeted debt reduction has resulted in substantial progress in ensuring an optimal capital structure and created a firm foundation for prudent future capital allocation
All three major PGM markets – platinum, palladium, and rhodium – recorded fundamental deficits during 2019. While surging automotive use drove fundamental industrial deficits in palladium and rhodium, robust physical investment absorbed the industrial and jewellery surplus in the platinum market.

Covid-19-related market shocks have been considerable. PGMs faced unprecedented demand destruction balanced by simultaneous and unforeseen supply reductions due to production foregone during the national lockdown in South Africa. Secondary supply was impeded by interruptions to the collection of automotive and industrial scrap during the prevention of normal industrial and consumer activity which characterised much of H2 FY2020.

The confluence of interruptions to both demand and supply are likely to result in moderated deficits in the palladium and rhodium markets in CY2020. In platinum, another year of strong investment flows will likely compensate for weakened automotive and jewellery demand and substantially tighten the market relative to previous baseline forecasts.

While several meaningful near-term revisions to market forecasts have been required, Implats continues to expect persistent market deficits in both palladium and rhodium – constrained primary supply and legislated demand growth were marked features of these markets and are unlikely to be mitigated by the impact of lower vehicle sales.

Investment demand, spurred by the safe-haven appeal of precious metals, has tightened the platinum market in 2020, but we continue to expect an over-supplied market in the medium term. This surplus will likely be eroded in the longer term, however, with stagnant primary and secondary supply offset by continued growth in industrial demand. This will likely be spurred by increased uptake from various elements of the hydrogen economy, tightening global heavy-duty vehicle emission standards and some switching in gasoline catalysts.

**STRATEGIC FOCUS AREAS**

- Competitive portfolio of mineral and processing assets
- Market development and value chain optimisation

**IMPLICATIONS FOR VALUE**

**OUR RESPONSE**

- We develop and maintain strong relationships with our key customer base, which reflects geographical and industrial diversification, securing demand for our key products
- We focus on market research and development to predict, sustain and grow demand for our primary products
- We focus on optimising our portfolio to represent a collection of high-quality, long-life and efficient assets, which have the ability to sustainably generate returns throughout the expected stages of the PGM cycle
- We support the IPA in their engagement with and lobbying of automotive-related policymakers and local and national governments
- We continue to support industry-sponsored bodies who advocate and promote jewellery and investment demand
Scarcity of water in our operating regions and insecurity of power supply impacts our ability to operate effectively and consistently, while the rising cost of utilities also creates inflationary pressures and impedes profitability.

Growing regulatory and societal pressures, increasing demands for limited natural resources and the changing costs of energy and water all highlight the business imperative of responsible environmental management.

**OUR RESPONSE**

The Group achieved its seventh consecutive year with no major or significant (level 4 and level 5) environmental incidents and no directives or fines were issued to Implats for non-compliance with environmental regulations.

Implats’ leadership in managing water issues was recognised in a carbon disclosure project (CDP) (water) “A” score, and the Group water recycling rate was 44% during FY2020, exceeding its 40% target.

Understanding and controlling the gases, dust and waste generated at operations is vital to preventing adverse impacts on host communities and to meeting current and future legislative requirements. Direct SO2 emissions were within air emission licence conditions for Impala Springs and Impala Rustenburg.

Zimplats emitted an average of 50 tonnes of SO2 per day. This is a 14% decrease compared to the previous year. Investigations are being conducted to determine how to further reduce this rate going forward.

The integrity of the Group’s active tailings storage facilities (TSFs) was confirmed via an independent assessment, which found they adhered to best practice standards and the Group started re-mining the tailings in Impala Rustenburg’s dormant TSFs.

The Group integrates mine-closure planning into life-of-mine planning with a focus on rehabilitating land in parallel with mining activities, while ensuring the protection of water and biodiversity resources.

In planning for future energy requirements, the Group is developing a low-carbon transition strategy and has appointed an energy specialist to lead its decarbonisation efforts.

Implats strives to continuously improve our ESG strategies, principles, practices and results. The Group aims to provide clear and comprehensive reporting on environmental management and climate-related impacts, in line with global best practice guidelines and recommendations. We recognise and meet the growing expectations and requirements of our investor base in terms of industry frameworks, guidelines, and standards.

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**6. ESG CONSIDERATIONS**

**IMPLICATIONS FOR VALUE**

**OUR RESPONSE**

- The Group achieved its seventh consecutive year with no major or significant (level 4 and level 5) environmental incidents and no directives or fines were issued to Implats for non-compliance with environmental regulations.
- Implats’ leadership in managing water issues was recognised in a carbon disclosure project (CDP) (water) “A” score, and the Group water recycling rate was 44% during FY2020, exceeding its 40% target.
- Understanding and controlling the gases, dust and waste generated at operations is vital to preventing adverse impacts on host communities and to meeting current and future legislative requirements. Direct SO2 emissions were within air emission licence conditions for Impala Springs and Impala Rustenburg.
- Zimplats emitted an average of 50 tonnes of SO2 per day. This is a 14% decrease compared to the previous year. Investigations are being conducted to determine how to further reduce this rate going forward.
- The integrity of the Group’s active tailings storage facilities (TSFs) was confirmed via an independent assessment, which found they adhered to best practice standards and the Group started re-mining the tailings in Impala Rustenburg’s dormant TSFs.
- The Group integrates mine-closure planning into life-of-mine planning with a focus on rehabilitating land in parallel with mining activities, while ensuring the protection of water and biodiversity resources.
- In planning for future energy requirements, the Group is developing a low-carbon transition strategy and has appointed an energy specialist to lead its decarbonisation efforts.
- Implats strives to continuously improve our ESG strategies, principles, practices and results. The Group aims to provide clear and comprehensive reporting on environmental management and climate-related impacts, in line with global best practice guidelines and recommendations. We recognise and meet the growing expectations and requirements of our investor base in terms of industry frameworks, guidelines, and standards.
Our operating context

PGM miners continue to face challenging stakeholder expectations. Government seeks enhanced transformation, employment creation and revenue from a contracting mining sector. Communities, frustrated with rising unemployment, persistent inequality and poor service delivery, increasingly turn to the private sector employers to meet their expectations. Organised labour seeks to meet its mandate of securing improved conditions of employment and higher wages for its members. The investment communities seek attractive financial returns while holding corporates to ever-increasing standards of environmental social and governance principles.

STRATEGIC FOCUS AREAS

- Responsible corporate stewardship
- Operational excellence in PGMs
- Optimal capital structure
- Market development and value chain optimisation

7. STAKEHOLDER EXPECTATIONS

- Stakeholder expectations and our response to these have a significant impact on our legal and social licence to operate, the ability to operate our assets at optimal capacity, the generation of sustainable value and delivery of meaningful returns

IMPLICATIONS FOR VALUE

OUR RESPONSE

- We continue to implement rigorous and effective stakeholder engagement strategies, seeking value-enhancing relationships with all key stakeholders
- We engage on deepening our understanding of variable stakeholder expectations to better manage and deliver against these to protect and strengthen our social licence to operate
- Implats has developed supporting systems, processes, policies, targeted engagement and communication plans to enable value enhancing relationships with all key stakeholders
- We target an optimal capital allocation framework to provide sustainable and attractive shareholder returns to reward investors and to sustain investments into the development of our mine-host communities
- We robustly and transparently engage, report and communicate to ensure information is provided in a clear and comprehensive way to support these relationships
Risks and opportunities

IMPLATS’ RISK MANAGEMENT PROCESS SETS OUT TO ACHIEVE AN APPROPRIATE BALANCE BETWEEN MINIMISING THE RISKS ASSOCIATED WITH ANY BUSINESS ACTIVITY AND MAXIMISING THE POTENTIAL REWARD.

Implats identifies its strategic business objectives and material sustainability focus areas through its structured internal risk management process, and with consideration to the views and interests of its stakeholders. The Implats risk management process is based on the principles of the international risk management standard, ISO 31000 (2018)/ISO Guide 73:2002, which defines risk as “the effect of uncertainty on objectives”.

Risk appetite and tolerance

The challenge for Implats’ management team is to determine how much risk and uncertainty to accept in the achievement of business objectives. Risk appetite and risk tolerances are essential elements of an enterprise risk management process, which integrates risk management with business planning and operational management. Risk appetite and tolerance limits set the thresholds of risk that Implats is willing to accept in the pursuit of its objectives and targets. Risk appetite is the aggregate amount of risk the Company is willing to assume in pursuit of its business objectives. Risk tolerance is the maximum allowable variation in achieving specific performance measures as linked to business plan objectives.

Implats’ risk appetite metrics make use of key performance indicators, which enable continuous monitoring of risks for movements in potential impact and likelihood. These movements can be caused either by changes in the inherent nature of the risk or by changes in the performance of controls for the risk.

Monitoring risks through key performance indicators ensures that any material change to risk profiles are evaluated in the context of risk appetite and risk tolerance limits; and that necessary actions are taken in a timely manner.

Dynamism of Group risks

One of the principles for effective risk management in the ISO 31000:2009 global risk management standard is that the process should be “dynamic, iterative, and responsive to change”. Risk management should operate at the speed of the business and be monitored continuously. This year, three of the Group’s top residual risks (weak balance sheet, sustained depressed PGM basket prices and reduced production flexibility due to constrained smelting operations at Impala and Zimplats) were removed, while two risks were retained but adapted to address the current operating environment.

Risks reported in the previous year that have fallen off the top residual Group risks in the current period:

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Top residual risks</th>
<th>Factors affecting movement in risk ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Weak balance sheet</td>
<td>Robust metal pricing, together with rand depreciation, drove substantial improvements in the Group's financial performance during the year. Refer to the CFO review from page 94.</td>
</tr>
<tr>
<td>3</td>
<td>Sustained depressed PGM basket prices and its impact on cash flow and liquidity</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Reduced production flexibility and constrained smelting operations at Impala Rustenburg and Zimplats</td>
<td></td>
</tr>
</tbody>
</table>

Controllability

<table>
<thead>
<tr>
<th>Controllability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controllable</td>
</tr>
<tr>
<td>Partially controllable</td>
</tr>
<tr>
<td>Non-controllable</td>
</tr>
</tbody>
</table>
### Emerging risks

Emerging risks are known to some degree, but their impact on the business may not always be fully understood. These risks are often difficult to forecast, often occur randomly, and this year have been exacerbated by the Covid-19 pandemic.

Emerging industry risks affecting Implats and the responsive mitigation measures are tabulated below:

<table>
<thead>
<tr>
<th>Emerging industry risks</th>
<th>Implats response</th>
</tr>
</thead>
</table>
| **The impact of poor service delivery of critical infrastructure and key services to mining operations and their surrounding communities** | - Formal engagements with municipalities, key suppliers (Eskom, water boards), and national/local government  
- Participation in various industry bodies  
- Reduction of dependence on government infrastructure where possible, for example improvement in water recycling and storage infrastructure.  
- Various SLP projects focused on infrastructure upgrades in host communities |
| **Increase in crime: Organised and general crime**                                         | - Gathering of intelligence to timeously intercept criminal activities  
- Enhanced security capacity  
- Partnerships with key policing agencies and enhanced measures to prevent access to unused/closed mines  
- Cadet employment and other SLP programmes addressing unemployment |
| **Cyber-attacks, data fraud and data theft**                                              | - Comprehensive cyber threat-prevention program in place – intrusion detection, firewalls, email filtering, antivirus and monitoring tools  
- Ongoing user awareness  
- Participation in industry bodies to remain abreast of latest cyber threats |
| **Slow pace of adoption of technological innovation**                                     | - Early identification of possible technological opportunities with strong business cases  
- Participation in the Mandela Mining Hub  
- Remain abreast of latest developments in digitalization technology and modern mining practices |
| **Heightened transparency of ESG practices**                                             | - Refer to the stakeholder material matters section on page 68 (shareholders and investor community) and the ESG report |
| **Impact of climate change**                                                            | - Ongoing monitoring and future capital investment in infrastructure  
- Extensive analysis of the impact of operations on climate change  
- Various measures to mitigate the Group’s impact on the environment are discussed in the ESG report |

<table>
<thead>
<tr>
<th>2019 Ranking</th>
<th>Top residual risks</th>
<th>Group 2020 Ranking</th>
<th>Impala</th>
<th>Zimplats</th>
<th>Marula</th>
<th>Mimosa</th>
<th>Two Rivers</th>
<th>Impala Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Impact of the Covid-19 pandemic on Implats operations</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>✔</td>
<td>Ability and capacity to align and improve margins at Rustenburg operations</td>
<td>2</td>
<td>2</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>❌</td>
<td>Impact of load shedding due to constrained electricity supply capacity resulting in business interruption (South African and Zimbabwean operations)</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>–</td>
<td>4</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>✔</td>
<td>Deterioration in safety performance</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>7</td>
<td>–</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>❌</td>
<td>Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar</td>
<td>5</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>5</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>✔</td>
<td>Maintaining our social licence to operate and good stakeholder relations</td>
<td>6</td>
<td>7</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>❌</td>
<td>Impala Canada: Failure to deliver on the business case and unsuccessful integration into Implats</td>
<td>7</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7</td>
</tr>
<tr>
<td>✔</td>
<td>Failure to comply with legal and regulatory requirements through the value stream</td>
<td>8</td>
<td>8</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>–</td>
<td>9</td>
</tr>
<tr>
<td>✔</td>
<td>Challenged capacity and efficiencies of management layers at SA operations</td>
<td>9</td>
<td>9</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>✔</td>
<td>The security of water supply at South African (Bojanala and Rustenburg) and Zimplats operations</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>–</td>
<td>3</td>
<td>–</td>
</tr>
</tbody>
</table>

1 Recalibration of operational risk rating due to unfavourable safety performance.

**Residual risks**

**Controllability**

- ✔ Controllable
- ☹ Partially controllable
- ❌ Non-controllable

**Risks**

- ⬆ New risk
- ⬇ Risk increased
- ✅ Risk decreased
- ⬇ Risk flat

**Residual versus inherent risk matrix**
Risks and opportunities

1. IMPACT OF THE COVID-19 PANDEMIC ON IMPLATS OPERATIONS

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Context: Covid-19 was declared a Public Health Emergency of International concern on 30 January 2020 by the World Health Organization and on 15 March 2020, the President of South Africa declared a National State of Disaster. A national lockdown started on 26 March 2020 and was later extended to 30 April 2020. Lockdown restrictions were subsequently eased and from 1 June 2020 South African mining operations could return to 100% employment capacity.</td>
<td>Canada: Impala Canada was placed on temporary care and maintenance by the local health authorities after experiencing a Covid-19 outbreak at its operations. Zimbabwe: A national lockdown was announced on 30 March 2020 and which was since extended. Zimplats remained fully operational as mining was declared an essential service. Matte deliveries to IRS were interrupted by the declaration of force majeure by IRS. South Africa: A risk-adjusted strategy was announced by the South African government to guide the gradual restart to mining operations following the initial lockdown. This prescribed labour capacities at Implats’ mining and refining operations. The following directives had an impact:</td>
<td>Employees: • Identifying high risk work areas and implementing extensive communication, awareness and training campaigns with respect to modes of transmission, testing and prevention • Establishing a Covid-19 Code of Practice in line with industry and government requirements and practices • Providing additional handwashing facilities, sanitisation, disinfection, thermal screening, testing processes and monitoring social distancing and adherence to medical response and treatment processes Regulatory compliance: • Engaging with key representatives of local government, health, law enforcement and the DMRE to address ambiguities and differences in application • Tracking regulatory updates and incorporating into internal policies and procedures Communities: • Implementing various initiatives to capacitate local communities and assisting with the establishment of joint Covid-19 governance structures to oversee and direct prevention measures in communities as elaborated in the ESG report Continuity of operations: • De-risking mining, processing and refining capacities across the Group including treatment regimes and risk prevention and contingency measures should positive cases be identified • Implementing various financial responses (refer to the CEO’s and CFO’s reviews from pages 88 and 94 respectively)</td>
</tr>
<tr>
<td>Risk: Impact of Covid-19 on Implats operations: • The number and rate of spread of infections among employees • Interpretation of and compliance with changing regulatory requirements • The Group’s ability to produce and sell finished metals and deliver on its capital projects during the pandemic • Containment of the virus in densely populated mining communities impacted by varying levels of compliance with government regulations • Managing the financial impact of production losses due to Covid-related interruptions on Group liquidity and its ability to fund operational requirements and contractual obligations • Declaration of force majeure on both customers and IRS offtake suppliers, including Group companies</td>
<td>• Limitations on the number of employees at work and workplace mitigation measures • Risk assessment processes (high risk areas and employees) • Mitigation and management of the Covid-19 outbreak (mandatory code of practice from the DMRE) • Increased social distancing and limitations on the movement of people • Covid-19 education and awareness, and employee support • Medical response measures (screening, testing, treatment, investigation and isolation measures) • The maintenance of a Covid-19 programme</td>
<td></td>
</tr>
<tr>
<td>Risk owner: Operations executive</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IMPACT ON VALUE
The onset of the Covid-19 pandemic has brought a set of entirely new dimensions to an already challenging business environment and is likely to bring fundamental change at all levels of life on our planet, including our value-creation processes.

2. ABILITY AND CAPACITY TO ALIGN AND IMPROVE MARGINS AT RUSTENBURG OPERATIONS TO THE CURRENT METAL PRICING ENVIRONMENT

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 2.1 Context: An outcome of the Impala Rustenburg strategic review of 2018 was the planned removal of unprofitable tonnes through the closure of 1, 3, 12, and 14 Shafts. An increase in metal prices and the impact of Covid-19 resulted in a review of the operating footprint and identified low margin shafts.</td>
<td>Section 189 processes at 1 and 9 Shafts and overhead cost reductions • 1 Shaft: Subsequent to bilateral meetings with organised labour and representatives of non-unionised employees in March 2020, the Group has decided to continue mining this shaft provided it remains profitable • 9 Shaft: Once all parties have agreed to the framework relating to the closure of 9 Shaft, the oversight committee responsible for monitoring the implementation of the closure process will be formed</td>
<td>• Direct management engagement with labour, including CEO briefing notices to all employees. Participation in various established regular platforms (DMRE, Minerals Board’s Section 52, Department of Labour’s section 189 processes) in preparation of job losses • Direct consultation with AMCU, UASA, NUM and Solidarity on the uptake of voluntary severance packages, overhead cost reductions, and other job saving proposals including formal reskilling and the placement of affected employees in alternative employment • Finalisation of the framework agreement in terms of 9 Shaft closure with labour unions and employees. Ongoing engagement with employees during the section 189 consultation period about the re-skilling and alternative placement of affected employees. Engagement with the DMRE during the restructuring • Ongoing engagement with AMCU to resolve issues surrounding the inclusion of the Igula Umbrella Provident Fund, in employee retirement funds</td>
</tr>
<tr>
<td>Risk: Inability to reduce the labour complement at 9 Shaft identified for closure in the overhead cost reduction process in terms of the restructuring programme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk owners: Operations executive and HR executive</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IMPACT ON VALUE
The Impala Rustenburg management team remains focused on maintaining the profitability of its shafts. Failure to implement this may place the sustainability of Impala operations at risk.
## ABILITY AND CAPACITY TO ALIGN AND IMPROVE MARGINS AT RUSTENBURG OPERATIONS TO THE CURRENT METAL PRICING ENVIRONMENT continued

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk 2.2</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Context: 16 and 20 shafts are core shafts for the future (29% of Impala 6E production by FY2021 and 38% by FY2023) | 20 Shaft  
  - Covid-19 had a negative effect on FY2020 performance  
  - Primary reef development was delayed during the year due to adverse ground conditions requiring additional level support  
  - Re-development and underperformance on production and grade due to new additional crews remain of concern |
| Risk: Ability to ramp up 16 and 20 shafts in accordance with business plans. Failure to execute the ramp up could negatively impact Impala’s balance sheet | 16 Shaft: Operations  
  - Lower than planned headgrade and production costs resulted in lower than planned production  
  - Off-reef development was lower than planned due to high temperatures in certain areas resulting in operational interruptions due to poor ventilation  
  - Risks include operational delays which may be exacerbated by Covid-19 restrictions |  
  - Finalise the rehabilitation of the ore passes and ensure timeous completion of the D ore pass as contingency  
  - Refer page 114 |
| Risk owner: Operations executive | Impact on Value  
  Failure or delay in the 16 and 20 Shafts ramp-up will negatively impact Impala Rustenburg’s balance sheet and its ability to sustain profitability as older shafts reach the end of their mine lives. | Strategic Objectives Impacted  
  - Shaft and operational reviews of dedicated construction and equipping crews focusing on analysing the causes of variance against plan  
  - Development of blue-prints per half level to illustrate actual performance against plan  
  - Enhanced focus on pre-planning, reporting and practices  
  - Improved incentive schemes and regular performance reviews with consequence management, if required  
  - Increased mining flexibility to 1.5 panels per stoping team in the medium term  
  - Analysis and prevention of lost blasts  
  - Focus on reducing absenteeism and the establishment of dedicated equipping and ledging crews |
| **Risk 2.3**     |                                 |                                          |
| Context: Creating and maintaining mining flexibility is critical to ensuring safe, effective and productive operations. The Group aims to maintain flexibility at 1.5 mineable panels per stoping team. The focus will be at 10, 11, 16 and 20 Shafts and development planning is designed to support this. In addition, ledging and equipping activities will receive significant attention |  
  - The risk has decreased  
  - Impala operations achieved the planned mineable face length target in FY2020 (22 044m against a plan of 19 041m) |  
  - Shaft and operational reviews of dedicated construction and equipping crews focusing on analysing the causes of variance against plan  
  - Development of blue-prints per half level to illustrate actual performance against plan  
  - Enhanced focus on pre-planning, reporting and practices  
  - Improved incentive schemes and regular performance reviews with consequence management, if required  
  - Increased mining flexibility to 1.5 panels per stoping team in the medium term  
  - Analysis and prevention of lost blasts  
  - Focus on reducing absenteeism and the establishment of dedicated equipping and ledging crews |
| Risk: Ability to develop sufficient operational flexibility through increasing face length, improving productivity and meeting production targets in line with business plans | Impact on Value  
  If the growth in face length at the build-up shafts does not offset the reduction in face length due to shaft closures, it will result in overall reduction in profitability and production. | Strategic Objectives Impacted  
  - Shaft and operational reviews of dedicated construction and equipping crews focusing on analysing the causes of variance against plan  
  - Development of blue-prints per half level to illustrate actual performance against plan  
  - Enhanced focus on pre-planning, reporting and practices  
  - Improved incentive schemes and regular performance reviews with consequence management, if required  
  - Increased mining flexibility to 1.5 panels per stoping team in the medium term  
  - Analysis and prevention of lost blasts  
  - Focus on reducing absenteeism and the establishment of dedicated equipping and ledging crews |
## Risks and opportunities

### 3 IMPACT OF LOAD SHEDDING DUE TO CONSTRAINED ELECTRICITY SUPPLY CAPACITY RESULTING IN BUSINESS INTERRUPTION (RSA AND ZIMBABWEAN OPERATIONS)

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
</table>
| **Context:** Mining, mineral processing, and refining operations have a critical dependency on and are major consumers of electricity. Eskom and the Zimbabwean Electricity Supply Authority (ZESA) have recently experienced major capacity challenges that have resulted in load shedding. | **Zimbabwean operations:**  
- The Kariba South Power Station generation capacity has been curtailed at 275MW from an installed capacity of 1 050MW due to low lake levels. The dam level was at 19.80% on 9 April 2020 compared to 35.56% at the same time in 2019.  
- Eskom postponed maintenance during the lockdown period as operations kept the number of employees on site to a minimum. It carried out short-term maintenance and other repairs to optimise generation units to meet rising demand after lockdown. Despite the capacity enhancements mentioned above, Eskom’s financial position remains of concern from a capacity perspective. | **Zimbabwean operations:**  
- Securing stable power supply with ZESA while exploring solar power as an alternative sustainable source.  
- Monitoring regional and local power projects, identifying power saving initiatives. Ensuring lower electricity operational planning including emergency response readiness. Lobbying ZESA on the review of power tariffs. |
| **South Africa:** Although Impala is a member of the Eskom Intensive Energy User Group, any power disruptions at local municipalities negatively impacts South African operations. | **South African operations:**  
- No significant power outages were experienced during the year.  
- Eskom has started taking some generation units off the grid to protect the integrity of the system. These units are available to return to service at short notice should the need arise.  
- Eskom postponed maintenance during the lockdown period as operations kept the number of employees on site to a minimum. It carried out short-term maintenance and other repairs to optimise generation units to meet rising demand after lockdown. Despite the capacity enhancements mentioned above, Eskom’s financial position remains of concern from a capacity perspective. | **South African operations:**  
- Continuous engagement with Eskom with regard to the availability of capacity. A load shedding power reduction schedule is in place.  
- The response plan includes a revised low-electricity supply business planning cycle, back-up generators for emergency systems, and simulations of electricity outages and their impact on operations. |

### 4 DETERIORATION IN SAFETY PERFORMANCE

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
</table>
| **Context:** A deterioration in safety performance will negatively impact labour relations, attract regulator scrutiny and cause operational disruption. The Company focuses on the prevention of injuries, especially fatal injuries, and entrenching a safe operational culture to ensure that everybody goes home safely every day. | **South Africa:**  
- Five fatal incidents were reported in FY2020, unchanged from the previous reporting period.  
- The Group’s lost time injury frequency rate at 4.54 compared favourably to the previous year’s 5.30 per million man hours worked.  
- In the current reporting period, there was a decrease in the number of instructions issued at all South African operations. The Section 54 stoppages continue to be restricted to the area where the danger or non-conformance was observed. 75 Section 54 and 55 notices were issued at the South African operations (2019: 88 Section 54 and 55). | **South Africa:**  
- Mitigation controls of key risks and regular discussions at all workplaces.  
- Improved planning processes, reporting to employees at the face and testing of critical behaviours including risk assessments before a task commences.  
- Detailed analysis and prioritisation of DMRE findings and remedial actions to address non-conformances.  
- Impala Rustenburg CEO-led weekly reviews of workplace-related injuries/accidents which includes cause analysis and mitigation.  
- Weekly tracking of safety-related mitigation plans, further enforced through awareness, hazard identification and coaching by supervisors.  
- Active monitoring of the occupational health status of employees through the health and hygiene programme.  
- Safety plans, technical initiatives and implementation of integrated system solutions and fatal risk protocols.  
- Addressing findings of the International Mining Industry Underwriters (IMIU). |
| **Risk:** Deterioration in safety performance due to • Failure of critical infrastructure • Failure to achieve safety requirements | **Risk owners:** Operations executives, Company CEOs | **In addressing key lagging safety indicators (LFI and LTIF) the following controls were implemented:**  
- Mitigation controls of key risks and regular discussions at all workplaces.  
- Improved planning processes, reporting to employees at the face and testing of critical behaviours including risk assessments before a task commences.  
- Detailed analysis and prioritisation of DMRE findings and remedial actions to address non-conformances.  
- Impala Rustenburg CEO-led weekly reviews of workplace-related injuries/accidents which includes cause analysis and mitigation.  
- Weekly tracking of safety-related mitigation plans, further enforced through awareness, hazard identification and coaching by supervisors.  
- Active monitoring of the occupational health status of employees through the health and hygiene programme.  
- Safety plans, technical initiatives and implementation of integrated system solutions and fatal risk protocols.  
- Addressing findings of the International Mining Industry Underwriters (IMIU). |

### IMPACT ON VALUE

**Mining, mineral processing, and refining operations** have a critical dependency on and are major consumers of electricity. Disruptions in its supply negatively impacts our ability to operate effectively and limits our capacity to deliver sustained value to our stakeholders.

### STRATEGIC OBJECTIVES IMPACTED

- **Underwriters (IMIU)**
- **Integrated system solutions and fatal risk protocols**

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**IMPALA**

ANNUAL INTEGRATED REPORT 2020
### CURRENCY OR EXCHANGE RATE RISK DUE TO CONTINUED DEVALUATION OF THE ZIMBABWEAN DOLLAR

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context:</strong> Uncertainty around the impact of the exchange rate on Zimbabwean operations following the re-introduction of the Zimbabwean dollar currency (ZWL) and the devaluation of the local exchange rate against the US dollar&lt;br&gt;Lack of clarity on key government policy and inconsistency in its application continue to increase the perception of high sovereign risk, further eroding business and investor confidence</td>
<td>• The risk has remained flat&lt;br&gt;• The local currency continued to slide against the US dollar resulting in an increased disparity between the alternative market rate, which is used for pricing most goods and services, and the official inter-bank rate. The exchange rate has been relaxed and fixed at ZWL$25 as the country focuses its attention on fighting Covid-19. As part of a raft of measures to fight Covid-19, the Reserve Bank of Zimbabwe allowed the use of the US currency to pay for goods and services ordinarily charged in ZWL$ during the lockdown period</td>
<td>• ZWL/US$ rates are monitored and the risk is managed by staggered liquidation of forex receipts, early settlement of local supplier obligations and minimising the holding of ZWL to avoid devaluation&lt;br&gt;• Engagement with authorities to clarify key government policies that affect business and reduce uncertainty&lt;br&gt;• Payment of taxes in ZWL&lt;br&gt;• Offsetting of value-added tax receivables against other taxes due to ZIMRA</td>
</tr>
<tr>
<td><strong>Risk:</strong> Exchange rate risk due to the continued devaluation of the Zimbabwean dollar</td>
<td><strong>Risk owners:</strong> Zimplats CEO and Implats CFO</td>
<td><strong>IMPACT ON VALUE</strong>&lt;br&gt;Currency risk translates into high inflation and possible cost escalation beyond current mitigation strategies for the Zimbabwean operations.</td>
</tr>
</tbody>
</table>

### MAINTAINING OUR SOCIAL LICENCE TO OPERATE AND GOOD STAKEHOLDER RELATIONS

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context:</strong> Impala’s strategic review execution plan included the establishment of sound mechanisms to engage key stakeholders such as labour, impacted communities, and government. A stakeholder analysis was undertaken to clearly understand stakeholder requirements and to ensure proactive communication and engagement</td>
<td>• Community councillors have informally requested Impala to resume the Mining Community Leadership Engagement Forum (MCLEF) meetings once the national lockdown is lifted.&lt;br&gt;• An agreement was reached at the Royal Bafokeng Traditional Council to establish a forum including representatives from Impala and the Royal Bafokeng administration to facilitate timely communication with communities and assist in providing oversight of the implementation of Covid-19 prevention and reduction measures</td>
<td>• Establishment of the Impala/Royal Bafokeng Covid-19 forum to provide support to the most vulnerable groups in host communities and report on Covid-19 prevention initiatives and sustainability compliance&lt;br&gt;• SLP development, monitoring and execution. Information is shared through formal structures such as the Rustenburg Local Municipality and the Royal Bafokeng Strategic Committee, which focuses on mitigating job losses&lt;br&gt;• Direct and documented engagements with community representatives, the DMRE and Rustenburg municipalities to address specific challenges, including procurement opportunities and the management of uncommercial demands&lt;br&gt;• Implementation of the housing strategy and review of hotline complaints&lt;br&gt;• Ensuring timely resolution and the reestablishment of MCLEF</td>
</tr>
<tr>
<td><strong>Risk:</strong> Inability to secure and maintain a social licence to operate due to failure to provide value enhancing sustainability initiatives and maintaining good stakeholder relations&lt;br&gt;• Onerous demands by the Impala Mine Community Leadership Engagement Forum (MCLEF) for procurement and employment opportunities</td>
<td><strong>Risk owners:</strong> Operations executives and corporate relations executive</td>
<td><strong>IMPACT ON VALUE</strong>&lt;br&gt;Impala’s social licence to operate impacts our ability to mine in the communities in which we operate. Failure to maintain our licence may threaten operational effectiveness.</td>
</tr>
</tbody>
</table>

**STRATEGIC OBJECTIVES IMPACTED**

- Our Performance
- Strategy and Business Case
- Our Operating Environment
- Our Capitals
- About Our Business
## IMPALA CANADA: FAILURE TO DELIVER ON THE BUSINESS CASE AND THE UNSUCCESSFUL INTEGRATION INTO IMPLATS

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context:</strong> Implats acquired North American Palladium Limited (NAP) on 13 December 2019</td>
<td>• Impala Canada has established an operational board of directors, chaired by the Implats Group CEO. The board comprises three independent directors, as well as the executive management team of Impala Canada. The Implats Group CEO, CFO and Group Executive: People are also represented on the board. The board will oversee all aspects of the operations in accordance with a recently developed terms of reference. • A detailed integration plan has been established which takes into account all key Implats functional areas and accommodates the impacts of Covid-19. • Retention awards have been well accepted and the operation has remained stable during the transition period.</td>
<td>• Implementing an integration plan including an authorization matrix aligned with Implats’ governance structures and operational performance reporting. • Established an Implats Canada board with appropriate oversight mechanisms. • Introduced retention awards aligned with Implats’ reward philosophy. The STI and LTI framework have been well accepted and the business unit has remained stable during the transition period. • Implementation of approval framework. • Roll out of Implats’ talent framework and implementation of the executive leadership succession programme.</td>
</tr>
</tbody>
</table>

### IMPACT ON VALUE

The risk affects the effectiveness and success of the geographical diversification of Implats’ operating footprint.

### IMPACT ON VALUE

Legislative compliance has a direct impact on our operational effectiveness and production. Legislative compliance is also strongly linked to our social licence to operate.

## FAILURE TO COMPLY WITH LEGAL AND REGULATORY REQUIREMENTS THROUGH THE VALUE STREAM

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Context:</strong> Non-compliance with legislation could lead to material penalties, fines, imprisonment and operational disruption. The South African regulatory environment has increased the cost of compliance e.g. the approved Mining Charter or non-compliance to MHSA impacting production.</td>
<td>• Impala Refineries Final Atmospheric Emissions Licence Compliance: Impala Refineries was granted a final AEL on 28 February 2020 conditional on the implementation of certain projects that will progress compliance with the 2020 Minimum Emissions Standards. The next review date is 30 September 2024. • Non-compliant Mining Charter scorecards submitted in March 2020: Mine community development is ring-fenced in the Mining Charter and assessed on SLP LED performance. Mining Charter III in its current form stipulates that a mining right holder who has not complied with the mine community development element shall be in breach of the MPRDA. The legal validity of the Mining Charter as a regulatory instrument, among other issues, is currently the subject of a judicial review process brought by the Minerals Council South Africa.</td>
<td>• Monitoring of key legislative changes and compliance reporting to government structures. • Implementation of the functional legal and compliance programme and direct transparent engagement with line management to guide the process of compliance (Sections 52 and 119). • Senior management involvement in section 102 and SLP III applications to the DMRE for Marula and Impala Rustenburg. • Approval of the identified capital requirements by the capital allocation and investment committee (CAIC) to ensure compliance with the provisional atmospheric licence requirements and the SLP II for Rustenburg. • Implementation of the functional legal and compliance programme and direct transparent engagement with line management to guide the process of compliance (Sections 52 and 119). • Senior management involvement in section 102 and SLP III applications to the DMRE for Marula and Impala Rustenburg.</td>
</tr>
</tbody>
</table>
### CHALLENGED CAPACITY AND EFFICIENCIES OF MANAGEMENT LAYERS AT SOUTH AFRICAN OPERATIONS

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
</table>
| **Context:** | In order to achieve its organisational strategy, the Group must continuously ensure the development of its employees’ occupational knowledge, skills, education, and abilities. Such initiatives include critical supervisory skills identified to upskill mining supervisors to enable effective leadership of teams and drive the required culture change. | • Various Covid-19 precautionary measures to safeguard returning trainees  
• Talent pipeline management and recruitment to appoint successful candidates from the graduate development programme into key roles  
• Formal coaching and people management programmes established to promote the improvement of supervisory and management leadership development and on-the-job coaching  
• Implementation of the Care and Growth leadership model to embed the culture of performance and care  
• Rollout of underground task centre projects at 16 and 20 Shafts to aid in theoretical learning. |
| **Risk:** | Challenged capacity and efficiencies of management layers at South African operations | |
| **Risk owners:** | Operations executives and HR executive | |

**IMPACT ON VALUE**
The Group requires skilled and efficient management to achieve its strategic objectives and create sustainable value for stakeholders over the short, medium and long term.

### THE SECURITY OF WATER SUPPLY AT SOUTH AFRICAN (BOJANALA AND RUSTENBURG) AND ZIMPLATS OPERATIONS

<table>
<thead>
<tr>
<th>Risk description</th>
<th>Factors contributing to the risk</th>
<th>Responses (controls and mitigation plans)</th>
</tr>
</thead>
</table>
| **Context:** | Water is a critical input for mining, processing and refining operations. Climate change and an increase in demand from other users of this scarce resource has negatively impacted the availability of water supply. Implats operations have implemented various initiatives to monitor, reduce and optimise use of water. | • Monitoring and daily dashboard reporting of water usage  
• Water recycling processes and the use of alternative water sources such as Water Services Trust and the Rockwell Dam. Impala has initiated the construction of a water storage dam facility in order to reduce extraction  
• Implementation of a water conservation and demand management programme which enables operational demand simulation |
| **Risk:** | The security of water supply in South Africa (Bojanala and Rustenburg) and Zimplats operations | |
| **Risk owners:** | Operations executives | |

**IMPACT ON VALUE**
Sustainable use of a scarce resource which serves as a key input to Impalas operating processes and which impacts operational viability and our social licence to operate.

**Pursuing opportunities**
In addition to the various responses to existing risks, the Group’s pursuit of opportunities is demonstrated in how it has tailored its business model (page 58) and strategy (page 78), which culminate in our business case on page 80.
Ensuring safety is a top priority. Safety messaging underground at Impala Rustenburg

BUSINESS MODEL, STAKEHOLDERS AND OUR CAPITALS
We generate superior value for all our stakeholders through modern, safe, responsible, competitive and consistent operational delivery.
Business model

OUR VALUE PROPOSITION
To be the world’s best PGM producer, sustainably delivering superior returns to all our stakeholders.

INPUTS: OUR CAPITALS

HUMAN
- Our leadership
- Our workforce
- Skills and training
- Social, ethics, transformation and remuneration practices

FINANCIAL
- Operating cash flow
- Capital structure and allocation

MANUFACTURED
- Mining rights
- Property, plant and equipment
- Utilities

SOCIAL AND RELATIONSHIP
- Organisational culture and values
- Key stakeholder relations
- Social licence to operate

INTELLECTUAL
- People, governance and safety systems
- Mineral reserve management
- Intellectual property and research and development

NATURAL
- Use of land, air and water and biodiversity
- Mineral Resources and Mineral Reserves

OUR VALUE-FOCUSED STRATEGY

Responsible corporate stewardship
We develop, protect and strengthen our licence to operate through industry-leading ESG performance

Operational excellence in PGMS
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery

Organisational effectiveness
We place people at the centre of the organisation, and engender a shared culture, founded on our values to respect, care and deliver

Optimal capital structure
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework

Competitive portfolio of mineral and processing assets
We seek to leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable ore-bodies

Market development and value chain optimisation
We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand

WHAT DIFFERENTIATES US – INVESTOR PERSPECTIVE:

Positive market
Page – 80

Mineral portfolio
Page – 81

Processing assets
Page – 82
EMPLOYEES
- R14.9 billion in salaries and benefits
- R548 million invested in skills development
- TB incidence rate reduced to below 300 per 100 000
- 5,730 employees receive ART treatment

UNIONS
- Stable and constructive relationship enables meaningful discussions on employee matters

COMMUNITIES
- Local to site employment and procurement

CUSTOMERS
- Sustainable and reliable delivery of high-quality products

SHAREHOLDERS
- 66% increase in share price; total shareholder return of 74%
- Dividend of R4.2 billion
- Enhance and protect value through an ongoing focus on cost containment and efficiency improvement

MANAGING KEY RISKS (refer to pages 49 – 55)
1. Impact of the Covid-19 pandemic on Implats operations
2. Ability and capacity to align and improve margins at Rustenburg operations to the current metal pricing environment
3. Impact of load shedding due to constrained electricity supply capacity resulting in business interruption (South African and Zimbabwean operations)
4. Deterioration in safety performance
5. Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar

OUTPUTS:
METAL PRODUCTS
- Platinum 1.35Moz
- Palladium 0.89Moz
- Rhodium 0.18Moz
- Ruthenium 0.25Moz
- Iridium 63.6koz
- Gold 79.5koz
- Silver 108.4koz
- Nickel 15.4kt
- Copper 9.8kt
- Cobalt 0.1kt

ENVIRONMENTAL OUTCOMES
- Non-mineral hazardous waste recycled 31.4kt
- CO₂ direct emissions 419kt
- Water withdrawn 24,029Mℓ

OUTCOMES DELIVERING VALUE
Stakeholder review and engagement

WE INVEST IN DEVELOPING AND MAINTAINING CONSTRUCTIVE RELATIONSHIPS WITH THE STAKEHOLDERS AND COMMUNITIES AROUND OUR OPERATIONS. THIS IS ESSENTIAL TO MAINTAIN AND STRENGTHEN OUR SOCIAL LICENCE TO OPERATE. INCLUSIVE STAKEHOLDER ENGAGEMENT UNDERPINS OUR APPROACH TO RESPECTING AND RESPONDING TO LEGITIMATE STAKEHOLDER ASPIRATIONS AND CONCERNS.

Stakeholders are defined as those people or groups who are interested and affected by our business, as well as those who have a material influence on our ability to create value. Our operations are different, therefore applicable stakeholder information has additionally been provided in the relevant operational reviews (refer to pages 110 to 157).

For further insight into the interrelation between our capitals and the value created for stakeholders, refer to our stakeholder outcomes per capital section.

Implats’ board-approved stakeholder engagement strategy was developed with particular cognisance of King IV, and the overarching AA1000 Assurance Standard principles of materiality, completeness and responsiveness.

Our inclusive stakeholder review process is depicted as follows:

<table>
<thead>
<tr>
<th>Identify</th>
<th>Map</th>
<th>Prioritise</th>
<th>Define</th>
<th>Determine</th>
<th>Establish</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identifying all stakeholders</td>
<td>• Mapping each stakeholder against a designated champion or responsible executive</td>
<td>• Prioritising stakeholders according to our impacts on them and the nature of the relationship</td>
<td>• Defining the method of engagement and identifying potential opportunities to grow and sustain the relationship</td>
<td>• Determining their level of influence on the business</td>
<td>• Establishing a tool for monitoring and evaluating relations to take proactive measures for improvement where necessary</td>
</tr>
</tbody>
</table>

The priority level (zoning) of our stakeholder groups is based on the level of influence these stakeholders have on the business, the assessed effectiveness of existing engagement processes, and the level of alignment/change required in the relationship to meet our value-creation goals. Consistent with recent years, we currently have six priority stakeholder groups that require high-level ongoing care and responsiveness to sustain mutually beneficial relations, and whose material matters are expounded on in the next few pages.
Each stakeholder is allocated an executive or champion responsible for managing the relationship with the organisation as outlined below:

1. Quarterly stakeholder engagement meetings of operational executives and Group champions
2. Identify and discuss material issues
3. Allocate management responsibility of key stakeholder issues
4. Identify potential risks and opportunities
5. Develop appropriate actions and responses

The identified material matters and the associated responsibility, risks, as well as consequent actions and responses, are captured in the risk management system to ensure continuous management. The accessible nature of the system enables effective oversight by the executive team.
Stakeholder material matters

IN THE PREVIOUS YEAR, WE SELF-ASSESSED THE QUALITY OF OUR RELATIONSHIP WITH THE VARIOUS STAKEHOLDER GROUPS, USING A SPECTRUM RANGING FROM WEAK, CORDIAL AND STRONG. IN FY2021 AND BEYOND, WE AIM TO BUILD ON THE OBJECTIVE, QUANTIFIABLE RELATIONSHIP ASSESSMENT PILOT PROJECT FOR SELECT STAKEHOLDERS.

Covid-19 regulatory restrictions and social distancing requirements have disrupted many of our regular stakeholder engagement practices. We have adapted our channels of engagement, expanding our use of digital communication to ensure regular and effective engagements. The crisis has served as a catalyst for collaboration with our key stakeholders – government, communities, industry peers and trade unions – in supporting vulnerable communities and addressing our shared challenges.

Employees and trade unions

Nature of engagement
Employee and union material matters are identified through direct and internal communication, workplace forums and regular engagement with union representatives.

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Lowlights/challenges</th>
<th>Additional commentary and context</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee health and well-being</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Covid-19 risk prevention measures successfully flattened the curve in cases recorded at our South African operations</td>
<td>• Four employees died of Covid-19 (three at Impala Rustenburg and one at Impala Canada); all had comorbidities</td>
<td>Pages 36 – 41 of the ESG report</td>
</tr>
<tr>
<td>• Pulmonary TB and HIV levels are well controlled</td>
<td>• 38 new cases of noise-induced hearing loss (NIHL) were compensated for hearing loss</td>
<td></td>
</tr>
<tr>
<td>• Adherence to HIV and TB treatment remains high at 95% and 100% respectively</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Established a Group wellness committee to develop and oversee an integrated Group wellness strategy</td>
<td></td>
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</tr>
</tbody>
</table>

| **Employee and contractor safety** | | |
| • Sustained our improved safety performance, positioning the Group favourably relative to the overall industry | • Five fatalities recorded across managed operations | Pages 42 – 47 of the ESG report |
| • Strengthened our safety risk management interventions | • Continued incidents of high-risk behaviour resulting in fatalities and serious injuries | |
| • 34 safety-related high-potential incidents | • 38 new cases of noise-induced hearing loss (NIHL) were compensated for hearing loss | |

| **Organisational design and culture** | | |
| • Effectively adapted our ways of working in response to Covid-19-related restrictions | • Covid-19 pandemic and restrictions presented unprecedented challenges to our operating practices | Pages 50 – 52 of the ESG report |
| • Enhanced our communication with employees and human resource practices through accelerated uptake of digital solutions | • Our focus on navigating immediate Covid-19-related challenges impeded certain culture transformation initiatives | |
| • Successful integration of Impala Canada operation into the Group | | |
Attracting, retaining and developing talent

- Revised restructuring plans at Impala Rustenburg ensured minimal job losses
- We automated our recruitment processes

Covid-19 impacts:
- Legislated limits on staffing levels at South African operations resulted in setbacks in capacity building initiatives
- Performance target setting a challenge given the uncertainty or impacts of pandemic

Employee relations

- Sustained good relations with employees and their union representatives at all operations
- New wage agreements peacefully concluded with recognised unions for Impala Rustenburg and Marula operations in November 2019
- Avoided the proposed closure of Impala Rustenburg 1 Shaft, securing 2,813 jobs
- Assisted employees on unpaid leave during South Africa’s lockdown to receive unemployment benefits

- Employee and union concern about job security in view of the ongoing Covid-19 pandemic

Diversity and inclusion

- Gender mainstreaming initiatives expanded and reinforced
- Implats included in the Bloomberg 2020 Gender-Equality Index

- Achieving the Mining Charter III target for female representation at junior management
- Attracting and retaining women at remote locations

Covid-19 risk and impacts

Concerns revolve around operational changes, the risk of contracting coronavirus in the workplace, and in South Africa, the impacts of the Covid-19 national lockdown, particularly regarding the evolving regulatory requirements and restrictions

In response to the Covid-19 outbreak, in all the jurisdictions we operate in, the Group timeously developed and implemented comprehensive response plans to safeguard and support workers and host communities. Engagements with our employees have been effective and cooperative.

Key communications and engagements related to awareness and education around Covid-19 and preventative measures both general and in the workplace; communication of operational developments and working practice changes and the implications

At our South African operations:

Prior to and throughout the extended lockdown, Implats had frequent dialogue with AMCU leadership primarily to address the Group’s preparedness regarding Covid-19 regulations, and proposed activities and updates on significant Covid-19 related decisions or developments at operations; and demonstrating compliance with regulations and commitment to safety regulations

Employee safety

Although the Group’s focus on resilient safety leadership and mining discipline has driven significant improvements in safety performance in recent years, the zero-harm target is yet to be achieved

We continue to learn from safety incidents to effect stronger controls to prevent incidents. This year, we strengthened our safety risk-management interventions with a focus on fatality risks control and preventing material unwanted events

Job security concerns

Concerns arise from Impala Rustenburg restructuring process (second phase) and Covid-19 pandemic

The Group avoided the proposed closure of Impala Rustenburg 1 Shaft, securing 2,813 jobs

Our proactive communications strategy and targeted engagement process to mitigate risk, included continuous:

- Engagement with union leadership at all levels, with focus on maintaining trust
- Job-loss avoidance measures including redeployment of employees to vacant positions at the 16 and 20 growth shafts, natural attrition, reskilling, voluntary separation, and business improvement initiatives
Outlook
Employee health and safety
Implats successfully slowed the infection rate at the South African operations. Health challenges will continue as Covid-19 infections are still expected to increase in South Africa until it peaks in the latter part of 2020. In responding to the Covid-19 crisis, we anticipate an industry-wide acceleration in the adoption of technologies, specifically remote and virtual technologies, that assist in distancing mine workers from each other. Implats is committed to play its role in supporting positive developments.

We will maintain a focus on changing the safety culture at our more challenging Impala Rustenburg and Marula mines where we have the greatest number of employees and continue to experience high-risk behaviour. Our ultimate goal is to eliminate fatal injuries and incidents.

Job security and labour relations
Implats will continue to keep employees and unions informed of evolving operational circumstances and restructuring developments and seek solutions to issues of concern.

Government
Nature of engagement
Meetings with officials from local, provincial and national government. Compliance audits, Minerals Council South Africa.

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Lowlits/challenges</th>
<th>Additional commentary and context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental legal compliance</td>
<td>Outstanding audit items are being addressed; progress is monitored monthly as per audit action plan</td>
<td>Pages 92 – 94 of the ESG report</td>
</tr>
<tr>
<td>Water stewardship</td>
<td>Secure further amendments to its amended water usage licence application for Impala Rustenburg</td>
<td>Pages 95 – 97 of the ESG report</td>
</tr>
<tr>
<td>Energy management and climate change</td>
<td>Achieving significant energy savings requires substantial capital investment, which may be further constrained by Covid-19 impacts</td>
<td>Pages 98 – 101 of the ESG report</td>
</tr>
</tbody>
</table>

Highlights
- No directives or fines for non-compliance with environmental regulations
- Marula completed all outstanding DMRE requirements relating to waste and water management
- Improved water supplies to host communities as part of Covid-19 response measures
- Implats’ leadership in managing water issues recognised in CDP Water Disclosure Project “A” score
- 44% of water consumed was recycled water, exceeding the 40% target
- Achieving significant energy savings requires substantial capital investment, which may be further constrained by Covid-19 impacts
- Our GHG emissions are primarily due to coal and electricity usage
- Impact of rising energy costs and carbon tax in South Africa on capital and operating costs
- Risk of electricity supply South Africa and Zimbabwe
- Progress in developing a prototype fuel cell driven load haul dumper impacted in recent years due to capital constraints
### Highlights

<table>
<thead>
<tr>
<th>Air quality</th>
<th>Lowlights/challenges</th>
<th>Additional commentary and context</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SO₂ emissions were within air emission licence (AEL) condition limits</td>
<td>• PM10 dust exceedances recorded at Impala Rustenburg</td>
<td></td>
</tr>
<tr>
<td>• No noise complaints recorded</td>
<td>• Marula received a dust-related complaint due to construction of a new tailings dam</td>
<td></td>
</tr>
<tr>
<td>• Impala Springs was issued a final AEL on condition of progress towards compliance with the 2020 minimum emissions standards (MES)</td>
<td>• Zimplats SO₂ emission levels are higher than AEL condition limits in South Africa</td>
<td></td>
</tr>
<tr>
<td>• Impala Rustenburg was granted a postponement to adhere to the 2020 MES subject to the project roadmap submitted ensuring compliance by December 2024</td>
<td>Pages 102 and 103 of the ESG report</td>
<td></td>
</tr>
<tr>
<td>• A 14% decrease year-on-year in SO₂ emissions at Zimplats</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The airshed that we operate records both PM10 and PM2.5 exceedances which emanate from various sources besides Impala operations.

### Supporting national responses to Covid-19

- **M** There are concerns regarding the socio-economic impacts of job losses from retrenchments
- **R** South Africa
  - Impalas donated R10 million to the Solidarity Fund and our operations contributed extensively in providing preventative measures and supporting basic living needs in host communities
- **Zimbabwe and Canada**
  - Zimplats and Impala Canada have also implemented various initiatives to capacitate local communities to address the impacts of the pandemic

The Group’s Covid-19 relief efforts have been favourably received and contributed positively to host community livelihoods

### South Africa

**Compliance with statutory requirements**

- **M** The new Mining Charter 2018 contains a number of provisions that are cause for concern
- **M** Impala Rustenburg, Afplats and Marula operations submitted their annual Mining Charter reports to the DMRE for the 2019 calendar year in March 2020. Notwithstanding achieving a self-assessment score above the required level of compliance, the total scores for each operation are deemed to be non-compliant, due to delays in the implementation of the ring-fenced mine community local economic development (LED) SLP projects
- **M** The Group’s B-BBEE verification process (for FY2019 performance) has been protracted due to delays from the Covid-19 outbreak
- **R** Despite the further delays in the DMRE’s processing of requested time frame extensions, as well as the implementation of the outstanding projects, due to the national lockdown we remain confident of a positive outcome

### Outlook

- **M** The judicial review of the Mining Charter III is yet to be completed; provisions relating to empowerment and procurement remain a concern
- **M** Impala Rustenburg, Afplats and Marula await approval of MPRDA amendment applications that each lodged seeking a respective extension on SLP and LED project timelines and a positive outcome is anticipated
Stakeholder material matters

Communities
Nature of engagement
Community leadership engagement meetings, community trust meetings, one-on-one meetings

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Lowlights/challenges</th>
<th>Additional commentary and context</th>
</tr>
</thead>
</table>
| Community relations | • Community engagement interventions at Marula have significantly improved relations with host communities  
• No operational disruptions due to mine-related community unrest at any of our operations  
• Our Covid-19 community response measures have strengthened our community relationships | • The Covid-19 crisis has exacerbated expectations for our operations to deliver greater socio-economic benefits  
• Slow progress in the restructuring of the Mine Community Leadership Engagement Forum (MCLEF) at Impala Rustenburg  
• The national lockdown in South Africa has delayed progress in implementing some social investment initiatives  
• Ensuring 100% compliance in terms of stated commitments in SLPs at all times per Mining Charter 2018 (Mining Charter III) will be challenging. Awaiting approval for SLP III from the DMRE for Impala Rustenburg  
• Zimbabwe is facing severe food insecurity due to a national drought | Pages 67 – 76 of the ESG report |

Inclusive procurement and enterprise and supplier development

| • South African operations have performed well against most of the Mining Charter III criteria  
• Marula and Impala Rustenburg have launched new enterprise and supplier development programmes  
• Impala Canada and Zimplats local spend | • Challenging Mining Charter targets with respect to procurement from 51% or greater South African women and youth owned and controlled businesses  
• Disproportionate reliance by host communities on the organisation for procurement opportunities  
• Impala Canada’s efforts to increase local and local indigenous procurement are challenged by a lack of local mining-specific suppliers and services | Pages 77 – 81 of the ESG report |

Covid-19 implications and our response measures

All our operations have implemented initiatives to capacitate host communities and health institutions to reduce the impact of Covid-19. Our proactive and extensive support has been very well received by key stakeholders and has strengthened relations with host communities.

Our operations have ensured continued engagements with community group leaders on their preparedness to address the Covid-19 pandemic and associated compliance with key regulations. We continue to engage with them about our efforts and the progress made in curbing the spread of Covid-19 in the communities and at our operations.

Social challenges posed by Covid-19 lockdown restrictions in South Africa

The lockdown restrictions imposed by the South African government to curb the spread of the pandemic has resulted in adverse impacts on the socio-economic well-being of host communities.

Implats has thrown its full weight into supporting its communities in the face of the global pandemic, donating R20 million to disaster relief in South Africa and committing millions more to various initiatives surrounding its operations in South Africa, Zimbabwe and Canada. All Group operations initiated campaigns to equip employees, communities, schools and medical facilities to combat the virus and keep communities safe.
Outlook

Implats’ support for communities has strengthened relations. We are however mindful that long-term lockdown implications for livelihoods could stoke tensions. Our operations will continue to engage with government and community leaders to support community health and well-being.

Disproportionate community demands for socio-economic opportunities

The Covid-19 crisis has exacerbated expectations for our operations to deliver greater socio-economic benefits, particularly employment and procurement opportunities.

Customers

Nature of engagement

Tender and contract processes, supplier forums, one-on-one meetings, industry forums, customer feedback and reputation surveys

Highlights

- The results of our latest customer satisfaction survey reflect an encouraging positive overall outcome, in line with the high performance results of the 2015 and 2017 surveys, indicating an ongoing strong partnership between Impala and its customers.

Lowlights/challenges

- Force majeure on its contractual deliveries of final metal to its customers from the onset of the national lockdown in South Africa.

Additional commentary and context

CEO and CFO’s reviews
Page 32 of the ESG report

Impact of Covid-19 lockdown regulations on South African operations

Implats declared force majeure on its contractual deliveries of final metal to its customers when the national lockdown in South Africa was announced on 23 March 2020. The force majeure was lifted on 22 June 2020.

No customers decided to exercise cancellations.

- During the lockdown period we refined previously locked-up concentrate at Impala Rustenburg.
- The South African mines returned to 85% capacity by 30 June 2020 having been operating at 50% previously in the wake of the relaxation of hard lockdown in April. To date, potential risks to output associated with virus-related employee attendance and supply chain challenges have been lower than anticipated. Initial logistical constraints soon eased and despite the pandemic’s impact on global economic activity, demand for our metals has remained robust.

Being a reputable and responsible supplier of high-quality PGM products through innovation

There is a growing interest among our customers to be assured that we source our raw materials responsibly and from suppliers who comply with laws. We strive to ensure a competitive advantage by differentiating our product suite in the market based on product quality, reliability of supply, and a willingness to adapt to changing customer needs.

This year we started implementing a Group platinum and sourcing policy across our operations. We engaged PwC to assist with assessing our current practices and policies against the 2019 requirements of the London Platinum and Palladium Markets’ (LPPM) Responsible Platinum and Palladium Guidance, and where necessary making improvements to ensure compliance. Compliance with the guidance is a business imperative and will endorse the LPPM’s regard for Impala as a good delivery refiner.

- Implemented systems in place to ensure conducting of appropriate due-diligence audits on the companies we source platinum and palladium concentrate from.
- Established criteria for identifying high risk suppliers and how to address risks and instances of non-compliance with our expectations.
- We are communicating our responsible sourcing policy to our employees and third party suppliers and have started the due diligence audits. An independent assurance review of our sourcing processes and practices will be conducted in November 2020 to obtain compliance certification, and annually thereafter, to maintain certification.

Outlook

Despite the impact of the Covid-19 pandemic on global economic activity, the demand for our metals remains strong. Implats is committed to being a reputable and responsible PGM producer through ethical production processes.
Stakeholder material matters

Shareholders and investor community
Nature of engagement
Roadshows, results presentations, investor conferences, one-on-one meetings

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Lowlights/challenges</th>
<th>Additional commentary and context</th>
</tr>
</thead>
</table>
| • Acquisition of North American Palladium completed on 13 December 2019  
• Successful incentivised early conversion of the 2022 US$ bond  
• Total dividend of R5.25 per share declared based on 30% free cash flow, pre-growth capital:  
  – R1.25 interim dividend per share  
  – A final dividend of R4.00 per share  
• Improved financial performance | • Safety performance  
• Covid-19 impacts on the Group’s ability to deliver sustainable value | Group performance pages 102 and 103; CEO and CFO’s reviews |

Covid-19 impacts on the Group

Ability to generate positive sustainable returns on investment in a Covid-19 environment – with particular interest in:
• Impacts of regulatory requirements and maintaining our social licence to operate  
• Volatility in the equity market  
• Complexities and uncertainties regarding extent of the impacts of the pandemic  
• Successful integration of Impala Canada into Implats

The various response measures, consequent outcomes and outlook are included in the following sections of our report:
• CEO review  
• CFO review  
• Group performance review  
• Impala Canada operational review

Governance disclosure and contributions toward environmental, social and governance (ESG) related matters

In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on environmental, social and governance issues.

Implats is committed to making lasting positive contributions to our people, the communities around our operations and the environment. The Group will continue to develop its understanding of how to attain its ESG objectives while positively contributing towards the SDGs and its ongoing commitment to the 10 principles of the UN Global Compact

Refer also to the corporate governance affecting value section on pages 26 to 33 for disclosure on how the board demonstrates its leadership over environmental, social and governance issues.

Outlook

Implats is currently developing an ESG strategy which will include commitments to demonstrate leadership in the renewable energy transition and in collaborating with our communities to promote sustainable vibrant communities post-mine closure.
Stakeholder outcomes per capital

Impact on capitals and stakeholders
Outcomes are the main consequences of using our business model inputs, the effect on stakeholders and other capitals affected by the Group.

Stakeholder value creation refers to the creation of value over the short, medium and long term for all stakeholders. Efforts relating to stakeholders on a targeted or individual basis results from stakeholder management strategies, however, delivering on Group strategy, importantly, increases the overall value of all the available outcomes measured on a value-per-stakeholder basis by growing the total wealth in which stakeholders share and increasing the size of the proverbial “pie” from which value is derived.

In this section we demonstrate the outcomes from our operating activities, their impact on our capitals and the value created or destroyed for ourselves and our stakeholders.

Human capital
Affected stakeholders – employees and unions

Covid-19 implications and our response measures
A key part of Implats’ strategy has been to identify potentially vulnerable “at-risk” employees, such as those with diabetes, HIV or hypertension, and to provide additional precautionary measures to increase their protection. We have developed several innovative solutions, including different cycles of work and staggered shift systems to enable the best possible precautionary measures against the spread of Covid-19 among Implats’ employees. Employees with risk indicators are transported to designated medical facilities for diagnosis and, if necessary, testing, quarantine and early hospitalisation.

Implats Covid-19-related statistics at 30 June 2020

<table>
<thead>
<tr>
<th>Diagnostic testing</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive cases</td>
<td>5 207</td>
</tr>
<tr>
<td>Recovered</td>
<td>528</td>
</tr>
<tr>
<td>Active cases</td>
<td>238</td>
</tr>
<tr>
<td>Deaths</td>
<td>420</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

Positive  ● Negative  ● Neutral

Outcomes and performance affecting relationship quality and value-created for stakeholders

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change 2020</th>
<th>2019</th>
<th>2018</th>
<th>Focus areas to enhance relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-related fatalities (own employees and contractors) ●</td>
<td>Number</td>
<td>Safe production is non-negotiable. Ensuring the safety of our employees and contractors underpins all that we do and remains key to delivering on our commitment to zero harm</td>
<td>Unchanged 5</td>
<td>5</td>
<td>7</td>
<td>• Eliminating fatalities and reducing the number and severity of injuries • Ensure optimal Covid-19 prevention and treatment regimes • Replace remaining machines at our operations that emit noise levels above 107dB • Keep employees fit and healthy and ensure early diagnosis of chronic conditions to manage the condition effectively • Support optimal mental health for employees</td>
</tr>
<tr>
<td>FIFR ●</td>
<td>Pmmhw</td>
<td>●</td>
<td>Deteriorated 0.05</td>
<td>0.047</td>
<td>0.065</td>
<td></td>
</tr>
<tr>
<td>New noise-induced hearing loss (NIHL) cases (+10% shift) ●</td>
<td>Number</td>
<td>●</td>
<td>Decreased 62</td>
<td>64</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>HIV-positive employees known to be receiving ARV treatment ●</td>
<td>Number</td>
<td>●</td>
<td>Increased 6 036</td>
<td>5 730</td>
<td>6 771</td>
<td></td>
</tr>
<tr>
<td>Skills development spend: ●</td>
<td>Investment in development of workforce</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA operations</td>
<td>Rm</td>
<td>●</td>
<td>Increased 493</td>
<td>465</td>
<td>485</td>
<td></td>
</tr>
<tr>
<td>Zimplats</td>
<td>US$m</td>
<td>Increased 2.9</td>
<td>1.4</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impala Canada</td>
<td>C$m</td>
<td>N/a</td>
<td>0.8</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IMPLATS ANNUAL INTEGRATED REPORT 2020 69
Stakeholder outcomes per capital

Outcomes and performance affecting relationship quality and value-created for stakeholders

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Focus areas to enhance relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairness and inclusivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Women in total workforce in South Africa | % | Promotes diversity in the workplace and enhances female representation in leadership | Improved | 12 | 11 | 11 | • Implement and sustain culture transformation over the next three years, driving organisational success through our people  
• Implats’ Gini coefficient continues to compare favourably with the national coefficient of 0.436 and mining industry coefficient of 0.416 |
| Historically disadvantaged South Africans (HDSAs) of management | % | | Improved | 61 | 59 | 67 |  |
| Gini coefficient | | | Deteriorated | 0.27 | 0.25 | 0.27 |  |

Social and relationship capital

Affected stakeholders – communities
Investing in our communities is critical to maintaining our social licence to operate and social and relationship capital, which serves as an enabler for the effective employment of our other capitals. Current market conditions have, however, limited our capacity financially to invest in this capital in the short term.

Implats spent R46.6 billion on cost of sales and R1.7 billion on cash taxes to stakeholders in the Company.

The impact of our operating spend on our social capital is depicted below.

Outcomes and performance affecting relationship quality and value-created for stakeholders

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Focus areas to enhance relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community development spend:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| • South Africa Rm | | The Group’s most significant contributions to socio-economic development are through the core activities of employment, procurement from host communities and paying tax | Increased | 113 | 86 | 137 | • Covid-19-related communication and ongoing support  
• Enhance our efforts to foster greater collaboration from communities  
• Maintain peace and stability at our South African operations  
• Impala Canada is actively working to establish community benefit agreements with its local indigenous communities  
• Implementation of Impala Rustenburg and Marula third generation SLPs  
• Promote host community employment and procurement opportunities through our various social projects  
• Spearhead local procurement and supplier development programmes to help host-community suppliers access new markets and build a more robust and competitive supply chain for Implats  
• In South Africa, an emphasis on increasing levels of expenditure with businesses owned by women and youth |
| • Zimbabwe US$m | | Reduced | 2.6 | 3.8 | 5.9 |  |
| • Canada C$000 | | N/a | 137 | — | — |  |
| Total local procurement: |             |                                          |                     |      |      |      |                                      |
| • South Africa Rbn | | Reduced | 1.6 | 1.7 | 1.4 |  |
| • Zimbabwe US$m | | Increased | 341 | 329 | 341 |  |
| • Canada C$m | | N/a | 41 | — | — |  |

1 Impala Canada was acquired in the current reporting period on 13 December 2019.
Natural capital

Affected stakeholders – All

Understanding the sustainability performance of PGMs

While we acknowledge the negative impacts that our operations have on the environment and climate change, and we continuously endeavour to pursue innovative ways to reduce these impacts, we have also identified the positive impacts of the uses of our products on the broader society such as their use in autocatalytic converters in internal combustion engine vehicles. Linked to the circular economy aimed at reducing global resource use, there is an increasing role for PGM recycling to materially impact markets.

The benefits of PGM mining for the environment and society were illustrated in the lifecycle assessment (LCA) on the impacts and benefits of PGMs completed in 2014 by the International Platinum Group Metals Association (IPA), to which Implats is affiliated. Further detail on the findings of this study is disclosed on page 90 of the ESG report.

### Outcomes and performance affecting relationship quality and value created for stakeholders

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>Focus areas to enhance relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental incidents</td>
<td></td>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>• Level 3</td>
<td>Number</td>
<td>Indicators of efficient use of our scarce natural resources, which are shared with the other stakeholders</td>
<td>Improved</td>
<td>15</td>
</tr>
<tr>
<td>• Level 4 or 5</td>
<td>Number</td>
<td></td>
<td>Unchanged</td>
<td>0</td>
</tr>
<tr>
<td>Unit water consumption</td>
<td>Mℓ/tonne milled</td>
<td></td>
<td>Deteriorated</td>
<td>2.2</td>
</tr>
<tr>
<td>Water recycled (total water recycled Mℓ/total water consumed Mℓ)</td>
<td>%</td>
<td></td>
<td>Improved</td>
<td>44</td>
</tr>
<tr>
<td>Energy intensity</td>
<td>GJ/tonne milled</td>
<td></td>
<td>Improved</td>
<td>0.86</td>
</tr>
<tr>
<td>Total direct CO₂ intensity</td>
<td>t/tonne milled</td>
<td></td>
<td>Improved</td>
<td>0.1856</td>
</tr>
<tr>
<td>GHG emissions</td>
<td>Mt CO₂-equivalent</td>
<td></td>
<td>Improved</td>
<td>0.185</td>
</tr>
</tbody>
</table>

1 Levels 3, 4 and 5 represent limited, significant and major impact environmental non-compliances respectively.

2 Impala Canada is a clean energy user with a 100% reliance on hydro-electric power. Its inclusion in the Group has resulted in a 6% decrease in total CO₂ intensity.

3 For details on measurement, refer to pages 92 and 93 of the ESG report.
Stakeholder outcomes per capital

Contributing to a low carbon economy transition
Our South Africa operations rely on a carbon-intensive electricity grid plagued with severe reliability issues. Here, we are in the early stages of developing a low-carbon transition strategy that will focus on improving our energy management and reduce greenhouse gas (GHG) emissions at our operations. Our Zimbabwe and Canada operations have low carbon-intensive electricity as they are mostly supplied with electricity generated from hydro-power schemes. To ensure security of supply, work is underway to develop a large-scale solar PV plant in Zimbabwe to supply the power requirements at Zimplats, with potential for excess generated power to be channelled to Zimbabwe’s national grid.

Implats taxes paid directly to government by category and country

<table>
<thead>
<tr>
<th>Impact</th>
<th>South Africa Rm</th>
<th>Zimbabwe Rm</th>
<th>Canada Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate income tax</td>
<td>249</td>
<td>1 207</td>
<td>72</td>
</tr>
<tr>
<td>PAYE</td>
<td>2 021</td>
<td>454</td>
<td>326</td>
</tr>
<tr>
<td>Royalties</td>
<td>238</td>
<td>423</td>
<td>193</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UIF</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SDL</td>
<td>88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>627</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2 706</td>
<td>2 711</td>
<td>591</td>
</tr>
</tbody>
</table>

1 Reporting in line with the Extractive Industries Transparency Initiative (EITI).

Financial capital

Affected stakeholders – All
The outcomes of our financial capital is the result of the use of our capitals within our operating context and through our chosen strategies. In the current year, R61.3 billion value was available for distribution to various stakeholders as depicted in the graphs below, after which R16.1 billion of shareholder value was retained in the business.

Distribution of financial capital

**Value available for distribution (Rm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Available (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>61 254</td>
</tr>
<tr>
<td>2019</td>
<td>43 444</td>
</tr>
<tr>
<td>2018</td>
<td>32 712</td>
</tr>
</tbody>
</table>

**Consumables, services and metal purchased (Rm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Purchased (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(24 681)</td>
</tr>
<tr>
<td>2019</td>
<td>(25 015)</td>
</tr>
<tr>
<td>2018</td>
<td>(18 146)</td>
</tr>
</tbody>
</table>

**Labour and other (Rm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Other (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(14 864)</td>
</tr>
<tr>
<td>2019</td>
<td>(13 695)</td>
</tr>
<tr>
<td>2018</td>
<td>12 981</td>
</tr>
</tbody>
</table>

**Finance cost (Rm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Value Cost (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(1 023)</td>
</tr>
<tr>
<td>2019</td>
<td>(1 041)</td>
</tr>
<tr>
<td>2018</td>
<td>(1 006)</td>
</tr>
</tbody>
</table>
Providers of financial capital

Shareholder value retained/(diminished) (Rm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>16 114</td>
</tr>
<tr>
<td>2019</td>
<td>3 222</td>
</tr>
<tr>
<td>2018</td>
<td>(1 114)</td>
</tr>
</tbody>
</table>

Dividends (Rm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(1 073)</td>
</tr>
<tr>
<td>2019</td>
<td>(193)</td>
</tr>
<tr>
<td>2018</td>
<td>16 114</td>
</tr>
</tbody>
</table>

Other (Rm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>(938)</td>
</tr>
<tr>
<td>2019</td>
<td>(275)</td>
</tr>
<tr>
<td>2018</td>
<td>(1 693)</td>
</tr>
</tbody>
</table>

Outcomes and performance affecting relationship quality and value created

### Key performance indicators

**Shareholders and bondholders**

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends per share</td>
<td>Cents</td>
<td>Returns to shareholders</td>
<td>Improved</td>
<td>525</td>
<td>—</td>
<td>—</td>
<td>Implats’ strategic focus is on an integrated operating model founded on:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Responsible corporate stewardship</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Operational excellence in PGMs through value-driven, modern, safe and competitive production</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Organisational effectiveness</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Sustaining an optimal capital structure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Leveraging the competitive portfolio of mineral and processing assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Supporting market development and value chain optimisation to unlock future potential</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>R billion</td>
<td></td>
<td>Improved</td>
<td>90</td>
<td>50</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Basic headline earnings/(loss) per share</td>
<td>Cents</td>
<td>Indicator of operational performance</td>
<td>Improved</td>
<td>2 075</td>
<td>423</td>
<td>(171)</td>
<td></td>
</tr>
</tbody>
</table>

**Customers**

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implats brand image rating</td>
<td>Percentage</td>
<td>The quality of our relationships with our customers is a key driver of revenue</td>
<td>Improved</td>
<td>96.5</td>
<td>96</td>
<td>N/a</td>
<td>Continue to:</td>
</tr>
<tr>
<td>Customer complaints</td>
<td>Number</td>
<td></td>
<td>Improved</td>
<td>10</td>
<td>16</td>
<td>N/a</td>
<td>• Track and respond to customer feedback</td>
</tr>
<tr>
<td>ISO 9001 certification</td>
<td>Status</td>
<td></td>
<td>Unchanged</td>
<td>Retained</td>
<td>Retained</td>
<td>Retained</td>
<td></td>
</tr>
</tbody>
</table>

*Based on biennial customer satisfaction survey that was last performed in 2018.*
Supporting global goals for sustainable development

Our initiatives aimed at achieving ESG excellence are aligned with the United Nations Sustainable Development Goals.

**THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGS)**

Set a clear long-term plan to end poverty, protect the planet and ensure prosperity for all by 2030.

**ENSURE HEALTHY LIVES AND PROMOTE WELLBEING FOR ALL AT ALL AGES**

- Occupational health and safety
- Preventive care
- Combating tuberculosis and HIV/AIDS
- Supporting mental health
- Our TB incidence rate versus national
- Reduction in AIDS deaths in service
- Our TB incidence rate is 293 per 100 000 people (SA operations) versus estimated national average of 567 per 100 000
- 73% reduction in AIDS deaths in service since 2016

**ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL**

- Workforce education and training
- Building local capacity through training programmes
- Company skills development spend
- Company spend on community education initiatives
- R493 million skills development spend (SA operations)
- R35 million spend on bursaries, learnerships and community schools support initiatives

**ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN**

- Equal opportunities for women
- Gender-sensitive work environment
- Representation of women at all levels in the Company
- Gender mainstreaming initiatives
- Gender pay ratio across the Group
- Women represent 12% of the workforce
- 6 out of 13 board members at Group level are female (46%)
- 22% of managers are female

**ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL**

- Conserve and recycle water
- Monitor water quality
- Manage water through a catchment approach
- Group target of 40% water recycled
- We recycled 44% of the water we consumed
- Contributing to watershed management
- Sharing benefits with host communities through water infrastructure

Our intent

To ensure sustainable value creation for all our stakeholders.

Our commitment

Implats is committed to playing its role in the attainment of these goals, supporting government and working with other stakeholders to build thriving communities. This work builds on our ongoing commitment to the UN Global Compact and its 10 principles, to which we have been a signatory since 2008.
Goals

Implats has identified and prioritised the following 11 SDGs, where we believe we can have the most meaningful impact.

1. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
2. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
3. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
4. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
5. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
6. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
7. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
8. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
9. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
10. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
11. Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all

Contributions

Through our core activities and collaborative efforts to build capacity in our communities, we are making a valuable contribution to meeting national and global developmental objectives.
STRATEGY AND BUSINESS CASE
Prioritising value over volume in a zero-harm environment, delivering sustainable benefits for all stakeholders
Our strategy

**IMPLATS’ STRATEGY PRIORITISES VALUE OVER VOLUME IN A ZERO-HARM ENVIRONMENT TO POSITION THE GROUP TO DELIVER SUSTAINABLE OUTCOMES AND BENEFITS FOR ALL STAKEHOLDERS.**

The strategy is influenced by the external macro-environment in which we operate, PGM markets, and the strategies of our key competitors.

Implats strategic focus has evolved to reflect the substantial progress and delivery against the imperatives and objectives identified in the 2018 strategic review and the refined focus is on an integrated operating model founded on responsible corporate citizenship, operational excellence in PGMs through value-driven, modern, safe and competitive production, organisational effectiveness, sustaining an optimal capital structure, leveraging the competitive portfolio of mineral and processing assets and supporting market development and value chain optimisation to unlock future potential.
• Eliminate fatal injuries
• Improve LTIFR by 15% on three years average
• Achieved 6E refined and saleable production of 2.8Moz to 3.4Moz 6E
• Achieved efficiency and productivity >440t/employee costed
• Achieve operating cost of R14 500 – R15 500/6E oz (stock-adjusted)

Effective capital structure
- Target net debt to EBITDA of <1
- Appropriate liquidity to fund Group strategy
- Operate well within debt covenants
- Effective capital allocation strategy

Ongoing optimisation of portfolio prioritising low cost, mechanised, Pd/Rh rich, cash-generative assets
- Maximise market development and industry participation to increase demand
- Implement culture transformation
- Implement HR digitisation strategy

Manage labour availability to support full operational capacity
- Strengthen management succession and build leadership capacity
- Promote host community employment and procurement
- Manage environmental impacts and develop a renewable energy and climate strategy

Compliance with statutory requirements including Mining Charter and SLPs
- Strengthen stakeholder engagement capability and capacity
- Operational excellence
- Capital management
- Business development
- Organisational development
- ESG excellence

Occupational health and safety
People
Sustainability, social, environmental
Legal and regulatory
Technology
Business development

STRATEGIES – KEY PERFORMANCE INDICATORS

FINANCIALS
OPERATIONAL Life-of-mine and business plan
Business case

Implats seeks to leverage its competitive mineral portfolio and collection of processing assets through a focus on responsible corporate stewardship, operational excellence, and an optimal capital allocation framework to deliver sustained value to its key stakeholders.

Responsible corporate stewardship
Implats aspires to deliver superior value to all stakeholders through operational excellence in PGMs. This strategic imperative prioritises modern, safe, responsible, competitive, and consistent operational delivery while employing leading environmental social and governance practices.

The Group’s core values to respect, care and deliver underpin health and safety goals, the management of operational impacts on the environment, responsible stewardship and progressive sustainable development practices, while building value accretive relationships with host communities.

Market
PGMs have diverse and desirable properties, with wide and evolving applications and end-uses. Primary supply is highly concentrated with limited expectations for medium-term expansion due to increasingly prudent capital allocation by the peer group, rising regulatory oversight and increasing stakeholder requirements which have raised the “hurdle rate” for new projects.

Constrained processing capacity and the challenges associated with the steady and cost-effective provision of electricity present further material challenges to primary supply growth in South Africa.

Implats continues to expect persistent market deficits in both palladium and rhodium – constrained primary supply and legislated demand growth are marked features of these markets and are unlikely to be mitigated by the impact of lower vehicle sales as a result of the Covid-19 pandemic.

The market surplus in the platinum market will erode in the longer-term with stagnant primary and secondary supply offset by continued growth in industrial demand, spurred by increased uptake from elements of the hydrogen economy, tightening global heavy-duty vehicle emission standards and some switching in gasoline catalysts.

Supply and demand balances as at 30 June 2020 (Koz)

See our strategy

See ESG Report

See page 39

Market analysis
Asset portfolio
- Our operations are located within the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe and the Lac des Iles intrusive complex in Ontario, Canada.
- Our Mineral Resource portfolio is geographically diverse and dominated by low-cost, mechanised orebodies. Our orebodies are well-understood and defined.
- They provide optionality to deliver cost-effective incremental growth and life-of-mine extensions across our asset suite.
- Our ore mix generates refined production that allows us to meet the pattern of demand from our core customer base.

Mining method by reserve

<table>
<thead>
<tr>
<th></th>
<th>Mechanised</th>
<th>Hybrid</th>
<th>Conventional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64%</td>
<td>5%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Geographic split reserve

<table>
<thead>
<tr>
<th>Country</th>
<th>Pt</th>
<th>Pd</th>
<th>Rh</th>
<th>OPGM</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>47%</td>
<td>33%</td>
<td>61%</td>
<td>52%</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>52%</td>
<td>51%</td>
<td>39%</td>
<td>44%</td>
</tr>
<tr>
<td>Canada</td>
<td>1%</td>
<td>16%</td>
<td>0%</td>
<td>3%</td>
</tr>
</tbody>
</table>

See MRR report
Business case

Processing capacity
World class processing capacity is well-positioned to extract mine-to-market margins for the Group while creating flexibility to influence supply through granting of tolling capacity.

Capital allocation framework and priorities
Restored profitability and targeted debt reduction has resulted in substantial progress in ensuring an optimal capital structure and created a firm foundation for prudent capital allocation.

Disciplined and transparent capital allocation to ensure a sustainable business and create value for all stakeholders. Free cash flow from operations pre-growth capital is allocated to:
- balance sheet strength
- returns to shareholders
- growth and investment

Framework and FY2020 dividend

<table>
<thead>
<tr>
<th>BALANCE SHEET STRENGTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment of Zimplats term loan (R0.7 billion)</td>
</tr>
<tr>
<td>Payment of incentive premium on US bonds (R0.5 billion)</td>
</tr>
<tr>
<td>Funding of shares for legacy share schemes (R0.4 billion) and BSP (R0.8 billion)</td>
</tr>
<tr>
<td>Retained cash (R1.2 billion)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RETURNS TO SHAREHOLDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim dividend (R1.0 billion)</td>
</tr>
<tr>
<td>Zimplats minorities (R0.1 billion)</td>
</tr>
<tr>
<td>Final dividend (R3.2 billion)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROWTH AND INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of Impala Canada</td>
</tr>
<tr>
<td>Net of term loan repayments to date</td>
</tr>
</tbody>
</table>

FREE CASH FLOW OF R14.4 BILLION

R1.7 billion outflow
R0.9 billion outflow
R1.2 billion outflow
R1.5 billion inflow
R3.6 billion
R4.3 billion
R6.5 billion

DISCIPLINED AND TRANSPARENT CAPITAL ALLOCATION TO ENSURE A SUSTAINABLE BUSINESS AND CREATE VALUE FOR ALL STAKEHOLDERS

Cash from operations of R19.7 billion
OTHER NET INCOME
- Interest received of R0.5 billion
- Dividends of R0.6 billion
- Other R0.4 billion
FREE CASH FLOW OF R14.4 BILLION
STAY-IN-BUSINESS CAPEX
- Required infrastructure replacement investment
- Required spend on regulatory capital
TAXES PAID
R1.7 billion outflow
INTEREST PAID
R0.9 billion outflow
TAXES PAID
R1.7 billion outflow
INTEREST PAID
R0.9 billion outflow
STAY-IN-BUSINESS CAPEX
R1.2 billion outflow
R1.5 billion inflow
R3.6 billion
R4.3 billion
R6.5 billion

DISCIPLINED AND TRANSPARENT CAPITAL ALLOCATION TO ENSURE A SUSTAINABLE BUSINESS AND CREATE VALUE FOR ALL STAKEHOLDERS
Management actions
The progress made in the strategic repositioning of Implats over the past several years enabled the Group to successfully navigate the challenges created by the unprecedented eternal shock of the Covid-19 pandemic. Operational resilience enabled sustained delivery of refined metal to our customers and the Group benefited from robust pricing for primary products achieving stellar financial results. The benefits of improved operational delivery and step-change in profitability have been harnessed for enduring benefit through the substantial strengthening of the Group balance sheet and the diversification of the portfolio through the acquisition of Impala Canada.

The operational focus in the near term is on:
- the integration and optimisation of Impala Canada
- the production ramp-up of the growth shafts at Impala Rustenburg
- the advancement of processing projects aimed at capitalising on the inherent mining efficiencies and flexibility at Zimplats, Mimosa and Two Rivers
- the completion of life-of-mine extensions through existing infrastructure at Marula and Mimosa

Delivering value
Sustainable, reliable delivery of high-quality products

R14.9bn
Salaries and benefits

R1.4bn
Local-to-site procurement

R331m
Socio-economic development

R4.2bn
Dividends reinstated

66%
Share price increase

ESG accolades

FTSE/USE Responsible Investment Top 30 Index
One of 325 globally and one of eight in South Africa to be included this year

FTSE4Good Index
"A" rating for disclosures, awareness and management of water security risk

"B" rating for climate change action and disclosures

Outlook
Implats is in a much stronger position than it was a year ago. It has a more diverse and competitive asset portfolio, a strong balance sheet and a motivated management team. The long-term fundamentals for PGM demand are sound and Implats remains at the forefront of PGM supply.

See page 84
Target KPIs short and medium term
# Our strategies – target KPIs short and medium term

<table>
<thead>
<tr>
<th>OPERATIONAL EXCELLENCE</th>
<th>Comment</th>
<th>KPI performance target for FY2021</th>
</tr>
</thead>
</table>
| Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery | • Zero fatalities  
• Improve LTIFR – <5.0pmmhw  
• Achieve efficiency and productivity >4 140t/total employee costed  
• Achieve production >2.93Moz – 3.35Moz 6E in concentrate and >2.80Moz – 3.40Moz 6E refined  
• Cost per 6E ounce of between R14 500/oz – R15 500/oz |

<table>
<thead>
<tr>
<th>CAPITAL MANAGEMENT</th>
<th>Comment</th>
<th>KPI performance target for FY2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective capital structure</td>
<td>• Appropriate liquidity to fund Group strategy and through Covid-19 pandemic to manage market/operational volatility</td>
<td></td>
</tr>
</tbody>
</table>
| Effective capital allocation strategy | • Minimum guided dividends at 30% of free cash flow as defined  
• Capital forecasted at R6.0 billion – R6.8 billion  
• Repayment of debt |

<table>
<thead>
<tr>
<th>BUSINESS DEVELOPMENT</th>
<th>Comment</th>
<th>KPI performance target for FY2021</th>
</tr>
</thead>
</table>
| Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies | • Ongoing optimisation of portfolio  
• Maximise market development and industry participation to increase demand |
| Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand |

<table>
<thead>
<tr>
<th>ORGANISATIONAL DEVELOPMENT</th>
<th>Comment</th>
<th>KPI performance target for FY2021</th>
</tr>
</thead>
</table>
| Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver | • Manage labour availability to support full operational capacity  
• Strengthen management succession and build leadership capacity  
• Implement culture transformation  
• Implement HR digitisation strategy |

<table>
<thead>
<tr>
<th>ESG EXCELLENCE</th>
<th>Comment</th>
<th>KPI performance target for FY2021</th>
</tr>
</thead>
</table>
| Develop, protect and strengthen our licence to operate through industry-leading ESG performance | • Compliance with statutory requirements  
• Strengthen stakeholder management capability and capacity  
• Local-to-site procurement – increase year-on-year spend  
• Maintain ISO 14001:2015 certification  
• No level 4 or 5 environmental incidents  
• Total water recycled – 44% |
### KPI performance target for FY2025

<table>
<thead>
<tr>
<th>Key actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevent injury and ensure a safe operational culture</td>
</tr>
<tr>
<td>Improve on-reef development to increase face length</td>
</tr>
<tr>
<td>Operations to deliver:</td>
</tr>
<tr>
<td>- Impala Rustenburg: 1.10Moz – 1.27Moz 6E in concentrate</td>
</tr>
<tr>
<td>- Zimplats: 570koz – 600koz 6E in concentrate</td>
</tr>
<tr>
<td>- Two Rivers: 260koz – 300koz 6E in concentrate</td>
</tr>
<tr>
<td>- Mimosa: 230koz – 260koz 6E in concentrate</td>
</tr>
<tr>
<td>- Marula: 220koz – 260koz 6E in concentrate</td>
</tr>
<tr>
<td>- IRS (third party): 300koz – 350koz 6E in concentrate</td>
</tr>
<tr>
<td>- Roll out and embed risk management system</td>
</tr>
<tr>
<td>Use improved profitability to further strengthen liquidity</td>
</tr>
<tr>
<td>Repay debt at Impala Canada and Marula and refinance the revolving credit</td>
</tr>
<tr>
<td>facility</td>
</tr>
<tr>
<td>Continue with capital project pipeline</td>
</tr>
<tr>
<td>Return value to shareholders</td>
</tr>
<tr>
<td>Ongoing optimisation of portfolio</td>
</tr>
<tr>
<td>Maximise market development and industry participation to increase demand</td>
</tr>
<tr>
<td>Ongoing optimisation of portfolio prioritising low cost, mechanised, Pd/Rh</td>
</tr>
<tr>
<td>rich, cash-generative assets</td>
</tr>
<tr>
<td>Advance studies on LOMs across the portfolio</td>
</tr>
<tr>
<td>Increase mill capacity at Two Rivers and Zimplats and improve recovery at</td>
</tr>
<tr>
<td>Mimosa</td>
</tr>
<tr>
<td>Maximise market development and industry participation to increase demand</td>
</tr>
<tr>
<td>Manage labour availability to support full operational capacity</td>
</tr>
<tr>
<td>Sustain leadership capacity and capability</td>
</tr>
<tr>
<td>Sustain desired culture</td>
</tr>
<tr>
<td>Implement culture transformation leadership programme</td>
</tr>
<tr>
<td>Embed high performance management system</td>
</tr>
<tr>
<td>Develop managerial and competency skills</td>
</tr>
<tr>
<td>Strengthen capacity and capability in key areas</td>
</tr>
<tr>
<td>Compliance with statutory requirements</td>
</tr>
<tr>
<td>Strengthen stakeholder management capability and capacity</td>
</tr>
<tr>
<td>Local-to-site procurement – increase year-on-year spend</td>
</tr>
<tr>
<td>Maintain ISO 14001:2015 certification</td>
</tr>
<tr>
<td>No level 4 or 5 environmental incidents</td>
</tr>
<tr>
<td>Total water recycled – 50%</td>
</tr>
<tr>
<td>Compliance with statutory requirements including Mining Charter and SLPs</td>
</tr>
<tr>
<td>Strengthen stakeholder engagement</td>
</tr>
<tr>
<td>Promote host community employment and procurement</td>
</tr>
<tr>
<td>Manage environmental impacts</td>
</tr>
<tr>
<td>Implement occupational health and safety initiatives</td>
</tr>
</tbody>
</table>
OUR PERFORMANCE

Penstock tower at No 4 tailings storage facility at Impala Rustenburg
We leverage and enhance our diverse resource base by growing operational exposure to shallow, mechanisable ore bodies.
Chief executive’s review

OUR STRATEGIC TRANSITION INTO A HIGH-VALUE, PROFITABLE AND COMPETITIVE PRODUCER WAS MEANINGFULLY ADVANCED DURING THE YEAR AND IMPLATS IS NOW WELL POSITIONED TO CONTINUE DELIVERING SIGNIFICANT VALUE TO ALL OUR STAKEHOLDERS.

Implats delivered a stellar performance during FY2020, under extraordinary circumstances. The first half of the year was defined by our successful conversion of the US$ bond, the acquisition of Impala Canada, the reinstatement of dividends, a multi-year wage settlement at our South African operations and operational turnarounds at Impala Rustenburg’s 12 and 14 shafts and life extension at 1 Shaft, thus avoiding their disposal or closure. The second half of the year was characterised by operational and safety preparedness in the face of the looming threat of Covid-19, followed by Covid-19-related disruptions as the pandemic took hold in our countries of operation.

Despite the headwinds, all operations showed organisational resilience and posted a credible performance. The pricing for Group primary products was robust and, together with rand depreciation, offset Covid-19-related production losses and drove substantial improvements in the Groups’ financial performance on the back of record sales revenues.

Our strategic transition into a high-value, profitable and competitive producer was meaningfully advanced during the year and Implats is now well positioned to continue delivering significant value to all our stakeholders.

Safety

Implats’ goal is to eliminate harm to the health and safety of our employees and contractors. Safety remains a key priority in achieving the Group’s vision of zero harm. Covid-19 required extensive revisions to operating practices, while additional care was taken to ensure the safe start-up of operations placed on care and maintenance due to lockdown regulations or Covid-19-related operational disruptions.
The year saw further improvements in our safety performances. However, we tragically recorded five employee fatalities at managed operations and two at non-managed joint venture operations. The board of directors and management team extended their sincere sympathies to the families and friends of our seven colleagues. Rigorous independent investigations were conducted following each incident and the learnings shared Group-wide to improve controls and to prevent recurrences.

The Group achieved a 14% improvement in the lost-time injury frequency rate to 4.54 and an 11% improvement in the all injury frequency rate to 11.30 per million man-hours worked. Nine of the Group’s 17 operations achieved millionaire or multi-millionaire status in terms of fatality free shifts.

Our focus remains on further enhancements to our safety regimen to achieve our goal of zero harm.

**Delivering to strategy**

Implats’ strategic objectives were adapted during the year to reflect the enormous progress made in repositioning the Group as a competitive value producer. The refined focus is on an integrated operating model founded on:

- Responsible corporate stewardship
- Operational excellence in PGMs through value-driven, modern, safe and competitive production
- Organisational effectiveness
- Sustaining an optimal capital structure
- Leveraging our competitive portfolio of mineral and processing assets
- Supporting market development and value chain optimisation to unlock future potential.

The Group’s delivery against these objectives is commendable. We launched an integrated and effective Covid-19 response which secured lives and livelihoods and strengthened relationships with key stakeholders. Our commitment to responsible corporate stewardship resulted in an absence of serious environmental incidents and improvements in external ESG ratings.

Operational excellence at Impala Rustenburg saw production plans revised upwards at the mining complex, alleviating the need for the large-scale retrenchments envisaged in 2018. In addition, the complex task of rapidly placing our South African mining operations on care and maintenance during the country’s lockdown and their ramp-up thereafter was achieved safely and effectively.

Substantial progress was made on ensuring an optimal capital structure, which enabled significant debt reduction, the funding of the Impala Canada acquisition and the welcome reinstatement of dividend payments. The acquisition of Impala Canada strengthened our asset portfolio, which was further enhanced by life extensions at existing operations and the completion of an extended furnace maintenance programme.
Chief executive’s review

We continue to invest in market development and value chain optimisation and announced an exciting commercial switching solution for gasoline auto catalysis through a project with BASF.

Operational review
Implats delivered a strengthened operational performance across the Group during the year. However, operating momentum was significantly disrupted by Covid-19, which began to manifest at the end of the third quarter and resulted in substantial production losses in the fourth. South African operations were constrained by the three-week national lockdown announced on 23 March 2020 and restrictive conditions imposed under the country’s National Disaster Management Act regulations thereafter. During the period, Implats was, however, able to substantially reduce previously identified excess surface work-in-process inventory.

The Covid-19 operating losses suffered at Impala and Marula were offset by strong delivery at Zimplats and the maiden contribution from Impala Canada. Concentrate production from mine-to-market operations, including the joint ventures at Two Rivers and Mimosa declined by 5% to 2.5 million 6E ounces (FY2019: 2.6 million 6E ounces). Third-party 6E concentrate receipts declined by 9% to 327 000 ounces (FY2019: 361 000 ounces). In aggregate, total 6E concentrate production of 2.8 million ounces declined by 5% (FY2019: 3.0 million ounces).

Capital expenditure increased by 19% to R4.5 billion (FY2019: R3.8 billion) as a result of the inclusion of spend at Impala Canada (R354 million or R657 million) and increased expenditure of R188 million at Marula, where spending accelerated on the tailings storage facility project. These increases were partially offset by lower spend at Impala due to the completion of the 20 Shaft project and reduced capital development caused by fewer available shifts due to Covid-19 disruptions.

Impala Rustenburg complex sustains its turnaround
The operational turnaround at Impala Rustenburg was sustained with continued investments in development to improve mineable face length. The mining complex saw lower grades, impacted by higher development-to-stopping ratios, additional dilution from rolling UG2 reef and continued orepass rehabilitation at 16 Shaft, which was completed during the year. Combined with better recoveries and Covid-19-related production losses, 6E concentrate production declined by 14% to 1.1 million ounces (FY2019: 1.3 million ounces).

All operating shafts generated positive contributions and Impala delivered R8.5 billion in free cash flow, a four-fold increase from the comparable period, as significantly stronger pricing offset the decrease in 6E sales volumes. Covid-19-related operational disruptions negatively impacted the progress of capital projects and resulted in a 12% decline in total capital expenditure to R1.8 billion.

Impala’s growth shafts – 16 and 20 – are focused on low-cost, long-life extensions that deliver defensive cash generation to entrench the Group’s competitive position and sustain profitability well into the future. Operational readiness at 16 Shaft was advanced by an 18% increase in immediately mineable stope face, but the impact of Covid-19 resulted in certain project delays, with ramp-up to full production of 330 000 ounces 6E expected in October 2022. 20 Shaft’s capital project scope of R7.9 billion was completed on schedule and within budget in March 2019. 20 Shaft showed a pleasing improvement in operational performance and flexibility, which is expected to support the planned production ramp-up to 227 000 ounces 6E, now expected in October 2022.

Impala Refining Services (IRS) a valuable contributor
IRS continues to contribute positively to the Group and reported a gross profit of R6.0 billion (FY2019: R3.4 billion) and contributed R4.3 billion to headline earnings (FY2019: R2.1 billion). The impact of negative working capital movements, however, resulted in a free cash outflow of R1.6 billion during the year (FY2019: R3.4 billion free cash inflow), largely reflecting intra-group stock reallocations on the volume of 6E ounces refined and sold.

Marula stable and well positioned
Marula continued to deliver an improved operational performance, with production interruptions limited to those resulting from the Covid-19 pandemic. A peace agreement reached between community representatives enabled Marula and Makgomo Chrome to operate relatively unimpeded over the period and Marula delivered a step-change in safety with a 50% reduction in lost-time incidents and 44% reduction in reportable incidents.

The mining operation advanced development on its tailings storage facility, replaced the trackless mining fleet and progressed a bankable feasibility study on the extension of the Ciapham decline shaft. Marula generated R2.2 billion in free cash flow (FY2019: R380 million) and contributed R1.1 billion in headline earnings (FY2019: headline loss of R77 million). The operation is well-positioned to capitalise on sustained operational continuity and efficiency gains.

Two Rivers begins production optimisation
Two Rivers continued to face challenges associated with variable mineralogy and constrained processing capacity. The rising contribution of ore from split-reef areas has led to a reduction in run-of-mine ore grade and impacted metallurgical recoveries. Split-reef areas will be a structural characteristic of ore feed at Two Rivers for the foreseeable future and initiatives are well underway to optimise production in this paradigm by matching latent mining efficiencies with expanded concentrator plant and tailings storage facility capacity to restore ounce volumes from the mine. A 40 000 tonne per month plant expansion project was approved by the JV partners at an estimated cost of R427 million, with commissioning expected during the second half of FY2022.
The benefit of strong UG2 pricing bolstered Two Rivers’ financial performance with the operation generating R1.3 billion in free cash flow for the year (FY2019: R446 million). Implats recorded attributable profit from Two Rivers, after intercompany adjustments, of R687 million (FY2019: R251 million) and received R566 million in dividends during FY2020 (FY2019: R241 million).

Zimplats and Mimosa produce solid, consistent performances
Zimplats delivered yet another strong operational performance in FY2020, navigating the challenges created by increasing socio-economic pressures in Zimbabwe and successfully mitigating the substantial threat to its employees and operations posed by the Covid-19 pandemic. A furnace rebuild was completed in the first half of the year and the scheduled mill relines at the Selous concentrator were completed in the second half. Zimplats generated free cash flow of R2.5 billion.

Excellent progress was made during the year on Zimplats’ Mupani Mine project, the replacement for Ngwarati and Rukodzi mines. Decline development and overall project progress remain well ahead of schedule with estimated steady-state production expected in July 2024. A decision was taken to further accelerate the Mupani project to deliver incremental volume growth at Zimplats. A bankable feasibility study on a modular concentrator expansion is expected in the first half of FY2021.

At Mimosa, good progress was made on projects to increase milling capacity and the purchase of adjacent mineral reserves to extend the life-of-mine. After intercompany adjustments, Mimosa’s attributable share of profit in the Implats Group increased to R421 million (FY2019: R127 million) and Implats received R44 million in dividends from the operation (FY2019: R153 million).

Impala Canada posts maiden contribution
The acquisition of Impala Canada was concluded on 13 December 2019. Operational delivery for the period was severely impeded by a Covid-19 outbreak in the Lac des Iles mine camp, which led to a six-week closure, followed by limitations on travel and staffing due to the pandemic. The operation was also impacted by planned orepass rehabilitation and a workplace fatality in the final quarter.

Transitioning the mine to a high-value sustainable operation was advanced by completing the orepass rehabilitation, commissioning a mobile crusher to alleviate strain on the existing crusher system and initiating a review of processing infrastructure to address known constraints. Impala Canada generated free cash flow of R1.1 billion and, after accounting for R191 million of bridge financing costs, contributed R168 million to Group headline earnings.

Financial highlights
The substantial increase in received rand PGM basket prices offset the operational impact of Covid-19 and drove a stellar improvement in our financial performance. The pandemic, however, introduced significant uncertainty to the operating environment.

Higher dollar metal prices and a weaker rand drove revenue generation, which was 44% higher at R60.9 billion. The Group generated a gross profit of R23.3 billion, a 240% increase on the R6.8 billion achieved in FY2019. This saw record headline earnings of R16.1 billion and 2 075 cents per share with positive contributions from all Group companies.

The Implats board approved the declaration of a final dividend of R4.00 per ordinary share bringing the total dividend declared for FY2020 to R5.25 per ordinary share.

Net cash from operating activities benefited from the higher rand metal prices and resulted in free cash flow increasing to R14.4 billion (FY2019: R7.7 billion). Borrowings (excluding lease liabilities) increased to R7.6 billion (FY2019: R7.2 billion) due primarily to the outstanding balance of US$219 million (R3.7 billion) on the Impala Canada term loan, which offset the benefit of the reduction in debt due to the incentivised early conversion of US$ bond. At the end of FY2020, the Group’s liquidity headroom had increased to R16.1 billion (FY2019: R12.2 billion).

The optimisation of the Implats balance sheet and Group capital allocation were meaningfully advanced. The board approved a capital allocation framework, with specific policies regarding the approach to balance sheet and liquidity positioning, dividends, and the guiding principles for developing the business through investment in value-accretive growth opportunities. This framework aims to balance the need to strengthen the Group’s financial flexibility, with its strategic imperative to create value for all stakeholders while providing attractive returns to shareholders.

Market fundamentals remain solid
All three major PGM markets – platinum, palladium and rhodium – recorded fundamental deficits during calendar 2019. While surging automotive use drove fundamental industrial deficits in palladium and rhodium, robust physical investment absorbed the industrial and jewellery surplus in the platinum market.

The confluence of demand and supply interruptions is likely to result in moderated deficits in the palladium and rhodium markets in calendar 2020. In platinum, another year of strong investment inflow will likely compensate for weakened automotive and jewellery demand and substantially tighten the market.
Chief executive’s review

Covid-19-related market shocks were considerable during the year. The disruption resulted in substantial adjustments to individual market components of forecast demand and supply in 2020 and 2021. Our view remains that the impact of the pandemic is likely to be cyclical rather than structural in the long term.

The global focus on decarbonisation has been intensified by Covid-19, with increasing momentum for the establishment of a hydrogen economy, which has accelerated the mainstreaming of hydrogen and the varied applications of fuel cells. This bodes well for increasing industrial demand for platinum and iridium in the hydrolyser and fuel cell segments and provides a structural hedge against the expected decline in diesel-derived automotive demand in the longer term.

Covid-19 compounds socio-economic distress

We remain deeply committed to delivering value to our host communities and advancing our social licence to operate. Covid-19 has compounded levels of inequality and unemployment in South Africa, while the ongoing economic crisis in Zimbabwe is taking its toll on the country’s citizens.

Sustainable community development and value-accretive relationships with mine host communities continue to be prioritised, with the Group doing what it can to ameliorate the impacts of socioeconomic distress.

Our most significant contributions to socio-economic development are through the core activities of employment, procurement from host communities and paying taxes. During the year, R113 million and R175 million was spent on community development initiatives and housing and living conditions, respectively. R5.4 million was invested in developing local enterprises and R2.7 billion (or 32% of discretionary spend) was spent with local-tiered suppliers with >25% black ownership.

Formal community engagement structures were established which have enabled significantly improved relations with host communities at our South African operations. There were no operational disruptions due to mine-related community unrest at any Group operation and our stakeholder relationships have strengthened through our comprehensive Covid-19 community response. Despite the difficult economic environment, Implats continues to enjoy cordial relations with its communities, while Impala Canada is working towards participation agreements with each of its host indigenous communities.

Our focus remains on growing and improving our relationships with our communities and the South African, Zimbabwean and Canadian governments.

Steadily improving sustainability metrics

Implats has made pleasing and steady progress on its aspiration to deliver superior value to all stakeholders through operational excellence in PGMs, while employing leading environmental, social and governance (ESG) practises. The Group’s core values - to respect, care and deliver – underpin health and safety goals, the management of operational impacts on the environment, responsible stewardship and progressive, sustainable development practices, while building value-accretive relations with host communities.

We are pleased our efforts have been recognised though a number of external ESG ratings received during the year, including our inclusion in the Bloomberg 2020 Gender-Equality Index (one of only eight South African companies), achieving an “A” rating by the Carbon Disclosure Project (CDP) on water security risk and a “B” rating for climate change action, and our inclusion in the Top 100 Best Performing companies in emerging markets by independent global ratings agency, Vigeo Eiris. We also remain a constituent of the FTSE4Good Index Series and a constituent of the FTSE/JSE Responsible Investment Top 30 Index.

We achieved our seventh consecutive year with no major or significant (level 4 and 5) environmental incidents and posted a 35% reduction in limited-impact (level 3) environmental incidents. All South African and Zimbabwean operations had their environmental management systems certified against ISO 14001:2015, with Impala Canada initiating its ISO 14001 process. The Group improved its water recycling rate is developing a low-carbon transition strategy to position Implats in the new energy value chain. The integrity of our tailings storage facilities was independently confirmed.

Among our employees, and despite Covid-19 disruptions, adherence to HIV and TB treatment remains exemplary at 95% and 100% respectively. The incidence of TB reduced during the year to a rate of 293 per 100 000, well below the estimated national average of 570 per 100 000, and HIV-related deaths reduced by 50% from the previous year.

Our Covid-19 risk prevention measures successfully flattened the curve in Covid-19 infections among employees at South African operations during the country’s infection peak and we threw our full weight into supporting our communities in the face of the global pandemic, donating R20 million to disaster relief in South Africa and committing millions more to various initiatives surrounding our operations in South Africa, Zimbabwe and Canada.
Outlook
I am deeply gratified by the remarkable progress made in the strategic repositioning of Implats over the past several years, which enabled the Group to successfully navigate the unforeseen challenges created by the Covid-19 pandemic. Covid-19 will continue to be a feature of our operating context in the near term and we will continue to maintain vigilance in protecting the safety and health of our employees and supporting our communities where we can.

Our immediate operational focus is on the integration and optimisation of Impala Canada, ramping up production at our growth shafts at Impala Rustenburg, advancing processing projects to capitalise on mining efficiencies and improve flexibility at Zimplats, Mimosa and Two Rivers and completing the definitive feasibility studies to extend life-of-mine through existing infrastructure at Marula and Mimosa.

PGM miners are under increased pressure to meet challenging and sometimes conflicting stakeholder expectations, a task now complicated by the economic devastation and uncertainty associated with Covid-19. We will continue to maintain open and constructive engagements with the governments in South Africa, Zimbabwe and Canada, and are committed to advancing positive and mutually beneficial relationships with our mine-host communities in all three countries.

Conclusion and appreciation
Our team has faced an extraordinary set of circumstances during the year, and they have done so with relentless grit, determination, creativity and industry leading excellence. Our production, processing, financial, corporate, market development and ESG achievements over the past year are a testament to this excellence in action. I extend my sincere gratitude to every member of the Implats Group. Together we have made great progress and I have no doubt that Implats has a long and sustainable future to look forward to, for the benefit of all our stakeholders.

I thank the Implats board for its solid guidance during the year and, particularly, outgoing Chairman, Dr Mandla Gantsho, for his critical and engaging leadership throughout many turbulent years for Implats and the PGM industry.

Implats is in a much stronger position than it was a year ago. It has a more diverse and competitive asset portfolio, a strong balance sheet and a motivated management team. The long-term fundamentals for PGM demand are sound and Implats remains at the forefront of PGM supply. I look forward to the developments of the new year.

Nico Muller
CEO
Chief financial officer’s review

IMPLATS POSTED RECORD HEADLINE EARNINGS AND SALES REVENUES IN FY2020, DESPITE A TURBULENT YEAR MARKED BY THE COVID-19 OUTBREAK. OPERATIONAL EXCELLENCE, UNDERPINNED BY ROBUST RAND PGM PRICING, SAW IMPLATS DELIVER ANOTHER IMPROVED FINANCIAL PERFORMANCE AND STRONG FREE CASH FLOWS. THE GROUP’S BALANCE SHEET WAS STRENGTHENED AND DIVIDEND PAYMENTS RESUMED.

- Gross profit of R23.3 billion (+240%) and EBITDA of R29.4 billion (+179%)
- Positive contributions from all operations reflected in the record headline earnings of R16.1 billion (+431%) or 2 075 cents per share
- Free cash flow generated of R14.4 billion (+87%)
- Successful incentivised early conversion of the 2022 US$ bond
- Acquisition of North American Palladium (now Impala Canada) completed on 13 December 2019 with subsequent refinancing of the bridge facility
- Net cash of R5.7 billion from R1.1 billion in 2019, after funding R9.4 billion North American Palladium acquisition
- Total dividend for FY2020 of R5.25 per share, in line with minimum guided policy of 30% of free cash flow, pre-growth capital

Meroonisha Kerber
Chief financial officer
Overview
Impalplats produced record headline earnings of R16.1 billion despite the challenges created by the unprecedented external shock of the Covid-19 pandemic. Sustained operational performances from our operations, together with robust rand PGM pricing resulted in improved profitability, as well as strong free cash flow generation.

In line with our approved capital allocation framework, the R14.4 billion free cash flow was used to further strengthen the Group’s balance sheet, recommence dividend payments to shareholders and fund the acquisition of Impala Canada.

The Group ended the year in a net cash position of R5.7 billion, up R4.6 billion from the prior year-end.

Income statement
Revenue increased by 44% to R69.9 billion, largely due to improved dollar metal prices and the weaker R/US$ exchange rate, which fully offset the impact of lower sales volumes from lower refined production as a result of Covid-19. The Group lost approximately 290 000 6E ounces in concentrate during the year, most of this at our South African operations as a result of the mines being placed on care and maintenance for three weeks and the reduced staffing levels thereafter, before the mines were allowed to ramp up to full production. This resulted in lost revenue and cash flows of R8.5 billion and R5.9 billion, respectively.

Cost of sales rose 11% driven by inflation, the higher costs of metal purchased, abnormal production costs relating to the Covid-19 pandemic and the maiden inclusion of the costs of Impala Canada.

The significant improvement in revenue resulted in the Group generating a gross profit of R23.3 billion for the year, a 240% or R16.4 billion increase from the R6.8 billion achieved in FY2019. Gross margins increased to 33% in the current year.

The revaluation of foreign currency balances resulted in a gain of R786 million, compared to a loss of R362 million recorded in FY2019. These gains were largely a result of the weaker rand on dollar debtors and the intercompany loan between Implats and Impala Canada.

Other net expenses of R1.5 billion increased by R1.1 billion from R375 million in FY2019 primarily due to:

• The incentive premium of R509 million paid on the US$ bond conversion, together with losses on the mark to market of the conversion option on the US$ bond of R203 million (FY2019: loss of R1.6 billion) and a loss of R74 million on the cancellation of the cross-currency interest rate swap
• An expense of R441 million relating to the fair value reversal of the R230 million gain on the foreign exchange collars recognised in the prior year and the payment of R211 million in settlement thereof (FY2019: gain of R230 million)
• Transaction costs of R147 million incurred on the acquisition of Impala Canada
• A non-cash loss of R113 million arising on the reclassification of the Group’s investment in Waterberg
• All of these costs were partially offset by the receipt of insurance proceeds of R353 million in final settlement of the furnace 5 insurance claim (FY2019: R236 million).

In addition, included in other net expenses in the prior year, were Zimplats’ receipts of R652 million arising from export incentives and a customs duty refund, which did not recur in the current year.

Improved profitability at Two Rivers Platinum and Mimosa resulted in a R684 million increase in income from associates to R1.1 billion.

Net finance costs declined by R151 million to R617 million as interest and associated costs on bridge funding in Impala Canada of R191 million, as well as interest on the term loan at Impala Canada, were offset by higher interest received due to higher Group cash balances and lower interest costs on the US$ bond, following the incentivised conversion during August 2019.
Chief financial officer’s review

Revenue
Revenue at R69.9 billion was 44% or R21.2 billion higher than the prior year:

- Higher dollar metal prices realised a 43% or R20.8 billion benefit. Rhodium revenue increased by R10.6 billion, while higher palladium and platinum prices saw revenue gains of R8.8 billion and R1.1 billion, respectively. This improvement in prices, together with changes in the sales mix, resulted in a 46% improvement in total dollar revenue per 6E ounce sold to US$1 624 (FY2019: US$1 112)
- The weaker rand contributed 11% or R5.1 billion. The average achieved exchange rate of R15.31/US$, was 8% weaker than the R14.20/US$ realised in FY2019. Together with higher dollar metal prices, the rand revenue per 6E ounce sold rose by 57% to R24 863 (FY2019: R15 790)
- A fair value adjustment of R151 million related to provisional pricing on the Impala Canada sales debtor
- These benefits were partially offset by the 10% or R4.9 billion decrease in revenue associated with lower 6E sales volumes, which declined by 8% to 2.79 million ounces from 3.05 million ounces in the prior year.

Cost of sales
Cost of sales increased by 11% or R4.8 billion for the year:

- Cash costs associated with mining, processing, marketing, and corporate activities increased by 7.2% or R1.8 billion. Calculated mining inflation of 6.9% for the Group includes R626 million arising on the translation of the Zimplats US$ cash costs at a weaker rand. Cash costs were further impacted by the maiden inclusion of the cash costs of Impala Canada of R1.3 billion and R263 million in additional spend associated with the Covid-19 pandemic. These increases in cash costs were partially offset by the reduction in variable costs due to lower volumes mined due to Covid-19 disruptions. Unit cost increases were adversely impacted by the lower production volumes and resulted in the Group’s stock-adjusted unit cost per 6E ounce, including corporate and marketing spend, rising by 12% to R13 345 from R11 886 per ounce in FY2019
- An increase of R6.7 billion in the cost of IRS metal purchased due to higher rand metal prices despite the lower volumes received
- Covid-19 abnormal production costs of R1.3 billion incurred during the care and maintenance period. These costs have been excluded from the calculation of the stock-adjusted unit cost per 6E ounce
- A R1.0 billion increase in depreciation due to the inclusion of the depreciation associated with Impala Canada, the additional depreciation due to the change in estimate of useful lives for certain assets at Zimplats, as well as the impact of translating the Zimplats depreciation at a weaker rand
- These increases were partially offset by the deferment of R6.9 billion of costs to metal inventories due to the combination of higher production costs and rand metal prices and the stock write-on for FY2020 of R1.3 billion (FY2019: R404 million), which more than offset the financial impact of reduced excess work-in-process inventory achieved in the period.
Movement of pipeline inventory
At the end of the prior year, the Group had accumulated 215 000 6E ounces of excess inventory. During the first half of the current year, the excess inventory increased by a further 135 000 6E ounces. This build up in inventory was due to a combination of increased concentrate tonnages delivered to the smelters, as well as the reduction in smelting rates at the Rustenburg smelters as a result of processing of the Zimplats concentrates.

The decision by the South African national government to classify smelting and refining as “essential services” during the lockdown provided the Group with the opportunity to smelt and refine this excess stock of approximately 350 000 6E ounces by year-end.

To optimise processing capacity in line with the expected ramp-up of mining operations after the lockdown, scheduled acid plant maintenance which normally occurs in July each year, was expedited. This resulted in a further accumulation of work-in-process metal inventory of approximately 100 000 6E ounces by year-end.

This excess inventory excludes the material stockpiled at Mimosa during the period when IRS declared force majeure and stopped receiving any material from Group companies and third-party suppliers. The delivery of the backlog of concentrate subsequent to the lifting of the force majeure was delayed due to certain logistical constraints and sporadic closures of the Zimbabwean/South African border as a result of Covid-19. The excess Mimosa material is expected to be delivered to the Rustenburg smelters by the end of calendar year 2020.

Earnings before interest, tax, depreciation and amortisation (EBITDA)
The improvement in revenue and deferment of costs due to higher inventory levels, were partially offset by the increase in costs of metal purchased and cash costs.

As a result, EBITDA, which includes the Group’s portion of the EBITDA adjustments of associates, improved to R29.4 billion.

Headline earnings
Headline earnings benefitted from the R16.4 billion improvement in gross profit, partially offset by higher taxes and the increase in other net expenses.

In general, higher dollar metal prices improved headline earnings for all Group operations, while the weaker exchange rate provided additional tailwinds to the South African operations. The difference between basic and headline earnings reflect the after-tax impact of the sale of property, plant and equipment of R31 million, the bargain purchase gain on the acquisition of Impala Canada of R11 million and the loss on the reclassification of the Waterberg investment of R113 million.

Capital expenditure
Capital expenditure increased to R4.5 billion, from R3.8 billion in the prior year. This was due primarily to the inclusion of R653 million of capital spent by Impala Canada in H2 FY2020, the impact of the weaker rand on spend at Zimplats, higher expenditure at Marula as the TSF project advanced, as well as R210 million relating to right-of-use assets which were capitalised following the adoption of IFRS16. These increases were partially offset by lower spend at Impala due to the completion of the 20 Shaft project and reduced capital development.
Chief financial officer’s review

Cash flow and liquidity

Free cash flow

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<tr>
<td>Other</td>
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<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>14 395</strong></td>
</tr>
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Net cash from operating activities of R17.1 billion was 61% higher than the prior year despite the R7.4 billion increase in inventories due to the positive impact of the stronger metal prices and weaker exchange rate on profitability. After funding the higher capital expenditure of R4.2 billion (FY2019: R3.9 billion), free cash flow improved from R7.7 billion in the prior year, to R14.4 billion.

During the year, the acquisition of Impala Canada resulted in a net cash outflow of R9.4 billion, comprising the acquisition price paid of R10.9 billion less the cash acquired of R1.4 billion. The bridge loan used to partially fund the acquisition price of US$350 million was partially repaid from US$100 million of the Group’s cash. The remaining US$250 million was refinanced by a four year term loan at Impala Canada.

The payment of the R509 million premium to incentivise the early conversion of the US$ bond in Q1 FY2020, resulted in a R3.0 billion reduction in gross debt, as 64.3 million shares were issued to settle the bond obligation and the fair value of the US$ bond at the date of conversion was reclassified from gross debt to equity.

The final scheduled Zimplats Standard Bank debt repayment of US$42.5 million was made in December 2019. The scheduled repayment of the Marula BEE loan was deferred from June to September 2020 as an initial cash preservation measure at the onset of the national lockdown in South Africa.

Following the declaration of an interim dividend for FY2020, the Group paid an interim dividend of R973 million (FY2019: nil) to Company shareholders during March 2020.

The Group ended the year with a cash balance of R13.3 billion, which included the R0.9 billion pledged in respect of the settlement of the Marula BEE loan at 30 June 2020.

Closing net cash, after debt, but excluding leases, rose from R1.1 billion to R5.7 billion.

At 30 June 2020, the Group had liquidity headroom of R16.1 billion, comprising of gross cash, net of restricted cash, of R12.1 billion and the undrawn committed revolving credit facility of R4 billion.
The optimisation of the Implats balance sheet and Group capital allocation were meaningfully advanced during the year. The board approved a capital allocation framework, with specific policies regarding the approach to balance sheet and liquidity positioning, dividends, and the guiding principles for developing the business through investment in value-accrative growth opportunities. This framework aims to balance the need to strengthen the financial flexibility of the Group, with its strategic imperative to create value for all stakeholders while providing attractive returns to shareholders.

As a Group, Implats remains exposed to a single grouping of commodities and hence is vulnerable to significant potential market volatility. Management remains steadfast in its view that a proactive approach to reducing debt is both prudent and key to building financial resilience.

Collectively, the repayment of debt by Zimplats, the induced conversion of the US$ bond, and the funds retained by the Group, delivered improved net cash and liquidity. These steps harness the results of better-than-expected profitability for the enduring benefit of the Group, creating increased flexibility and resilience to withstand potential operational and market volatility.

Finally, by concluding the acquisition of Impala Canada with an optimal funding structure comprising of cash and debt, the Group was able to enhance potential returns from the acquisition while delivering on Implats’ stated strategic intent to grow exposure to shallow, mechanised, palladium-rich ore bodies. An added benefit is the establishment of an operational footprint in a leading global mining jurisdiction and a region which represents one of the largest global PGM markets. The impact of this acquisition, net cash acquired, external funding raised and repaid to 30 June 2020, was a net cash outflow of R6.5 billion.

Pleasingly, the strong free cash flow generated by the Group enabled the implementation of the approved dividend policy guided by a declaration of 30% of free cash flow, pre-growth capital, for the year. Implats remains well positioned to leverage its strong balance sheet through prudent and balanced capital allocation priorities to generate value for all stakeholders.

Performance against strategic objectives in attaining the optimal capital structure

Finalised capital allocation framework, including approving balance sheet and liquidity and dividend policies aligned to this framework.

Capital structure

Significantly reduced debt levels by
- Induced conversion of the US$ convertible bonds
- Partial repayment (US$100 million) and refinancing of the remaining amount (US$250 million) of the bridge loan used to fund acquisition of Impala Canada
- Repayment of Zimplats facility and partial repayment of Impala Canada term loan
- Pledging of cash to repay Marula BEE debt and extension of the repayment period to 30 September 2020

Negotiated increased flexibility to existing revolving credit facility.

Liquidity

- Gross cash increased from R8.2 billion to R13.3 billion
- Net cash, after deducting debt, increasing from R1.1 billion to R5.7 billion
- Liquidity, comprising unused committed facilities and gross cash, excluding restricted cash, increasing from R12.2 billion to R16.1 billion
- Resumed dividend payments with declaration and payment of R1.0 billion interim dividend
- Final dividend of R3.2 billion declared and in line with the guided dividend policy
- Cancellation of 16.2 million treasury shares held by the Group
Chief financial officer’s review

Significant post-balance sheet events

Dividends
In terms of the approved dividend policy previously communicated to shareholders, the board has declared a final cash dividend of R4.00 per share. This, together with the interim cash dividend of R1.25 declared in February 2020, results in a total dividend declared of R5.25 per share for the 2020 financial year.

BEE loan refinancing
The debt due to Standard Bank in respect of the original Marula BEE transaction was expected to be repaid in June 2020. However, in April this year, the Group requested an extension to the maturity date to 30 September 2020 to provide the Group with additional liquidity in light of the uncertainty around the impact of Covid-19 on the Group’s operations, but also to allow management time to finalise the refinancing of the original BEE deal. Prior to year-end, the Group had pledged the required funds in settlement of this debt to Standard Bank and consequently, approximately R0.9 billion was reflected as restricted cash at year-end. In addition, the Group is in the process of concluding a refinancing of the loan with the empowerment partners, which will also include the establishment of an employee share ownership trust. This will be completed prior to the amended repayment date. The transaction, which is a non-adjusting event at 30 June 2020, will be accounted for as a share-based payment transaction in the consolidated annual financial statements and the BEE cost will be determined and expensed on the effective date of the transaction. The non-controlling interest will only be recognised when the loan is substantially repaid, at which point the BEE partners’ rights to the shares in Marula become unconditional.

Cancellation of treasury shares
Implats has 16,233,994 treasury shares which are held by its subsidiary, Gazelle Platinum Limited. On 26 August 2020, the board adopted a resolution to repurchase these shares from Gazelle and following the repurchase, delist and cancel these shares. The transaction is subject to shareholder approval at a shareholders meeting to be held on 26 October 2020. This will be a non-cash transaction and will not have any impact on the Group consolidated financial statements as these shares are reflected as treasury shares at a Group level. The issued capital of the Company will reduce to 782,800,153 following the implementation of the share repurchase agreement.

Outlook for 2021 financial year
Production volumes will be supported through the planned release of accumulated inventory and the Group’s refined production is estimated to be between 2.8 and 3.4 million 6E ounces for FY2021. Group operating costs are expected to be between R14.500 and R15.500 per 6E refined ounce on a stock-adjusted basis, with Group capital expenditure forecast to be between R6.00 and R6.75 billion.

This guidance is dependent on our internal view of the rand exchange rate for translation of the US dollar costs of Zimplats and the Canadian dollar costs of Impala Canada and does not account for further potential Covid-19 related public health disruptions.

Acknowledgment
I wish to express my sincere appreciation to the finance team for their invaluable contribution over the last year. With the additional complexity in our operating environment due to the Covid-19 pandemic and the change in external auditors, this has been a challenging year. The continued focus on supporting the business during this period while ensuring strong risk management, maintaining a strong internal control environment and achieving our financial reporting deadlines, is testimony to the dedication and commitment of the entire finance team.

Meroonisha Kerber
Chief financial officer
Handling molten furnace matt
## Group performance against target KPIs

<table>
<thead>
<tr>
<th>OPERATIONAL EXCELLENCE</th>
<th>Comment</th>
<th>KPI performance target for FY2020</th>
</tr>
</thead>
</table>
| Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery | • Zero fatalities  
• LTIFR <5.0 pmmhw  
• Improve efficiency and productivity >410t/total employee costed  
• 6E in concentrate production of between 3.00 Moz – 3.20 Moz  
• Cost per 6E ounce of between R12 500/oz – R13 500/oz |

| CAPITAL MANAGEMENT | Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework | Effective capital structure  
• Achieve internal net debt to EBITDA target  
• Appropriate liquidity to fund strategy  
• Operate within debt covenants  

Effective capital allocation strategy  
• Capital of between R4.2 billion – R4.5 billion |

| BUSINESS DEVELOPMENT | Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies  
Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand | • Optimisation of portfolio  
• Deliver on Impala Rustenburg restructuring  
• Maximize market development and industry participation to increase demand |

| ORGANISATIONAL DEVELOPMENT | Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver | • Increase leadership capacity and capability  
• Strengthen management reporting systems  
• Culture transformation |

| ESG EXCELLENCE | Develop, protect and strengthen our licence to operate through industry leading ESG performance | • Strengthen stakeholder management capability and capacity  
• Complete projects in accordance with SLP commitments  
• Maintain ISO 14001:2015 certification  
• No level 4 or 5 environmental incidents  
• Total water recycled >40% |
**Actual performance for FY2020**

- Five fatalities
- LTIFR 4.54pmmhw
- Efficiency and productivity >396/total employee costed
- 6E in concentrate production 2.8Moz
- Cost per 6E ounce (stock-adjusted) R13 345/oz

- Delivered continued improvements in overall safety performance
  - 11% and 14% improvements in TIFR and LTIFR to 11.30 and 4.54pmmhw
  - Regrettfully, five work-related fatalities at managed operations
- A strong operational performance despite the impact of Covid-19 interruptions
  - 9% [230koz 6E] production disruption due to Covid-19
  - 115koz reduction in excess surface work-in-process metal inventory
  - 5% decline in mine-to-market 6E concentrate production to 2.5Moz
  - 8% reduction in refined 6E production to 2.8Moz
- Unit costs increased 12% on a stock-adjusted basis to R13 345 per 6E ounce
  - Impacted by lower volumes, additional investment in development and changes in ore mix which impacted yield, compounded by the impact of inflationary pressures and a weaker rand
  - Operating costs exclude R1.3bn abnormal production costs incurred during Covid-19 lockdown

**Effective capital structure**

- Liquidity headroom of R16.1 billion
- Net cash of R5.7 billion after funding R8.4 billion North American Palladium acquisition

- Consolidated capital expenditure increased 19% to R4.5 billion following inclusion of Impala Canada and the initiation of the TSF project at Marula
- The operations delivered positive free cash flows, except IRS, where negative working capital movements resulted in a cash outflow of R116 million. Higher received pricing drove margin expansion across the Group
- Net cash from operating activities improved to R17.1 billion, yielding R14.4 billion in free cash flow after capital expenditure. Implats ended the period with gross cash balances of R13.3 billion, a net cash position of R5.7 billion (excluding finance leases) and liquidity headroom of R16.1 billion
- Reinstated dividend payments during the year

**Effective capital allocation strategy**

- Capital R4.5 billion

- Sustained improvement in operational delivery at Impala Rustenburg
- Acquisition of North American Palladium
- Extended furnace maintenance programme completed
- Previously identified excess inventory released
- Decision to retain 15% strategic interest in the Waterberg project
- Commercial switching solution for gasoline auto catalysis announced in partnership with BASF
- Robust and uninterrupted demand from customers despite Covid-19 pandemic

- Sustained improvement in operational delivery at Impala Rustenburg allowed upward revisions to production plans at the mining complex and mitigated the need for large-scale retrenchments
- Restored profitability on the back of higher metal prices enabled the funding of the Impala Canada acquisition, a palladium dominant PGM producer
- Completed an extended furnace maintenance programme and advanced studies and projects aimed at matching installed concentrating capacity with inherent mining efficiencies at Zimplats, Mimosa and Two Rivers
- Retained a 15% strategic interest in the Waterberg project with beneficial rights to process future metal production
- Continue to sustain efforts in market development and value chain optimisation

**Concluded a multi-year wage agreement**

- Sustained leadership capacity and capability
- Sustained desired culture

- Effective Covid-19 risk-based response
- Maintained stable and constructive labour relations and partnerships with unions
  - Agreed a multi-year wage agreement without third party intervention
- Embedding enhanced performance management system
- Further strengthened leadership capacity through targeted appointments
- Organisational culture enhanced and advanced by targeted programmes

**Implemented and delivered an integrated and effective Covid-19 response**

- R300m spent on management and mitigation measures
- Improvements in independent ESG performance ratings
- Strengthened stakeholder management capability and capacity mitigating operational interruptions
- Maintained ISO 14001:2015 certification
- No level 4 or 5 environmental incidents
- Total water recycled – 44%

- Seek to employ leading environmental, social and governance practices
- Took proactive steps to secure the health and well-being of employees against Covid-19
- Achieved an A-rating (water) and a B-rating (climate) from the CDP
- Included in the Vigeo Eiris Top 100 Best Performing Companies in Emerging Markets, the FTSE4Good and the FTSE/JSE Responsible Investment Top 30 indices
- New pulmonary TB cases reduced by 17% and the incidence of TB reduced to 293 per 100 000 population
- Continue to prioritise the removal of latent high-noise machines
- No level 4 or 5 environmental incidents achieved for the seventh consecutive year and a 35% reduction in level 3 incidents
- Improved water supply to local host communities in Rustenburg
- Developing a low carbon transition strategy
- Integrity of tailings storage facilities confirmed by an independent assessment
- The integration of mine closure planning into life-of-mine planning continues with a focus on concurrent rehabilitation and concurrent rehabilitation.
Implats Mineral Resource and Mineral Reserve statement 2020 at a glance

The report relates includes abridged Mineral Resource and Mineral Reserve information but the full statement is available at [www.implats.co.za](http://www.implats.co.za). The report seeks to provide information about our natural capital which would impact the value of our company and our ability to add value to stakeholders. It reflects the benefit of an improved pricing outlook for the major PGMs and, both organic as well as acquisitive growth at the Group in the period under review. In December 2019, Implats completed the acquisition of Impala Canada and the statement reflects the inclusion of the Lac des Iles Mine in Canada at 100% and our 15% attributable share of the mineral resources of the Waterberg project.

**Headline numbers**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mineral Resources</strong></td>
<td>Moz Pt</td>
<td>132</td>
<td>132</td>
<td>134</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td>Moz Pd</td>
<td>90</td>
<td>82</td>
<td>83</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>Moz 3E</td>
<td>234</td>
<td>228</td>
<td>228</td>
<td>337</td>
</tr>
<tr>
<td></td>
<td>Moz 4E</td>
<td>249</td>
<td>240</td>
<td>244</td>
<td>360</td>
</tr>
<tr>
<td></td>
<td>Moz 6E</td>
<td>277</td>
<td>268</td>
<td>273</td>
<td>403</td>
</tr>
<tr>
<td></td>
<td>Mt</td>
<td>1,619</td>
<td>1,710</td>
<td>1,741</td>
<td>2,787</td>
</tr>
<tr>
<td><strong>Mineral Reserves</strong></td>
<td>Moz Pt</td>
<td>21.8</td>
<td>21.2</td>
<td>21.2</td>
<td>22.4</td>
</tr>
<tr>
<td></td>
<td>Moz Pd</td>
<td>17.3</td>
<td>14.7</td>
<td>14.4</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>Moz 3E</td>
<td>41.2</td>
<td>38.0</td>
<td>37.5</td>
<td>38.2</td>
</tr>
<tr>
<td></td>
<td>Moz 4E</td>
<td>43.6</td>
<td>40.3</td>
<td>40.0</td>
<td>41.0</td>
</tr>
<tr>
<td></td>
<td>Moz 6E</td>
<td>47.8</td>
<td>44.3</td>
<td>44.2</td>
<td>45.9</td>
</tr>
<tr>
<td></td>
<td>Mt</td>
<td>420</td>
<td>371</td>
<td>365</td>
<td>398</td>
</tr>
</tbody>
</table>

* Mineral Resources estimates are inclusive of Mineral Reserves.
** Total summation of 4E and 6E ounces for Lac des Iles Mineral Resource and Mineral Reserve estimates only includes the sum of platinum, palladium and gold and the summation of 6E ounces for the Waterberg project Mineral Resource estimates is the sum of platinum, palladium, rhodium and gold. This is a result of the inherent negligible rhodium, ruthenium and iridium content at Lac des Iles and available assay methodologies applied at those operations.

**Summary Mineral Resources**

(For more detail see Mineral Resource and Mineral Reserve Statement page 33)

The Group’s Mineral Resource estimate as at 30 June 2020 sees the portfolio increasing by 8.7Moz 6E on an attributable basis to 277Moz 6E.

There has been no material change in the attributable platinum Mineral Resource estimate which increased by 0.9Moz platinum. The acquisition of the palladium dominant Lac des Iles operation and the attributable portion of the Waterberg project resulted in increasing the attributable palladium Mineral Resource estimate by 8.4Moz palladium.

The estimate as at 30 June 2020 is dominated by Zimplats and Impala, which on a combined basis, contribute 73% of the total attributable platinum ounces and 67% of the total attributable palladium ounces of the Group Mineral Resources.
Compliance
For more detail see page 7 of the Mineral Resource and Mineral Reserve Statement.

The Mineral Resource and Mineral Reserve Statement is compiled in accordance with guidelines and principles of The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code (2016)), The South African Code for the Reporting of Mineral Asset Valuation (SAMVAL Code (2016)) and Section 12.13 of the JSE Listings Requirements as updated from time to time. Supporting documentation includes detailed internal reports, SAMREC Table 1 reports, and regular third-party reviews. A summary list of Competent Persons who compiled this report is included in this document on page 9 of the Mineral Resource and Mineral Reserve Statement. While Zimplats complies with guidelines and principles of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code (2012)), the definitions are either similar or do not vary materially from the SAMREC Code (2016). The Zimplats estimates reflected in this report comply with the SAMREC Code (2016) and Section 12.13 of the JSE Listings Requirements.

Implats subscribes to the principles of transparency, materiality and competency as per the SAMREC Code (2016).

Note that:
• Mineral Resources are reported inclusive of Mineral Reserves unless otherwise stated
• There are no Inferred Mineral Resources included in any of the Mineral Reserve estimates or feasibility studies, other than incidental dilution at zero grade
• The Mineral Resource estimates remain, in principle, imprecise and must not be seen as calculations
• Rounding-off of figures may result in minor discrepancies
• All mineral rights are in good standing without any known impediments

The updated allocation of Implats’ platinum and palladium Mineral Reserves per shaft infrastructure as at 30 June 2020 is depicted in the accompanying graphic illustrations. The range in depth below surface and quantum relating to the infrastructure is also shown and depicts among others the advantage at Zimplats in this regard, both from a depth and a size perspective.

Summary Mineral Reserves
(For more detail refer Mineral Resource and Mineral Reserve Statement page 35)

Overall, the Group Mineral Reserve estimate increased by 3.5Moz 6E on an attributable basis to 47.8Moz 6E, with platinum increasing to 21.8Moz and palladium to 17.3Moz. The resultant estimate as at 30 June 2020 is based on production depletion being offset by the acquisition of the palladium dominant Lac des Iles operation. Some 49% of the attributable platinum Mineral Reserves is located at Zimplats and a further 36% at Impala and the attributable palladium Mineral Reserves is located at Zimplats (48%), Impala (22%) and Lac des Iles (16%).

![Attributable platinum Mineral Reserve estimate of 21.8Moz Pt as at 30 June 2020 (%)](image)

![Attributable palladium Mineral Reserve estimate of 17.3Moz Pd as at 30 June 2020 (%)](image)

![Attributable platinum Mineral Reserve estimate as at 30 June 2020 (variance Moz Pt)](image)

![Attributable palladium Mineral Reserve estimate as at 30 June 2020 (variance Moz Pd)](image)
Implats Mineral Resource and Mineral Reserve statement 2020 at a glance

Platinum Mineral Reserve estimate and depth range for individual Implats shafts
as at 30 June 2020

Palladium Mineral Reserve estimate and depth range for individual Implats shafts
as at 30 June 2020
Valuation and sensitivities

- Implats uses a discounted cash flow model that embodies economic, financial and production estimates in the valuation of mineral assets. Forecasts of key inputs are:
  - Relative rates of inflation in South Africa, Canada and the United States
  - Rand exchange rates – Rand/CA$ and Rand/US$
  - Metal prices
  - Capital expenditure
  - Operating expenditure
  - Production profile
  - Metal recoveries

- The outputs are net present value, the internal rate of return, annual free cash flow, project payback period and funding requirements. Metal price and exchange rate forecasts are regularly updated by the marketing department of Implats. As at 30 June 2020, a real long-term forecast for 6E basket revenue per 6E ounce sold of R16 737 (US$1 211) was used. Specific real long-term forecasts in today’s money include:

<table>
<thead>
<tr>
<th>Metal</th>
<th>Price per unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platinum</td>
<td>US$827/oz</td>
</tr>
<tr>
<td>Palladium</td>
<td>US$1 264/oz</td>
</tr>
<tr>
<td>Rhodium</td>
<td>US$4 406/oz</td>
</tr>
<tr>
<td>Ruthenium</td>
<td>US$172/oz</td>
</tr>
<tr>
<td>Iridium</td>
<td>US$1 132/oz</td>
</tr>
<tr>
<td>Gold</td>
<td>US$1 359/oz</td>
</tr>
<tr>
<td>Nickel</td>
<td>US$15 773/t</td>
</tr>
<tr>
<td>Copper</td>
<td>US$6 133/t</td>
</tr>
<tr>
<td>Exchange rate</td>
<td>R/US$13.82</td>
</tr>
</tbody>
</table>

- The spot basket price calculated for Implats at a Group level as at 30 June 2020 was R28 138 (US$1 619) and the equivalent real long-term market consensus basket price is R17 881 (US$1 219) per 6E ounce.
ESG management
Responsible corporate stewardship is one of the key strategic pillars of the Implats Group, and as such we are committed to develop, protect and strengthen our licence to operate through industry-leading Environmental, Social and Governance (ESG) performance. Our ESG programmes aim to deliver against the following strategic objectives:

- Compliance with statutory and other requirements including Mining Charter and Social and Labour Plans (SLPs)
- Strengthening of stakeholder engagement
- Promotion of host community employment and procurement
- Aiming for zero level 4 and 5 environmental incidents
- Strengthened security of utilities and effective air quality, waste, water, energy, land and biodiversity management
- Improved occupational health, safety and wellbeing of our staff.

The ESG considerations are not only important modifying factors for the estimation and reporting of Mineral Resources and Mineral Reserves, but these are also important for stakeholders and investors alike. ESG matters are dealt with in more detail in the Implats 2020 ESG report (see www.implats.co.za). Table 1 of the SAMREC Code (2016) was amended in January 2020 to include additional ESG disclosure requirements. These were extracted from the South African guideline for the reporting of Environmental, Social and Governance Parameters within the Solid Minerals and Oils and Gas Industries (The SAMESG Guideline, 2017).

In addition to the Implats ESG report, internal operation-specific Table 1 format reports are being aligned for each operation. Compliance with the guideline and ESG aspects supports the RPEEE and valuation of the Mineral Resource and Mineral Reserve estimates for each of the Implats’ operations.

Environmental management
Our activities associated with the exploration, extraction and processing of Mineral Resources result in the unavoidable disturbance of land, the consumption of natural resources and the generation of waste and atmospheric and water pollutants. Growing regulatory and social pressure, increasing demands for limited natural resources and the rising costs of energy and water all highlight the business imperative of responsible environmental management, particularly as our underground operations become deeper and consume more energy and water. This involves taking measures to address security of resource supply (for example through efficiency, recycling and alternative energy initiatives) and to actively minimise our impact on natural resources and on the host communities.

These measures have direct benefits in terms of reduced costs and liabilities, enhanced resource security and the improved levels of societal acceptance. Implats has a board approved environmental policy that commits the Company to conducting its exploration, mining, processing and refining operations in a responsible manner and to ensure the wellbeing of its stakeholders. The policy also commits to integrating environmental management into all aspects of the business with the aim of achieving world class environmental performance in a sustainable manner. We endeavour to apply industry best practice standards and guidelines and are a signatory to a number of voluntary codes and social compacts.

Voluntary codes and social compacts

1. Our tailings management practices follow the International Council on Mining and Metals (ICMM) Guidelines
2. We subscribe to the United Nations Guiding Principles on Business and Human Rights
3. We are committed to the United Nations Global Compact
4. We support the Extractive Industries Transparency Initiative (EITI)
5. We participate in the annual climate change and water discourses of the COP
6. Our initiatives support the United Nations Sustainable Development Goals
7. We voluntarily disclose our ESG performance to the Dow Jones Sustainability Index (DJSI)
8. We report our ESG performance in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards

Implats Mineral Resource and Mineral Reserve statement 2020 at a glance
## Closure funding

Rehabilitation provision is further discussed in the 2020 Implats annual financial statements (refer in particular to note 14) and the 2020 Implats ESG report. These reports will be published at [www.implats.co.za](http://www.implats.co.za).

The current rehabilitation cost estimates and financial provisions are compiled as follows:

<table>
<thead>
<tr>
<th></th>
<th>Current cost estimates*</th>
<th>Financial provisions**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 Rm</td>
<td>2019 Rm</td>
</tr>
<tr>
<td>Impala Rustenburg</td>
<td>1 342</td>
<td>1 278</td>
</tr>
<tr>
<td>Impala Springs</td>
<td>275</td>
<td>268</td>
</tr>
<tr>
<td>Marula</td>
<td>334</td>
<td>300</td>
</tr>
<tr>
<td>Afplats</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Zimplats</td>
<td>668</td>
<td>565</td>
</tr>
<tr>
<td>Impala Canada</td>
<td>297</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2 936</td>
<td>2 430</td>
</tr>
</tbody>
</table>

* The current expected cost to restore the environmental disturbances as estimated by third-party experts for purposes of regulatory compliance is R2 936 million for the Group. The amounts in the table above for accounting purposes exclude VAT, preliminary and general costs and contingencies. The Zimplats estimates include preliminary and general costs and contingencies.

** Future value of the current cost estimates discounted to current balance sheet date as provided in the annual financial statements of the Group.
IMPALA, IMPLATS’ 96%-OWNED PRIMARY OPERATIONAL UNIT, HAS MINING OPERATIONS SITUATED ON THE WESTERN LIMB OF THE WORLD-RENOWED BUSHVELD COMPLEX NEAR RUSTENBURG IN SOUTH AFRICA. THIS OPERATION COMPRISSES A 10-SHAFT MINING COMPLEX AND CONCENTRATING AND SMELTING PLANTS. THE BASE AND PRECIOUS METAL REFINERIES ARE SITUATED IN SPRINGS, EAST OF JOHANNESBURG.

Value added statement for the year ended 30 June
(prepared on headline earning basis)

<table>
<thead>
<tr>
<th></th>
<th>2020 Rm</th>
<th>2019 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>30 220</td>
<td>21 522</td>
</tr>
<tr>
<td>Other net income/(expense)</td>
<td>606</td>
<td>(622)</td>
</tr>
<tr>
<td>Gross value generated</td>
<td>30 826</td>
<td>20 860</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(2 935)</td>
<td>(2 903)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(1 204)</td>
<td>(567)</td>
</tr>
<tr>
<td></td>
<td>26 687</td>
<td>17 390</td>
</tr>
</tbody>
</table>

Distribution of value

<table>
<thead>
<tr>
<th></th>
<th>2020 Rm</th>
<th>2019 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour and other</td>
<td>(11 754)</td>
<td>(11 217)</td>
</tr>
<tr>
<td>Consumables and services</td>
<td>(10 402)</td>
<td>(3 562)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(469)</td>
<td>(768)</td>
</tr>
<tr>
<td>Royalty recipients</td>
<td>(531)</td>
<td>(222)</td>
</tr>
<tr>
<td>Direct state taxes</td>
<td>33</td>
<td>–</td>
</tr>
<tr>
<td>Value retained in the business</td>
<td>(3 564)</td>
<td>(1 621)</td>
</tr>
</tbody>
</table>
Primary operational unit

Strategic focus

The Group’s strategic review of 2018 identified the restructuring of loss-making operations at Impala’s mining complex and repositioning to the lower half of the cost curve as a strategic imperative. Gains in productivity, safety and efficiency have resulted in an upward revision to the planned production profile at the operation.

- Sustained operational and cost improvements at 12 and 14 shafts have seen these shafts meet operating and cost thresholds and they now fully warrant continued operation
- Life-of-mine at 1 Shaft has been extended for three years at a production rate of 80koz 6E per annum
- 9 Shaft is scheduled to close in H1 FY2021
- Both growth shafts (16 and 20) are ramping up to deliver approximately 550koz 6E at full production in October 2022, slightly delayed due to the Covid-19 pandemic

The focus is on maintaining operational delivery:

- Effective cost management at high cost shafts
- Addressing flexibility constraints at mature shafts
- Increasing face length at long-life shafts
- Ramping up growth shafts

Outlook

- Production plans have been revised upwards
- 6E production in concentrate is expected to be between 1.1Moz to 1.3Moz in FY2021

Risks

- Uncertainty associated with the Covid-19 pandemic
- Socio-economic impact on surrounding communities and consequent increase in social unrest
- Instability within trade union
- Security of uninterrupted power supply and constrained future water supply
- Inability to deliver future efficiency improvements

Opportunities

- Higher rand PGM basket price and enhanced profitability
- Improved relations with key stakeholders including host communities, employees and organised labour
- Safer working environment and sufficient mineable face length improves productivity
- Increased capacity to process PGM matte

Response

- Risk-based response plans to Covid-19 in place supported by codes of practice and associated procedures
- Further improve stakeholder engagement processes, specifically with employees, unions and host communities
- Effective performance management
- Ongoing initiatives to further improve operational safety
- Enhanced monitoring of furnaces and the implementation of management and engineering controls
- Implementation of initiatives to address power and water shortages

Stakeholder

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>MATERIAL MATTERS</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Uncertainty of job security</td>
<td>Intensive communication and engagement</td>
</tr>
<tr>
<td></td>
<td>Internal rivalries</td>
<td>Employee support through assistance with UIF TERS benefit claims</td>
</tr>
<tr>
<td></td>
<td>Uncertainty of job security</td>
<td>Intensive consultation and engagement</td>
</tr>
<tr>
<td></td>
<td>Internal rivalries</td>
<td></td>
</tr>
<tr>
<td>COMMUNITIES</td>
<td>Socio-economic impacts of Covid-19</td>
<td>Intensive consultation and engagement</td>
</tr>
<tr>
<td></td>
<td>Employment, procurement and social investment opportunities for host communities</td>
<td>Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support</td>
</tr>
<tr>
<td>GOVERNMENT</td>
<td>Socio-economic impacts of Covid-19</td>
<td>Support for government to contain the spread of Covid-19 infections and to provide relief aid</td>
</tr>
<tr>
<td>CUSTOMERS</td>
<td>Impact of the Covid-19 pandemic on PGM market fundamentals and their future impact</td>
<td>Sustained delivery of refined metal to customers</td>
</tr>
<tr>
<td></td>
<td>Force majeure declared on contractual deliveries during the lockdown period</td>
<td>Force majeure lifted on 22 June 2020</td>
</tr>
</tbody>
</table>
## Operational performance – Impala

<table>
<thead>
<tr>
<th>STRATEGIC PERFORMANCE AREAS</th>
<th>COMMENT</th>
<th>KPI PERFORMANCE TARGET FOR FY2020</th>
<th>PERFORMANCE AGAINST KPI TARGET FOR FY2020</th>
</tr>
</thead>
</table>
| OPERATIONAL EXCELLENCE      | Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery | • Zero fatalities  
  • LTIFR 10% improvement on FY2019 (5.42 pmmhw)  
  • 6E in concentrate production – between 1.2Moz – 1.3Moz  
  • Cost per 6E ounce <R14 300/oz | • Four fatalities  
  • LTIFR 5.06 pmmhw  
  • 6E in concentrate production 1.1Moz  
  • Cost per 6E ounce R15 021 (stock-adjusted) |
| CAPITAL MANAGEMENT          | Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework | Capital allocation  
  • Capital <R2.4 billion | Capital allocation  
  • Capital R1.8 billion |
| BUSINESS DEVELOPMENT        | Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies  
Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand | Deliver Impala Rustenburg restructuring objectives  
  – Outsource/close 1 Shaft  
  – Close 9 Shaft  
  – Implement productivity and efficiency improvements – >19m²/man | Productivity and efficiency gains have resulted in an upward revision to the planned production profile  
  – 12 and 14 shafts have met operating and cost thresholds  
  – Life-of-mine at 1 Shaft has been extended  
  – 9 Shaft is scheduled to close in H1 FY2021  
  – 16 and 20 Shafts are ramping up production |
| ORGANISATIONAL DEVELOPMENT  | Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver | Leadership capacity and capability  
  • Management reporting systems  
  • Culture transformation | Effective Covid-19 risk-based response  
  • Maintained stable and constructive labour relations  
  • Concluded a multi-year wage agreement  
  • Implementing culture transformation leadership programme  
  • Embedding high performance management system  
  • Developing managerial and competency skills |
| ESG EXCELLENCE              | Develop, protect and strengthen our licence to operate through industry-leading ESG performance | • Strengthen stakeholder management capability and capacity  
  • Complete projects in line with SLP commitments  
  • Maintain ISO 14001:2015 certification  
  • No level 4 or 5 environmental incidents  
  • Total direct SO2 emissions – <6 400t  
  • Total water consumed – <25 000Mℓ  
  • Total water recycled – >40%  
  • Increase average spend per local supplier | • Implemented and delivered an integrated and effective Covid-19 response  
  – R110 million spent on management and mitigation measures  
  • Sustained good relations with employees and unions  
  • Maintained ISO 14001:2015 certification  
  • No level 4 or 5 environmental incidents  
  • Total direct SO2 emissions – 5 704t  
  • Total water consumed – 22 858Mℓ  
  • Total water recycled – 43%  
  • Average spend per local supplier decreased impacted by the national lockdown |
KPI performance target for FY2021
- Zero fatalities
- Improve LTIFR – 15% improvement on three-year average (4.83 pmmhw)
- 6E in concentrate production between 1.1 Moz – 1.3 Moz
- Cost per 6E ounce between R16.500/oz – R17.500/oz
- Maintain operational delivery:
  - Costs <R21 billion
  - Growth shafts to deliver 355k oz 6E
- Manage labour availability to support full operational capacity
- Strengthen management succession and build leadership capacity
- Implement culture transformation
- Strengthen stakeholder management capability and capacity
- Complete projects in line with SLP commitments
- Maintain ISO 14001:2015 certification
- No level 4 or 5 environmental incidents
- Total direct SO2 emissions – <6 400t
- Total water consumed – <25 000 Mℓ
- Total water recycled – >44%
- Increase average spend per local supplier

Key actions in FY2021
- Prevent injury and ensure a safe operational culture
- Improve efficiency on stoping
- Improve on-reef development to increase face length
- Roll out and embed risk management system
- Maintain operational delivery:
  - Effective cost management at high cost shafts
  - Address flexibility constraints at mature shafts
  - Increase face length at long-life shafts
  - Ramp-up growth shafts
- Implement culture transformation leadership programme
- Embed high performance management system
- Develop managerial and competency skills
- Strengthen capacity and capability in key areas
- Develop and implement an effective stakeholder management system
- Proactively manage employee health
- Implement third generation SLP
- Promote local recruitment and procurements
- Facilitate home ownership
- Maintain environmental authorisations

Capital allocation
Capital <R2.85 billion
Cost management
Costs <R21 billion

Capital allocation
Continue with 16 Shaft capital project
Cost management
- Move down the industry cost curve
- Manage marginal operations
- Implement identified financial management systems

Capital expenditure
FY2016 FY2017 FY2018 FY2019 FY2020
Free cash flow
FY2016 FY2017 FY2018 FY2019 FY2020
6E refined production (stock-adjusted)
FY2016 FY2017 FY2018 FY2019 FY2020
Cost/6E oz (stock-adjusted)
FY2016 FY2017 FY2018 FY2019 FY2020
LTIFR
FY2016 FY2017 FY2018 FY2019 FY2020
Trends
Operational performance – Impala

Performance
Total production losses of 151 000 ounces 6E in concentrate (12% lost) are directly attributed to the impact of Covid-19 during H2 FY2020. Milled throughput for the year declined by 14% or 1.6 million tonnes to 9.6 million tonnes, largely as a result of the Covid-19 pandemic. Investment in development to improve mineable face length continued during the year with additional costs balanced by the anticipated future benefit of improving mining flexibility.

The 6E milled head grade declined by 2% to 3.91g/t (FY2019: 3.99g/t), impacted by higher development-to-stopping ratios, additional dilution due to rolling UG2 reef and continued orepass rehabilitation at 16 Shaft, which was completed during the year. The higher percentage of Merensky tonnage milled at 45.6% (FY2019: 43.1%), and the benefit of improved recoveries helped mitigate the impact on metal production, further assisted by initial tailings retreatment work which delivered 10 000 ounces 6E.

The net outcome of lower grade, better recoveries and Covid-19-related production losses resulted in 6E concentrate production declining by 14% to 1.1 million ounces (FY2019: 1.3 million ounces).

The drawdown in processing inventory and a revised stock reallocation policy between IRS and Impala implemented in H1 FY2020, helped offset the impact on refined 6E production, which consequently declined by 9% to 1.3 million ounces (FY2019:1.4 million ounces). Impala incurred R998 million in abnormal production costs during the national lockdown, which has been included in cost of sales but excluded from the calculation of unit costs. The saving in variable costs due to lower volumes resulted in cash costs, including all incurred corporate and marketing costs, declining by 2% to R16.8 billion (FY2019: R17.0 billion). Costs were negatively affected by above-CPPI increase on utilities and labour spend, increased rates of working cost development, inefficiencies at 1 Shaft during extended outsourcing investigations and the tailings re-treatment project, which impacted concentrator costs. On a stock adjusted basis, unit costs increased by 14% to R15 021 per 6E ounce (FY2019: R13 130), in line with lower production volumes. Higher relative refined volumes assisted refined unit costs, which rose by 8% to R13 190 per 6E ounce refined (FY2019: R12 256 per ounce).

Covid-19-related operational disruptions negatively impacted the progress of capital projects and resulted in a 12% decline in total capital expenditure to R18.8 billion. Stay-in-business capital decreased by 11% to R1.4 billion (FY2019: R1.6 billion), in line with the reduced number of available shifts, while lower spend at 16 and 20 Shafts resulted in an 18% decline in replacement capital to R331 million.

All operating shafts generated positive contributions and Impala delivered R8.5 billion in free cash flow, a four-fold increase from the comparable period, as significantly stronger pricing offset the impact of a 13% decrease in 6E sales volumes of 1.3 million ounces (FY2019: 1.4 million ounces), Impala made a gross profit of R8.9 billion (FY2019: R1.5 billion) and contributed R6.5 billion to Group headline earnings (FY2019: R1.1 billion). This included the benefit of the restocked mineable stock between Impala and IRS, as well as the write on of R1.3 billion of stock during the year.

The resilience of the team at Impala Rustenburg was demonstrated by the effective response to the Covid-19 pandemic. The required changes in operating parameters and protocols to ensure the health and safety of employees were delivered despite the challenges of the multi-shaft complex, which has the largest labour complement of all South African mining operations. Following the upliftment of lockdown restrictions, Impala Rustenburg managed to systematically rebuild production levels and was operating at more than 90% of its normal production rate at the end of June 2020, despite ongoing Covid-19-related labour shortages.

This was achieved through a well-developed and managed return-to-work strategy. The creation of face length was prioritised during the restart, with production levels initially supported by targeting backlog tonnes, creating a strong foundation for the planned build-up in production in FY2021.

Key projects
16 Shaft
To date, capital spend has totalled R7.6 billion of the R7.9 billion project vote, with spending on track to be completed in November 2021.

Operational readiness was advanced by a 18% increase in immediately mineable stope (IMS) face length to 3 984 metres. The impact of the Covid-19 lockdown and associated labour restrictions resulted in certain project delays, with the C orepass completed in June 2020 and the completion of the additional D orepass expected in early FY2023. Constrained availability of rock drill operators during the pandemic and the re-allocation of available resources to continued operations at 1 and 9 Shafts, resulted in a reduction in stoping teams deployed at the project at year-end. Ramp-up to full production of 330 000 ounces 6E is now expected in October 2022. Notwithstanding the shortfall in planned production, higher rand PGM pricing resulted in the shaft reaching cash break-even in December 2019 and it contributed free cash of R513 million in FY2020.

20 Shaft
The capital project scope of R7.9 billion was completed on schedule and within budget in March 2019 and the primary focus in FY2020 was increasing IMS face length to meet the planned ramp-up in stoping tonnes.

20 Shaft has shown a pleasing improvement in performance and exceeded plan with IMS face length increasing by 66% to 2 607 metres at year-end, with a closing development replacement ratio of 10.5 against a plan of 18 stoping centaires per metre developed. Improved operational flexibility is expected to support the planned production ramp-up to 227 000 ounces 6E, which, due to Covid-19 delays, is now expected in October 2022.

A reduction in capital expenditure, together with higher rand 6E metal prices resulted in 20 Shaft achieving cash break-even in December 2019, with a free cash flow contribution of R160 million in FY2020.
Total Mineral Resource and Mineral Reserve estimate

**Total Impala platinum Mineral Resources**
as at 30 June 2020 (variance Moz Pt)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Model update</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td>50.7</td>
</tr>
<tr>
<td>2020</td>
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<td></td>
<td></td>
<td>49.3</td>
</tr>
</tbody>
</table>

Variance (Moz Pt) - Depletion 2019 Model update, mine design and schedule
Areas excluded or added 2020

**Total Impala palladium Mineral Resources**
as at 30 June 2020 (variance Moz Pd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Model update</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td>30.0</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td>24.0</td>
</tr>
</tbody>
</table>

Variance (Moz Pd) - Depletion 2019 Model update, mine design and schedule
Areas excluded or added 2020

**Total Impala platinum Mineral Reserves**
as at 30 June 2020 (variance Moz Pt)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Model update, mine design and schedule</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td>7.0</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td>8.2</td>
</tr>
</tbody>
</table>

Variance (Moz Pt) - Depletion 2019 Model update, mine design and schedule
Areas excluded or added 2020

**Total Impala palladium Mineral Reserves**
as at 30 June 2020 (variance Moz Pd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Model update, mine design and schedule</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
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<td></td>
<td></td>
<td>3.4</td>
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<tr>
<td>2020</td>
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<td></td>
<td></td>
<td>4.0</td>
</tr>
</tbody>
</table>

Variance (Moz Pd) - Depletion 2019 Model update, mine design and schedule
Areas excluded or added 2020

**Impala 20-year estimated LoM platinum ounce profile**
as at 30 June 2020

**Impala 20-year estimated LoM palladium ounce profile**
as at 30 June 2020
## Key statistics

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mining sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>8,855</td>
<td>8,739</td>
<td>1.3</td>
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<tr>
<td>Palladium</td>
<td>9,099</td>
<td>6,233</td>
<td>46.0</td>
</tr>
<tr>
<td>Rhodium</td>
<td>8,858</td>
<td>3,625</td>
<td>144.4</td>
</tr>
<tr>
<td>Nickel</td>
<td>1,036</td>
<td>696</td>
<td>48.9</td>
</tr>
<tr>
<td>Chrome</td>
<td>108</td>
<td>199</td>
<td>(45.7)</td>
</tr>
<tr>
<td>Other</td>
<td>2,264</td>
<td>2,030</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-mine operations</td>
<td>(12,414)</td>
<td>(12,878)</td>
<td>3.6</td>
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<tr>
<td>Processing operations excl smelter</td>
<td>(2,165)</td>
<td>(2,096)</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Smelting operations</td>
<td>(934)</td>
<td>(993)</td>
<td>5.9</td>
</tr>
<tr>
<td>Refining and marketing operations</td>
<td>(957)</td>
<td>(826)</td>
<td>(15.9)</td>
</tr>
<tr>
<td>Head office costs</td>
<td>(283)</td>
<td>(252)</td>
<td>(12.3)</td>
</tr>
<tr>
<td>Abnormal production costs</td>
<td>(998)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share-based payments and other</td>
<td>(280)</td>
<td>(145)</td>
<td>(93.1)</td>
</tr>
<tr>
<td>Royalty expense</td>
<td>(531)</td>
<td>(222)</td>
<td>(139.2)</td>
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<tr>
<td>Depreciation</td>
<td>(2,232)</td>
<td>(2,330)</td>
<td>4.2</td>
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<tr>
<td>Change in metal inventories</td>
<td>(508)</td>
<td>(303)</td>
<td>(67.7)</td>
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<tr>
<td><strong>Mining gross profit</strong></td>
<td>8,918</td>
<td>1,477</td>
<td>503.8</td>
</tr>
<tr>
<td>Other</td>
<td>(23)</td>
<td>43</td>
<td>(153.5)</td>
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<tr>
<td><strong>Profit before tax</strong></td>
<td>8,895</td>
<td>1,520</td>
<td>485.2</td>
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<tr>
<td><strong>Net profit for the year</strong></td>
<td>6,529</td>
<td>1,185</td>
<td>451.0</td>
</tr>
<tr>
<td>Gross margin ex mine (%)</td>
<td>29.5</td>
<td>6.9</td>
<td>327.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>11,606</td>
<td>4,507</td>
<td>157.5</td>
</tr>
<tr>
<td><strong>Sales volumes ex mine</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E (000oz)</td>
<td>1,254.0</td>
<td>1,438.3</td>
<td>(12.8)</td>
</tr>
<tr>
<td>Platinum (000oz)</td>
<td>653.1</td>
<td>744.1</td>
<td>(12.2)</td>
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<tr>
<td>Palladium (000oz)</td>
<td>322.8</td>
<td>372.0</td>
<td>(13.2)</td>
</tr>
<tr>
<td>Rhodium (000oz)</td>
<td>89.4</td>
<td>100.0</td>
<td>(10.6)</td>
</tr>
<tr>
<td>Nickel (tonnes)</td>
<td>4,720</td>
<td>3,894</td>
<td>21.2</td>
</tr>
<tr>
<td><strong>Prices achieved ex mine</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum (US$/oz)</td>
<td>892</td>
<td>827</td>
<td>7.9</td>
</tr>
<tr>
<td>Palladium (US$/oz)</td>
<td>1,868</td>
<td>1,180</td>
<td>58.3</td>
</tr>
<tr>
<td>Rhodium (US$/oz)</td>
<td>6,371</td>
<td>2,560</td>
<td>148.9</td>
</tr>
<tr>
<td>Nickel (US$/t)</td>
<td>14,557</td>
<td>12,613</td>
<td>15.4</td>
</tr>
<tr>
<td>Exchange rate achieved ex mine (R/US$)</td>
<td>15.28</td>
<td>14.19</td>
<td>7.7</td>
</tr>
<tr>
<td>Revenue per 6E ounce (R/oz)</td>
<td>23,541</td>
<td>14,889</td>
<td>58.1</td>
</tr>
<tr>
<td>Production ex mine</td>
<td>FY2020</td>
<td>FY2019</td>
<td>Variance %</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------</td>
<td>--------</td>
<td>------------</td>
</tr>
<tr>
<td>Tonnes milled ex-mine (000t)</td>
<td>9 635</td>
<td>11 211</td>
<td>(14.1)</td>
</tr>
<tr>
<td>% UG2 milled (%)</td>
<td>54.4</td>
<td>56.9</td>
<td>(4.4)</td>
</tr>
<tr>
<td>Development metres (metres)</td>
<td>82 597</td>
<td>85 081</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Headgrade (6E) (g/t)</td>
<td>3.91</td>
<td>3.99</td>
<td>(2.0)</td>
</tr>
<tr>
<td>6E stock adjusted (000oz)</td>
<td>1 115.3</td>
<td>1 298.2</td>
<td>(14.1)</td>
</tr>
<tr>
<td>6E refined (000oz)</td>
<td>1 270.1</td>
<td>1 390.8</td>
<td>(8.7)</td>
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<tr>
<td>Platinum refined (000oz)</td>
<td>638.3</td>
<td>753.8</td>
<td>(15.3)</td>
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<tr>
<td>Palladium refined (000oz)</td>
<td>343.2</td>
<td>332.0</td>
<td>3.4</td>
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<tr>
<td>Rhodium refined (000oz)</td>
<td>100.0</td>
<td>86.9</td>
<td>15.1</td>
</tr>
<tr>
<td>Nickel refined (tonnes)</td>
<td>4 720</td>
<td>3 439</td>
<td>37.2</td>
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<tr>
<td>Total cost (R$m)</td>
<td>16 753</td>
<td>17 045</td>
<td>1.7</td>
</tr>
<tr>
<td>Per tonne milled (R/t)</td>
<td>1 739</td>
<td>1 520</td>
<td>(14.4)</td>
</tr>
<tr>
<td>Per 6E ounce refined (R/oz)</td>
<td>13 190</td>
<td>12 256</td>
<td>(7.6)</td>
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<tr>
<td>Per platinum ounce refined (R/oz)</td>
<td>842</td>
<td>864</td>
<td>2.5</td>
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<tr>
<td>Per 6E stock adjusted (R/oz)</td>
<td>26 246</td>
<td>22 612</td>
<td>(16.1)</td>
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<tr>
<td>Capital expenditure (R$m)</td>
<td>1 758</td>
<td>2 006</td>
<td>12.4</td>
</tr>
<tr>
<td>Stay-in-business capital (R$m)</td>
<td>1 427</td>
<td>1 603</td>
<td>11.0</td>
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<tr>
<td>Replacement capital (R$m)</td>
<td>331</td>
<td>403</td>
<td>17.9</td>
</tr>
<tr>
<td>Labour including capital as at 30 June</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own employees (no)</td>
<td>39 375</td>
<td>39 523</td>
<td>0.4</td>
</tr>
<tr>
<td>Contractors (no)</td>
<td>28 754</td>
<td>28 258</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Centares per panel man per month (m²/man/month)</td>
<td>10 621</td>
<td>11 265</td>
<td>5.7</td>
</tr>
<tr>
<td>'Tonnes milled per employee costed' (t/man/annum)</td>
<td>245</td>
<td>289</td>
<td>(15.2)</td>
</tr>
</tbody>
</table>

* Average working cost employees including contractors.
IMPALA REFINING SERVICES (IRS), A DIVISION OF IMPALA, IS A DEDICATED VEHICLE WHICH HOUSES THE TOLL-REFINING AND METAL CONCENTRATE PURCHASES BUILT UP BY IMPLATS. IRS PROVIDES SMELTING AND REFINING SERVICES THROUGH OFFTAKE AGREEMENTS WITH GROUP COMPANIES (EXCEPTING IMPALA) AND THIRD PARTIES.

Value added statement for the year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rm</td>
<td>Rm</td>
</tr>
<tr>
<td>Revenue</td>
<td>36 304</td>
<td>26 899</td>
</tr>
<tr>
<td>Other net (expense)/income</td>
<td>(49)</td>
<td>188</td>
</tr>
<tr>
<td>Gross value generated</td>
<td>36 255</td>
<td>27 087</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(2 588)</td>
<td>(904)</td>
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<tr>
<td>Distribution of value</td>
<td></td>
<td></td>
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<tr>
<td>Cost of sales</td>
<td>(27 013)</td>
<td>(25 630)</td>
</tr>
<tr>
<td>Value retained in the business</td>
<td>(6 654)</td>
<td>(553)</td>
</tr>
</tbody>
</table>

KEY FEATURES
- Operational and financial performance was adversely impacted by lower reduced concentrate purchases receipts following the declaration of force majeure on 26 March 2020 following the orderly shutdown of Impala’s processing facilities ahead of the national lockdown due to Covid-19 and intra-group stock reallocations on 6E volumes refined and sold.
- Cost of metals purchased increased 61% on the back of rising palladium and rhodium prices and a weakening rand.
- Refined 6E output decreased by 14% to 1.5Moz.
- IRS delivered another significant financial contribution to the Group aided by higher rand PGM pricing.

STRATEGIC FOCUS
- Utilise available processing capacity to maximise financial return from Impala’s surface assets.
- Continue to explore new opportunities.

IMPALA VALUE CHAIN

- PURCHASING
- SMELTING
- REFINING

KEY STATISTICS

- Headline earnings: R4.3bn
- Free cash flow: (R116m)
- Refined 6E production: 1.45Moz
- 6E sales volumes: 1.45Moz
Performance
The operational and financial performance at IRS in FY2020 reflects both the impact of Covid-19 on the quantum of concentrates purchased from mine-to-market and third-party customers and intra-group stock reallocations on the volume of 6E ounces refined and sold.

Gross concentrate receipts were negatively impacted by the declaration of force majeure on 26 March 2020, as an orderly shutdown of Group processing facilities was implemented ahead of the start of the national lockdown in South Africa and restrictions were placed on the transport of non-essential goods during lockdown.

Receipts from third-party customers declined by 9% to 327 000 ounces 6E (FY2019: 361 000 ounces) and mine-to-market 6E deliveries were 10% lower at 1.2 million ounces (FY2019: 1.4 million ounces), with gross concentrate receipts declining by 10% to 1.5 million ounces.

Refined production was impacted by the stock allocation change, which saw refined volumes declining by 14% to 1.5 million 6E ounces (FY2019: 1.7 million ounces), with sales volumes 10% lower at 1.4 million ounces (FY2019: 1.6 million ounces).

Force majeure notices instituted on IRS customers were uplifted in a phased approach in May and June 2020. Excess concentrate and matte inventory accumulated by customers, including Group operations, during the force majeure period are expected to be received in full during H1 FY2021.

The cash operating costs associated with smelting, refining, and marketing IRS production increased by 7% to R1.5 billion (FY2019: R1.4 billion), with inflationary pressures on utilities and certain processing consumables compounded by the high fixed cost component of allocated smelting and refining charges. Concentrate purchase agreements at IRS are dominated by ore feeds from Great Dyke and UG2 sources. Rising palladium and rhodium pricing and the weakening of the rand resulted in the cost of metals purchased increasing by 61% to R38.2 billion (FY2019: R23.7 billion), despite lower volumes received. IRS reported a gross profit of R6.0 billion (FY2019: R3.4 billion) and contributed R4.3 billion to headline earnings (FY2019: R2.1 billion). The impact of negative working capital movements resulted in a free cash outflow of R116 million during the year (FY2019: R3.4 billion free cash inflow).
Operational performance – Impala Refining Services

<table>
<thead>
<tr>
<th>STRATEGIC PERFORMANCE AREAS</th>
<th>OPERATIONAL EXCELLENCE</th>
<th>BUSINESS DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comment</strong></td>
<td><strong>To provide consistent operational delivery to all suppliers through the use of Impala’s safe, responsible and competitive surface assets</strong></td>
<td><strong>To sustain operational performance and, as advised by existing capacity headroom, to increase production either from the processing of existing customer accumulated inventories or from an expansion of the customer base</strong></td>
</tr>
<tr>
<td><strong>KPI performance target for FY2020</strong></td>
<td><strong>To ensure timeous adherence to all contractual obligations in accordance with supplier requirements</strong></td>
<td><strong>Excluding the unavoidable declaration of force majeure in March 2020 in accordance with the national lockdown, operational performance was sustained</strong></td>
</tr>
<tr>
<td><strong>Performance against KPI target for FY2020</strong></td>
<td><strong>Excluding the period following the declaration of force majeure, receipts from Group companies and third-parties were in-line with production plans for FY2020</strong></td>
<td><strong>Reduced surface stock provides an opportunity to increase production in accordance with available capacity headroom</strong></td>
</tr>
<tr>
<td><strong>KPI performance target for FY2021</strong></td>
<td><strong>Continuously explore immediate and longer term opportunities to expand production and maximise the return from Impala’s surface assets in accordance with current and projected capacity headroom</strong></td>
<td><strong>Key actions in FY2021</strong></td>
</tr>
</tbody>
</table>

### Trends

<table>
<thead>
<tr>
<th><strong>Mine-to-market receipts</strong></th>
<th><strong>Third party receipts</strong></th>
<th><strong>Free cash flow</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Koz)</td>
<td>(Koz)</td>
<td>(Rm)</td>
</tr>
<tr>
<td>1,476</td>
<td>1,397</td>
<td>1,392</td>
</tr>
<tr>
<td>451</td>
<td>361</td>
<td>327</td>
</tr>
</tbody>
</table>
## Key statistics

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>Rm 36 304</td>
<td>Rm 26 899</td>
<td>35.0</td>
</tr>
<tr>
<td>Palladium</td>
<td>Rm 13 716</td>
<td>Rm 9 415</td>
<td>45.7</td>
</tr>
<tr>
<td>Rhodium</td>
<td>Rm 8 947</td>
<td>Rm 3 848</td>
<td>132.5</td>
</tr>
<tr>
<td>Nickel</td>
<td>Rm 1 285</td>
<td>Rm 1 622</td>
<td>(20.8)</td>
</tr>
<tr>
<td>Other</td>
<td>Rm 2 627</td>
<td>Rm 2 957</td>
<td>(11.2)</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metals purchased</td>
<td>Rm (38 160)</td>
<td>Rm (23 676)</td>
<td>(61.2)</td>
</tr>
<tr>
<td>Smelting operations</td>
<td>Rm (593)</td>
<td>Rm (493)</td>
<td>(20.3)</td>
</tr>
<tr>
<td>Refining and marketing operations</td>
<td>Rm (763)</td>
<td>Rm (795)</td>
<td>4.0</td>
</tr>
<tr>
<td>Head office costs</td>
<td>Rm (172)</td>
<td>Rm (142)</td>
<td>(21.1)</td>
</tr>
<tr>
<td>Change in metal inventories</td>
<td>Rm 9 409</td>
<td>Rm 1 572</td>
<td>498.5</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Rm 6 025</td>
<td>Rm 3 365</td>
<td>79.0</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Rm (21)</td>
<td>Rm (169)</td>
<td>87.6</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>(%) 16.6</td>
<td>(%) 12.5</td>
<td>32.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Rm 5 974</td>
<td>Rm 3 249</td>
<td>83.9</td>
</tr>
<tr>
<td><strong>Total sales volumes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E</td>
<td>1 449  (000oz)</td>
<td>1 611  (000oz)</td>
<td>(10.0)</td>
</tr>
<tr>
<td>Platinum</td>
<td>713  (000oz)</td>
<td>771  (000oz)</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Palladium</td>
<td>470  (000oz)</td>
<td>557  (000oz)</td>
<td>(15.6)</td>
</tr>
<tr>
<td>Rhodium</td>
<td>85  (000oz)</td>
<td>105  (000oz)</td>
<td>(19.7)</td>
</tr>
<tr>
<td>Nickel</td>
<td>6 253  (tonnes)</td>
<td>9 040  (tonnes)</td>
<td>(30.8)</td>
</tr>
<tr>
<td><strong>Prices achieved</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>US$ 877</td>
<td>US$ 827</td>
<td>6.0</td>
</tr>
<tr>
<td>Palladium</td>
<td>US$ 1 862</td>
<td>US$ 1 185</td>
<td>57.1</td>
</tr>
<tr>
<td>Rhodium</td>
<td>US$ 6 615</td>
<td>US$ 2 559</td>
<td>158.5</td>
</tr>
<tr>
<td>Nickel</td>
<td>US$ 14 959</td>
<td>12 618</td>
<td>18.6</td>
</tr>
<tr>
<td>Exchange rate achieved</td>
<td>R/US$ 15.67</td>
<td>14.19</td>
<td>10.4</td>
</tr>
<tr>
<td>Revenue per 6E ounce</td>
<td>R/(oz) 25 008</td>
<td>16 150</td>
<td>54.8</td>
</tr>
<tr>
<td><strong>Refined production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>000oz 705.7</td>
<td>772.4</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Palladium</td>
<td>000oz 470.0</td>
<td>577.6</td>
<td>(18.6)</td>
</tr>
<tr>
<td>Rhodium</td>
<td>000oz 80.6</td>
<td>118.9</td>
<td>(22.2)</td>
</tr>
<tr>
<td>Nickel</td>
<td>tonnes 10 666</td>
<td>12 609</td>
<td>(15.4)</td>
</tr>
<tr>
<td>6E refined production</td>
<td>000oz 1 452.7</td>
<td>1 682.7</td>
<td>(13.7)</td>
</tr>
<tr>
<td><strong>Metal returned</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>000oz 0.1</td>
<td>0.7</td>
<td>(85.7)</td>
</tr>
<tr>
<td>Palladium</td>
<td>000oz 1.0</td>
<td>2.9</td>
<td>(65.5)</td>
</tr>
<tr>
<td>Rhodium</td>
<td>000oz</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nickel</td>
<td>tonnes 2 949</td>
<td>3 516</td>
<td>(16.1)</td>
</tr>
</tbody>
</table>
Operational performance

MARULA IS 73% OWNED BY IMPLATS AND IS ONE OF THE FIRST OPERATIONS TO HAVE BEEN DEVELOPED ON THE RELATIVELY UNDER-EXPLOITED EASTERN LIMB OF THE BUSHVELD COMPLEX IN SOUTH AFRICA. MARULA IS LOCATED IN THE LIMPOPO PROVINCE, SOME 50 KILOMETERS NORTH-WEST OF BURGERSFORT.

**Value added statement for the year ended 30 June**

<table>
<thead>
<tr>
<th></th>
<th>2020 Rm</th>
<th>2019 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5 272</td>
<td>2 976</td>
</tr>
<tr>
<td>Other net expenses</td>
<td>(22)</td>
<td>–</td>
</tr>
<tr>
<td>Gross value generated</td>
<td>5 250</td>
<td>2 976</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(192)</td>
<td>(163)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(690)</td>
<td>(109)</td>
</tr>
<tr>
<td>Distribution of value</td>
<td>4 368</td>
<td>2 704</td>
</tr>
<tr>
<td>Labour and other</td>
<td>(1 343)</td>
<td>(1 226)</td>
</tr>
<tr>
<td>Consumables and services</td>
<td>(1 177)</td>
<td>(1 145)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td>Royalty recipients</td>
<td>(119)</td>
<td>(119)</td>
</tr>
<tr>
<td>Value retained in the business</td>
<td>(1 722)</td>
<td>(207)</td>
</tr>
</tbody>
</table>

**MARULA KEY FEATURES**
- Improved operational performance impacted by Covid-related interruption in the last quarter of the year
- Step change in safety performance with a 50% reduction in lost-time incidents
- A peace agreement between community representatives secured operational continuity

**STRATEGIC FOCUS**
- Bankable feasibility study being conducted to prolong the life-of-mine through the extension of the Clapham decline
- New tailings storage facility under construction

**KEY STATISTICS**

<table>
<thead>
<tr>
<th>Feature</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal incidents</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR</td>
<td>6.71pmmhw</td>
</tr>
<tr>
<td>Number of employees</td>
<td>4 360</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>R1.1bn</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>R2.2bn</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>R340m</td>
</tr>
<tr>
<td>6E in concentrate production</td>
<td>210koz</td>
</tr>
</tbody>
</table>
Improved performance

Outlook

- The operation is well positioned to capitalise on sustained operational continuity and efficiency gains
- 6E production in concentrate is expected to be between 220koz and 260koz in FY2021

RISKS

- Business interruption due to Covid-19
- Security of electricity and water supply
- Business interruption due to community unrest
- Attraction and retention of key or critical skills

OPPORTUNITIES

- Provided operational continuity is maintained, above target production and productivity achievements are possible
- High exposure to rising palladium and rhodium prices due to metal split content of the reef

RESPONSE

- Risk-based response plans to Covid-19 in place supported by codes of practice and associated procedures
- Implementation of initiatives to address power and water shortages
- Extensive and ongoing engagement and targeted interventions with all stakeholders
- Focus on local employment

STAKEHOLDER MATERIAL MATTERS

EMPLOYEES

- Impact of Covid-19 on the health and well-being of employees
- Uncertainty of job security

COMMUNITIES

- Socio-economic impacts of Covid-19
- Employment, procurement and social investment opportunities for host communities
- Marula chrome dispute
- Operational disruption due to community discontent over distribution of chrome proceeds
- Marula Community Trust trustee elections
- Operations procurement opportunities and prospects associated with the construction of the new tailings facility

RESPONSE

- Effective response to Covid-19 pandemic
- Intensive communication and engagement
- Employee support through assistance with UIF TERS benefit claims
- Intensive consultation and engagement
- Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support
- Establishment of a consultative forum and the implementation of a peace agreement
- Establishment of enhanced stakeholder engagement structures
- Community elections will be conducted once lockdown regulations allow
- Measures aimed to grow local procurement
- Ongoing engagement with communities
- Capacitation of local entrepreneurs through the Enterprise and Supplies Development Centre
## Operational performance – Marula

<table>
<thead>
<tr>
<th>STRATEGIC PERFORMANCE AREAS</th>
<th>OPERATIONAL EXCELLENCE</th>
<th>CAPITAL MANAGEMENT</th>
<th>BUSINESS DEVELOPMENT</th>
<th>ORGANISATIONAL DEVELOPMENT</th>
<th>ESG EXCELLENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comment</strong></td>
<td>Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery</td>
<td>Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework</td>
<td>Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies</td>
<td>Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver</td>
<td>Develop, protect and strengthen our licence to operate through industry leading ESG performance</td>
</tr>
<tr>
<td><strong>KPI performance target for FY2020</strong></td>
<td>• Zero fatalities</td>
<td>• Capital allocation</td>
<td>• Optimisation of portfolio</td>
<td>• Leadership capacity and capability</td>
<td>• Strengthen stakeholder management capability and capacity</td>
</tr>
<tr>
<td></td>
<td>• LTIFR &lt;6pmmhw</td>
<td>• Capital allocation</td>
<td>• Management reporting systems</td>
<td>• Management reporting systems</td>
<td>• Complete projects in line with SLP commitments</td>
</tr>
<tr>
<td></td>
<td>• 6E in concentrate production between 210koz – 250koz</td>
<td>• Capital allocation</td>
<td>• Culture transformation</td>
<td>• Culture transformation</td>
<td>• Maintain ISO 14001:2015 certification</td>
</tr>
<tr>
<td></td>
<td>• Cost per 6E ounce &lt;R10 000/oz</td>
<td>• Cost management</td>
<td></td>
<td></td>
<td>• No level 4 or 5 environmental incidents</td>
</tr>
<tr>
<td><strong>Performance against KPI target for FY2020</strong></td>
<td>• Zero fatalities</td>
<td>• Capital allocation</td>
<td>• Prioritised focused mining resulting in a reduction in stoping width</td>
<td>• Effective Covid-19 risk-based response</td>
<td>• Good progress on securing a lasting resolution to community disruptions as a result of disputes around the flow of value from the chrome project</td>
</tr>
<tr>
<td></td>
<td>• LTIFR 6.71pmmhw</td>
<td>• Capital allocation</td>
<td>• Revenue benefited from high palladium and rhodium content</td>
<td>• Maintained stable and constructive labour relations</td>
<td>• Increasing expectations for local-to-site procurement and employment opportunities</td>
</tr>
<tr>
<td></td>
<td>• 6E in concentrate production 210koz</td>
<td>• Cost management</td>
<td>• Development of new tailings dam</td>
<td>• Concluded a multi-year wage agreement</td>
<td>• Retained ISO 14001:2015 certification</td>
</tr>
<tr>
<td></td>
<td>• Cost per 6E ounce R10 713/oz</td>
<td>• Cost management</td>
<td></td>
<td>• Implementing culture transformation leadership programme</td>
<td>• The roll out of stope rock drills to reduce noise levels was delayed as identified machines were found to be unsuitable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Costs &lt;R2.5 billion</td>
<td></td>
<td>• Embedding high performance management system</td>
<td>• Water consumed – 24 090ml</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Developing managerial and competency skills</td>
<td>• Water recycled – 43%</td>
</tr>
</tbody>
</table>

### Operational performance – Marula – Operational performance – Marula

- **Operational performance – Marula**
  - **Comment**
    - Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery
  - **KPI performance target for FY2020**
    - Zero fatalities
    - LTIFR <6pmmhw
    - 6E in concentrate production between 210koz – 250koz
    - Cost per 6E ounce <R10 000/oz
  - **Performance against KPI target for FY2020**
    - Zero fatalities
    - LTIFR 6.71pmmhw
    - 6E in concentrate production 210koz
    - Cost per 6E ounce R10 713/oz

- **Operational performance – Marula**
  - **Comment**
    - Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework
  - **KPI performance target for FY2020**
    - Capital allocation
    - Capital allocation
  - **Performance against KPI target for FY2020**
    - Capital allocation
    - Capital allocation

- **Operational performance – Marula**
  - **Comment**
    - Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies
  - **KPI performance target for FY2020**
    - Optimisation of portfolio
  - **Performance against KPI target for FY2020**
    - Prioritised focused mining resulting in a reduction in stoping width
    - Revenue benefited from high palladium and rhodium content
    - Development of new tailings dam

- **Operational performance – Marula**
  - **Comment**
    - Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver
  - **KPI performance target for FY2020**
    - Leadership capacity and capability
    - Management reporting systems
    - Culture transformation
  - **Performance against KPI target for FY2020**
    - Effective Covid-19 risk-based response
    - Maintained stable and constructive labour relations
    - Concluded a multi-year wage agreement
    - Implementing culture transformation leadership programme
    - Embedding high performance management system
    - Developing managerial and competency skills

- **Operational performance – Marula**
  - **Comment**
    - Develop, protect and strengthen our licence to operate through industry leading ESG performance
  - **KPI performance target for FY2020**
    - Strengthen stakeholder management capability and capacity
    - Complete projects in line with SLP commitments
    - Maintain ISO 14001:2015 certification
    - No level 4 or 5 environmental incidents
    - Total water consumed <25 000Mℓ
    - Total water recycled >40%
    - Increase average spend per local supplier
  - **Performance against KPI target for FY2020**
    - Good progress on securing a lasting resolution to community disruptions as a result of disputes around the flow of value from the chrome project
    - Increasing expectations for local-to-site procurement and employment opportunities
    - Retained ISO 14001:2015 certification
    - The roll out of stope rock drills to reduce noise levels was delayed as identified machines were found to be unsuitable
    - Water consumed – 24 090ml
    - Water recycled – 43%
    - No level 4 or 5 environmental incidents
### Key actions in FY2021

- Prevent injury and ensure a safe operational culture
- Additional secondary support in identified areas
- Focus on improving stoping efficiency
- Increase face length in line with plan

### Trends

#### LTIFR

<table>
<thead>
<tr>
<th>Year</th>
<th>LTIFR (per million man hours worked)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>9.56</td>
</tr>
<tr>
<td>FY2017</td>
<td>5.79</td>
</tr>
<tr>
<td>FY2018</td>
<td>12.48</td>
</tr>
<tr>
<td>FY2019</td>
<td>13.41</td>
</tr>
<tr>
<td>FY2020</td>
<td>6.71</td>
</tr>
</tbody>
</table>

#### 6E production

<table>
<thead>
<tr>
<th>Year</th>
<th>6E in concentrate production (k oz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>205</td>
</tr>
<tr>
<td>FY2017</td>
<td>178</td>
</tr>
<tr>
<td>FY2018</td>
<td>224</td>
</tr>
<tr>
<td>FY2019</td>
<td>217</td>
</tr>
<tr>
<td>FY2020</td>
<td>210</td>
</tr>
</tbody>
</table>

#### Cost/6E oz

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost per 6E ounce (R/6E oz concentrate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>9 164</td>
</tr>
<tr>
<td>FY2017</td>
<td>11 385</td>
</tr>
<tr>
<td>FY2018</td>
<td>9 472</td>
</tr>
<tr>
<td>FY2019</td>
<td>10 562</td>
</tr>
<tr>
<td>FY2020</td>
<td>10 713</td>
</tr>
</tbody>
</table>

#### Capital expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital expenditure (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>89</td>
</tr>
<tr>
<td>FY2017</td>
<td>113</td>
</tr>
<tr>
<td>FY2018</td>
<td>101</td>
</tr>
<tr>
<td>FY2019</td>
<td>340</td>
</tr>
</tbody>
</table>

#### Free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Free cash flow (Rm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>(444)</td>
</tr>
<tr>
<td>FY2017</td>
<td>(470)</td>
</tr>
<tr>
<td>FY2018</td>
<td>(299)</td>
</tr>
<tr>
<td>FY2019</td>
<td>380</td>
</tr>
<tr>
<td>FY2020</td>
<td>2 152</td>
</tr>
</tbody>
</table>

### KPI performance target for FY2021

- Zero fatalities
- Improve LTIFR – 15% improvement on three-year average (5.4-10pmthw)
- 6E in concentrate production between 220k oz – 260k oz
- Cost per 6E ounce between R10 900/oz – R11 900/oz
- Ongoing optimisation of production areas
- Progress investigation into extension of the Clapham decline
- Advance new tailings dam project
- Manage labour availability to support full operational capacity
- Strengthen management succession and build leadership capacity
- Implement culture transformation leadership programme
- Implement high performance management system
- Develop managerial and competency skills
- Strengthen capacity and capability in key areas
- Strengthen stakeholder management capability and capacity
- Increase local-to-site procurement year-on-year
- Maintain ISO 14001:2015 certification
- No level 4 or 5 environmental incidents
- Total water consumed <25 000 Mℓ
- Total water recycled >44%
Performance
Marula continued to deliver an improved operational performance, with production interruptions limited to those resulting from the Covid-19 pandemic. A peace agreement reached between community representatives enabled Marula and Makgomo Chrome to operate relatively unimpeded over the period and the operation delivered a step-change in safety with a 50% reduction in lost-time incidents and 44% reduction in reportable incidents.

Total production losses of 33 000 ounces 6E in concentrate (14% lost) are directly attributed to the impact of Covid-19 during H2 FY2020. Milled throughput of 1.6 million tonnes declined by 8% (FY2019: 1.8 million tonnes), largely as a result of the national lockdown. A successful reduction in stoping width and an increased stoping-to-development ratio, resulted in a 7% improvement in the delivered head grade of 4.70g/t (FY2019: 4.40g/t) and mitigated the impact on 6E ounces produced in concentrate, which declined by 3% to 210 500 ounces (FY2019: 216 900 ounces).

Marula incurred R150 million of abnormal production spend during the national lockdown. Total cash costs declined by 2% to R2.2 billion rand due to variable cost savings associated with lower production. Despite the resultant inefficiencies, unit costs increased by just 1% to R10 713 per 6E ounce produced in concentrate (FY2019: R10 562).

Capital expenditure increased by 124% to R340 million as the TSF project was advanced and the trackless mining fleet replaced. A relatively high exposure to rising palladium and rhodium pricing due to its UG2 basket price resulted in revenue increasing by 77% to R5.3 billion, despite a 3% decline in sales volumes to 210 200 6E ounces (FY2019: 216 600 ounces). Gross profit of R2.4 billion increased eight-fold (FY2019: R300 million) and Marula generated R2.2 billion in free cash flow (FY2019: R380 million) and contributed R1.1 billion in headline earnings (FY2019: headline loss of R77 million).

A Covid-19 outbreak at the operation resulted in temporary closure in May 2020. However, Marula delivered a strong ramp-up and was operating at more than 90% of normal production levels by year-end, with restored productivity levels, despite ongoing Covid-19-related labour shortages. A bankable feasibility study on the extension of the Clapham decline shaft was progressed during the year and the operation is well-positioned to capitalise on sustained operational continuity and efficiency gains.
Total Mineral Resource and Mineral Reserve estimate

Total Marula platinum Mineral Resources
as at 30 June 2020 (variance Moz Pt)

Total Marula palladium Mineral Resources
as at 30 June 2020 (variance Moz Pd)

Total Marula platinum Mineral Reserves
as at 30 June 2020 (variance Moz Pt)

Total Marula palladium Mineral Reserves
as at 30 June 2020 (variance Moz Pd)

Marula 20-year estimated LoM platinum ounce profile
as at 30 June 2020

Marula 20-year estimated LoM palladium ounce profile
as at 30 June 2020
## Operational performance – Marula

### Key statistics

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>(Rm)</td>
<td>5 272</td>
<td>2 976</td>
</tr>
<tr>
<td>Palladium</td>
<td>(Rm)</td>
<td>937</td>
<td>835</td>
</tr>
<tr>
<td>Rhodium</td>
<td>(Rm)</td>
<td>2 053</td>
<td>1 257</td>
</tr>
<tr>
<td>Nickel</td>
<td>(Rm)</td>
<td>1 565</td>
<td>562</td>
</tr>
<tr>
<td>Other</td>
<td>(Rm)</td>
<td>43</td>
<td>34</td>
</tr>
<tr>
<td>Movement in commodity prices and exchange rate</td>
<td>(Rm)</td>
<td>101</td>
<td>132</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-mine operations</td>
<td>(Rm)</td>
<td>(2 865)</td>
<td>(2 676)</td>
</tr>
<tr>
<td>Processing operations</td>
<td>(Rm)</td>
<td>(2 004)</td>
<td>(2 027)</td>
</tr>
<tr>
<td>Abnormal production costs</td>
<td>(Rm)</td>
<td>(251)</td>
<td>(264)</td>
</tr>
<tr>
<td>Share-based payments and other</td>
<td>(Rm)</td>
<td>(150)</td>
<td>–</td>
</tr>
<tr>
<td>Royalty expense</td>
<td>(Rm)</td>
<td>(3)</td>
<td>(51)</td>
</tr>
<tr>
<td>Treatment charges</td>
<td>(Rm)</td>
<td>(207)</td>
<td>(119)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(Rm)</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>(Rm)</td>
<td>(2 407)</td>
<td>(300)</td>
</tr>
<tr>
<td>Other</td>
<td>(Rm)</td>
<td>(45)</td>
<td>(24)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>(Rm)</td>
<td>2 362</td>
<td>276</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(Rm)</td>
<td>(689)</td>
<td>(87)</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong></td>
<td>(Rm)</td>
<td>1 673</td>
<td>189</td>
</tr>
<tr>
<td>Intercompany adjustment*</td>
<td>(Rm)</td>
<td>(643)</td>
<td>(205)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>(%)</td>
<td>45.7</td>
<td>10.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(Rm)</td>
<td>2 583</td>
<td>469</td>
</tr>
<tr>
<td><strong>Sales volumes in concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E</td>
<td>(000oz)</td>
<td>210.2</td>
<td>216.6</td>
</tr>
<tr>
<td>Platinum</td>
<td>(000oz)</td>
<td>80.4</td>
<td>82.8</td>
</tr>
<tr>
<td>Palladium</td>
<td>(000oz)</td>
<td>82.5</td>
<td>84.6</td>
</tr>
<tr>
<td>Rhodium</td>
<td>(000oz)</td>
<td>16.6</td>
<td>17.3</td>
</tr>
<tr>
<td>Nickel</td>
<td>(tonnes)</td>
<td>266</td>
<td>270</td>
</tr>
<tr>
<td><strong>Prices achieved in concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>(US$/oz)</td>
<td>760</td>
<td>710</td>
</tr>
<tr>
<td>Palladium</td>
<td>(US$/oz)</td>
<td>1 612</td>
<td>1 042</td>
</tr>
<tr>
<td>Rhodium</td>
<td>(US$/oz)</td>
<td>5 430</td>
<td>2 200</td>
</tr>
<tr>
<td>Nickel</td>
<td>(US$/t)</td>
<td>10 474</td>
<td>8 962</td>
</tr>
<tr>
<td>Exchange rate achieved</td>
<td>(R/US$)</td>
<td>16.03</td>
<td>14.36</td>
</tr>
<tr>
<td>Revenue per 6E ounce</td>
<td>(R/oz)</td>
<td>22 335</td>
<td>13 001</td>
</tr>
</tbody>
</table>

* Adjustment note: The adjustment relates to sales from Marula to the Implats Group which at year-end were still in the pipeline.
<table>
<thead>
<tr>
<th>Metric</th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes milled ex-mine (000t)</td>
<td>1 636</td>
<td>1 772</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Headgrade (g/t)</td>
<td>4.70</td>
<td>4.40</td>
<td>6.9</td>
</tr>
<tr>
<td>6E in concentrate (000oz)</td>
<td>210.5</td>
<td>216.9</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Platinum in concentrate (000oz)</td>
<td>80.5</td>
<td>83.0</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Palladium in concentrate (000oz)</td>
<td>82.6</td>
<td>84.7</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Rhodium in concentrate (000oz)</td>
<td>16.6</td>
<td>17.3</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Nickel in concentrate (tonnes)</td>
<td>270</td>
<td>270</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td>2 255</td>
<td>2 291</td>
<td>1.6</td>
</tr>
<tr>
<td>Per tonne milled (R/t)</td>
<td>1 378</td>
<td>1 293</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Per 6E ounce in concentrate (R/oz)</td>
<td>10 713</td>
<td>10 562</td>
<td>1.4</td>
</tr>
<tr>
<td>Per platinum ounce in concentrate (R/oz)</td>
<td>28 012</td>
<td>27 602</td>
<td>1.5</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>340</td>
<td>152</td>
<td>(123.7)</td>
</tr>
<tr>
<td>Stay-in-business capital (Rm)</td>
<td>324</td>
<td>138</td>
<td>(134.8)</td>
</tr>
<tr>
<td>Replacement capital (Rm)</td>
<td>16</td>
<td>14</td>
<td>(14.3)</td>
</tr>
<tr>
<td>Labour including capital as at 30 June</td>
<td>4 360</td>
<td>4 072</td>
<td>(7.1)</td>
</tr>
<tr>
<td>Own employees</td>
<td>3 325</td>
<td>3 312</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Contractors</td>
<td>1 035</td>
<td>760</td>
<td>(36.2)</td>
</tr>
<tr>
<td>Centares per panel man per month (m²/man)</td>
<td>19.3</td>
<td>21.5</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Tonnes milled per employee costed** (t/man/annum)</td>
<td>386</td>
<td>445</td>
<td>(13.2)</td>
</tr>
</tbody>
</table>

** Average working cost employees including contractors.
TWO RIVERS IS A JOINT VENTURE BETWEEN AFRICAN RAINBOW MINERALS (54%) AND IMPLATS (46%). THE OPERATION IS SITUATED ON THE SOUTHERN PART OF THE EASTERN LIMB OF THE BUSHVELD IGNEOUS COMPLEX SOME 35 KILOMETRES SOUTH-WEST OF BURGERSFORT IN MPUMALANGA, SOUTH AFRICA.

Value added statement for the year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>2020 Rm</th>
<th>2019 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6 173</td>
<td>4 027</td>
</tr>
<tr>
<td>Other net income/(expense)</td>
<td>46</td>
<td>(34)</td>
</tr>
<tr>
<td>Gross value generated</td>
<td>6 219</td>
<td>3 993</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(371)</td>
<td>(338)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(334)</td>
<td>(18)</td>
</tr>
<tr>
<td></td>
<td>5 514</td>
<td>3 637</td>
</tr>
<tr>
<td>Distribution of value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour and other</td>
<td>(1 364)</td>
<td>(1 397)</td>
</tr>
<tr>
<td>Consumables and services</td>
<td>(1 358)</td>
<td>(1 228)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(35)</td>
<td>(36)</td>
</tr>
<tr>
<td>Royalty recipients</td>
<td>(332)</td>
<td>(112)</td>
</tr>
<tr>
<td>Direct state taxes</td>
<td>(452)</td>
<td>(233)</td>
</tr>
<tr>
<td>Dividends to shareholders</td>
<td>(1 230)</td>
<td>(524)</td>
</tr>
<tr>
<td>Value retained in the business</td>
<td>(743)</td>
<td>(107)</td>
</tr>
</tbody>
</table>

Operational performance

KEY FEATURES

- Operational performance continued to be impacted by ore from low-grade, split-reef areas with associated lower recoveries, and further impacted by Covid-19-related staff shortages in the last quarter of the year
- Strong UG2 pricing bolstered financial performance despite the decline in sales volumes

STRATEGIC FOCUS

- Initiatives to optimise production to address the increased contribution from split reef mining, including decline extensions, a concentrator plant expansion and a new tailings storage facility

KEY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2020 Rm</th>
<th>2019 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal incidents</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>LTIFR</td>
<td>2.03pmmhw</td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>3 329</td>
<td></td>
</tr>
<tr>
<td>Headline earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>R1.3bn</td>
<td>R800m</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E in concentrate production</td>
<td>261koz</td>
<td></td>
</tr>
<tr>
<td>6E in concentrate production</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IMPALA VALUE CHAIN

- EXPLORING
- MINING
- CONCENTRATING
- REHABILITATION
6E production in concentrate is expected to be between 260,000 and 300,000 ounces in FY2021. Lower grades will continue to impact contained ounces, but the plant expansion will see volumes restored from FY2023.

**RISKS**
- Additional impact of split reef (grand, recoveries, geological complexity)
- Project execution
- Water security
- Disruption of power supply
- Business interruption due to community protest/disruption

**OPPORTUNITIES**
- Improved mining flexibility and improved recoveries will enhance productivity and improve ounces and revenues
- Steady supply of water and power will improve operational execution
- Enhanced stakeholder engagement will mitigate interruptions

**RESPONSE**
- Increased capital development
  - Extension of declines
  - Plant expansion
  - New tailing storage facility
- Standby generators in place
- Quarterly engagement with utility
- Further improve stakeholder engagement processes
- Execution of SLP commitments
- Structured community forums
## Operational performance – Two Rivers

<table>
<thead>
<tr>
<th>STRATEGIC PERFORMANCE AREAS</th>
<th>Comment</th>
<th>KPI performance target for FY2020</th>
<th>Performance against KPI target for FY2020</th>
</tr>
</thead>
</table>
| OPERATIONAL EXCELLENCE      | Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery | • Zero fatalities  
• LTIFR – <2.88ppmhw  
• 6E in concentrate production between 300k oz – 340k oz  
• Cost per 6E ounce <R8 500/oz | • One fatality  
• LTIFR – 2.03ppmhw  
• 6E in concentrate production 261k oz  
• Cost per 6E ounce <R9 513/oz |
| CAPITAL MANAGEMENT          | Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework | Capital allocation  
• Capital <R600 million  
• Returns to shareholders >R400 million  
Cost management  
• Costs <R2.85 billion | Capital allocation  
• Capital R800 million  
• Dividend R566 million  
Cost management  
• Costs R2.48 billion |
| BUSINESS DEVELOPMENT        | Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies  
Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand | • Optimisation of production areas | • Projects to improve mining flexibility and processing plant enhancements to compensate for orebody variability were advanced |
| ESG EXCELLENCE              | Develop, protect and strengthen our licence to operate through industry leading ESG performance | • Complete projects in line with SLP commitments  
• Ensure regulatory compliance  
• Maintain ISO 14001:2015 certification | • Continued to build constructive and cordial relationships with local communities  
• Maintained ISO 14001:2015 certification  
• Focused on local-to-site procurement, employment and social investment |
### KPI performance target for FY2021

- Zero fatalities
- LTIFR – <2.10ppm/hw
- 6E in concentrate production between 260koz – 300koz
- Cost per 6E ounce between R10 000/oz – R11 000/oz

### Key actions in FY2021

- Prevent injury and ensure a safe operational culture
- Pursue productivity and cost containment initiatives

### Capital allocation

- Capital <R600 million
- Returns to shareholders – >R1.5 billion

### Cost management

- Costs <R3.05 billion

### Operational Excellence

- Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery

- Zero fatalities
- LTIFR – <2.88ppm/hw
- 6E in concentrate production between 300koz – 340koz
- Cost per 6E ounce <R8 500/oz

- One fatality
- LTIFR – 2.03ppm/hw
- 6E in concentrate production 261koz
- Cost per 6E ounce <R9 513/oz

- Zero fatalities
- LTIFR – <2.10ppm/hw
- 6E in concentrate production between 260koz – 300koz
- Cost per 6E ounce between R10 000/oz – R11 000/oz

### Capital Management

- Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework

- Capital allocation
  - Capital <R600 million
  - Returns to shareholders – >R1.5 billion

- Capital allocation
  - Capital <R950 million
  - Returns to shareholders – >R1.5 billion

- Capital allocation
  - Capital <R600 million
  - Returns to shareholders – >R1.5 billion

### Business Development

- Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies
- Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand

- Optimisation of production areas
- Projects to improve mining flexibility and processing plant enhancements to compensate for orebody variability were advanced

- Advance projects to optimise production to address orebody variability

- Improve mining flexibility
- Decline extensions
- Expand concentrator plant
- Advance new tailings dam

### ESG Excellence

- Develop, protect and strengthen our licence to operate through industry leading ESG performance

- Complete projects in line with SLP commitments
- Ensure regulatory compliance
- Maintain ISO 14001:2015 certification

- Complete projects in line with SLP commitments
- Ensure regulatory compliance
- Maintain ISO 14001:2015 certification

- Continue to promote employee well-being
- Maintain ISO 14001:2015 certification
- Maintain cordial relationships with neighbouring communities
Performance

Two Rivers continued to face challenges associated with variable mineralogy and constrained processing capacity. The rising contribution of ore from split-reef areas has led to a reduction in run-of-mine (ROM) ore grade and impacted metallurgical recoveries. Split-reef areas will be a structural characteristic of ore feed at Two Rivers for the foreseeable future and initiatives are now well underway to optimise production in this paradigm by matching latent mining efficiencies with expanded concentrator plant and TSF capacity to restore ounce volumes from the mine. A 40 000 tonne per month plant expansion project was approved by the JV partners at an estimated cost of R427 million, with commissioning expected during H2 FY2022.

Total production losses of 34 000 ounces 6E in concentrate (12% lost) are directly attributed to the impact of Covid-19 during H2 FY2020. Milled throughput of 3.0 million tonnes declined by 11% (FY2019: 3.4 million tonnes) due to the impact of the pandemic. Weaker milled volumes were compounded by a 2% decline in the 6E milled grade at 3.45g/t (FY2019: 3.52g/t) and poor metallurgical recoveries through the plant in Q1 FY2020, resulting in a 17% reduction in 6E production in concentrate of 261 000 ounces (FY2019: 313 400 ounces).

Capital expenditure increased by 40% to R800 million (FY2019: R571 million) with spend on deepening and development activity, the replacement of trackless fleet and progressing the TSF and concentrator projects.

The benefit of strong UG2 pricing bolstered Two Rivers financial performance despite cost inflation and the 18% decline in annual sales volumes to 261 200 6E ounces in concentrate (FY2019: 317 300 ounces). Gross profit improved by 192% to R2.8 billion (FY2019: R963 million) and Two Rivers generated R1.3 billion in free cash flow for the year (FY2019: R446 million). Implats recorded attributable profit from Two Rivers after intercompany adjustments of R687 million (FY2019: R251 million) and received R566 million in dividends during FY2020 (FY2019: R241 million).

The availability of ROM stockpiles helped counteract the impact of poor labour availability in Q4 FY2020 due to Covid-19, as a high number of skilled foreign employees at Two Rivers were prevented from returning to South Africa due to lockdown-related international border closures. As a result, shortages of critical skills impacted mining rates at the operation. Mining capacity was above 70% by year-end, while milling rates were buffered by ROM stockpile and had reached more than 90%. In the new financial year, a steady ramp-up in mined production was realised as the foreign worker complement returned to site.
Total Mineral Resource and Mineral Reserve estimate

Two Rivers platinum Mineral Resources
as at 30 June 2020 (variance Moz Pt)

Variance (Moz Pt) Depletion Model update Areas excluded or added 2020
2019: 23.2 Depletion Model update Areas excluded or added 2020: 23.3

Two Rivers palladium Mineral Resources
as at 30 June 2020 (variance Moz Pd)

Variance (Moz Pd) Depletion Model update Areas excluded or added 2020
2019: 14.3 Depletion Model update Areas excluded or added 2020: 14.3

Total Two Rivers platinum Mineral Reserves
as at 30 June 2020 (variance Moz Pt)

Variance (Moz Pt) Depletion Model update, mine design and schedule Areas excluded or added 2020
2019: 3.3 Depletion Model update, mine design and schedule Areas excluded or added 2020: 3.3

Total Two Rivers palladium Mineral Reserves
as at 30 June 2020 (variance Moz Pd)

Variance (Moz Pd) Depletion Model update, mine design and schedule Areas excluded or added 2020
2019: 2.0 Depletion Model update, mine design and schedule Areas excluded or added 2020: 2.0

Two Rivers 20-year estimated LoM platinum ounce profile
as at 30 June 2020 (in concentrate)

Two Rivers 20-year estimated LoM palladium ounce profile
as at 30 June 2020 (in concentrate)
## Operational performance – Two Rivers

### Key statistics

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum (Rm)</td>
<td>1 474</td>
<td>1 479</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Palladium (Rm)</td>
<td>1 996</td>
<td>1 297</td>
<td>53.9</td>
</tr>
<tr>
<td>Rhodium (Rm)</td>
<td>2 289</td>
<td>849</td>
<td>169.6</td>
</tr>
<tr>
<td>Nickel (Rm)</td>
<td>90</td>
<td>80</td>
<td>12.5</td>
</tr>
<tr>
<td>Other (Rm)</td>
<td>97</td>
<td>188</td>
<td>(48.4)</td>
</tr>
<tr>
<td>Movement in commodity prices and exchange rate (Rm)</td>
<td>257</td>
<td>134</td>
<td>91.8</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mining operations (Rm)</td>
<td>(2 016)</td>
<td>(2 103)</td>
<td>4.1</td>
</tr>
<tr>
<td>Processing operations (Rm)</td>
<td>(467)</td>
<td>(448)</td>
<td>4.2</td>
</tr>
<tr>
<td>Treatment charges (Rm)</td>
<td>(30)</td>
<td>(33)</td>
<td>9.1</td>
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<tr>
<td>Chrome cost (Rm)</td>
<td>(55)</td>
<td>(54)</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Royalty expense (Rm)</td>
<td>(344)</td>
<td>(112)</td>
<td>(207.1)</td>
</tr>
<tr>
<td>Depreciation (Rm)</td>
<td>(371)</td>
<td>(338)</td>
<td>(9.8)</td>
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<tr>
<td>Change in metal inventories (Rm)</td>
<td>(111)</td>
<td>24</td>
<td>(562.5)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>45.3</td>
<td>23.9</td>
<td>89.5</td>
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<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46% attributable to Implats (Rm)</td>
<td>910</td>
<td>275</td>
<td>230.9</td>
</tr>
<tr>
<td>Intercompany adjustment* (Rm)</td>
<td>(223)</td>
<td>(24)</td>
<td>(829.2)</td>
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<tr>
<td>Share of profit in Implats Group (Rm)</td>
<td>687</td>
<td>251</td>
<td>173.7</td>
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<tr>
<td><strong>Sales volumes in concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E (000oz)</td>
<td>261.2</td>
<td>317.3</td>
<td>(17.7)</td>
</tr>
<tr>
<td>Platinum (000oz)</td>
<td>122.4</td>
<td>148.8</td>
<td>(17.7)</td>
</tr>
<tr>
<td>Palladium (000oz)</td>
<td>73.4</td>
<td>87.3</td>
<td>(15.9)</td>
</tr>
<tr>
<td>Rhodium (000oz)</td>
<td>21.1</td>
<td>25.9</td>
<td>(18.5)</td>
</tr>
<tr>
<td>Nickel (tonnes)</td>
<td>472</td>
<td>552</td>
<td>(14.5)</td>
</tr>
<tr>
<td><strong>Prices achieved in concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum (US$/oz)</td>
<td>768</td>
<td>698</td>
<td>10.1</td>
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<tr>
<td>Palladium (US$/oz)</td>
<td>1 736</td>
<td>1 112</td>
<td>56.2</td>
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<tr>
<td>Rhodium (US$/oz)</td>
<td>6 917</td>
<td>2 489</td>
<td>177.8</td>
</tr>
<tr>
<td>Nickel (US$/t)</td>
<td>12 119</td>
<td>10 265</td>
<td>18.1</td>
</tr>
<tr>
<td>Exchange rate achieved (R/US$)</td>
<td>15.67</td>
<td>14.19</td>
<td>10.4</td>
</tr>
<tr>
<td>Revenue per 6E ounce (R/oz)</td>
<td>22 437</td>
<td>11 995</td>
<td>87.1</td>
</tr>
</tbody>
</table>

* Adjustment note: The adjustment relates to sales from Two Rivers to the Implats Group which at year-end were still in the pipeline.
<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes milled ex-mine (000t)</td>
<td>3 016</td>
<td>3 405</td>
<td>(11.4)</td>
</tr>
<tr>
<td>Headgrade (g/t)</td>
<td>3.45</td>
<td>3.52</td>
<td>(2.0)</td>
</tr>
<tr>
<td>6E in concentrate (000oz)</td>
<td>261.0</td>
<td>313.4</td>
<td>(16.7)</td>
</tr>
<tr>
<td>Platinum in concentrate (000oz)</td>
<td>122.4</td>
<td>147.2</td>
<td>(16.8)</td>
</tr>
<tr>
<td>Palladium in concentrate (000oz)</td>
<td>73.2</td>
<td>86.0</td>
<td>(14.9)</td>
</tr>
<tr>
<td>Rhodium in concentrate (000oz)</td>
<td>21.2</td>
<td>25.6</td>
<td>(17.2)</td>
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<tr>
<td>Nickel in concentrate (tonnes)</td>
<td>481</td>
<td>552</td>
<td>(12.9)</td>
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<tr>
<td><strong>Total cost</strong></td>
<td></td>
<td></td>
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<tr>
<td>(Rm)</td>
<td>2 483</td>
<td>2 551</td>
<td>2.7</td>
</tr>
<tr>
<td>(US$m)</td>
<td>158</td>
<td>180</td>
<td>12.2</td>
</tr>
<tr>
<td>Per tonne milled (R/t)</td>
<td>823</td>
<td>749</td>
<td>(9.9)</td>
</tr>
<tr>
<td>(US$/t)</td>
<td>53</td>
<td>53</td>
<td>0.0</td>
</tr>
<tr>
<td>Per 6E ounce in concentrate (R/oz)</td>
<td>9 513</td>
<td>8 140</td>
<td>(16.9)</td>
</tr>
<tr>
<td>(US$/oz)</td>
<td>607</td>
<td>574</td>
<td>(5.7)</td>
</tr>
<tr>
<td>Per platinum ounce in concentrate (R/oz)</td>
<td>20 286</td>
<td>17 330</td>
<td>(17.1)</td>
</tr>
<tr>
<td>(US$/oz)</td>
<td>1 294</td>
<td>1 221</td>
<td>(6.0)</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Rm)</td>
<td>800</td>
<td>571</td>
<td>(40.1)</td>
</tr>
<tr>
<td>(US$m)</td>
<td>51</td>
<td>40</td>
<td>(27.5)</td>
</tr>
<tr>
<td><strong>Labour including capital as at 30 June</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own employees (no)</td>
<td>3 329</td>
<td>3 261</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Contractors (no)</td>
<td>2 365</td>
<td>2 336</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Tonnes milled per employee costed** (t/man/annum)</td>
<td>911</td>
<td>1 070</td>
<td>(14.9)</td>
</tr>
</tbody>
</table>

** Average working cost employees including contractors.
Operational performance

ZIMPLATS

IMPALA VALUE CHAIN

EXPLORING ✓
MINING ✓
SMELTING ✓
REHABILITATION ✓

KEY FEATURES

• Delivered another strong performance in FY2020, operating uninterrupted since the onset of the Covid-19 pandemic.
• Scheduled processing maintenance was completed during the year.
• 6E production in matte was stable at 580koz but sales volumes were impacted by the force majeure implemented by IRS during late March 2020.
• The Mupani Mine project will be accelerated to deliver incremental volume growth.

STRAATEGIC FOCUS

• Delivery of extensions and increased production from Bimha and Mupani Mines to replace production from Rukodzi and Ngwarati Mines, which will reach end of life in FY2023 and FY2025, respectively.
• Acceleration of Mupani will require additional concentrating capacity.
• Upper ore extraction at Bimha and Mupani will increase flexibility and extend life-of-mine at these shafts.

KEY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatal incidents</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR</td>
<td>0.59pmmhw</td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td>6 130</td>
<td>6 130</td>
</tr>
<tr>
<td>Headline earnings</td>
<td>R3.4bn</td>
<td>R3.4bn</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>R2.5bn</td>
<td>R1.7bn</td>
</tr>
<tr>
<td>6E production in matte</td>
<td>580koz</td>
<td>580koz</td>
</tr>
</tbody>
</table>

ZIMPLATS IS 87% OWNED BY IMPLATS AND ITS OPERATIONS ARE SITUATED ON THE ZIMBABWEAN GREAT DYKE, SOUTH-WEST OF HARARE. ZIMPLATS OPERATES FOUR UNDERGROUND MINES AND A CONCENTRATOR AT NGEZI. THE SELOUS METALLURGICAL COMPLEX (SMC), LOCATED SOME 77 KILOMETRES NORTH OF THE UNDERGROUND OPERATIONS, COMPRIS ES A CONCENTRATOR AND A SMELTER.

Value added statement for the year ended 30 June

(prepared on headline earning basis)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>14 426 Rm</td>
<td>8 954 Rm</td>
</tr>
<tr>
<td>Other net (expense)/income</td>
<td>(171)</td>
<td>410</td>
</tr>
<tr>
<td>Gross value generated</td>
<td>14 255 Rm</td>
<td>9 356 Rm</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1 427) Rm</td>
<td>(941) Rm</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(427) Rm</td>
<td>(658) Rm</td>
</tr>
<tr>
<td></td>
<td>12 401 Rm</td>
<td>7 765 Rm</td>
</tr>
<tr>
<td>Distribution of value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour and other</td>
<td>(1 900)</td>
<td>(1 494)</td>
</tr>
<tr>
<td>Consumables and services</td>
<td>(4 296)</td>
<td>(3 546)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(45)</td>
<td>(89)</td>
</tr>
<tr>
<td>Royalty recipients</td>
<td>(485)</td>
<td>(377)</td>
</tr>
<tr>
<td>Direct state taxes</td>
<td>(1 571)</td>
<td>(202)</td>
</tr>
<tr>
<td>Dividends to shareholders</td>
<td>(698)</td>
<td>(1 206)</td>
</tr>
<tr>
<td>Value retained in the business</td>
<td>(3 406)</td>
<td>(849)</td>
</tr>
</tbody>
</table>
STAKEHOLDER MATERIAL MATTERS RESPONSE

EMPLOYEES
• Impact of Covid-19 on the health and well-being of employees
• Increased demand for employment opportunities

COMMUNITIES
• Socio-economic impacts of Covid-19
• Significant expectations around our socio-economic contribution to the broader community/country
• Tailings dam risk to communities
• Drought relief

GOVERNMENT
• Government severely challenged by economy
  • Cash and foreign currency shortages in Zimbabwe
  • Beneficiation requiring:
    – The development of a refinery in-country
    – PGM concentrate export levy

SHAREHOLDERS
• Concerns include:
  – Political and economic developments in Zimbabwe
  – Business performance
  – Impact of regulatory compliance

RESPONSE

• Effective response to Covid-19 pandemic
• Intensive consultation and engagement
• Targeted high-level engagement is ongoing to promote value-enhancing relations
• Ongoing engagement with the Reserve Bank of Zimbabwe
• Zimplats continues to actively look into further beneficiation
• The export levy has been further deferred until 2021 conditional on the development of beneficiation plans

OPPORTUNITIES

• Improved relations with key stakeholders including host communities, employees and organised labour
• Stronger currency will reduce costs and enhance profitability
• Security of supply chain and water supply enhances ability to plan and execute
• Accelerated development of new replacement portal, Mupani, will increase current production

RISKS

• Potential impact of Covid-19
• Sovereign risk
• Currency risk
• Security of supply chain
• Security of water supply

OUTLOOK

• Zimplats will increase current production levels supported by the accelerated development of the new replacement portal, Mupani
• Capital expenditure is forecast higher as the third concentrator plant project is initiated and additional fleets are purchased to support the faster ramp up
• Zimplats will continue to engage the government on mutually acceptable solutions to achieve the government’s aspirations of further beneficiation of PGMs in Zimbabwe
• 6E production in concentrate is expected to be between 570k oz to 600k oz

IMPLATS ANNUAL INTEGRATED REPORT 2020
### Operational performance – Zimplats

<table>
<thead>
<tr>
<th>Strategic Performance Areas</th>
<th>Comment</th>
<th>KPI performance target for FY2020</th>
<th>Performance against KPI target for FY2020</th>
</tr>
</thead>
</table>
| **Operational Excellence** | Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery | • Zero fatalities LTIFR < 0.21 ppm hw  
• 6E in concentrate production between 565k oz – 600k oz  
• Cost per 6E ounce < US$670/oz | • LTIFR 0.59 ppm hw  
• 6E in concentrate production 597k oz  
• Cost per 6E ounce US$627/oz |
| **Capital Management**     | • Zero fatalities  
• LTIFR < 0.35 ppm hw  
• 6E in concentrate production between 570k oz – 600k oz  
• Cost per 6E ounce between US$630/oz – US$690/oz | Capital allocation  
• Capital < US$120 million  
Cost management  
• Costs < US$390 million | Capital allocation  
• Capital US$111 million  
Cost management  
• Costs US$364 million |
| **Business Development**    | Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework | Capital allocation  
• Capital < US$120 million  
Cost management  
• Costs < US$390 million | Capital allocation  
• Capital US$111 million  
Cost management  
• Costs US$364 million |
| **Organisational Development** | Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies  
Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand | • Optimisation of portfolio  
• Leadership capacity and capability  
• Management reporting systems  
• Culture transformation  
• Enhanced focus on human resources  
• Development of a high-performance culture  
• Organisational structure and remuneration policies to support this culture | Excellent progress on development of Mupani Mine, a replacement portal, with the project well ahead of schedule  
• Ongoing optimisation of portfolio  
– Acceleration of Mupani project  
– Inclusion of upper ores in Mupani and Bimha Mines  
• Deliver incremental production growth through accelerated development of Mupani Mine and the inclusion of upper ores in Mupani and Bimha mine plans  
• Initiate project to expand concentrator capacity by 800kt by January 2022  
• Continue with Mupani Mine development  
• Maintain dividend payment as per policy  
• Develop alternative sources for South African purchases to limit exposure to ZAR  
• Review alternatives to mitigate cost of electricity  
• Extend lifecycle of major equipment  
• Develop managerial and competency skills  
• Strengthen capacity and capability in key areas  
• Implement culture transformation  
• Embed high performance management system  |
| **ESG Excellence**          | Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver | • Address regulatory compliance  
– maintain licence to operate  
– Nurture and retain goodwill  
– Implement CSR programmes – > US$4.4 million  
– Local procurement – > 70% of annual procurement  
– Environmental management and rehabilitation programmes  
– Water recycled – > 40%  
– Total CO₂ emissions – at least 1% year-on-year reduction  
• Ongoing stakeholder engagement  
• Zimplats supports Zimbabwe’s aspirations to grow and diversify its PGM industry  
• Local procurement – 60% of annual procurement  
• Environmental management and rehabilitation programmes  
– Water recycled – 39%  
• Total CO₂ emissions – 5% year-on-year reduction  | Ongoing stakeholder engagement  
• Zimplats supports Zimbabwe’s aspirations to grow and diversify its PGM industry  
• Local procurement – 60% of annual procurement  
• Environmental management and rehabilitation programmes  
– Water recycled – 39%  
• Total CO₂ emissions – 5% year-on-year reduction  |

---

**ANNUAL INTEGRATED REPORT 2020**
### KPI performance target for FY2021

- Zero fatalities
- LTIFR <0.33ppm/hw
- 6E in concentrate production between 570k oz – 600k oz
- Cost per 6E ounce between US$630/oz – US$690/oz

### Key actions in FY2021

- Prevent injury and achieve safety goals
- Optimise mining infrastructure and mass balance
- Effective grade control
- Implement recovery improvement projects

### Capital allocation
- Capital <US$140 million
- Cost management
- Costs <US$400 million

### Trends

#### LTIFR

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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<tbody>
<tr>
<td>0.58</td>
<td>0.21</td>
<td>0.19</td>
<td>0.45</td>
<td>0.59</td>
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</tr>
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</table>

#### 6E production

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>617</td>
<td>602</td>
<td>578</td>
<td>580</td>
<td>580</td>
<td></td>
</tr>
</tbody>
</table>

#### Cost/6E oz

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>531</td>
<td>584</td>
<td>615</td>
<td>600</td>
<td>627</td>
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</tbody>
</table>

#### Capital expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>115</td>
<td>135</td>
<td>115</td>
<td>111</td>
<td></td>
</tr>
</tbody>
</table>

#### Free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(32)</td>
<td>15</td>
<td>73</td>
<td>128</td>
<td>139</td>
<td></td>
</tr>
</tbody>
</table>
Operational performance – Zimplats

Performance
Zimplats delivered yet another strong operational performance in FY2020, navigating the challenges created by increasing socio-economic pressures in Zimbabwe and successfully mitigating the substantial threat to its employees and operations posed by the Covid-19 pandemic. Zimplats has operated uninterrupted since the onset of the Covid-19 crisis, working closely with government health departments to lend support and raise awareness in the communities surrounding its operations.

Tonnes milled were 4% higher at 6.8 million tonnes (FY2019: 6.5 million) while stable 6E grade of 3.48g/t resulted in a commensurate increase in 6E produced in concentrate of 597 000 ounces (FY2019: 572 000 ounces). A furnace rebuild was completed in H1 FY2020, with the unit recommissioned in October 2019, and scheduled mill relines at the Selous concentrator completed in H2 FY2020. 6E production in matte was stable at 580 000 ounces, while 6E sales volumes of 555 000 ounces were impacted by the force majeure implemented by IRS in late March 2020.

Total cash costs were well controlled and increased by 5% to US$364 million (FY2019: US$348 million), with consumable spend benefiting from favourable foreign exchange movements and lower fuel prices during the period. The impact of the weaker rand resulted in translated rand costs increasing by 16% to R5.7 billion (FY2019: R4.9 billion), with unit costs per 6E ounce produced in matte rising by 5% to US$627 and 16% to R9 824 per ounce (FY2019: US$600 and R8 509), respectively.

Capital expenditure declined by 3% to US$111 million (FY2019: US$115 million) as project progression at Mupani was offset by reduced spend on the Bimha redevelopment project. Zimplats achieved a gross profit of R7.0 billion (FY2019: R2.7 billion) and generated EBITDA of R8.3 billion (FY2019: R4.0 billion). Free cash flow generation of R2.5 billion was impacted by negative working capital and the headline earnings contribution of R3.4 billion was affected by intercompany adjustments relating to sales by Zimplats to IRS, which at year-end, were still in the pipeline.

Key projects
Excellent progress was made during the year on Zimplats’ Mupani Mine project, the replacement for Ngwarati and Rukodzi Mines.

Decline development and overall project progress remains well ahead of schedule with estimated steady-state production expected in July 2024. A total of 260 172 tonnes of ore, at an average 6E head grade of 3.07g/t, has been mined to date. Commissioning of the first exhaust ventilation shaft and surface crusher is expected in August and October 2020, respectively. A total of US$98 million of the budget of US$264 million had been spent at the end of the reporting period.

A decision was taken to accelerate the Mupani project to deliver incremental volume growth at Zimplats. A bankable feasibility study on a modular concentrator expansion is expected in H1 FY2021. Forecast capital investment of US$38 million over two years could increase monthly milling capacity and annual ounce production by 40 000 tonnes and 42 500 6E ounces in concentrate, respectively.

Commissioning is expected in Q1 FY2022, with US$10 million allotted for investment in an additional mining fleet and labour to facilitate the early ramp-up of ore production from the Mupani portal.
Total Mineral Resource and Mineral Reserve estimate

Total Zimplats platinum Mineral Resource estimate
as at 30 June 2020 (Moz Pt)

<table>
<thead>
<tr>
<th>Year</th>
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<th>Model update</th>
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Variance (Moz Pt)

Depletion
2019
2020
Model update
Areas excluded or added

Total Zimplats palladium Mineral Resource estimate
as at 30 June 2020 (Moz Pd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Model update</th>
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Variance (Moz Pd)

Depletion
2019
2020
Model update
Areas excluded or added

Total Zimplats platinum Mineral Reserves
as at 30 June 2020 (Moz Pt)

<table>
<thead>
<tr>
<th>Year</th>
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<th>Model update, mine design and schedule</th>
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Total Zimplats palladium Mineral Reserves
as at 30 June 2020 (Moz Pd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Model update, mine design and schedule</th>
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<th>2020</th>
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<tbody>
<tr>
<td>2019</td>
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<td></td>
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<tr>
<td>2020</td>
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</tbody>
</table>

Zimplats 20-year estimated LoM platinum ounce profile
as at 30 June 2020

Zimplats 20-year estimated LoM palladium ounce profile
as at 30 June 2020
## Operational performance – Zimplats

### Key statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2020 (Rm)</th>
<th>FY2019 (Rm)</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum</td>
<td>3 282</td>
<td>2 761</td>
<td>18.9</td>
</tr>
<tr>
<td>Palladium</td>
<td>6 138</td>
<td>3 365</td>
<td>82.4</td>
</tr>
<tr>
<td>Rhodium</td>
<td>2 190</td>
<td>744</td>
<td>194.4</td>
</tr>
<tr>
<td>Nickel</td>
<td>872</td>
<td>700</td>
<td>24.6</td>
</tr>
<tr>
<td>Other</td>
<td>1 153</td>
<td>911</td>
<td>26.6</td>
</tr>
<tr>
<td><strong>Movement in commodity prices</strong></td>
<td>791</td>
<td>473</td>
<td>67.2</td>
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<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-mine operations</td>
<td>(3 290)</td>
<td>(2 781)</td>
<td>(18.3)</td>
</tr>
<tr>
<td>Processing excl smelter</td>
<td>(1 540)</td>
<td>(1 292)</td>
<td>(19.2)</td>
</tr>
<tr>
<td>Smelting operations</td>
<td>(291)</td>
<td>(272)</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Head office costs</td>
<td>(579)</td>
<td>(587)</td>
<td>1.4</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(152)</td>
<td>(55)</td>
<td>(176.4)</td>
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<td>Royalty expense</td>
<td>(483)</td>
<td>(303)</td>
<td>(60.1)</td>
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<tr>
<td>Treatment charges</td>
<td>1</td>
<td>(15)</td>
<td>106.7</td>
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<tr>
<td>Depreciation</td>
<td>(1 427)</td>
<td>(941)</td>
<td>(51.6)</td>
</tr>
<tr>
<td>Change in metal inventories</td>
<td>365</td>
<td>(46)</td>
<td>893.5</td>
</tr>
<tr>
<td><strong>Gross profit/(loss)</strong></td>
<td>7 028</td>
<td>2 662</td>
<td>164.0</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>6 902</td>
<td>3 032</td>
<td>127.6</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(1 998)</td>
<td>(1 133)</td>
<td>(76.3)</td>
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<tr>
<td><strong>Net profit for the year</strong></td>
<td>4 904</td>
<td>1 899</td>
<td>158.2</td>
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<td><strong>Intercompany adjustment</strong></td>
<td>(1 542)</td>
<td>(429)</td>
<td>(259.4)</td>
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<tr>
<td><strong>Gross margin</strong></td>
<td>48.7</td>
<td>29.7</td>
<td>64.0</td>
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<tr>
<td>EBITDA</td>
<td>8 273</td>
<td>4 015</td>
<td>106.1</td>
</tr>
<tr>
<td><strong>Sales volumes in matte</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E (000oz)</td>
<td>554.9</td>
<td>573.0</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Platinum (000oz)</td>
<td>254.0</td>
<td>264.9</td>
<td>(4.1)</td>
</tr>
<tr>
<td>Palladium (000oz)</td>
<td>218.3</td>
<td>221.6</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Rhodium (000oz)</td>
<td>22.5</td>
<td>23.3</td>
<td>(3.4)</td>
</tr>
<tr>
<td>Nickel (tonnes)</td>
<td>4 992</td>
<td>5 234</td>
<td>(4.6)</td>
</tr>
<tr>
<td><strong>Prices achieved in matte</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum (US$/oz)</td>
<td>778</td>
<td>734</td>
<td>6.0</td>
</tr>
<tr>
<td>Palladium (US$/oz)</td>
<td>1 694</td>
<td>1 070</td>
<td>58.3</td>
</tr>
<tr>
<td>Rhodium (US$/oz)</td>
<td>5 860</td>
<td>2 247</td>
<td>160.8</td>
</tr>
<tr>
<td>Nickel (US$/t)</td>
<td>10 523</td>
<td>9 424</td>
<td>11.7</td>
</tr>
<tr>
<td>Exchange rate achieved</td>
<td>16.60</td>
<td>14.19</td>
<td>17.0</td>
</tr>
<tr>
<td>Revenue per 6E ounce</td>
<td>24 572</td>
<td>14 776</td>
<td>66.3</td>
</tr>
</tbody>
</table>

* Adjustment note: The adjustment relates to sales from Zimplats to the Implats Group which at year-end were still in the pipeline.

** Including 6E ounces in concentrate sold.
### Production

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes milled ex-mine</td>
<td>6 751</td>
<td>6 486</td>
<td>4.1</td>
</tr>
<tr>
<td>Headgrade (6E) (g/t)</td>
<td>3.48</td>
<td>3.48</td>
<td>—</td>
</tr>
<tr>
<td>6E in matte** (000oz)</td>
<td>580.2</td>
<td>579.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Platinum in matte**</td>
<td>266.9</td>
<td>269.9</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Palladium in matte**</td>
<td>228.0</td>
<td>223.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Rhodium in matte**</td>
<td>23.4</td>
<td>23.9</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Nickel in matte**</td>
<td>4 991</td>
<td>5 295</td>
<td>(5.7)</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td>(Rm)</td>
<td>5 700</td>
<td>4 932 (15.6)</td>
</tr>
<tr>
<td></td>
<td>(US$m)</td>
<td>364</td>
<td>348 (4.6)</td>
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<td>Per tonne milled**</td>
<td>(R/t)</td>
<td>844</td>
<td>760 (11.1)</td>
</tr>
<tr>
<td></td>
<td>(US$/t)</td>
<td>54</td>
<td>54 —</td>
</tr>
<tr>
<td>Per 6E ounce in matte**</td>
<td>(R/oz)</td>
<td>9 824</td>
<td>8 509 (15.5)</td>
</tr>
<tr>
<td></td>
<td>(US$/oz)</td>
<td>627</td>
<td>600 (4.5)</td>
</tr>
<tr>
<td>Per platinum ounce in matte**</td>
<td>(R/oz)</td>
<td>21 356</td>
<td>18 273 (16.9)</td>
</tr>
<tr>
<td></td>
<td>(US$/oz)</td>
<td>1 362</td>
<td>1 288 (5.7)</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>(Rm)</td>
<td>1 733</td>
<td>1 628 (6.4)</td>
</tr>
<tr>
<td></td>
<td>(US$m)</td>
<td>111</td>
<td>115 (3.5)</td>
</tr>
<tr>
<td>Stay-in-business capital</td>
<td>(Rm)</td>
<td>1 202</td>
<td>1 182 (1.7)</td>
</tr>
<tr>
<td></td>
<td>(US$m)</td>
<td>77</td>
<td>84 (8.3)</td>
</tr>
<tr>
<td>Replacement capital</td>
<td>(Rm)</td>
<td>524</td>
<td>418 (25.4)</td>
</tr>
<tr>
<td></td>
<td>(US$m)</td>
<td>33</td>
<td>29 (13.8)</td>
</tr>
<tr>
<td>Expansion capital</td>
<td>(Rm)</td>
<td>7</td>
<td>28 75.0</td>
</tr>
<tr>
<td></td>
<td>(US$m)</td>
<td>—</td>
<td>2 100.0</td>
</tr>
<tr>
<td><strong>Labour including capital as at 30 June</strong></td>
<td>(no)</td>
<td>6 130</td>
<td>7 117 (13.9)</td>
</tr>
<tr>
<td>Own employees</td>
<td>(no)</td>
<td>3 332</td>
<td>3 326 (0.2)</td>
</tr>
<tr>
<td>Contractors</td>
<td>(no)</td>
<td>2 798</td>
<td>3 791 26.2</td>
</tr>
<tr>
<td>Tonnes milled per employee costed***</td>
<td>(t/man/annum)</td>
<td>1 355</td>
<td>1 208 12.2</td>
</tr>
</tbody>
</table>

** Including 6E ounces in concentrate sold.

*** Average working cost employees including contractors.
Operational performance

MIMOSA IS JOINTLY HELD BY IMPLATS AND SIBANYE-STILLWATER. ITS OPERATIONS ARE LOCATED ON THE WEDZA GEOLOGICAL COMPLEX ON THE ZIMBABWEAN GREAT DYKE, 150 KILOMETRES EAST OF BULAWAYO. THE OPERATION COMPRISSES A SHALLOW UNDERGROUND MINE, ACCESSED BY A DECLINE SHAFT, AND A CONCENTRATOR.

KEY FEATURES

- 1 fatal injury during the year
- Operational performance was impacted by milling constraints in the first quarter, substantially offset by consistent delivery for the remainder of the year
- Produced 247 800 ounces 6E in concentrate but sales volumes were impacted by the force majeure implemented by IRS during late March 2020
- Excess inventory of c.45 000 ounces 6E is expected to be delivered in the first half of FY2021

STRATEGIC FOCUS

- The inclusion of the Wedza West mineral resource and the Far South Hill is being pursued
- Further life-of-mine extensions are being investigated
- Completion of the plant optimisation project in FY2021 to improve recoveries

KEY STATISTICS

- Fatal incidents: 1
- LTIFR: 0.50pmmhw
- Number of employees: 3 522
- Headline earnings: R421m
- Capital expenditure: R674m
- 6E production in concentrate: 248koz

Value added statement for the year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5 078</td>
<td>4 448</td>
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<tr>
<td>Other net expense</td>
<td>(455)</td>
<td>(368)</td>
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<tr>
<td>Gross value generated</td>
<td>4 623</td>
<td>4 080</td>
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<tr>
<td>Depreciation</td>
<td>(519)</td>
<td>(436)</td>
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<tr>
<td>Deferred tax</td>
<td>(27)</td>
<td>(43)</td>
</tr>
<tr>
<td></td>
<td>4 077</td>
<td>3 601</td>
</tr>
<tr>
<td>Distribution of value</td>
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<td></td>
</tr>
<tr>
<td>Labour and other</td>
<td>(1 094)</td>
<td>(983)</td>
</tr>
<tr>
<td>Consumables and services</td>
<td>(1 061)</td>
<td>(1 777)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(39)</td>
<td>(39)</td>
</tr>
<tr>
<td>Royalty recipients</td>
<td>(179)</td>
<td>(133)</td>
</tr>
<tr>
<td>Direct state taxes</td>
<td>(508)</td>
<td>(194)</td>
</tr>
<tr>
<td>Dividends to shareholders</td>
<td>(174)</td>
<td>(158)</td>
</tr>
<tr>
<td>Diminution in value</td>
<td>1 022</td>
<td>318</td>
</tr>
</tbody>
</table>
Outlook

- Steady-state 6E in concentrate production of between 230,000 to 260,000 ounces

Performance

Mimosa was exempt from the Zimbabwean lockdown implemented in response to Covid-19. The presence of a significant ROM surface ore stockpile afforded the mine the opportunity to suspend mining operations for 10 days in Q4 FY2020, with the production gap used to institute critical Covid-19 operational preparedness measures. Milling constraints experienced in Q1 FY2020 were substantially offset by consistent operational delivery for the remainder of FY2020 and milled volumes declined by 4% to 2.7 million tonnes (FY2019: 2.8 million tonnes). While the 6E mill grade of 3.85g/t was stable, sub-optimal concentrator residence time due to capacity constraints impacted recoveries and 6E in concentrate production of 247,800 ounces declined by 5% (FY2019: 260,600 ounces).

Reduced mining rates and favourable foreign exchange movements benefited consumables spend, while lower sales volumes reduced transport costs and revenue related expenditure in the period. Gross costs of US$190 million declined by 5% (FY2019: US$201 million), however they increased by 5% to R3.0 billion (FY2019: R2.9 billion) on translation due to the 10% weakening of the rand in the period. Milling ROM stockpiles benefited reported unit costs, which were largely unchanged at US$768 per 6E ounce in concentrate (FY2019: US$771 per ounce). Unit costs in rand rose 10% to R12,034 per 6E ounce in concentrate (FY2019: R10,944).

Sales volumes by Mimosa were impacted by the IRS force majeure and subsequently compounded by logistical challenges experienced with the transport of concentrates and sporadic closures of the Zimbabwean/South African border. Excess inventory of c.45,000 ounces 6E is expected to be delivered by the end of calendar 2020.

Capital expenditure of US$43 million declined by 12%, with project spend offset by reduced expenditure on fleet replacement. Sales volumes lagged mine production due to logistical constraints and the impact of the IRS force majeure in Q4 FY2020. Notwithstanding, gross profit improved by 141% to R1.9 billion (FY2019: R773 million) and, after intercompany adjustments, the attributable share of profit in the Implats Group increased to R421 million (FY2019: R127 million). Implats received R44 million in dividends from Mimosa (FY2019: R153 million).

Good progress was made on projects to increase milling capacity and the purchase of adjacent mineral reserves to extend the life-of-mine.
## Operational performance – Mimosa

<table>
<thead>
<tr>
<th>STRATEGIC PERFORMANCE AREAS</th>
<th>Comment</th>
<th>KPI performance target for FY2020</th>
<th>Performance against KPI target for FY2020</th>
</tr>
</thead>
</table>
| OPERATIONAL EXCELLENCE | Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery | • Zero fatalities  
• LTIFR – 0.00ppmhw  
• 6E in concentrate production between 230koz – 260koz  
• Cost per 6E ounce <US$760/oz | • 1 fatality  
• LTIFR – 0.50ppmhw  
• 6E in concentrate production 248koz  
• Cost per 6E ounce US$768/oz |
| CAPITAL MANAGEMENT | Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework | Capital allocation  
• Capital <US$42 million  
• Returns to shareholders  
• Cost management  
• Costs <US$200 million | Capital allocation  
• Capital US$43 million  
• Dividend payment R44 million  
• Cost management  
• Costs US$190 million |
| BUSINESS DEVELOPMENT | Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies  
Sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand | • Evaluation of life extension studies  
• Concentrator plant enhancements | Investigation of further life-of-mine extensions  
• Plant optimisation project to improve recoveries initiated |
| ESG EXCELLENCE | Develop, protect and strengthen our licence to operate through industry leading ESG performance | • Ensure regulatory compliance  
• Implement social development programmes | Continued to build constructive and cordial relationships with local communities  
• Maintained ISO14001:2015 certification  
• Focus on local-to-site procurement, employment and social investment |
### Operational Excellence

**Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery**

- **KPI performance target for FY2020**
  - Zero fatalities
  - LTIFR <0.35 ppm hw
  - 6E in concentrate production between 230koz – 260koz
  - Cost per 6E ounce between US$730/oz – US$790/oz

- **Key actions in FY2021**
  - Continue to pursue zero harm
  - Pursue productivity and cost containment initiatives

- **Capital allocation**
  - Capital <US$60 million
  - Returns to shareholders
  - Costs <US$200 million

- **Inclusion of additional resources to extend life-of-mine**
- Enhance concentrator plant

- **Capital allocation**
  - Expansion of plant capacity
  - Cost management
  - Focus on cost containment initiatives

- **Trends**
  - **LTIFR** (Per million man hours worked)
    - FY2016: 1.11
    - FY2017: 0.45
    - FY2018: 0.22
    - FY2019: 0.53
    - FY2020: 0.50

  - **6E production** (000 6E oz in concentrate)
    - FY2016: 254
    - FY2017: 259
    - FY2018: 266
    - FY2019: 261
    - FY2020: 248

  - **Cost/6E oz** (US$/6E oz in concentrate)
    - FY2016: 690
    - FY2017: 710
    - FY2018: 716
    - FY2019: 771
    - FY2020: 768

  - **Free cash flow** (US$m)
    - FY2016: (15)
    - FY2017: 27
    - FY2018: 15
    - FY2019: (5)
    - FY2020: 24

---

### Business Development

**Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies**

- **Evaluation of life extension studies**
- **Concentrator plant enhancements**

- **Investigation of further life-of-mine extensions**
- **Plant optimisation project to improve recoveries initiated**

- **Inclusion of additional resources to extend life-of-mine**

- **Enhance concentrator plant**

- **Advance investigations into extensions to life-of-mine**
- **Complete and commission the plant optimisation project**

### ESG Excellence

**Develop, protect and strengthen our licence to operate through industry leading ESG performance**

- **Ensure regulatory compliance**
- **Implement social development programmes**

- **Continued to build constructive and cordial relationships with local communities**
- **Maintained ISO14001:2015 certification**

- **Focus on local-to-site procurement, employment and social investment**
- **Implement social development programmes**
- **Maintain ISO 14001:2015 certification**

- **Maintain cordial relationships with neighbouring communities**
- **Ongoing roll out of CSI projects**
- **Maintain ISO 14001:2015 certification**
Operational performance – Mimosa

Total Mineral Resource and Mineral Reserve estimate

Total Mimosa platinum Mineral Resources
as at 30 June 2020 (variance Moz Pt)

<table>
<thead>
<tr>
<th>Variance (Moz Pt)</th>
<th>2019</th>
<th>Depletion</th>
<th>Model update, mine design and schedule</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6.3</td>
</tr>
</tbody>
</table>

Total Mimosa palladium Mineral Resources
as at 30 June 2020 (variance Moz Pd)

<table>
<thead>
<tr>
<th>Variance (Moz Pd)</th>
<th>2019</th>
<th>Depletion</th>
<th>Model update, mine design and schedule</th>
<th>Areas excluded or added</th>
<th>2020</th>
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<tr>
<td>5.0</td>
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<td></td>
<td></td>
<td>4.9</td>
</tr>
</tbody>
</table>

Total Mimosa platinum Mineral Reserves
as at 30 June 2020 (variance Moz Pt)

<table>
<thead>
<tr>
<th>Variance (Moz Pt)</th>
<th>2019</th>
<th>Depletion</th>
<th>Model update, boundary changes</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
</thead>
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<td>1.7</td>
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<td></td>
<td>1.5</td>
</tr>
</tbody>
</table>

Total Mimosa palladium Mineral Reserves
as at 30 June 2020 (variance Moz Pd)

<table>
<thead>
<tr>
<th>Variance (Moz Pd)</th>
<th>2019</th>
<th>Depletion</th>
<th>Model update, boundary changes</th>
<th>Areas excluded or added</th>
<th>2020</th>
</tr>
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<tbody>
<tr>
<td>1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.2</td>
</tr>
</tbody>
</table>

Mimosa 20-year estimated LoM platinum ounce profile
as at 30 June 2020 (in concentrate)

Mimosa 20-year estimated LoM palladium ounce profile
as at 30 June 2020 (in concentrate)
### Key statistics

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum (Rm)</td>
<td>5 356</td>
<td>4 448</td>
<td>20.4</td>
</tr>
<tr>
<td>Palladium (Rm)</td>
<td>1 245</td>
<td>1 348</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Rhodium (Rm)</td>
<td>1 990</td>
<td>1 505</td>
<td>32.2</td>
</tr>
<tr>
<td>Nickel (Rm)</td>
<td>564</td>
<td>576</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Other (Rm)</td>
<td>510</td>
<td>566</td>
<td>(9.9)</td>
</tr>
<tr>
<td>Movement in commodity prices (Rm)</td>
<td>449</td>
<td>129</td>
<td>248.1</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-mine operations (Rm)</td>
<td>(2 168)</td>
<td>(1 996)</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Processing operations (Rm)</td>
<td>(720)</td>
<td>(679)</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Selling and administration (Rm)</td>
<td>(94)</td>
<td>(177)</td>
<td>46.9</td>
</tr>
<tr>
<td>Treatment charges (Rm)</td>
<td>(179)</td>
<td>(133)</td>
<td>(34.6)</td>
</tr>
<tr>
<td>Depreciation (Rm)</td>
<td>(529)</td>
<td>(449)</td>
<td>(17.8)</td>
</tr>
<tr>
<td>Change in metal inventories (Rm)</td>
<td>473</td>
<td>72</td>
<td>566.9</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>34.8</td>
<td>17.4</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% attributable to Implats (Rm)</td>
<td>1 062</td>
<td>348</td>
<td>205.2</td>
</tr>
<tr>
<td>Intercompany adjustment* (Rm)</td>
<td>(110)</td>
<td>(47)</td>
<td>134.0</td>
</tr>
<tr>
<td>Share of profit in Implats Group (Rm)</td>
<td>421</td>
<td>127</td>
<td>231.5</td>
</tr>
<tr>
<td><strong>Sales volumes in concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E (000oz)</td>
<td>204.2</td>
<td>255.5</td>
<td>(20.1)</td>
</tr>
<tr>
<td>Platinum (000oz)</td>
<td>96.5</td>
<td>119.7</td>
<td>(19.4)</td>
</tr>
<tr>
<td>Palladium (000oz)</td>
<td>76.0</td>
<td>94.6</td>
<td>(19.7)</td>
</tr>
<tr>
<td>Rhodium (000oz)</td>
<td>8.3</td>
<td>10.5</td>
<td>(21.0)</td>
</tr>
<tr>
<td>Nickel (tonnes)</td>
<td>2 877</td>
<td>3 525</td>
<td>(18.4)</td>
</tr>
<tr>
<td><strong>Prices achieved in concentrate</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Platinum (US$/oz)</td>
<td>823</td>
<td>790</td>
<td>4.2</td>
</tr>
<tr>
<td>Palladium (US$/oz)</td>
<td>1 671</td>
<td>1 225</td>
<td>36.4</td>
</tr>
<tr>
<td>Rhodium (US$/oz)</td>
<td>4 597</td>
<td>2 386</td>
<td>92.7</td>
</tr>
<tr>
<td>Nickel (US$/t)</td>
<td>12 509</td>
<td>11 247</td>
<td>11.2</td>
</tr>
<tr>
<td><strong>Exchange rate achieved</strong> (R/US$)</td>
<td>15.67</td>
<td>14.19</td>
<td>10.4</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6E in concentrate (000oz)</td>
<td>2 2692</td>
<td>17 567</td>
<td>(18.4)</td>
</tr>
<tr>
<td>Headgrade (6E) (g/t)</td>
<td>3.85</td>
<td>3.83</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Rm)</td>
<td>2 982</td>
<td>2 852</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Per tonne milled (R/t)</td>
<td>1 104</td>
<td>1 914</td>
<td>(8.9)</td>
</tr>
<tr>
<td>Per 6E ounce in concentrate (R/oz)</td>
<td>70</td>
<td>71</td>
<td>1.4</td>
</tr>
<tr>
<td>Per platinum ounce in concentrate (R/oz)</td>
<td>12 034</td>
<td>10 944</td>
<td>(10.0)</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Rm)</td>
<td>679</td>
<td>693</td>
<td>2.0</td>
</tr>
<tr>
<td>Labour including capital as at 30 June (no)</td>
<td>3 522</td>
<td>3 456</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Own employees (no)</td>
<td>1 291</td>
<td>1 336</td>
<td>3.4</td>
</tr>
<tr>
<td>Contractors (no)</td>
<td>2 231</td>
<td>2 120</td>
<td>(5.2)</td>
</tr>
<tr>
<td><strong>Tonnage milled per employee costed</strong> (t/man/annum)</td>
<td>1 170</td>
<td>1 220</td>
<td>(4.1)</td>
</tr>
</tbody>
</table>

* Adjustment note: The adjustment relates to sales from Mimosa to the Implats Group which at year-end were still in the pipeline.

** Average working cost employees including contractors.
IMPALA CANADA, PREVIOUSLY KNOWN AS NORTH AMERICAN PALLADIUM, IS A WHOLLY OWNED SUBSIDIARY OF IMPLATS FOLLOWING ITS ACQUISITION IN LATE 2019. THE LAC DES ILES MINE IS LOCATED NORTHWEST OF THUNDER BAY, ONTARIO. THE OPERATION COMPRISSES UNDERGROUND AND SURFACE MINING OPERATIONS AND A CONCENTRATOR.

Value added statement for the year ended 30 June¹

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3 254</td>
</tr>
<tr>
<td>Other net expense</td>
<td>(222)</td>
</tr>
<tr>
<td><strong>Gross value generated</strong></td>
<td>3 032</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(611)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(121)</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Distribution of value</strong></td>
<td></td>
</tr>
<tr>
<td>Labour and other</td>
<td>(125)</td>
</tr>
<tr>
<td>Consumables and services</td>
<td>(1 423)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(395)</td>
</tr>
<tr>
<td>Royalty recipients</td>
<td>(119)</td>
</tr>
<tr>
<td>Direct state taxes</td>
<td>(23)</td>
</tr>
<tr>
<td>Value retained in the business</td>
<td>(215)</td>
</tr>
</tbody>
</table>

¹ Post-acquisition date of 13 December 2019.

---

IMPALA CANADA

**IMPALA VALUE CHAIN**

- **EXPLORING**
- **MINING**
- **CONCENTRATING**
- **REHABILITATION**

**KEY FEATURES**

- Acquisition of Impala Canada was concluded in December 2019 and reported results reflect six months and 18 days
- Operational delivery was severely impeded by Covid-19
- Delivered 97 000 ounces of 6E in concentrate

**STRATEGIC FOCUS**

- Transitioning the mine to a more sustainable underground operation by completing orepass rehabilitation, commissioning of a mobile crusher and reviewing processing infrastructure to address known constraints

**KEY STATISTICS**

- Fatal incidents: 1
- LTIFR: 7.64pmmhw
- Number of employees: 879
- Headline earnings: R168m
- Free cash flow: R652m
- 6E production in concentrate: 97 000oz

---

Operational performance
STAKEHOLDER MATERIAL MATTERS RESPONSE

EMPLOYEES

- Impact of Covid-19 on the health and well-being of employees
- Effective response to Covid-19 pandemic
- Intensive communication and engagement

COMMUNITIES

- Socio-economic impacts of Covid-19
- Employment, procurement and social investment opportunities for host communities
- Environmental stewardship
- Intensive consultation and engagement
- Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support

OUTLOOK

- The operation is well positioned to capitalise on sustained operational continuity and efficiency improvements
- 6E production in concentrate is expected to be between 250 000 and 280 000 ounces in FY2021

RISKS

- Potential impact of Covid-19
- Availability of crushing and milling circuits
- Ability to ramp-up underground production
- Maintaining the tailings management facility construction schedule

OPPORTUNITIES

- High exposure to rising palladium prices
- Operational continuity will ensure production targets are met
- Further explore greenfield opportunities
- Opportunity to advance principles of shared value through revenue participation by First Nation groups

RESPONSE

- Risk-based response plans relating to Covid-19 in place supported by codes of practice and associated procedures
- Process improvement initiatives
- Completion of orepass rehabilitation and commissioning of mobile crusher
- Planning, design and construction of tailings management facility under the guidance of dedicated engineering and construction team

IMPLATS ANNUAL INTEGRATED REPORT 2020 153

Lac des Iles mine

O R L

OUR PERFORMANCE

OUR STRATEGY AND BUSINESS CASE

OUR CAPITALS

OUR OPERATING ENVIRONMENT

ABOUT OUR BUSINESS
## Operational performance – Impala Canada

<table>
<thead>
<tr>
<th>STRATEGIC PERFORMANCE AREAS</th>
<th>OPERATIONAL EXCELLENCE</th>
<th>CAPITAL MANAGEMENT</th>
<th>BUSINESS DEVELOPMENT</th>
<th>ORGANISATIONAL DEVELOPMENT</th>
<th>ESG EXCELLENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comment</strong></td>
<td>Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery</td>
<td>Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework</td>
<td>Leverage and enhance our diverse resource base by growing our operational exposure to shallow, mechanisable orebodies</td>
<td>Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver</td>
<td>Develop, protect and strengthen our licence to operate through industry-leading ESG performance</td>
</tr>
</tbody>
</table>
| **Performance for FY2020** | • One fatality  
• LTIFR 7.64 pmmhw  
• 6E in concentrate production 97koz  
• Cost per 6E ounce C$1 076/oz | Capital allocation  
• Capital C$54 million  
Cost management  
• Costs C$105 million | • Transitioning the mine to a more sustainable underground operation  
• Completed orepass rehabilitation  
• Commissioned the mobile crusher | • Effective Covid-19 risk-based response  
• Maintained constructive labour relations  
• Implementing culture transformation leadership programme  
• Embedding high-performance management system | • Complied with all provincial and federal environmental-based ministry guidelines and protocols  
• Proactively invested in community programme (both Covid-19 and non-Covid-19 related) |
| **KPI performance target for FY2021** | • Zero fatalities  
• Improve LTIFR <4.40 pmmhw  
• 6E in concentrate production >250koz – 280koz  
• Cost per 6E ounce <C$940/oz to <C$1 000/oz | Capital allocation  
• Capital <C$95 million  
Cost management  
• Costs <C$26 million | • Expansion of underground operations | • Manage labour availability to support full operational capacity  
• Implement culture transformation management system | • Compliance with all provincial and federal environmental-based ministry guidelines and protocols  
• Proactive investment in community programme (both Covid-19 and non-Covid-19 related) |
| **Key actions in FY2021** | • Manage risks to prevent injury and ensure a safe operational environment and culture  
• Ramp up production volumes from underground operations | Capital allocation  
• Underground expansion  
• Tailings management facility  
• Mobile equipment  
Cost management  
• Stringent cost management as mining and milling volumes increase | • Increase underground production volumes  
• Optimise mill performance | • Implement culture transformation leadership programme  
• Embed high performance management system  
• Strengthen capacity and capability in key areas | • Social objective  
• Work towards establishing community benefit agreements with each of its local indigenous communities  
Environmental  
• Extend TSF through a combination of hybrid upstream raises on the existing TSF and a greenfields storage location currently being permitted |
Performance

The acquisition of Impala Canada was concluded on 13 December 2019 and the reported operational and financial results therefore reflect six months and 18 days of metrics.

Operational delivery for the period was severely impeded by Covid-19. An outbreak in the Lac des Iles Mine camp led to a six-week closure of the operation, followed by limitations on travel and staffing due to the pandemic. In addition, the operation was impacted by planned orepass rehabilitation and a workplace fatality in the final quarter of the financial year. This very difficult set of operating conditions led to low reported labour attendance and operating rates, with the mine producing at 75% of capacity at year-end. Operational delivery has steadily improved in the new financial year, with the mine expected to produce at approximately 90% of plan in Q1 FY2021.

Transitioning the mine to a more sustainable operation was advanced by progressing several initiatives. These included the completion of the orepass rehabilitation, commissioning a mobile crusher to alleviate strain on the existing crusher system and initiating a review of processing infrastructure to address known constraints.

Total 6E production losses of 29 000 ounces (23% lost) are attributed to the impact of Covid-19 during H2 FY2020. The operation delivered mill throughput of 1.6 million tonnes and a 6E head grade of 2.45g/t, yielding 97 000 6E ounces in concentrate. Gross costs of C$105 million resulted in unit costs of C$1 076 and R12 998 per 6E ounce in concentrate. Capital expenditure of C$54 million was incurred on capital development, the tailings management facility and refurbishment of the number 1 orepass and associated underground infrastructure.

The impact of weak volumes was partially offset by cost savings during the care and maintenance period and the strong palladium pricing received, with gross profit of R879 million and free cash flow of R1.1 billion. After accounting for R191 million of bridge financing costs, Impala Canada contributed R168 million to headline earnings.
### Lac des Iles total Mineral Resource and Mineral Reserve estimates

#### Total Lac des Iles (Impala Canada) palladium Mineral Resource estimate as at 30 June 2020 (variance Koz Pd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Grade model method</th>
<th>Cut-off grade</th>
<th>Drilling and geology updates</th>
<th>Reporting method</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5,111</td>
<td>-520</td>
<td>774</td>
<td>-134</td>
<td>1,026</td>
<td>5,877</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-379</td>
<td></td>
</tr>
</tbody>
</table>

#### Total Lac des Iles (Impala Canada) palladium Mineral Reserve estimate as at 30 June 2020 (variance Koz Pd)

<table>
<thead>
<tr>
<th>Year</th>
<th>Depletion</th>
<th>Definition drilling</th>
<th>Mine design</th>
<th>Stockpile adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,038</td>
<td>-588</td>
<td>49</td>
<td>-9</td>
<td>2,737</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Lac des Iles 10-year LoM platinum ounce profile

<table>
<thead>
<tr>
<th>Year</th>
<th>Pt Koz in concentrate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>15</td>
</tr>
<tr>
<td>2030</td>
<td>17</td>
</tr>
</tbody>
</table>

### Lac des Iles 10-year LoM palladium ounce profile

<table>
<thead>
<tr>
<th>Year</th>
<th>Pd Koz in concentrate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>200</td>
</tr>
<tr>
<td>2030</td>
<td>170</td>
</tr>
</tbody>
</table>
### Key statistics (post acquisition date of 13 December 2019)

<table>
<thead>
<tr>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> (Rm)</td>
</tr>
<tr>
<td>Platinum (Rm)</td>
</tr>
<tr>
<td>Palladium (Rm)</td>
</tr>
<tr>
<td>Other (Rm)</td>
</tr>
<tr>
<td>Movement in commodity prices (Rm)</td>
</tr>
<tr>
<td><strong>Cost of sales</strong> (Rm)</td>
</tr>
<tr>
<td>On-mine operations (Rm)</td>
</tr>
<tr>
<td>Processing operations (Rm)</td>
</tr>
<tr>
<td>Corporate costs (Rm)</td>
</tr>
<tr>
<td>Abnormal production costs (Rm)</td>
</tr>
<tr>
<td>Share-based payments and other (Rm)</td>
</tr>
<tr>
<td>Royalty expense (Rm)</td>
</tr>
<tr>
<td>Treatment charges (Rm)</td>
</tr>
<tr>
<td>Depreciation (Rm)</td>
</tr>
<tr>
<td>Change in inventories (Rm)</td>
</tr>
<tr>
<td><strong>Gross profit</strong> (Rm)</td>
</tr>
<tr>
<td>Other (Rm)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong> (Rm)</td>
</tr>
<tr>
<td>Income tax expense (Rm)</td>
</tr>
<tr>
<td><strong>Net profit for the year</strong> (Rm)</td>
</tr>
<tr>
<td><strong>Gross margin</strong> (%)</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (Rm)</td>
</tr>
<tr>
<td><strong>Sales volumes in concentrate</strong> (000oz)</td>
</tr>
<tr>
<td>6E</td>
</tr>
<tr>
<td>Platinum</td>
</tr>
<tr>
<td>Palladium</td>
</tr>
<tr>
<td><strong>Prices achieved in concentrate</strong> (US$/oz)</td>
</tr>
<tr>
<td>Platinum</td>
</tr>
<tr>
<td>Palladium</td>
</tr>
<tr>
<td>Exchange rate achieved (C$/US$)</td>
</tr>
<tr>
<td>Exchange rate achieved (R/US$)</td>
</tr>
<tr>
<td>Revenue per 6E ounce (R/oz)</td>
</tr>
<tr>
<td><strong>Production</strong> (000t)</td>
</tr>
<tr>
<td>Headgrade (6E) (g/t)</td>
</tr>
<tr>
<td>6E in concentrate (000oz)</td>
</tr>
<tr>
<td>Platinum in concentrate (000oz)</td>
</tr>
<tr>
<td>Palladium in concentrate (000oz)</td>
</tr>
<tr>
<td><strong>Total cost</strong> (Rm)</td>
</tr>
<tr>
<td>Per tonne milled (R/t)</td>
</tr>
<tr>
<td>Per 6E ounce in concentrate (R/oz)</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong> (Rm)</td>
</tr>
<tr>
<td>Own employees (no)</td>
</tr>
<tr>
<td>Contractors (no)</td>
</tr>
<tr>
<td><strong>Labour including capital at period end</strong> (t/annum)</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

* Average working cost employees including contractors.
<table>
<thead>
<tr>
<th>Glossary</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABET</td>
<td>Adult Basic Education and Training</td>
</tr>
<tr>
<td>Aids</td>
<td>Acquired immune deficiency syndrome</td>
</tr>
<tr>
<td>AMCU</td>
<td>Association of Mineworkers and Construction Union</td>
</tr>
<tr>
<td>AMWUZ</td>
<td>Associated Mine Workers Union of Zimbabwe</td>
</tr>
<tr>
<td>ART</td>
<td>Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)</td>
</tr>
<tr>
<td>B-BBEE</td>
<td>Broad-based black economic empowerment</td>
</tr>
<tr>
<td>BSC</td>
<td>Balance scorecard</td>
</tr>
<tr>
<td>CO₂</td>
<td>Carbon dioxide</td>
</tr>
<tr>
<td>Covid-19</td>
<td>Coronavirus disease 2019</td>
</tr>
<tr>
<td>CSOT</td>
<td>Community Share Ownership Trust</td>
</tr>
<tr>
<td>CTF</td>
<td>Cultural transformation framework</td>
</tr>
<tr>
<td>dB</td>
<td>Decibels. Unit of measurement for sound</td>
</tr>
<tr>
<td>DEROs</td>
<td>Desired Emissions Reduction Objectives</td>
</tr>
<tr>
<td>DOH</td>
<td>Department of Health</td>
</tr>
<tr>
<td>DMRE</td>
<td>Department of Mineral Resources and Energy, South Africa</td>
</tr>
<tr>
<td>DPM</td>
<td>Diesel Particulate Matter</td>
</tr>
<tr>
<td>DSM</td>
<td>Demand-side management</td>
</tr>
<tr>
<td>DWS</td>
<td>Department of Water and Sanitation</td>
</tr>
<tr>
<td>EAO</td>
<td>Emolument attachment orders</td>
</tr>
<tr>
<td>ECD</td>
<td>Early childhood development</td>
</tr>
<tr>
<td>EFF</td>
<td>Economic Freedom Fighters</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental impact assessment</td>
</tr>
<tr>
<td>EIS</td>
<td>Executive incentive scheme</td>
</tr>
<tr>
<td>EITI</td>
<td>Extractive Industries Transparency Initiative</td>
</tr>
<tr>
<td>EMA</td>
<td>Environmental Management Agency, Zimbabwe</td>
</tr>
<tr>
<td>EMP</td>
<td>Environmental management programme</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, social and governance factors</td>
</tr>
<tr>
<td>ESOP</td>
<td>Employee Share Ownership Programme</td>
</tr>
<tr>
<td>ESOT</td>
<td>Employee Share Ownership Trust</td>
</tr>
<tr>
<td>Executive director</td>
<td>Is employed by the Company and is involved in the day-to-day running of the organisation</td>
</tr>
<tr>
<td>EVP</td>
<td>Employee value proposition</td>
</tr>
<tr>
<td>FIFR</td>
<td>A rate expressed per million man-hours of any Impala employee, contractor or contractor employee or visitor who is involved in an incident while performing his/her duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road-related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to expiration, thus requiring a revision of injury status from LTI to a fatality</td>
</tr>
<tr>
<td>FLC</td>
<td>Foundational Learning Competence</td>
</tr>
<tr>
<td>FY</td>
<td>Financial year (to 30 June)</td>
</tr>
<tr>
<td>GJ</td>
<td>Gigajoules. Unit of measure for energy</td>
</tr>
<tr>
<td>GHG</td>
<td>Greenhouse gases</td>
</tr>
<tr>
<td>GRI</td>
<td>Global Reporting Initiative</td>
</tr>
<tr>
<td>HDSA</td>
<td>Historically disadvantaged South African</td>
</tr>
<tr>
<td>HIV</td>
<td>Human immunodeficiency virus</td>
</tr>
<tr>
<td>HPD</td>
<td>Hearing Protection Devices</td>
</tr>
<tr>
<td>HSE</td>
<td>Health, safety and environment</td>
</tr>
<tr>
<td>HSRC</td>
<td>Human Science Research Council</td>
</tr>
<tr>
<td>IBC</td>
<td>Inside back cover</td>
</tr>
<tr>
<td>IFC</td>
<td>Inside front cover</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>IBT</td>
<td>Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMP</td>
<td>Impala Medical Plan</td>
</tr>
<tr>
<td>Impala Platinum</td>
<td>Impala Platinum Limited, comprising Impala Rustenburg and Impala Springs</td>
</tr>
<tr>
<td>Implats</td>
<td>Impala Platinum Holdings Limited</td>
</tr>
</tbody>
</table>
### Independent directors

Directors who apart from receiving directors’ remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the board may affect their independence.

### IPA

International Platinum Group Metals Association

### ISO

International Organisation for Standardisation

### IWWMP

Integrated waste and water management plan

### IIP

Indigenisation Implementation Plan

### JSE

Johannesburg Stock Exchange

### KPI

Key performance indicator

### LCA

Lifecyle assessment

### LCMs

Loose cubic metres

### LED

Local Economic Development

### Local community

Communities that are directly impacted by our mining operations and are on or near the mine lease area

### Lost-time injury

A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person’s next roster shift, a lost-time injury is deemed to have occurred.

### LRA

Labour Relations Act

### LSE

London Stock Exchange

### LTI

Long-term incentive

### LTIFFR

Number of lost-time injuries expressed as a rate per million hours worked and includes restricted work cases

### Marula

Marula Platinum (Pty) Ltd

### Materiality and material issues

Issues of materiality are those aspects that may have a significant impact on the organisation’s reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through ad hoc or routine engagements with a range of stakeholders.

### MCDA

Marula community development agency

### MCLEF

Mine Community Leadership Engagement Forum

### MCSOT

Mberengwa Community Share Ownership Trust

### MCT

Marula Community Trust

### MHSC

Mine, Health and Safety Council

### MIGDETT

Mining Industry Growth Development and Employment Task Team

### Mimosa

Mimosa Platinum (Private) Limited

### Minerals Council

Minerals Council South Africa

### Mining Charter

Broad-based socio-economic empowerment charter for the South African mining industry

### MPRDA

Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004

### Medical treatment cases (MTCs)

A medical treatment case is defined as a one-time treatment and subsequent observation of minor injuries by an appointed medical professional. Such minor injuries may include treatment by the application of bandages, antiseptic, ointment, irrigation of the eye to remove non-embedded foreign objects or the removal of foreign objects from the wound. MTCs never involve a loss of one or more calendar days after the injury, regardless of the injured person’s next rostered shift or where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional.

### MW

Megawatt, a measure of electric power

### NAC

National Aids Council

### NASCA

National Senior Certificate for Adults

### NCR

National credit regulator

### NGO

Non-governmental organisation

### NDP

National Development Plan

### NIHL

Noise-induced hearing loss

### NMWVZ

National Mine Workers Union of Zimbabwe

### Non-executive director

A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder

### NOx

Nitrous Oxide

### NRF

National Research Foundation

### NUM

National Union of Mineworkers, South Africa

### OHSAS

Occupational Health and Safety Assessment Series

### ORAs

Objective-based risk assessments

### PBC

PGM beneficiation committee

### PDS

Proximity detective systems
### Glossary

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFA</td>
<td>President's Framework Agreement</td>
</tr>
<tr>
<td>PGE</td>
<td>Platinum group elements (Pt, Pd, Rh, Ru, Ir and Au)</td>
</tr>
<tr>
<td>PGI</td>
<td>Platinum Guild International</td>
</tr>
<tr>
<td>PGMs</td>
<td>Platinum group metals</td>
</tr>
<tr>
<td>PIC</td>
<td>Public Investment Corporation</td>
</tr>
<tr>
<td>PPC</td>
<td>Platinum producer’s committee</td>
</tr>
<tr>
<td>PPE</td>
<td>Personal protective equipment</td>
</tr>
<tr>
<td>RBED</td>
<td>Royal Bafokeng Enterprise Development</td>
</tr>
<tr>
<td>RBH</td>
<td>Royal Bafokeng Holdings</td>
</tr>
<tr>
<td>RBN</td>
<td>Royal Bafokeng Nation/Administration</td>
</tr>
</tbody>
</table>

#### Reportable
A reportable injury is one which results in:
(a) the death of the employee
(b) an injury, to any employee, likely to be fatal
(c) unconsciousness, incapacitation from heatstroke or heat exhaustion, oxygen deficiency, the inhalation of fumes or poisonous gas, or electric short or electric burning accidents of or by any employee and which is not reportable in terms of paragraph (d), or as required by the OHS Act where applicable
(d) an injury which either incapacitates the injured employee from performing that employee’s normal occupation for a period totalling 14 days or more, or which causes the injured employee to suffer the loss of a joint, or a part of a joint, or sustain a permanent disability

#### Restricted Work Injuries (RWI)
A restricted work injury is a work-related injury which results in the employee being able to return to his or her permanently assigned workplace, to perform his or her permanently assigned work on the next calendar day, but where the injured is unable to perform one or more of their routine functions normally connected with their work due to a restriction applied by an appointed medical professional.

### Additional Glossary Terms
- **RDP**: Reconstruction and Development Programme
- **RFA**: Rehabilitation and Fitness Assessment
- **RLM**: Rustenburg local municipality
- **RSIP**: Rehabilitation strategy and implementation plan
- **SAMREC**: The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
- **SAMVAL**: The South African Code for the Reporting of Mineral Asset Valuation
- **SD**: Sustainable development
- **SED**: Socio-economic development
- **SET**: Social, ethics and transformation
- **SHEQ**: Safety, health and environment quality
- **SLP**: Social and labour plan
- **SMC**: Selous Metallurgical Complex
- **SMMEs**: Small, medium and micro enterprises
- **SO₂**: Sulphur dioxide
- **SRI**: Socially responsible investment
- **STI**: Short-term incentive
- **TARP**: Triggered action response plan
- **TB**: Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
- **TEBA**: The Employment Bureau of Africa
- **TMM**: Trackless mobile machinery
- **Traditional council leadership**: Elected/appointed members of a community according to customs and practices. The tenure of these leaders differ among communities. The chief King/Kgoshol/Kgosho or inKosi is the head of the traditional council leadership and the chairman of the council
- **UNGEC**: United Nations Global Compact
- **UNSDG**: United Nations Sustainable Development Goals
- **VCT**: Voluntary counselling and testing, in respect of HIV and Aids
- **VPISHR**: Voluntary principles on security and human rights
- **WBCSD**: World Business Council on Sustainable Development
- **WC/WDM**: Water Conservation/Water Demand Management
- **WIM**: Woman in mining
- **WPIC**: World Platinum Investment Council
- **WUL**: Water use licence
- **ZIP**: Zero incident process
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