



Annual Integrated Report
2020

RESPECT, CARE
AND DELIVER |



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.

We respect, care and deliver



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.



ESG REPORT

- Detail on material economic, social and environmental performance
- GRI G4 core compliance
- Internal reporting guidelines in line with the UN Global Compacts
- Independent assurance report
- B-BBEE reporting as required by the B-BBEE commission

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT

- Provides updated estimates and reconciliation of Mineral Resources and Mineral Reserves
- Conforms to the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC 2016)
- Conforms to section 12.13 of the JSE Listings Requirements



NOTICE TO SHAREHOLDERS

- Corporate governance report
- Abridged financials
- Audit committee report
- Social, transformation and remuneration committee report
- Proxy

ANNUAL FINANCIAL STATEMENTS

These annual financial statements were prepared according to International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, Act 71 of 2008, the Listings Requirements of the JSE Limited and the recommendations of King IV.



ONLINE www.implats.co.za

- Direct access to all our reports
- Our website has detailed investor, sustainability and business information



@impalaplatinum.com



<http://www.youtube.com/implats>



<http://www.linkedin.com/company/impalaplatinum>

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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.

NAVIGATION

For easy navigation and cross-referencing, we have included the following icons within this report: **Our Capitals and Strategic Objectives** to make referencing between our report suite easier. With this report we also include additional information relating to online topics.

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.

STRATEGIC 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

Ethics

“Implats is committed to conducting its business in an ethical and fair manner to promote a corporate culture that is non-sectarian, apolitical and which is socially and environmentally responsible.”



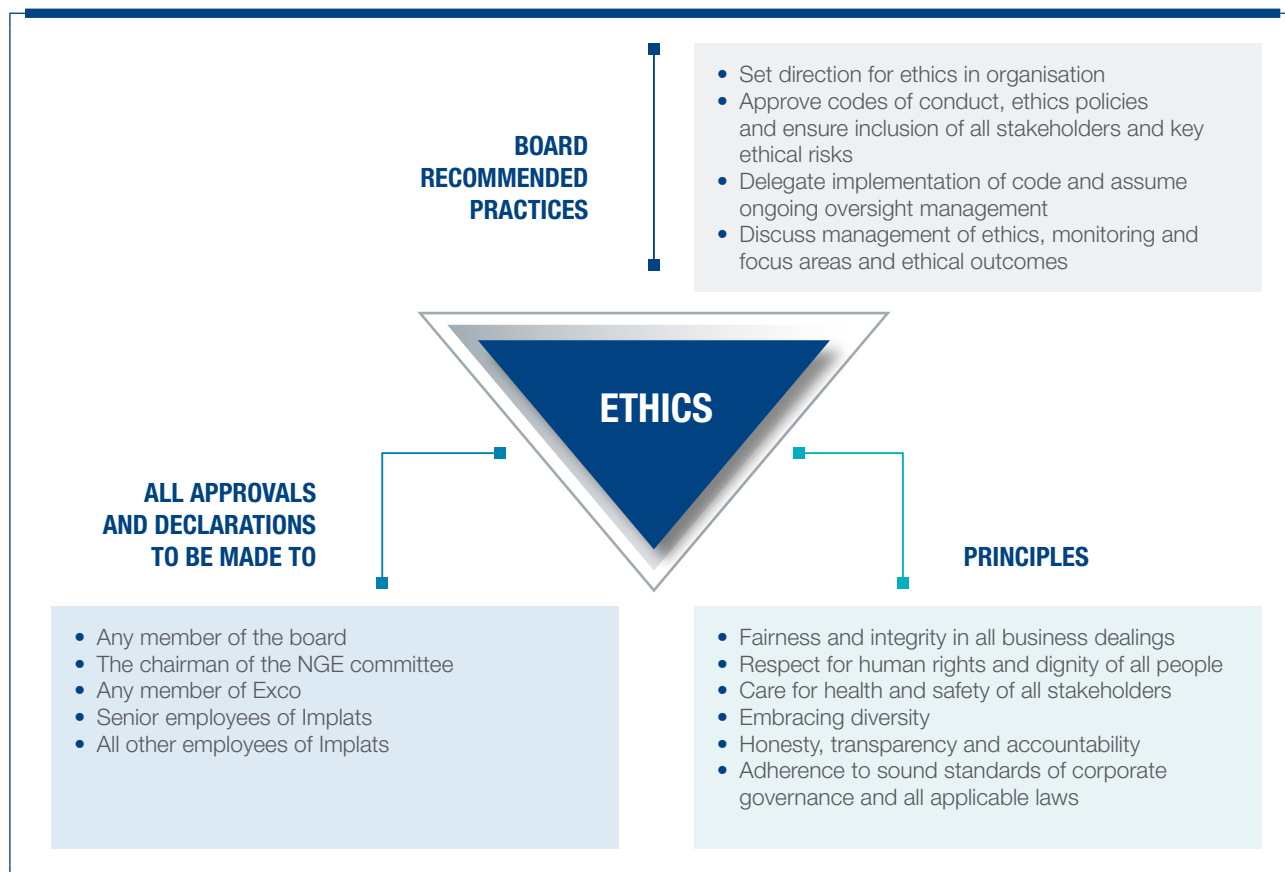
The Implats code of ethics (the code) has been approved by the Group's board of directors (the board) and senior management and is binding on every employee, officer, director, contractor and supplier and on all officers and directors of any entity owned or controlled by Implats.

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



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



FINANCIAL REPORTING BOUNDARIES

Implats

Subsidiaries					Significant joint arrangements and associates	
96% Impala	IRS – a division of Impala	Impala Canada – 100% owned	73% Marula	87% Zimplats	Mimosa	Two Rivers
4% Employee Share Ownership Trust			27% Tubatse Platinum (Pty) Ltd, Mmakau Mining (Pty) Ltd, Marula Community Trust	13% Minorities	50% Implats 50% Sibanye-Stillwater	46% Implats 54% African Rainbow Minerals Ltd

Our reporting boundary based on materiality determination process

Items materially affecting strategy, the business model, capitals, governance 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

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

5 ORGANISATION'S CURRENT YEAR PERFORMANCE

Safety

- Five fatalities at Group level;
- >14% improvement in LTIFR to 4.54¹

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

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

4 SIGNIFICANT OPPORTUNITIES AND THE ABILITY TO EXECUTE

- Improved pricing and stability
- Balanced portfolio
- Processing capability

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

ASSESS EFFECTS ON VALUE



PRIORITISE MATERIAL MATTERS



INTEGRATED THINKING



STRATEGY AND BUSINESS CASE



INTEGRATED REPORTING



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

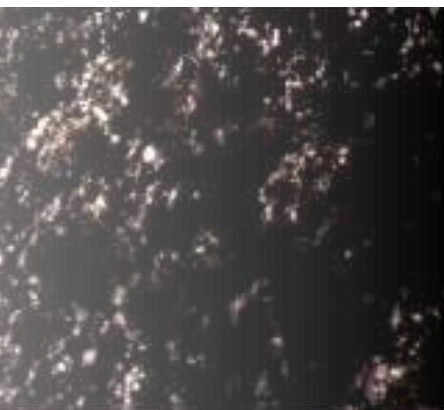
PGMs form the often-invisible heart of many everyday items in modern society. They are used in the manufacture of hard disks, mobile phones and aircraft turbines, in anti-cancer drugs and dental implants, in industrial catalysts and ceramic glazes, and in many more products. Their numerous applications 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 gasses. 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 (NO_x) 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).

Afplats

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)

2 813 000oz Refined 6E production		
0.050 FIFR	4.54 LTIFR	11.3 TIFR
5 Fatalities	50 744 Number of employees	
16 778GJ (000) energy consumption	3 634KtCO ₂ -e carbon emissions footprint	43 122Mℓ 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.

39 375 Number of employees	39% Contribution to Group 6E production	
R1 758m Capex	>15 years life-of-mine (LoM 1)	805m Average current depth
1 115koz Refined 6E production (stock adjusted)	Differentiating factors/Investors perspective: page 80 Opportunities: page 111	
Refer pages 110 – 117 for individual operational performance		

IRS

Ownership: A division of Impala
Impala Refining Services (IRS) is a dedicated vehicle that houses the 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.

54% Contribution to Group 6E production	
1 540koz 6E production in concentrate	Differentiating factors/Investors perspective: page 80 Opportunities: page 119
Refer pages 118 – 121 for individual operational performance	

Marula

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

4 360 Number of employees	7% Contribution to Group 6E production	
R340m Capex	>10 years life-of-mine (LoM 1)	300m Average current depth
210koz 6E production in concentrate	Differentiating factors/Investors perspective: page 80 Opportunities: page 123	
Refer pages 122 – 129 for individual operational performance		

Two Rivers*

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

3 329 Number of employees	9% Based on 6E in concentrate production	
R800m Capex	>20 years life-of-mine (LoM 1)	330m Average current depth
261koz 6E production in concentrate	Differentiating factors/Investors perspective: page 80 Opportunities: page 131	
Refer pages 130 – 137 for individual operational performance		

* Non-managed

Zimplats

Ownership: 87%-owned/13% minorities
Zimplats' 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, comprises a concentrator and a smelter.

6 130 Number of employees	21% Contribution to Group 6E production	
R1 733m Capex	>20 years life-of-mine (LoM 1)	240m Average current depth
597koz 6E production in concentrate	Differentiating factors/Investors perspective: page 80 Opportunities: page 139	
Refer pages 138 – 145 for individual operational performance		

Mimosa*

Ownership: 50% owned/50% Sibanye-Stillwater
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 comprises a shallow underground mine, accessed by a decline shaft, and a concentrator.

3 522 Number of employees	9% Contribution to Group 6E production	
R679m Capex	>10 years life-of-mine (LoM 1)	180m Average current depth
248koz 6E production in concentrate	Differentiating factors/Investors perspective: page 80 Opportunities: page 147	
Refer pages 146 – 151 for individual operational performance		

* Non-managed

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.

879 Number of employees	3% Contribution to Group 6E production	
R657m Capex	<10 years life-of-mine (LoM 1)	531m Average current depth
97koz 6E production in concentrate	Differentiating factors/Investors perspective: page 80 Opportunities: page 153	
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



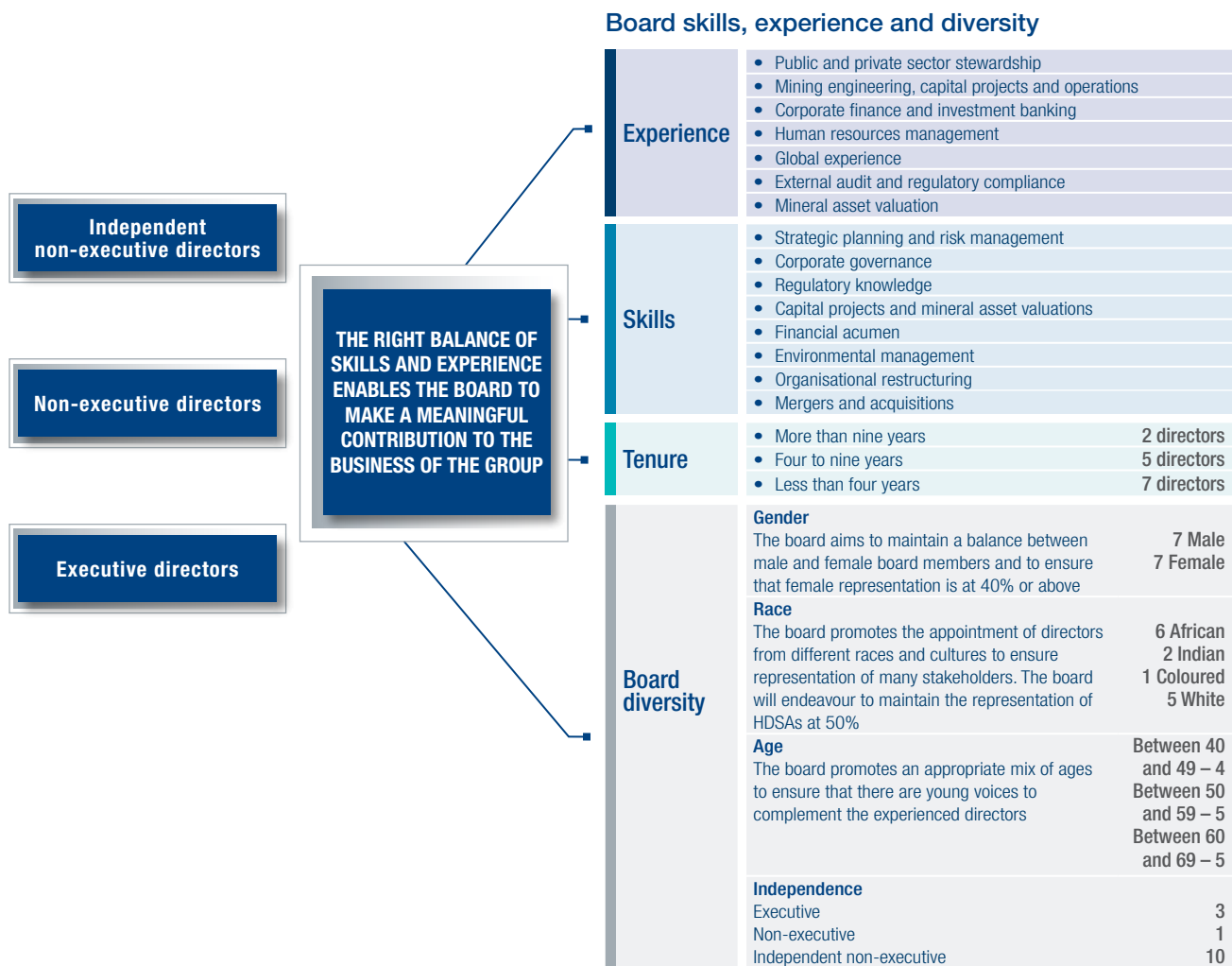
Board representation and how it contributes to value creation

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.



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

BOARD

AUDIT COMMITTEE²

- D Earp (Chairman)
- PW Davey
- PE Speckmann

SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE²

- 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

¹ Lead independent director of Implats board.

² Statutory committees.

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

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.

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



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



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 Transit Freight Forwarding (Pty) Ltd and at Aveng Moolmans (Pty) Ltd.

Board appointment
August 2018



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



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



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 Pharmacare Holdings, and enX Group. Babalwa was appointed chairman of council at the University of Cape Town.

Board appointment
November 2010



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



Thandi Orleyn 64
B Proc, B Juris, LLB, LLM

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 63
BCompt (Hons), CA(SA)

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 59
BSc Mining Engineering, BComm (Hons)

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

NON-EXECUTIVE DIRECTOR



Boitumelo Koshane 42
BComm (Hons), CA(SA)

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

EXECUTIVE DIRECTORS



Nico Muller 52
BSc Mining Engineering

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



Meroonisha Kerber 47
BComm, HDipAcc, CA(SA)

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 42
BA Psychology, Honours Political Science, UJ

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

Organisational risk governance and assurance

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.

Risk governance

1

IMPLATS

Board

Sets the tone at the top and oversees the management of Group risks

2

IMPLATS

Board sub-committees

Oversees assigned risks by aligning board skills with strategic issues and risks. Challenges management assumptions and communicates between board and management

3

IMPLATS

Executive committee

Establishes the Group's strategy and identifies associated Group risks. Regularly reviews risk ranking and completeness. Assigned with risk ownership

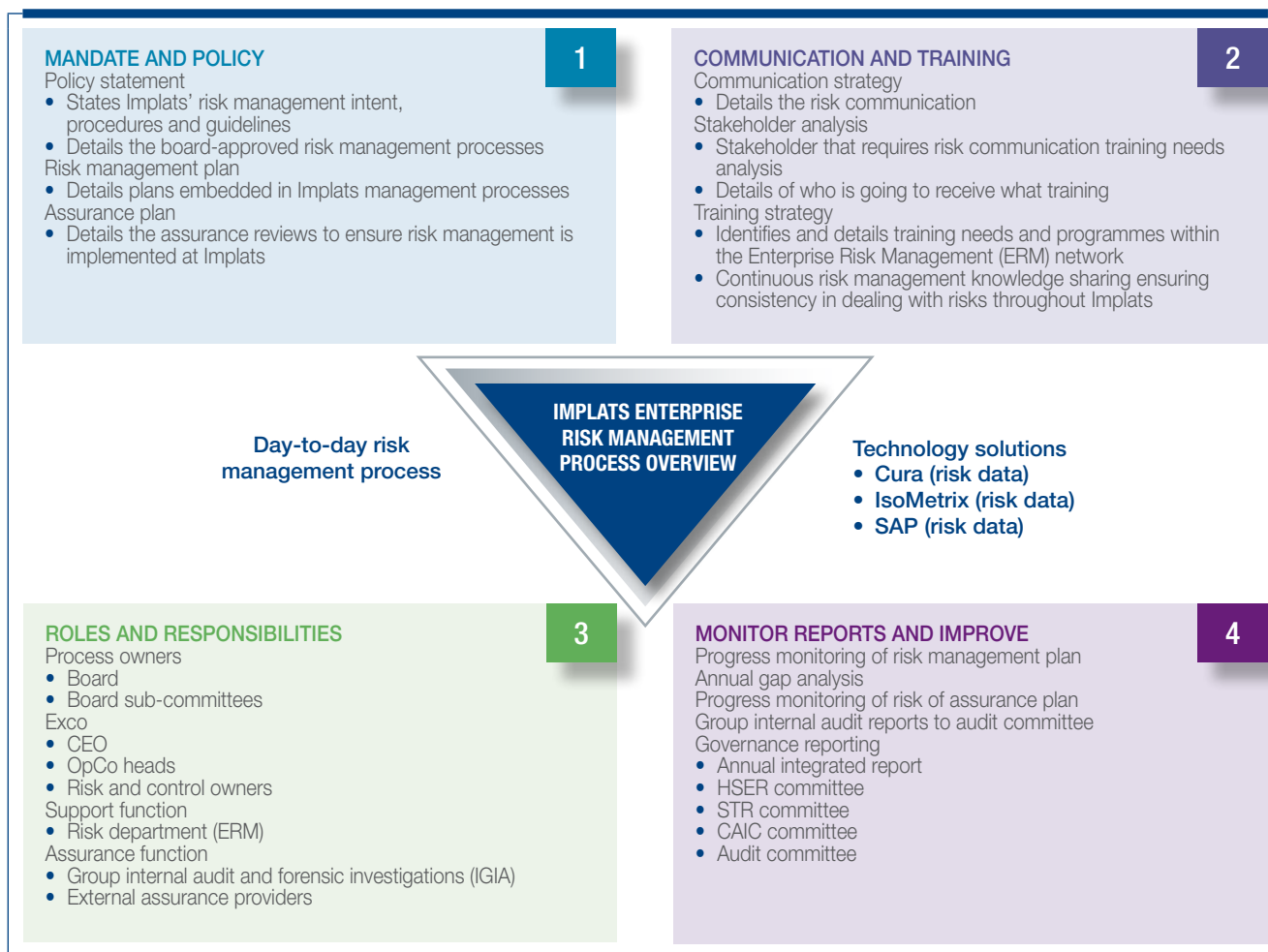
4

ZIMPLATS, MARULA AND IMPALA CANADA OPERATIONS

Executives and functional executives

Execute business plans as aligned with Group strategy. Owners of risks associated with execution

The Implats risk management and assurance process



COMMUNICATION AND CONSULTATION

Context setting	Risk indicator	Risk analysis	Risk evaluation	Risk treatment/mitigation
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MONITORING AND REVIEW

Technology solutions

Individual system users (internal stakeholders) – policies, procedures and risk management reports – SAP: document management system (DMS) (internal stakeholders) – policies, procedures and RM reports – Intranet (internal stakeholders) – policies, procedures and RM reports – Internet (external stakeholders) – policies and public governance reports

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)

ORGANISATIONAL MONITORING

- Control self-assessments
- Implementation of standards at operational level
- Implementation of audit and review

MANAGEMENT REVIEW

- Performance and management framework
- Implementation of standards at management level

IMPLATS COMBINED ASSURANCE MODEL

INDEPENDENT ASSURANCE

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

BOARD OVERSIGHT

- Audit and HSER committee reviews
- Internal audits and forensic investigations (including IT and general audits)
- Implementation of standards at strategic level

Improve controls and processes | Optimise management functions
Embed and enable risk management functions and communicate risk coverage | Leading practice and risk agenda components

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:

Element of report	FY2017	FY2018	FY2019
Remuneration policy	56.40%	94.27%	89.36%
Remuneration implementation report	58.96%	78.65%	90.60%

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

FUNCTIONS OF THE POLICY	KEY REMUNERATION PRINCIPLES
• Ensure that the Company's remuneration policy and practices encourage, reinforce and reward the delivery of sustainable shareholder value creation • Attract, motivate, retain and reward executives and employees for establishing a high-performance culture that delivers on its promises to all stakeholders • Motivate and reinforce individual, team and business performance in the short, medium and long term	• The remuneration policy is aligned to the overall business strategy, objectives and values of the Group • The remuneration policy ensures that executive remuneration is fair and responsible in the context of overall Company remuneration • 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 • 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 • 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 • 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 • Incentives used for retention are clearly distinguished from those used to reward performance • Performance bonuses are capped at a maximum percentage of 200% of the on-target incentive • Adherence to principles of good corporate governance, as depicted in "best practice" and regulatory frameworks (e.g. King IV) • The risks associated with performance metrics and levels of performance for each metric are considered when designing incentive schemes and personal performance scorecards • 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

FY2021 Key strategic objectives

STRATEGIC PILLARS



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

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

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.

Figure 1

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

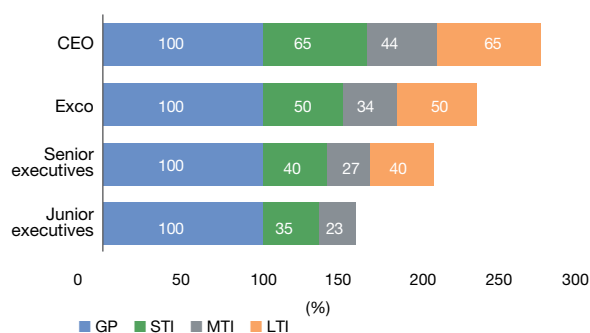
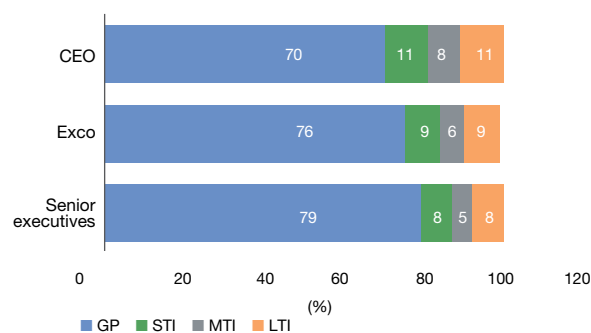


Figure 3

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



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

Figure 2

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

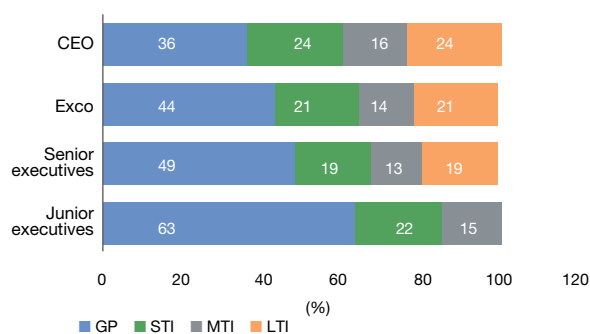
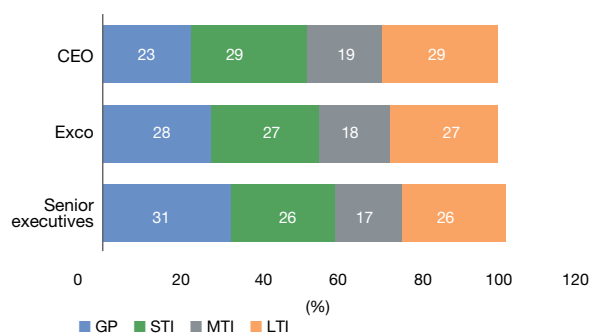


Figure 4

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.

Figure 5

CEO total earning potential

as at 30 June 2020 (R)

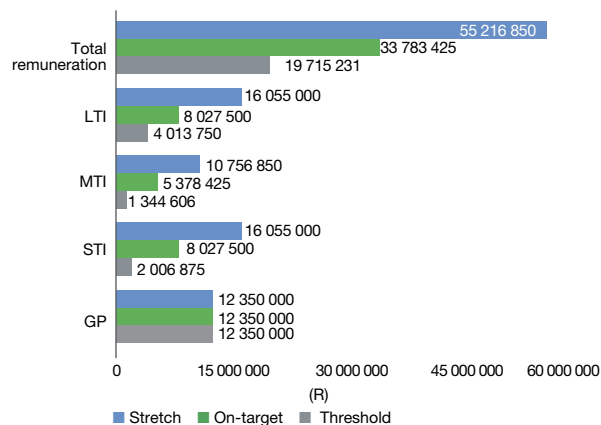
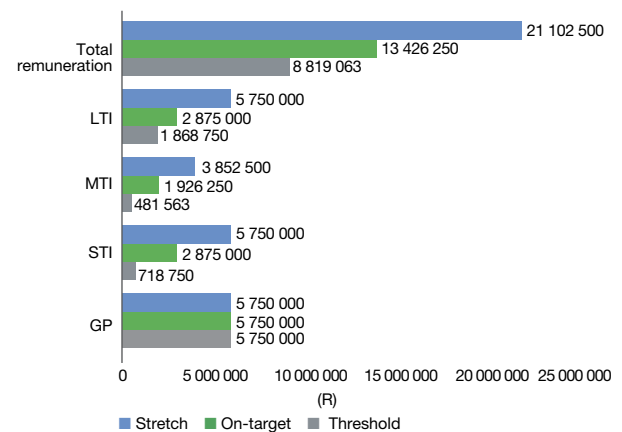


Figure 6

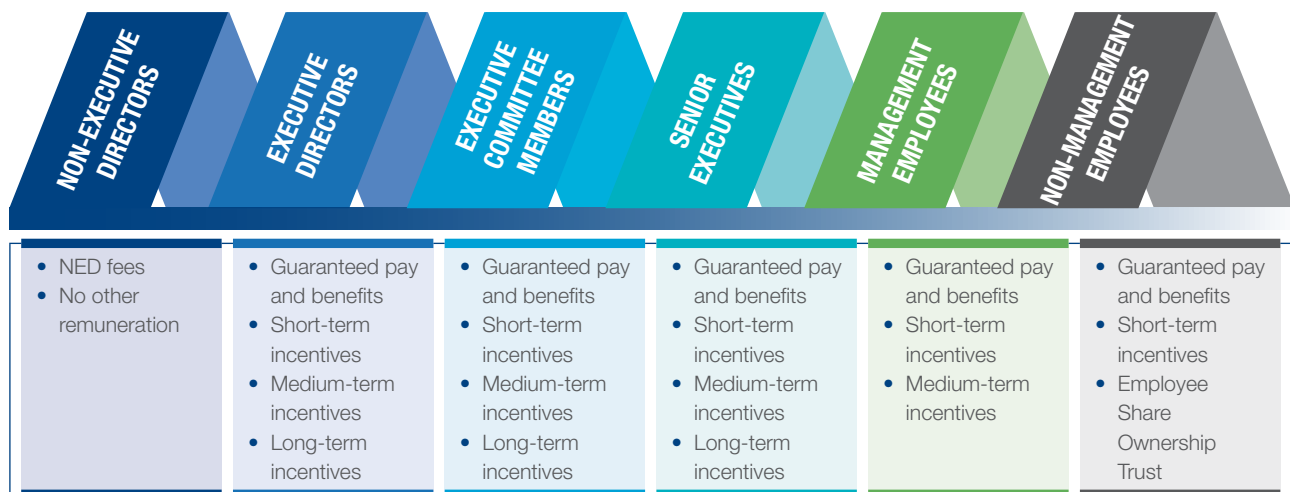
Exco total earning potential

as at 30 June 2020 (R)



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.



The elements of remuneration, our policy objectives, eligibility levels and how this supports our strategic objectives.

Managing performance through remuneration

Element	Eligibility	Policy objectives	Strategic intent
 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 (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	- 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 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

Element	Eligibility	Policy objectives	Strategic intent
Executive Incentive Scheme (EIS). This is the annual Short-term Incentive (STI)	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

Element	Eligibility	Policy objectives	Strategic intent
Long-term Incentives (LTI) with the delivery mechanism being “The Implants 2018 Share Plan”	Middle management and above. Different instruments are offered to different levels of staff	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: (a) Bonus shares Encourage senior and key employees to identify closely with the objectives of Implants and shareholders over the medium term (b) Performance shares Align senior and key employees’ interests with the continuing growth of the Company and delivery of sustainable value to its shareholders (c) Matching shares Incentivise participants of the scheme to build-up the required MSR targets over six years (d) Restricted shares Encourage executives to retain Implants shares and build up an Implants share portfolio to create ownership	- 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 Eligibility: D-band and above employees 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) Eligibility: E-band employees and Exco 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) Eligibility: Exco Matching shares – only offered to executives in recognition of meeting MSR requirements. One matching share is awarded for three shares owned Eligibility: Exco Allows participants to defer the vesting of performance shares, annual STI or bonus share awards into restricted shares to meet the MSR

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:

Description	Full year FY2020						Bonus % achieved
	Unit	Weight	Actual	Threshold 0%	Target 100%	Maximum 200%	
GROUP		100%		Performance rating		74%	
Safety LTIFR	per million	20%	4.54	5.59	5.03	4.47	188%
Mine-to-market pt ounces	000 oz	40%	1 171	1 217	1 352	1 487	0%
Unit costs (W/C & SIB)	R/pt oz	25%	30 867	31 658	28 527	25 960	25%
Free cash flow	Rm	15%	14 395	1 481	4 804	8 127	200%

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

The committee monitors financial reporting, internal control systems and the internal and external audit function.

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

Allocated risks and stakeholder material matters addressed	Deliberations	Trade-offs
Risks¹ • ① Impact of Covid-19 on Implats operations • ⑤ Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar • ⑧ 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.	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
Stakeholders² – shareholders and regulators • Integration of Impala Canada • Customers: Impact of Covid-19 lockdown regulations on South African operations • Governance disclosures and contributions toward ESG-related matters	Recommending to the board for approval of the following: • capital allocation framework • balance sheet and liquidity policy • dividend policy	

¹ Refer pages 47 – 55 of this report.

² Refer pages 62 – 68 of this report.

Stakeholder matters	Deliberations affecting value
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 of 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.

Corporate governance effecting value

SOCIAL, TRANSFORMATION AND REMUNERATION COMMITTEE

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	Deliberations	Trade-offs
Risks¹ • ① Impact of Covid-19 on Implats' operations • ② Ability to reduce labour complement in line with restructuring programme, while limiting disruptions from affected stakeholders • ⑥ Inability to maintain our social licence to operate due to strained stakeholder relations and/or failure to provide value-enhancing sustainability initiatives • ⑨ Challenged capacity and efficiencies of management layers at South African operations • ⑧ Regulatory compliance through the value stream, as informed through key legislation	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.	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.
Stakeholders² – shareholders, employees, 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.

Stakeholder matters	Deliberations affecting value
Good corporate citizenship	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.
Mining Charter and Social and Labour Plans (SLP)	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.
Pay for performance	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.
Employee relations	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.
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 of 5 with the opportunity to improve to outstanding.

Corporate governance effecting value

HEALTH, SAFETY, ENVIRONMENT AND RISK (HSER) COMMITTEE

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

Deliberations to direct and support strategy

Allocated risks and stakeholder material matters addressed	Deliberations	Trade-offs
Risks¹ • ① Impact of Covid-19 on Implants operations • ④ Deterioration in safety performance • ③ Electricity supply at South African and Zimbabwean operations • ⑧ Regulatory compliance through the value stream, as informed through key legislation • ⑩ Security of water supply in South Africa (Bojanala and Rustenburg)	Assessing the Group's tailings storage facilities for safety and ongoing management. Monitoring waste recycling to ensure very little waste ended up at landfill sites and that most can be recycled. Deepening the understanding of underground fires in different types of excavations. 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. Monitoring the Group's medical and safety preparedness to mitigate the spread of Covid-19.	Any loss of life in the workplace is unacceptable and destructive to our human, social and relationship, intellectual and financial capitals. Most initiatives come at a financial cost, impacting financial capital, but as other capitals are enhanced, financial capital is also increased: • 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 • Tailings dams upgrades result in gains from a climate control perspective and increases our social, human and environmental capitals • Water is a resource shared with other stakeholders, therefore, its sustainable use is imperative to maintaining our operations and our social licence to operate
Stakeholders² – 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		

¹ Refer pages 47 – 55 of this report.

² Refer pages 62 – 68 of this report.

Stakeholder matters	Deliberations affecting value
Implementing HSE strategy	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.
Group risk management framework	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.
Group health services	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.
Major unwanted events	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.
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 of 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.

Corporate governance effecting value

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	Deliberations	Trade-offs
Risks¹ • ① Impact of Covid-19 on Implats operations • ② Ability and capacity to align Impala Rustenburg margins to current metal pricing environment • ⑦ Impala Canada: Delivery on business case and integration into Implats	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.	Impala Canada The acquisition of Impala Canada has given effect to our strategic objective to build a competitive and diversified asset portfolio. Impala Rustenburg shaft closures 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.
Stakeholders² – Shareholders and regulators • Environmental impacts of shaft closures from Impala Rustenburg restructuring	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.	Waterberg 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.

¹ Refer pages 47 – 55 of this report.

² Refer pages 62 – 68 of this report.

Stakeholder matters	Deliberations affecting value
Resource and Reserve	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.
Contractor mining strategy	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.
Excess inventory	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.
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.

NOMINATION, GOVERNANCE AND ETHICS COMMITTEE

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

Allocated risks and stakeholder material matters addressed	Deliberations	Trade-offs
Stakeholders¹ – Shareholders, employees and regulators • Board evaluations • Strategic board renewal	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.	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.

¹ Refer pages 62 – 68 of this report.



No 16 Shaft headgear at Impala Rustenburg

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.

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Chairman's review

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.

Mandla Gantsho
Chairman

ADAPTIVE



Solid performance against a backdrop of unprecedented global shocks

Exceptional performances at all Impala Rustenburg operations resulted in a review of the envisaged restructuring – with approximately 13 000 jobs preserved. The operational improvements, coupled with more favourable market conditions, have seen all Impala operations generate free cash flows, while Marula has sustained its turnaround.

In December 2019, the Group announced its entry into the North American arena by concluding the purchase of Canadian palladium producer, North American Palladium – now operating as Impala Canada. The acquisition of Impala Canada was a pivotal moment for the Group, creating an operational presence in a region which is a dominant global market for PGMs and an important source of both primary and secondary supply. Our short-term focus at Impala Canada has been its successful integration into the Group, including the establishment of an operational board, and alignment to Group policies and governance processes. In parallel, we have reached out to and had meaningful engagement with all key stakeholders, taking the opportunity to affirm our unwavering commitment to sustainability and shared value creation and validating the strong corporate alignment and prioritisation of environmental, social and governance approaches shared by both organisations.

At year-end, the Group reported R16.1 billion in headline earnings, R14.4 billion in free cash flow, with R16.1 billion in available liquidity headroom.

A resumption of dividend payments to our investors was a particular highlight.

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.

STRATEGY

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

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

Outlook

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

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

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

Appreciation

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

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

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

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

Dr Mandla Gantsho
Chairman

Market analysis

PLATINUM SUPPLY/DEMAND OUTLOOK

Platinum

- Near-term industrial surpluses partially offset by conducive macro-economic outlook for precious metal investment
- Limited primary and secondary supply growth offset by increasing use in gasoline catalysts, and rising heavy duty vehicle loadings tightens the market in the medium term with a strong underpin from the development of the nascent hydrogen economy

koz	2020 (Forecast)	2019
DEMAND		
Industrial	4 070	5 017
Automotive	2 026	2 651
Other industrial	2 044	2 365
Jewellery	1 622	2 090
Investment	215	1 150
Total demand	5 907	8 257
SUPPLY		
Primary	5 035	6 063
South Africa	3 442	4 411
Zimbabwe	475	482
North America	314	324
Russian sales	680	721
Others	125	125
Secondary	1 539	1 942
Recycle – auto	1 218	1 421
Recycle – jewellery	281	481
Recycle – other	40	40
Total supply	6 574	8 004
Movement in stocks	666	– 253
Industrial balance	2 223	2 507
Industrial and jewellery	881	897
Industrial, jewellery and investment	666	– 253

Palladium

- Tight short- to medium-term market fundamentals due to rising catalyst loadings on tightening emission standards in both developed and developing markets
- Rising primary and secondary supply in the long term, together with metal optimisation in catalyst formulations likely to ease future market tightness

koz	2020 (Forecast)	2019
DEMAND		
Industrial	9 659	11 299
Automotive	8 103	9 494
Other industrial	1 556	1 805
Jewellery	165	218
Investment	– 187	– 79
Total demand	9 637	11 438
SUPPLY		
Primary	6 251	7 109
South Africa	2 035	2 557
Zimbabwe	395	399
North America	943	954
Russian sales	2 667	2 987
Others	212	212
Secondary	3 029	3 457
Recycle – auto	2 513	2 934
Recycle – jewellery	36	44
Recycle – other	480	480
Total supply	9 280	10 566
Movement in stocks	(357)	(872)
Industrial balance	(415)	(777)
Industrial and jewellery	(544)	(951)
Industrial, jewellery and investment	(357)	(872)

Rhodium

- Structural shift in demand drivers from industrial applications to growth in auto use to meet tighter NO_x standards have resulted in market deficits and lent substantial medium-term price support
- Limited primary and secondary supply growth suggest meaningful price support

koz	2020 (Forecast)	2019
DEMAND		
Industrial	982	1 132
Automotive	840	974
Other industrial	143	158
Jewellery		
Investment		
Total demand	982	1 132
SUPPLY		
Primary	606	760
South Africa	476	616
Zimbabwe	44	44
North America	20	20
Russian sales	54	68
Others	12	12
Secondary	302	360
Recycle – auto	302	360
Recycle – jewellery		
Recycle – other		
Total supply	908	1 119
Movement in stocks	(74)	(13)
Industrial balance	(74)	(13)
Industrial and jewellery	(74)	(13)
Industrial, jewellery and investment	(74)	(13)

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.

1. Covid-19	2. Macro-economic factors	3. Regulatory environment	4. Currency and commodity factors
5. PGM market fundamentals and outlook	6. ESG considerations	7. Stakeholder expectations	

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.

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

IMPLICATIONS FOR VALUE

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

2. MACRO-ECONOMIC FACTORS

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.

- 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, Implats 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 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



4. CURRENCY AND COMMODITY FACTORS

- Implats' revenue is highly dependent on realised dollar pricing for its primary products and the performance of various exchange rates, which influence the cost of production across its operations. The cyclical nature and hence volatility of revenue over time has meaningful implications for Group profitability and impacts Implats' ability to maintain an optimal capital allocation structure and deliver sustainable returns for stakeholders

IMPLICATIONS FOR VALUE

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

Our operating context

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



5. PGM MARKET FUNDAMENTALS AND OUTLOOK

- Market fundamentals for our primary products have a direct impact on metal prices and hence revenue potential for the Group. The divergent outlook for PGMs requires prudent long-term planning and positioning of the Group's portfolio

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

The impact of climate change on the Group and our key stakeholders is recognised as an overarching challenge facing Implats. Our operating activities associated with the exploration, extraction and processing of PGMs results in the disturbance of land, the consumption of resources and the generation of waste and atmospheric and water pollutants, while our products play a meaningful role in mitigating the impact of these outcomes. We aim to go “beyond compliance” in our response to the increasing global focus on the environmental, social and governance practices and performances of corporates.

STRATEGIC FOCUS AREAS

- Responsible corporate stewardship
- Operational excellence in PGMs
- Competitive portfolio of mineral and processing assets
- Organisational effectiveness



6. ESG CONSIDERATIONS

- 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

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”.

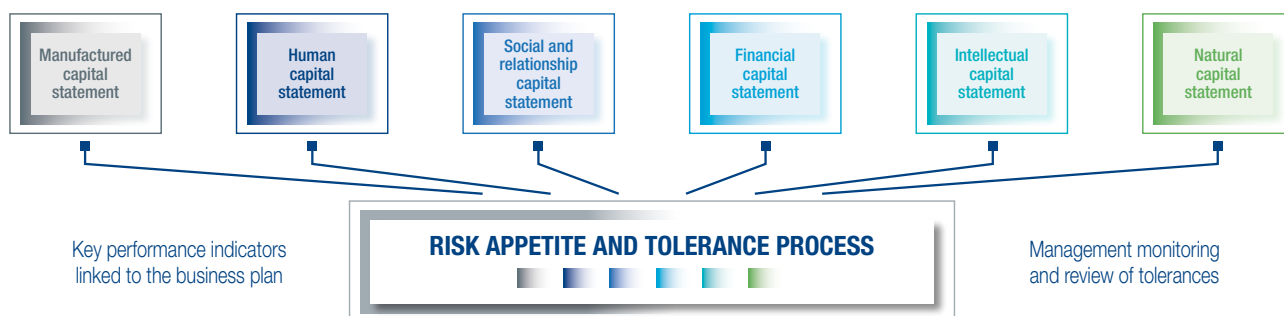


Risk appetite and tolerance

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:

	2019 Ranking	Top residual risks	Factors affecting movement in risk ranking
✓	2	Weak balance sheet	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.
✗	3	Sustained depressed PGM basket prices and its impact on cash flow and liquidity	
✓	8	Reduced production flexibility and constrained smelting operations at Impala Rustenburg and Zimplats	Furnace capacity: The extensive maintenance programme on Group smelters was successfully completed and previously identified excess inventory was released.

Controllability

✓ Controllable	⚡ Partially controllable	✗ Non-controllable
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Risks and opportunities

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:

Emerging industry risks ¹	Implats response
The impact of poor service delivery of critical infrastructure and key services to mining operations and their surrounding communities • Lack of internal skills to execute required services • Corruption within key public sectors • Limited political will to address the issues	• 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 • An increase in general crime due to unemployment, poverty and associated socio-economic challenges • As PGM miners improve their security, criminals have started targeting copper, particularly in closed and unused mines	• 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 • Human error remains the most common cause of cyber breaches • The rapid pace of technological innovation and the dynamic nature of cyber risk	• 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 • Innovation remains a key enabler of productivity at mining operations	• 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 • Increasing demand across the globe for mining companies to transparently disclose operational practices and their impacts on ESG. This includes sourcing, impacts of climate change and human rights and disclosure practices	• Refer to the stakeholder material matters section on page 68 (shareholders and investor community) and the ESG report
Impact of climate change • Higher temperatures and changes in weather patterns and their impact on transport systems, damage to infrastructure, erosion, flooding and impact on future projects • Impact of Implats operations on climate	• 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

¹ Source: PWC Mine 2020 – Resilient and Resourceful and Institute of Risk Management South Africa Risks 2020.

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

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

○ Residual risks

Controllability

✓ Controllable

↗ Partially controllable

✗ Non-controllable

Risks

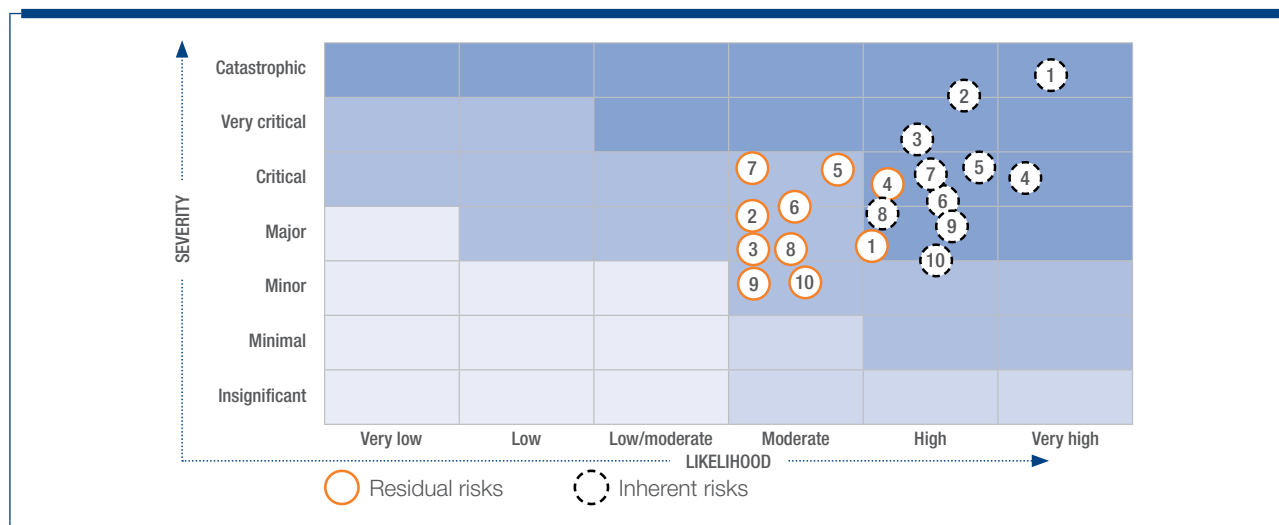
↑ New risk

↑ Risk increased

↓ Risk decreased

↔ Risk flat

Residual versus inherent risk matrix



Risks and opportunities

1

IMPACT OF THE COVID-19 PANDEMIC ON IMPLATS OPERATIONS



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
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. 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 <i>force majeure</i> on both customers and IRS offtake suppliers, including Group companies Risk owner: Operations executives	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 <i>force majeure</i> 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: - 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	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)
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.		STRATEGIC OBJECTIVES IMPACTED

2

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



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
Risk 2.1 Context: An outcome of the Impala Rustenburg strategic review of 2018 was the planned removal of unprofitable ounces through the closure of 1, 9, 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 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 Risk owners: Operations executive and HR executive	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	- Direct management engagement with labour, including CEO briefing notices to all employees. Participation in various established regulator 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
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.		STRATEGIC OBJECTIVES IMPACTED

2

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



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
Risk 2.2 Context: 16 and 20 shafts are core shafts for the future (29% of Impala 6E production by FY2021 and 38% by FY2023) 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 Risk owner: Operations executive	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 16 Shaft: Operations • Lower than planned headgrade and production centares 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
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
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 Risk: Ability to develop sufficient operational flexibility through increasing face length, improving productivity and meeting production targets in line with business plans Risk owner: Operations executive	• 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 variances 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
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

Risks and opportunities

3

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



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
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 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 Risk: Impact of load shedding due to constrained electricity supply capacity resulting in business interruption (South African and Zimbabwean operations) Risk owners: Mining and processing operations executives	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 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	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 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 simulation of electricity outages and their impact on operations
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

4

DETERIORATION IN SAFETY PERFORMANCE



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
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 Risk: Deterioration in safety performance due to - Failure of critical infrastructure - Failure to achieve safety requirements Risk owners: Operations executives, Company CEOs	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 Section 54s and 55s - 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)	In addressing key lagging safety indicators (FIFR and LTIFR) 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 (IMI)
IMPACT ON VALUE Impats has a zero-harm vision for the Group. Poor safety performance has negative ramifications on employee morale, levels of productivity, and our licence to operate.		STRATEGIC OBJECTIVES IMPACTED

5

CURRENCY OR EXCHANGE RATE RISK DUE TO CONTINUED DEVALUATION OF THE ZIMBABWEAN DOLLAR



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
Context: 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 Lack of clarity on key government policy and inconsistency in its application continues to increase the perception of a high sovereign risk, further eroding business and investor confidence Risk: Exchange rate risk due to the continued devaluation of the Zimbabwean dollar Risk owners: Implats CEO and Implats CFO	- The risk has remained flat - 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	- 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 - Engagement with authorities to clarify key government policies that affect business and reduce uncertainty - Payment of taxes in ZWL - Offsetting of value-added tax receivables against other taxes due to ZIMRA
IMPACT ON VALUE Currency risk translates into high inflation and possible cost escalation beyond current mitigation strategies for the Zimbabwean operations.		STRATEGIC OBJECTIVES IMPACTED  

6

MAINTAINING OUR SOCIAL LICENCE TO OPERATE AND GOOD STAKEHOLDER RELATIONS



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
Context: 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 Risk: Inability to secure and maintain a social licence to operate due to failure to provide value enhancing sustainability initiatives and maintaining good stakeholder relations Onerous demands by the Impala Mine Community Leadership Engagement Forum (MCLEF) for procurement and employment opportunities Risk owners: Operations executives and corporate relations executive	- Community councillors have informally requested Impala to resume the Mining Community Leadership Engagement Forum (MCLEF) meetings once the national lockdown is lifted. - 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 timeous communication with communities and assist in providing oversight of the implementation of Covid-19 prevention and reduction measures Other key stakeholder engagements have focused on law enforcement authorities and Rustenburg municipal leadership in preparation for Covid-19 and associated compliance with key regulations	- 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 - 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 - Direct and documented engagements with community representatives, the DMRE and Rustenburg municipalities to address specific challenges, including procurement opportunities and the management of uneconomical demands - Implementation of the housing strategy and review of hotline complaints - Ensuring timeous resolution and the reestablishment of MCLEF
IMPACT ON VALUE Implats' 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.		STRATEGIC OBJECTIVES IMPACTED  

Risks and opportunities

7

IMPALA CANADA: FAILURE TO DELIVER ON THE BUSINESS CASE AND THE UNSUCCESSFUL INTEGRATION INTO IMPLATS



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
Context: Implats acquired North American Palladium Limited (NAP) on 13 December 2019 Risk: - Failure to deliver on the business case presented at acquisition and the unsuccessful integration of the company into Implats - Human resources management: Change management, integration and the retention of key skills - Stakeholder engagement - Technical: Regulatory appointments, operating model and business planning - Legal and regulatory compliance by operations Risk owners: CFO, Group operations executive, HR executive and business development executive	- Implats 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 Implats Canada. The Implats Group COO, 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	- Implementing an integration plan including an authorisation 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
IMPACT ON VALUE The risk affects the effectiveness and success of the geographical diversification of Implats' operating footprint.		STRATEGIC OBJECTIVES IMPACTED

8

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



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
Context: 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 Risk: Failure to comply with key legal and regulatory requirements across the value chain Risk owners: Operations executives and marketing executive	Implats Refineries Final Atmospheric Emissions Licence Compliance: Implats 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	- 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 189) - Senior management involvement in section 102 and SLP III applications to the DMRE for Marula and Implats 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. - Afplats SLP I (2008-2013) and SLP II (2014-2018); compliance directives received in March 2020: Various mitigation measures have been identified for specific non-compliances which include engagements with authorities, the submission of critical information and the execution of delayed projects. Refer page 86 of ESG report
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.		STRATEGIC OBJECTIVES IMPACTED

9

CHALLENGED CAPACITY AND EFFICIENCIES OF MANAGEMENT LAYERS AT SOUTH AFRICAN OPERATIONS



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
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 Risk: Challenged capacity and efficiencies of management layers at South African operations Risk owners: Operations executives and HR executive	This risk has remained flat. - The reduction in employee capacity to comply with Covid-19 regulatory requirements has delayed certain initiatives to enhance organisational capacity. Some of the completed initiatives include: - Adult education and training - Bursaries, learnerships and apprenticeships - Portable skills training - Mining planning training - Capacity-building for mining supervisors	- 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
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.		STRATEGIC OBJECTIVES IMPACTED

10

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



Risk description	Factors contributing to the risk	Responses (controls and mitigation plans)
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 Risk: The security of water supply in South Africa (Bojanala and Rustenburg) and Zimplats operations Risk owners: Operations executives	The risk has remained flat. - The total amount of water consumed comprises total water withdrawn and water recycled. The total water usage for FY2020 was 43 122Mℓ (FY2019: 39 894Mℓ) - The percentage of recycled water used was above the corporate target (40%) at 44%. (Recycled water includes tailings return water and internal purified sewage effluent) - Water usage efficiency of 2.06kℓ/ton (vs a target of 2.30kℓ/ton) is in line with the trend of improved water efficiency from previous financial years	- 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
IMPACT ON VALUE Sustainable use of a scarce resource which serves as a key input to Implats operating processes and which impacts operational viability and our social licence to operate.		STRATEGIC OBJECTIVES IMPACTED

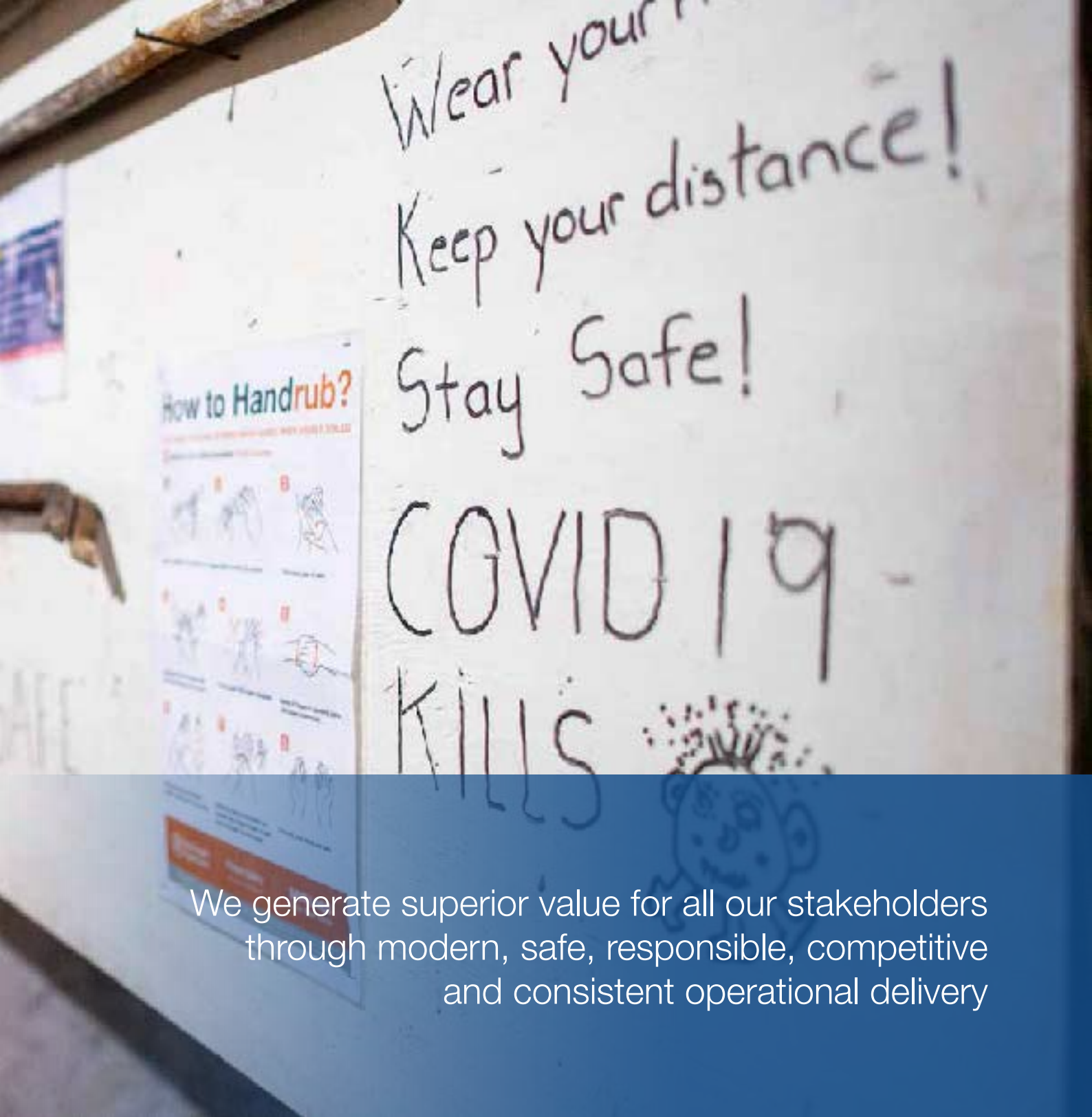
Pursuing opportunities

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

03

- 58 Business model
- 60 Stakeholder review and engagement
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- 74 Supporting global goals for sustainable development

Business model

OUR VALUE PROPOSITION

To be the world's best PGM producer, sustainably delivering superior returns to all our stakeholders.

CONTEXT



Covid-19

Macro-economic factors

Regulatory environment

Currency and commodity factors

PGM market fundamentals and outlook

ESG excellence

Stakeholder expectations

Technology and information

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

OUR VALUE CHAIN

POTENTIAL FOR DIFFERENTIATION



PEOPLE

ESG excellence and social licence to operate



EXPLORATION

Portfolio spread across diverse geographies



MINING

Diverse exposure to favourable ore types and mining methods



CONCENTRATING, SMELTING, REFINING

Safe, efficient and reliable downstream processing



MARKET DEVELOPMENT AND SALES

Diverse customer base and key customer contracts



REHABILITATION

Leading practice sustainability in mining programme

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
CO ₂ direct emissions	419kt
Water withdrawn	24 029Mℓ

OUTCOMES
DELIVERING VALUE

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

REGULATORS

- Compliance with regulatory requirements
- Focus on developing and maintaining value-enhancing relationships
- No level 4 or 5 environmental incidents
- Unit water consumption decreased to 0.0020Mℓ/milled tonne
- Integrity of all tailings dams confirmed

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

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:

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

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:



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.

M = Matter **R** = Response

1 – **10** Refer top residual Group risks on page 49.

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.



Highlights	Lowlights/challenges	Additional commentary and context
Employee health and well-being		
- Covid-19 risk prevention measures successfully flattened the curve in cases recorded at our South African operations - Pulmonary TB and HIV levels are well controlled - Adherence to HIV and TB treatment remains high at 95% and 100% respectively - Established a Group wellness committee to develop and oversee an integrated Group wellness strategy	- Four employees died of Covid-19 (three at Impala Rustenburg and one at Impala Canada); all had comorbidities 38 new cases of noise-induced hearing loss (NIHL) were compensated for hearing loss	Pages 36 – 41 of the ESG report
Employee and contractor safety		
- Sustained our improved safety performance, positioning the Group favourably relative to the overall industry - Strengthened our safety risk management interventions	- Five fatalities recorded across managed operations - Continued incidents of high-risk behaviour resulting in fatalities and serious injuries 34 safety-related high-potential incidents	Pages 42 – 47 of the ESG report
Organisational design and culture		
- Effectively adapted our ways of working in response to Covid-19-related restrictions - Enhanced our communication with employees and human resource practices through accelerated uptake of digital solutions - Successful integration of Impala Canada operation into the Group	- Covid-19 pandemic and restrictions presented unprecedented challenges to our operating practices - Our focus on navigating immediate Covid-19-related challenges impeded certain culture transformation initiatives	Pages 50 – 52 of the ESG report

Highlights	Lowlights/challenges	Additional commentary and context
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	Pages 53 – 57 of the ESG report
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	Pages 58 – 60 of the ESG report
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	Pages 61 – 63 of the ESG report

Covid-19 risk and impacts

M 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

R 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:

R 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

M 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

R 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

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

R 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

Stakeholder material matters

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.

Highlights	Lowlights/challenges	Additional commentary and context
Environmental legal compliance		
- No directives or fines for non-compliance with environmental regulations - Marula completed all outstanding DMRE requirements relating to waste and water management	- Outstanding audit items are being addressed; progress is monitored monthly as per audit action plan - Regulatory and audit inspections scheduled for the fourth quarter were delayed as a result of the Covid-19 lockdown regulation	Pages 92 – 94 of the ESG report
Water stewardship		
- 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	- Secure further amendments to its amended water usage licence application for Impala Rustenburg - Assured security of water supply within Rustenburg's Bojanala district and at Zimplats	Pages 95 – 97 of the ESG report
Energy management and climate change		
4% decrease year-on-year at our South Africa and Zimbabwe operations due to the Covid-19 lockdown¹ - Impala Canada is a clean energy user with a 100% reliance on hydro-electric power - We have appointed an executive for sustainable development to lead development of the Group's sustainable development strategy, including our decarbonisation plans - Regulatory changes in South Africa enabling mining companies to generate their own energy for self-use - We have completed studies at our Zimplats operations for a 110MW solar plant	- 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	Pages 98 – 101 of the ESG report

Highlights	Lowlights/challenges	Additional commentary and context
Air quality		
- SO₂ emissions were within air emission licence (AEL) condition limits - No noise complaints recorded - Impala Springs was issued a final AEL on condition of progress towards compliance with the 2020 minimum emissions standards (MES) - Impala Rustenburg was granted a postponement to adhere to the 2020 MES subject to the project roadmap submitted ensuring compliance by December 2024 - A 14% decrease year-on-year in SO₂ emissions at Zimplats	- PM10 dust exceedances recorded at Impala Rustenburg¹ - Marula received a dust-related complaint due to construction of a new tailings dam - Zimplats SO₂ emission levels are higher than AEL condition limits in South Africa	Pages 102 and 103 of the ESG report

¹ 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

- Implats 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

- The judicial review of the Mining Charter III is yet to be completed; provisions relating to empowerment and procurement remain a concern
- 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

Highlights	Lowlights/challenges	Additional commentary and context
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

6



M 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

R 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 ⑥

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

R Implats implements a policy of employing people from communities close to its operations where possible and continuously develops community members and identify opportunities for entrepreneurs in the mine lease area

Outlook

The decrease in our business plan and uncertainty around Covid-19 is likely to impact on future levels of recruitment and procurement

Refer to pages 110 – 157 for community-related material matters specific to the individual operations

Customers

Nature of engagement

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

Highlights	Lowlights/challenges	Additional commentary and context
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	<i>Force majeure</i> on its contractual deliveries of final metal to its customers from the onset of the national lockdown in South Africa	CEO and CFO's reviews Page 32 of the ESG report

Impact of Covid-19 lockdown regulations on South African operations ①

M 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

R 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 ① ⑥

M 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

R 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

Highlights	Lowlights/challenges	Additional commentary and context
- 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



- M** 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

- R** 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

- M** 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

- R** 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 Implants’ 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 Implants’ 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

	Number of employees
Diagnostic testing	5 207
Positive cases	528
Recovered	238
Active cases	420
Deaths	4

● Positive ● Negative ● Neutral

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

Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change	2020	2019	2018	Focus areas to enhance relationship
Work-related fatalities (own employees and contractors) ●	Number	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	Unchanged	5	5	7	- 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
FIFR ●	Pmmhw		Deteriorated	0.05	0.047	0.065	
New noise-induced hearing loss (NIHL) cases (+10% shift) ●	Number		Decreased	62	64	102	
HIV-positive employees known to be receiving ARV treatment ●	Number		Increased	6 036	5 730	6 771	
Skills development spend: ●		Investment in development of workforce					- Building leadership capacity and capability - Attracting scarce skills - Adapt our ways of working in line with evolving Covid-19 environment
SA operations	Rm		Increased	493	465	485	
Zimplats	US\$m		Increased	2.9	1.4	1.8	
Impala Canada	C\$m		N/a	0.8	—	—	

Stakeholder outcomes per capital

Outcomes and performance affecting relationship quality and value-created for stakeholders							
Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change	2020	2019	2018	Focus areas to enhance relationship
Fairness and inclusivity ●							
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							
Key performance indicator	Measurement	How it affects our ability to create value	Year-on-year change	2020	2019	2018	Focus areas to enhance relationship
Community development spend: ●		The Group's most significant contributions to socio-economic development are through the core activities of employment, procurement from host communities and paying tax					- 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
• South Africa	Rm		Increased	113	86	137	
• Zimbabwe	US\$m		Reduced	2.6	3.8	5.9	
• Canada	C\$000		N/a ¹	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 ¹	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

Key performance indicator	Measure-ment	How it affects our ability to create value	Year-on-year change	2020	2019	2018	Focus areas to enhance relationship
Environmental incidents ●							
• Level 3 ¹	Number	Indicators of efficient use of our scarce natural resources, which are shared with the other stakeholders	Improved	15	23	32	Environmental management - Implement remediation plans to address environmental non-compliance findings - Maintain environmental licences and permits with all relevant regulatory authorities - Ensure no level 4 or 5 incidents
• Level 4 or 5 ¹	Number		Unchanged	0	0	0	
Unit water consumption ●	Mℓ/tonne milled		Deteriorated	2.2	2.05	2.1	
Water recycled (total water recycled Mℓ/ total water consumed Mℓ) ●	%		Improved	44	42	46	Water management - Progress towards statutory compliance with amended water usage licences - Continue to engage with authorities to meet regulatory expectations - Increase the percentage of water recycled and reduce the volume of water withdrawn - Collaborate with governments in developing solutions to ensure sustained access to water in host communities
Energy intensity ●	GJ/tonne milled		Improved	0.86	0.87	0.84	
Total direct CO ₂ intensity ² ●	t/tonne milled		Improved	0.1856	0.1966	0.1779	
GHG emissions ³ ●	Mt CO ₂ -equivalent		Improved	0.185	0.197	0.178	Air quality management - Develop a decarbonisation/renewable energy strategy - Set new Group absolute GHG emission reduction targets (scope 1 and 2) - Leverage the special economic zone for fuel cell development to develop skills capacity and support fuel cell manufacturing and deployment - Continue to support academia on local mineral beneficiation through fuel cell catalyst and stack developments

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 carbonintensive 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 country¹

	Impact	South Africa Rm	Zimbabwe Rm	Canada Rm
Corporate income tax	Our approach to tax is to adhere to these values, remain a responsible citizen, pay our taxes fairly, comply timeously with the law, and ensure that tax planning is based on commercial business activity, which is aligned with our shareholders' interest, while being open and transparent in our dealings with the authorities through regular dialogue and proper disclosure	249	1 207	72
PAYE		2 021	454	326
Royalties		238	423	193
Other:				
UIF		110	—	—
SDL		88	—	—
Other		—	627	—
Total		2 706	2 711	591

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

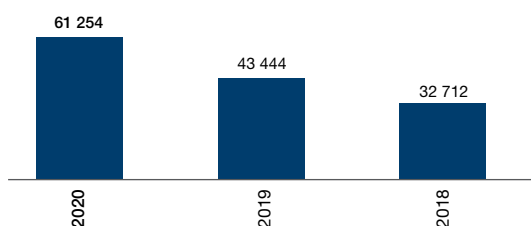
Financial capital

Affected stakeholders – All

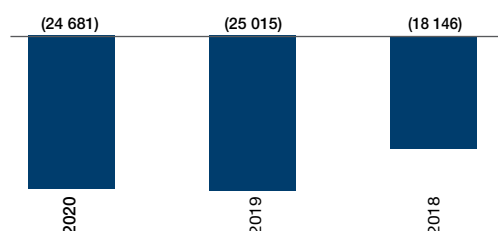
The outcomes of our financial capital is the result of the use of our capitals within our operating context and through our chosen strategies. In the current year, R61.3 billion value was available for distribution to various stakeholders as depicted in the graphs below, after which R16.1 billion of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

Distribution of financial capital

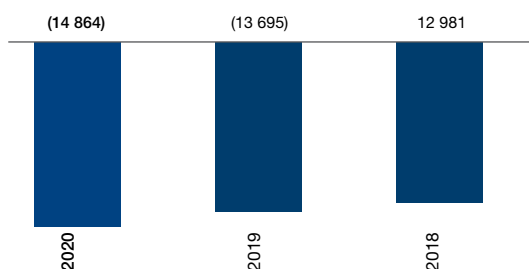
Value available for distribution (Rm)



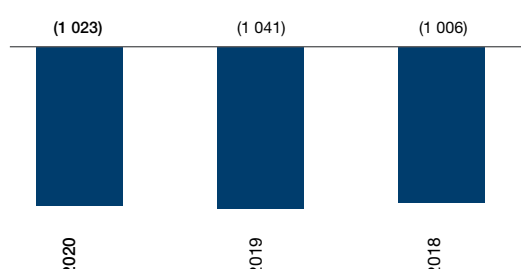
Consumables, services and metal purchased (Rm)



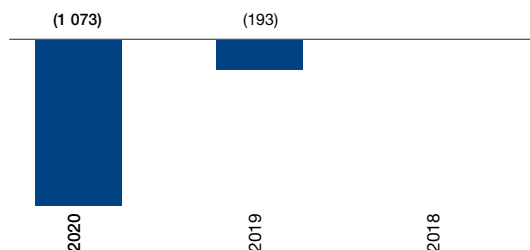
Labour and other (Rm)



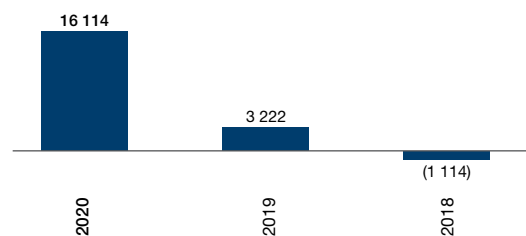
Finance cost (Rm)



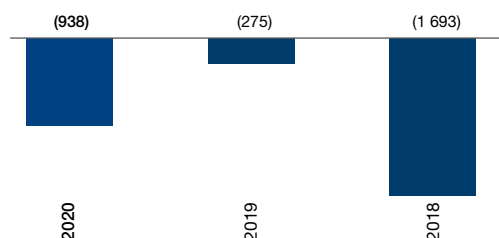
Dividends (Rm)



Shareholder value retained/(diminished) (Rm)



Other (Rm)



Providers of financial capital

Outcomes and performance affecting relationship quality and value created

Key performance indicator	Measure-ment	How it affects our ability to create value	Year-on-year change	2020	2019	2018	Relationship enhancing actions
Shareholders and bondholders ●							
Dividends per share	Cents	Returns to shareholders	Improved	525	—	—	Implats' strategic 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 the competitive portfolio of mineral and processing assets - Supporting market development and value chain optimisation to unlock future potential
Market capitalisation	R billion		Improved	90	50	14	
Basic headline earnings/(loss) per share	Cents	Indicator of operational performance	Improved	2 075	423	(171)	

Customers

Outcomes and performance affecting relationship quality and value created

Key performance indicator	Measure-ment	How it affects our ability to create value	Year-on-year change	2020	2019	2018	Relationship enhancing actions
Implats brand image rating [†] ●	Percentage	The quality of our relationships with our customers is a key driver of revenue	Improved	96.5	96	N/a	Continue to: - Track and respond to customer feedback - Keeping customers informed of any possible supply disruptions due to industrial action - To track measure our effectiveness, we undertake a customer satisfaction survey every two years - Retain our certificate of quality (ISO 9000)
Customer complaints [†] ●	Number		Improved	10	16	N/a	
ISO 9001 certification ●	Status		Unchanged	Retained	Retained	Retained	

[†] 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.

1 NO POVERTY
END POVERTY IN ALL ITS FORMS EVERYWHERE

65

- Direct, inclusive employment
- Local procurement
- Taxes and royalties
- Social investments

<>

- Percentage of workers that earn an amount equal to or above national minimum wage of R3 500 per month (R42 000 per annum)

👍

- The lowest earning employee at Implats earns a total remuneration (TR) in excess of R180 000 per annum, this is significantly above the minimum wage in South Africa of R3 500 per month or R42 000 per annum; 90% of employees earn a TR between R180 000 and R500 000 per annum



3 GOOD HEALTH AND WELL-BEING
ENSURE HEALTHY LIVES AND PROMOTE WELLBEING FOR ALL AT ALL AGES

30

- Occupational health and safety
- Preventative 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

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

49

- 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



5 GENDER EQUALITY
ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN

61

- 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

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.

6 CLEAN WATER AND SANITATION
ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

95

- 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



Integration into core business

Reporting indicator

Our contribution or relevant disclosures

Page reference in the ESG report



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

48 – 84



- Direct and indirect employment
- Drive economic growth with local procurement
- Inclusive talent management



- Number of permanent employees in the Group
- Ongoing reduction in LTIFR
- Inclusive procurement



- 31 784 permanent own employees in South Africa (2019: 31 429); 3 332 in Zimbabwe (2019: 3 332); 720 in Canada
- A 14% year-on-year improvement in LTIFR
- This year we procured goods and services to the value of R1 298 million from businesses in our host communities (tier 1) in South Africa (2019: R1 732 million)



REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES

54



- Champion equality and inclusivity



- Company Gini coefficient versus mining industry and all industries



- A Gini coefficient of 0.266 versus 0.416 for mining and 0.436 for all industries nationally in 2020



Goals

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



MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

65 and 90



- Developing local infrastructure
- Inclusive stakeholder engagement regarding land use



- Deliver projects that meaningfully mitigate social challenges in our host communities



- Social investments totalled R113 million in South Africa, US\$2.6 million in Zimbabwe, C\$137 000 in Canada
- The metals we produce reduce toxic and harmful polluting gases from automobiles by up to 97%



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

98



- Reduce emissions
- Build climate change resilience



- Climate impact reduction targets:
 - Reduce scope 1 emissions by 2% on 2017 levels by 2020
 - Reduce scope 2 emissions by 5% on 2008 levels by 2020



- 7% increase in scope 1 emissions on 2017 levels
- 25% increase in scope 2 emissions on 2008 levels



PROTECT, RESTORE AND PROMOTE SUSTAINABLE USE OF TERRESTRIAL ECOSYSTEMS

110



- Minimise biodiversity impacts
- Land rehabilitation



- Implement concurrent rehabilitation to reduce closure liabilities and improve rehabilitation outcomes



- R1.8 billion in provisions for environmental rehabilitation at year-end (2019: R1.49 billion)
- Our active tailings and Rockwall Dam in Rustenburg support various species of wildlife with regional conservation importance
- The re-mining of our old tailings facility in Rustenburg will increase land availability for our communities



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.



STRENGTHEN THE MEANS OF IMPLEMENTATION AND REVITALISE THE GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

66



- Public-private partnerships



- Working collaboratively with local authorities, communities and others in order to maximise chances of post-closure sustainability
- National and local government fuel cell special economic zone initiative



- The total amount of tax payments to government for the reporting period was R2.71 billion in South Africa, US\$173 million in Zimbabwe, and C\$49 million in Canada
- Since 2015, we have spent R25 million in developing the fuel cell initiative in collaboration with academic institutions and commercial partners



Safety briefing, Impala Rustenburg

STRATEGY AND BUSINESS CASE



Prioritising value over volume
in a zero-harm environment,
delivering sustainable
benefits for all stakeholders

04

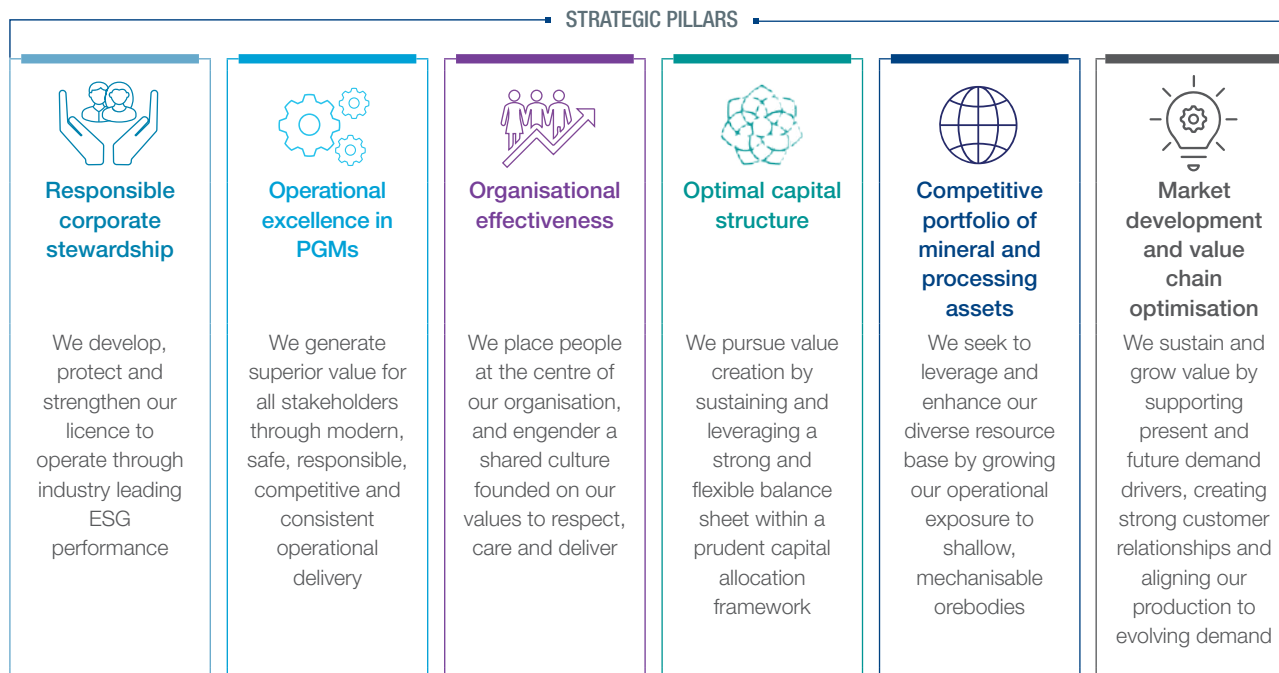
- 78 Our strategy
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Our strategy

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.



Operating strategies



Long-term planning

FINANCIALS

OPERATIONAL
Life-of-mine and business plan

Organisational support

Occupational
health and safety

People

Sustainability,
social,
environmentalLegal and
regulatory

Technology

Business
development

STRATEGIES – KEY PERFORMANCE INDICATORS

OPERATIONAL
EXCELLENCE

- 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)

CAPITAL
MANAGEMENT

- 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

BUSINESS
DEVELOPMENT

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

ORGANISATIONAL
DEVELOPMENT

- Manage labour availability to support full operational capacity
- Strengthen management succession and build leadership capacity
- Implement culture transformation
- Implement HR digitisation strategy

ESG EXCELLENCE

- Compliance with statutory requirements including Mining Charter and SLPs
- Strengthen stakeholder engagement capability and capacity
- Promote host community employment and procurement
- Manage environmental impacts and develop a renewable energy and climate strategy

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.

See our strategy



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.

See ESG Report



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.

Pt
Platinum

- Increased support from physical investment due to appeal of "hard assets"
- Sustained underlying market surplus in medium-term and rising above-ground inventory
- Potential to accelerate tightening through commercial application of "switching" in light-duty gasoline autocatalysis
- Long-term underpin from mainstreaming of the "hydrogen economy" and fuel cell applications

Pd
Palladium

- Underpinned by auto demand in developing markets and rising gasoline market share
- Persistent market deficits have eroded above-ground inventory
- Tight physical markets and continued price support

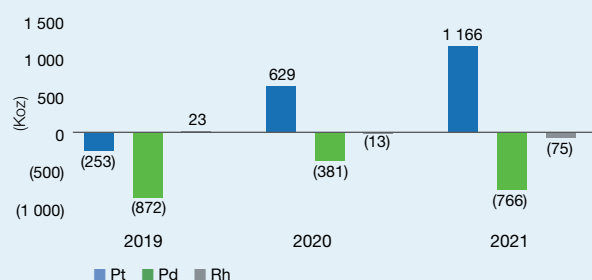
Rh
Rhodium

- Structural change in market balance due to NO_x legislation
- Concentrated South African supply
- Price volatility vulnerable to wide bid-offer spreads

ZAR
Rand

- Economic shock of pandemic has inflicted immense fiscal damage on South Africa
- Exacerbated pre-existing funding fragilities and amplified concerns regarding domestic outlook

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



See page 39
• Market analysis

WHAT DIFFERENTIATES US – INVESTOR PERSPECTIVE:

Positive market
Page – 80Mineral portfolio
Page – 81Processing assets
Page – 82Capital allocation framework
Page – 82Corporate stewardship
Page – 80 and 83Operational excellence
Page – 83

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

Mechanised	64%
Hybrid	5%
Conventional	32%

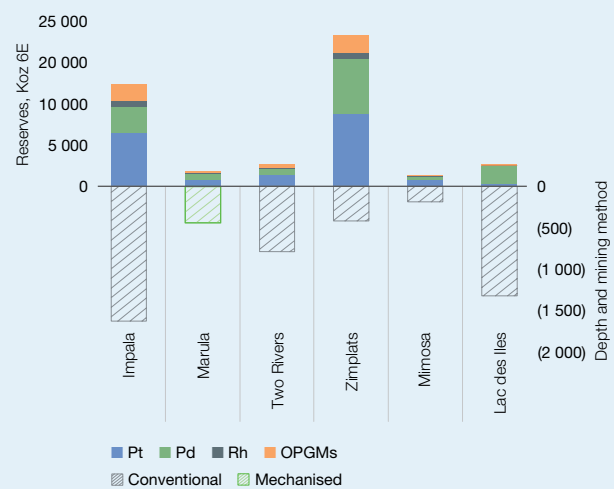
Geographic split reserve

	Pt	Pd	Rh	OPGM
South Africa	47%	33%	61%	52%
Zimbabwe	52%	51%	39%	44%
Canada	1%	16%	0%	3%

 See MRR report

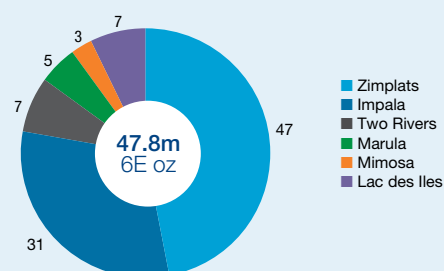
Mineral Reserves by assets

as at 30 June 2020 (Koz 6E)



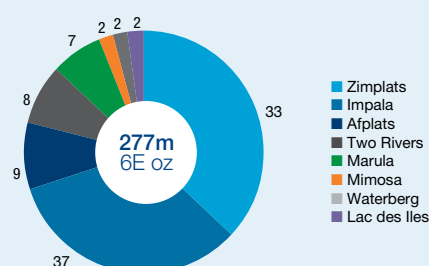
Attributable Mineral Reserves

as at 30 June 2020 (%)



Attributable Mineral Resources

as at 30 June 2020 (%)



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.

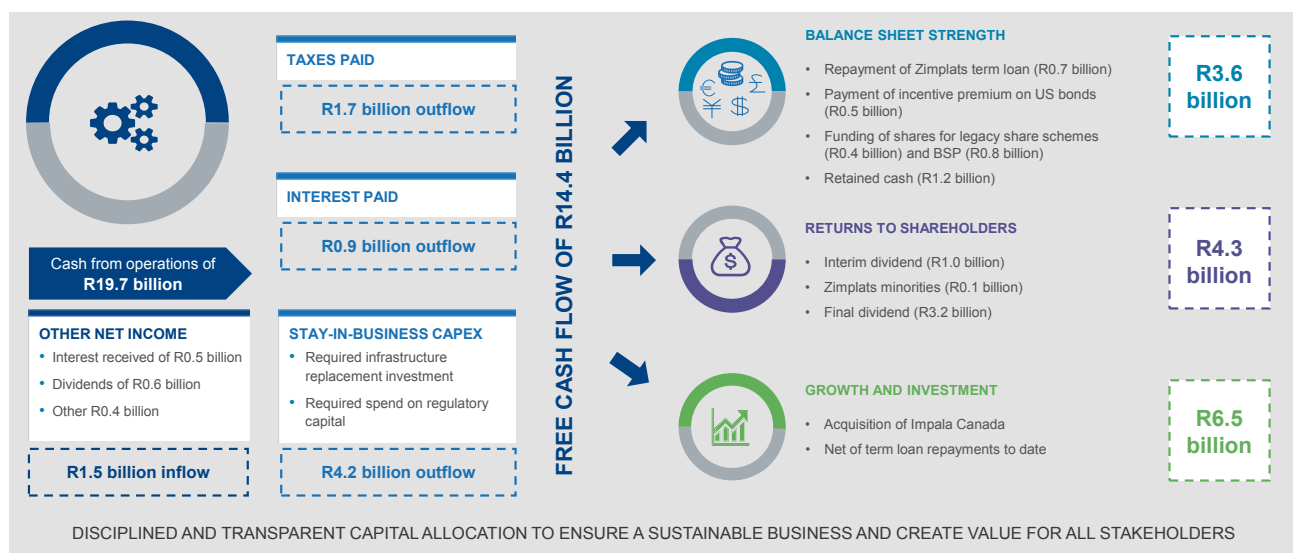
Capital allocation framework and priorities

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



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 external 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

66%

Share price increase

R4.2bn

Dividends reinstated

ESG accolades



FTSE/JSE Responsible
Investment Top 30 Index



One of 325 globally and one of eight
in South Africa to be included this year



FTSE4Good
FTSE4Good Index



Top 100 Best Emerging
Markets Performer



"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

		Comment	KPI performance target for FY2021
STRATEGIES – KEY PERFORMANCE INDICATORS	OPERATIONAL EXCELLENCE	Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery	• Zero fatalities • Improve LTIFR – <5.0ppmmhw • 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
	CAPITAL MANAGEMENT	Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework	Effective capital structure • Appropriate liquidity to fund Group strategy and through Covid-19 pandemic to manage market/operational volatility 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
	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	• Ongoing optimisation of portfolio • Maximise 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	• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity • Implement culture transformation • Implement HR digitisation strategy
	ESG EXCELLENCE	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	Key actions
• Zero fatalities • Improve LTIFR – <3.5ppmhw • Achieve efficiency and productivity >4 470t/total employee costed • Achieve production of between 2.90Moz – 3.30Moz in 6E concentrate and 2.60Moz – 3.420Moz 6E refined • Target below mining inflation increases	• Prevent injury and ensure a safe operational culture • Improve on-reef development to increase face length • Operations to deliver: – Impala Rustenburg: 1.10Moz – 1.27Moz 6E in concentrate – Zimplats: 570koz – 600koz 6E in concentrate – Two Rivers: 260koz – 300koz 6E in concentrate – Mimosa: 230koz – 260koz 6E in concentrate – Marula: 220koz – 260koz 6E in concentrate – IRS (third party): 300koz – 380koz 6E in concentrate • Roll out and embed risk management system
Effective capital structure • Appropriate liquidity to fund Group strategy Effective capital allocation strategy • Dividends at 30% payout ratio with potential to increase • Capital R5.0 billion – R5.6 billion	• Use improved profitability to further strengthen liquidity • Repay debt at Impala Canada and Marula and refinance the revolving credit facility • Continue with capital project pipeline • Return value to shareholders
• Ongoing optimisation of portfolio • Maximise market development and industry participation to increase demand	• Ongoing optimisation of portfolio prioritising low cost, mechanised, Pd/Rh rich, cash-generative assets • Advance studies on LOMs across the portfolio • Increase mill capacity at Two Rivers and Zimplats and improve recovery at Mimosa • Maximise market development and industry participation to increase demand
• Manage labour availability to support full operational capacity • Sustain leadership capacity and capability • Sustain desired culture	• Implement culture transformation leadership programme • Embed high performance management system • Develop managerial and competency skills • Strengthen capacity and capability in key areas
• 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 – 50%	• Compliance with statutory requirements including Mining Charter and SLPs • Strengthen stakeholder engagement • Promote host community employment and procurement • Manage environmental impacts • Implement occupational health and safety initiatives



Penstock tower at No 4 tailings storage facility at Impala Rustenburg

OUR PERFORMANCE



We leverage and enhance
our diverse resource base by
growing operational
exposure to shallow,
mechanisable ore bodies

05

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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.

Nico Muller
Chief executive officer

INTEGRATED



Our strategic transition into a high-value, profitable and competitive producer was meaningfully advanced during the year

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.

RESPONSE

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 (C\$54 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 R116 million 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 Clapham 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 R69.9 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 through 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

Implats 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.

Rm	FY2020	FY2019
Revenue	69 851	48 629
Cost of sales	(46 580)	(41 791)
Gross profit	23 271	6 838
Impairment	–	(2 432)
Other income	471	1 424
Other expenses	(1 963)	(1 799)
Finance income	538	368
Finance cost	(1 155)	(1 136)
Net foreign exchange transaction gains/(losses)	786	(362)
Share of profit of equity-accounted entities	1 082	398
Profit before tax	23 030	3 299
Income tax expense	(6 546)	(2 120)
Profit for the year	16 484	1 179
Headline earnings	16 126	3 038
GP margin %	33	14
Group unit cost (stock adjusted) R/6E oz	13 345	11 886

STRONG CASH

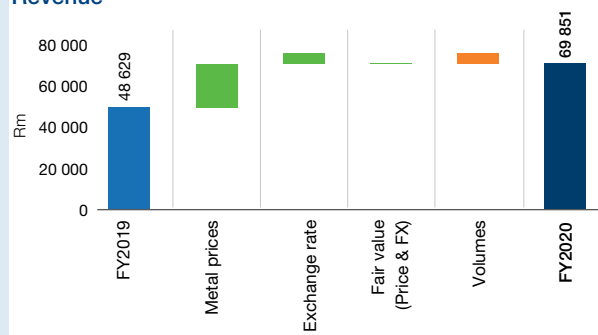
Chief financial officer's review

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.

Revenue



Cost of sales

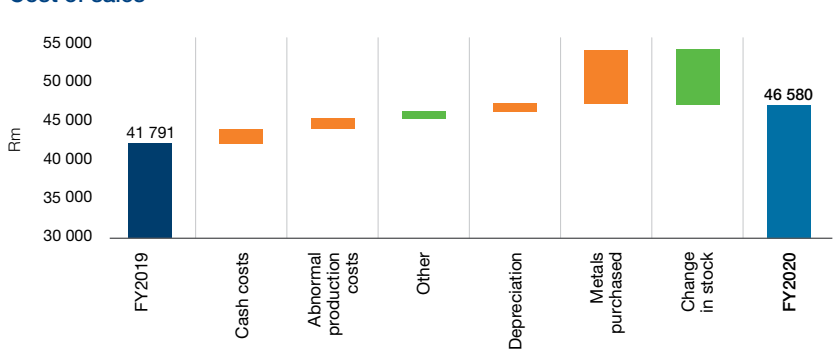
Cost of sales increased by 11% or R4.8 billion for the year:

- 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.

Rm	FY2020	FY2019
Production costs		
On-mine operations	18 581	17 686
Processing operations	6 096	5 410
Refining and selling	1 720	1 621
Depreciation of operating assets	4 521	3 488
Other costs		
Metals purchased	18 465	11 746
Corporate costs	1 139	981
Royalty expenses	1 367	646
Changes in metal inventories	(7 108)	(182)
Covid-19 abnormal production costs	1 278	—
Other	521	395
	46 580	41 791

Cost of sales



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.

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.

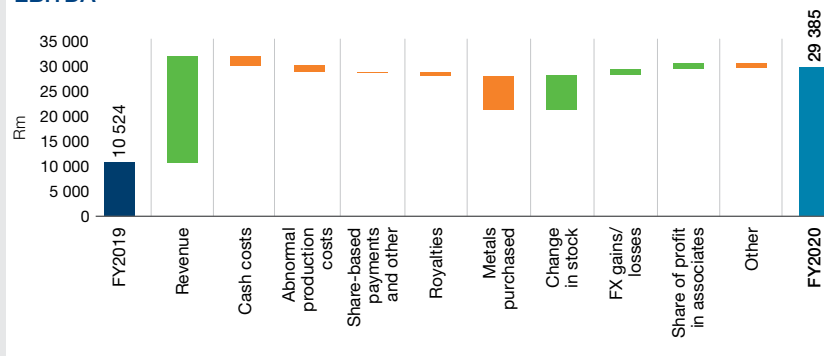
This excess inventory excludes the material stockpiled at Mimosa during the period when IRS declared *force majeure* and stopped receiving any material from Group companies and third-party suppliers. The delivery of the backlog of concentrate subsequent to the lifting of the *force majeure* was delayed 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.

EBITDA



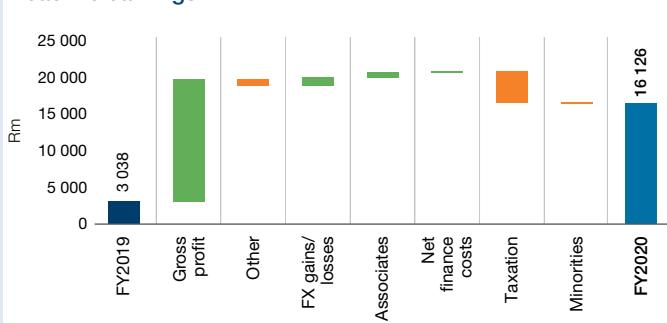
Headline earnings

Headline earnings benefited 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.

Headline earnings



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

Rm	FY2020	FY2019
Net cash from operating activities	17 122	10 658
Capital expenditure	(4 248)	(3 877)
Interest received	532	358
Dividends received	628	473
Other	361	73
Free cash flow	14 395	7 685

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.

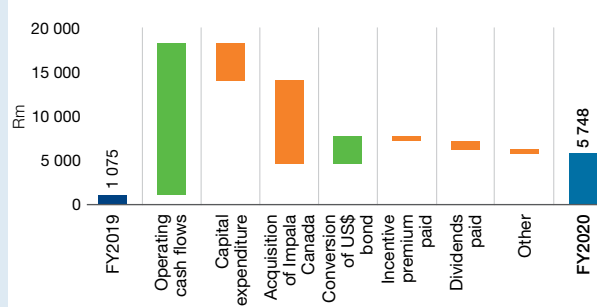
Following the declaration of an interim dividend for FY2020, the Group paid an interim dividend of R973 million (FY2019: nil) to Company shareholders during March 2020.

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.

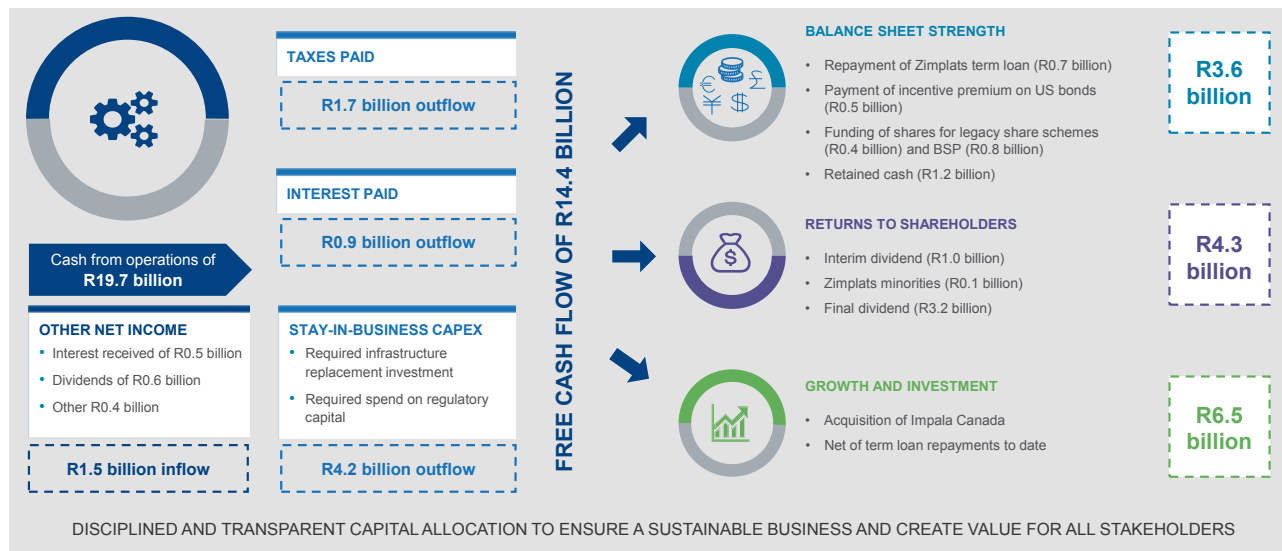
Cash net of debt



Cash net of debt

Rm	FY2020	FY2019
South African cash	9 689	7 298
Offshore cash	3 642	944
Gross cash	13 331	8 242
Convertible bond	(2 914)	(5 831)
Impala Canada term loan	(3 657)	–
Marula BEE debt	(885)	(888)
Zimplats debt	(126)	(599)
Derivative financial instrument	–	151
Gross debt excluding leases	(7 583)	(7 167)
Net cash excluding leases	5 748	1 075
EBITDA to net finance costs (times)	47.6	13.7

Capital allocation Framework and FY2020 dividend



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-accretive 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 future 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 Capital allocation

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

		Comment	KPI performance target for FY2020
STRATEGIES – KEY PERFORMANCE INDICATORS	OPERATIONAL EXCELLENCE	Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery	• Zero fatalities • LTIFR <5.0ppmmhw • Improve efficiency and productivity >410t/total employee costed • 6E in concentrate production of between 3.00Moz – 3.20Moz • 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 • Maximise 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	Comments
- Five fatalities - LTIFR 4.54pmmhw - Efficiency and productivity >396t/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 - Regretfully, five work-related fatalities at managed operations - A strong operational performance despite the impact of Covid-19 interruptions 9% (290koz 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 R9.4 billion North American Palladium acquisition Effective capital allocation strategy - Capital R4.5 billion	- 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
- 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 indexes - 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

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). 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

Attributable estimates*		2020**	2019	2018	2017	2016
Mineral Resources	Moz Pt	132	132	134	192	194
	Moz Pd	90	82	83	128	129
	Moz 3E	234	228	228	337	342
	Moz 4E	249	240	244	360	365
	Moz 6E	277	268	273	403	407
	Mt	1 819	1 710	1 741	2 787	2 741
Mineral Reserves	Moz Pt	21.8	21.2	21.2	22.4	21.6
	Moz Pd	17.3	14.7	14.4	14.1	13.1
	Moz 3E	41.2	38.0	37.5	38.2	36.1
	Moz 4E	43.6	40.3	40.0	41.0	38.9
	Moz 6E	47.8	44.3	44.2	45.9	44.1
	Mt	420	371	365	358	329

* 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)

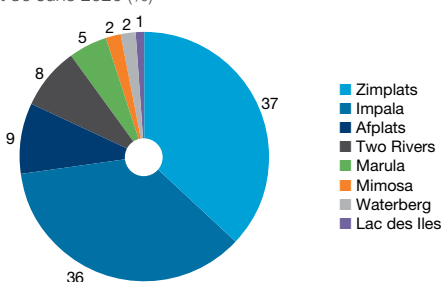
The Group's Mineral Resource estimate as at 30 June 2020 sees the portfolio increasing by 8.7Moz 6E on an attributable basis to 277Moz 6E.

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.

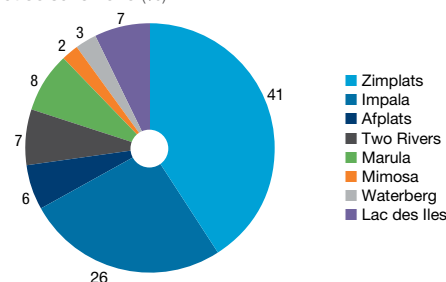
Attributable platinum Mineral Resource estimate of 132.4Moz Pt

as at 30 June 2020 (%)



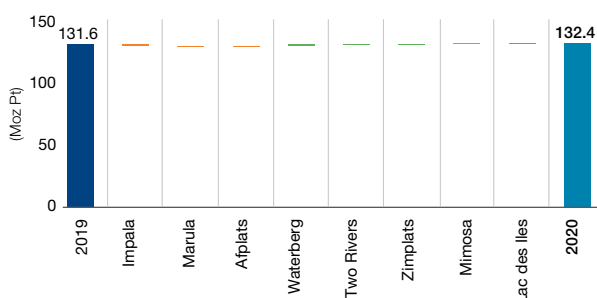
Attributable palladium Mineral Resource estimate of 89.9Moz Pd

as at 30 June 2020 (%)



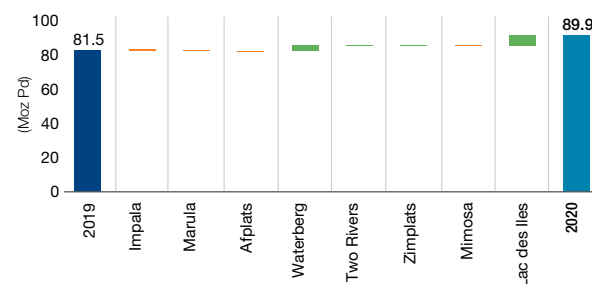
Attributable platinum Mineral Resource estimate as at 30 June 2020 (variance Moz Pt)

as at 30 June 2020 (variance Moz Pt)



Attributable palladium Mineral Resource estimate as at 30 June 2020 (variance Moz Pd)

as at 30 June 2020 (variance Moz Pd)



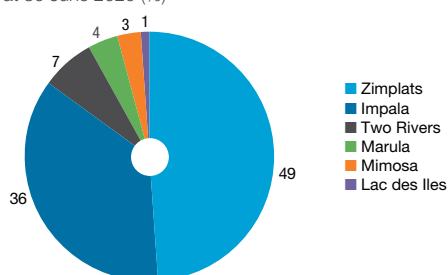
Summary Mineral Reserves

(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%).

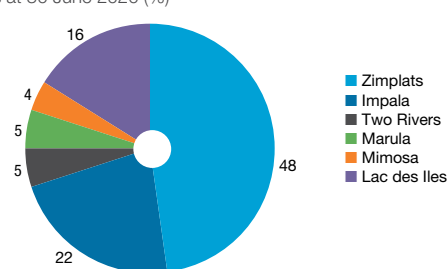
Attributable platinum Mineral Reserve estimate of 21.8Moz Pt

as at 30 June 2020 (%)



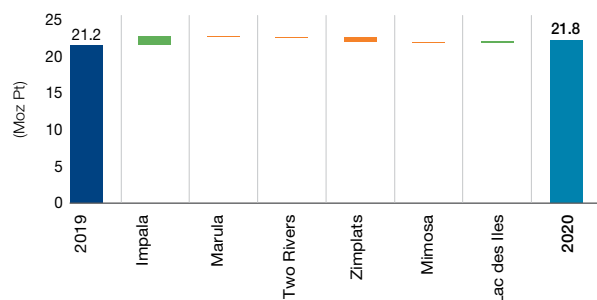
Attributable palladium Mineral Reserve estimate of 17.3Moz Pd

as at 30 June 2020 (%)



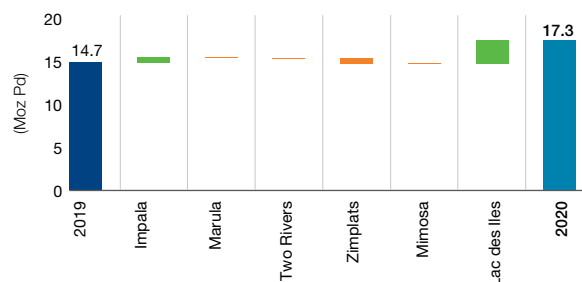
Attributable platinum Mineral Reserve estimate

as at 30 June 2020 (variance Moz Pt)



Attributable palladium Mineral Reserve estimate

as at 30 June 2020 (variance Moz Pd)



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).

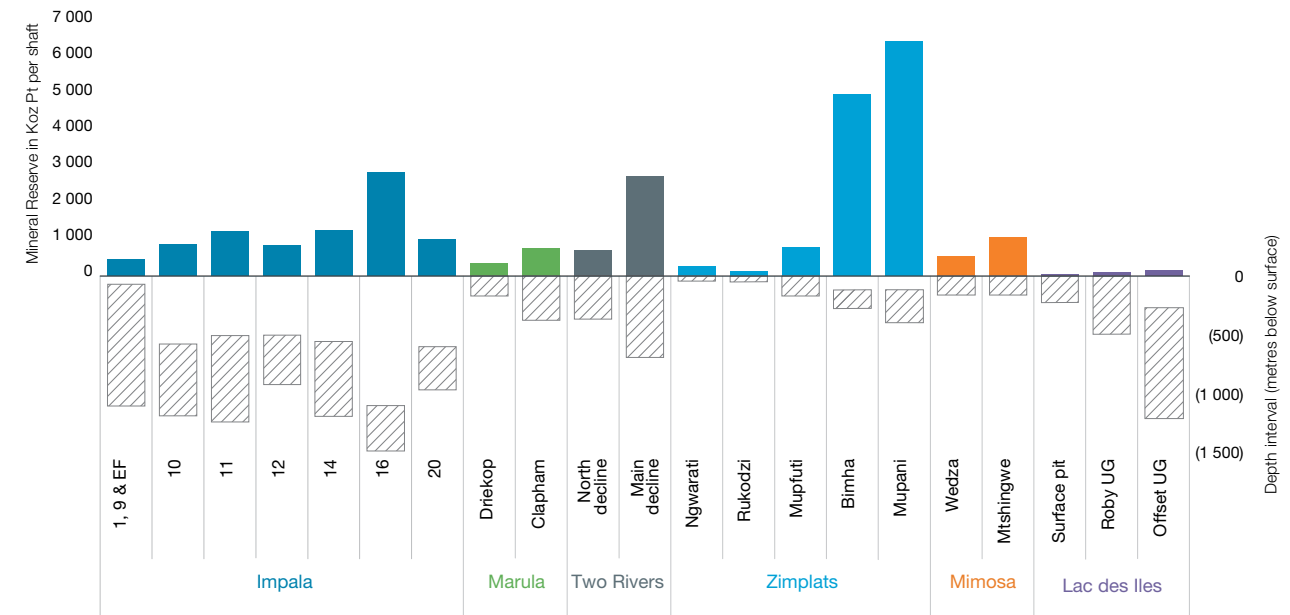
Note that:

- 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

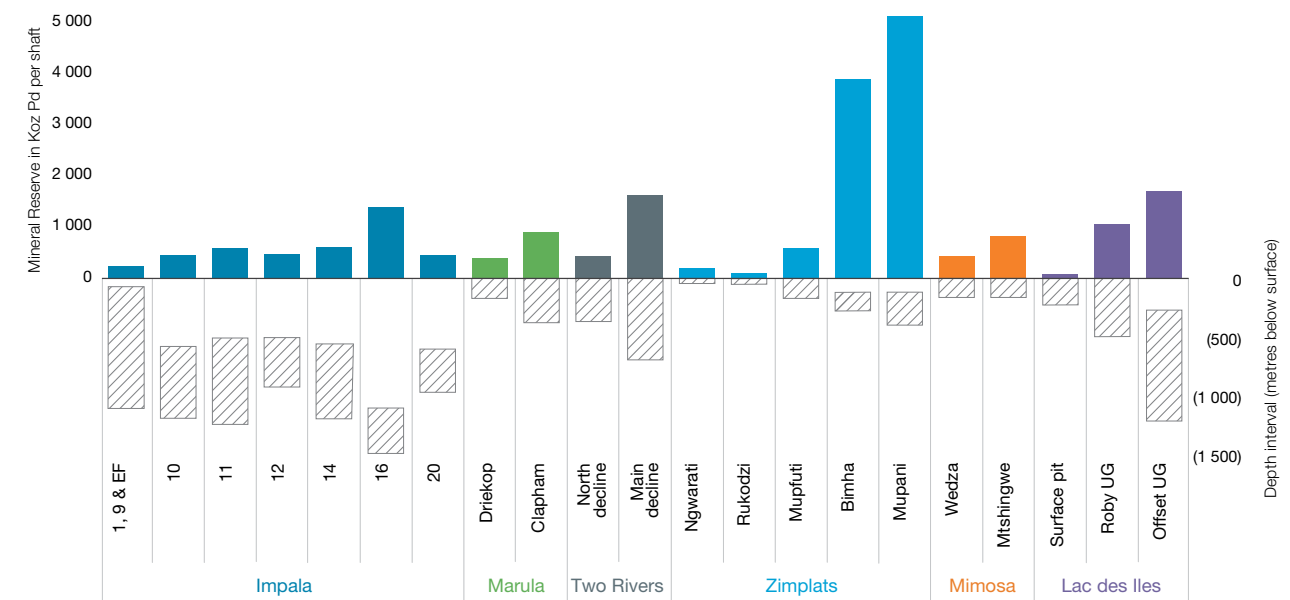
The updated allocation of Implats' platinum and palladium Mineral Reserves per shaft infrastructure as at 30 June 2020 is depicted in the accompanying graphic illustrations. The range in depth below surface and quantum relating to the infrastructure is also shown and depicts among others the advantage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

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



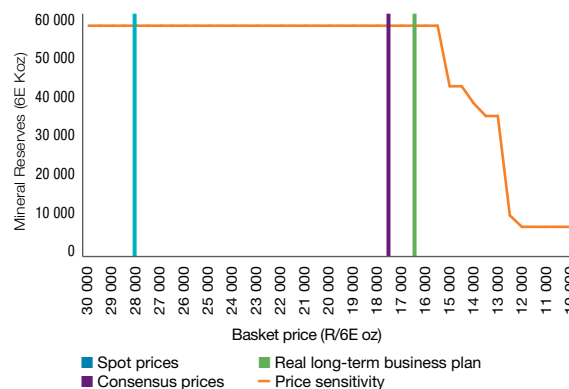
Valuation and sensitivities

- 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:

Platinum	US\$/oz	827
Palladium	US\$/oz	1 264
Rhodium	US\$/oz	4 406
Ruthenium	US\$/oz	172
Iridium	US\$/oz	1 132
Gold	US\$/oz	1 359
Nickel	US\$/t	15 773
Copper	US\$/t	6 133
Exchange rate	R/US\$	13.82

- 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

Implats Mineral Reserves versus real basket price
as at 30 June 2020



Implats Mineral Resource and Mineral Reserve statement 2020 at a glance

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.

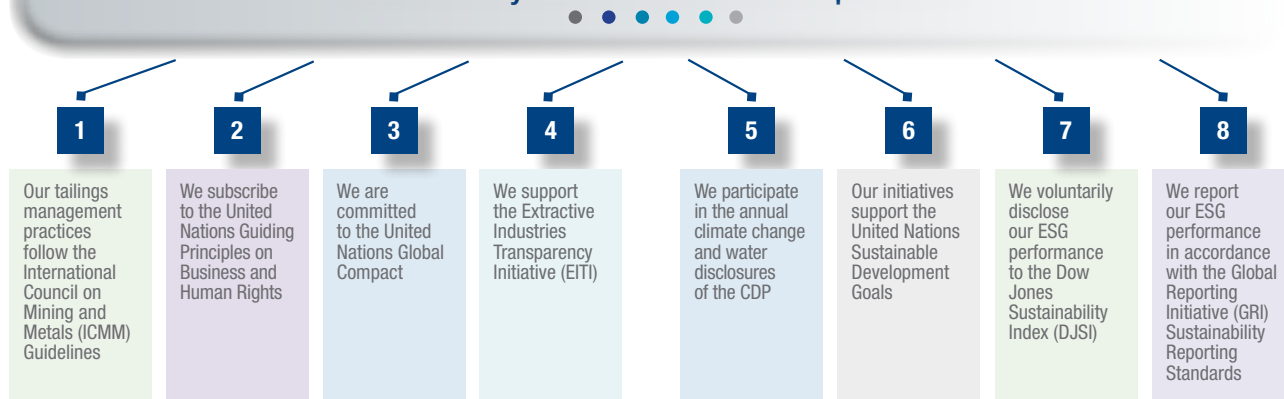
The ESG considerations are not only important modifying factors for the estimation and reporting of Mineral Resources and Mineral Reserves, but these are also important for stakeholders and investors alike. ESG matters are dealt with in more detail in the Implats 2020 ESG report (see www.implats.co.za). 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 an environmentally 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



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).



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

	Current cost estimates*		Financial provisions**	
	2020 Rm	2019 Rm	2020 Rm	2019 Rm
Impala Rustenburg	1 342	1 278	759	805
Impala Springs	275	268	228	226
Marula	334	300	148	157
Afplats	20	19	20	19
Zimplats	668	565	352	285
Impala Canada	297	—	312	—
	2 936	2 430	1 819	1 492

* 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.

Operational performance

IMPALA VALUE CHAIN

	PURCHASING	X
	EXPLORING	✓
	MINING	✓
	CONCENTRATING	✓
	SMELTING	✓
	REFINING	✓
	MARKETING	✓
	REHABILITATION	✓

KEY FEATURES

- Regrettably, 4 fatal injuries
- Effective response to Covid-19
- Operational turnaround sustained with continued improvement in mineable face length
- 151koz 6E in concentrate lost due to Covid-19 and production declined 14% to 1.1Moz
- 6E refined production decreased 9% to 1.3Moz aided by a revised goodwill allocation policy between IRS and Impala
- Excess in-process inventory released during the year
- Unit costs increased 14% to R15 021/6Eoz (stock-adjusted)
- Capital expenditure declined 12% to R1.8bn as Covid-19 impeded progress on capital projects
- Improved performance allows upward revisions to production plans at the mining complex

KEY STATISTICS

Fatal incidents	LTIFR
4	5.06pmmhw
Number of employees	Headline earnings
39 375	R6.5bn
Free cash flow	Capital expenditure
R8.5bn	R1.8bn
Stock adjusted refined production	
1.12Moz 6E	

IMPALA



IMPALA, IMPLATS' 96%-OWNED PRIMARY OPERATIONAL UNIT, HAS MINING OPERATIONS SITUATED 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.

Value added statement for the year ended 30 June

(prepared on headline earning basis)	2020 Rm	2019 Rm
Revenue	30 220	21 522
Other net income/(expense)	606	(622)
Gross value generated	30 826	20 860
Depreciation	(2 935)	(2 903)
Deferred tax	(1 204)	(567)
	26 687	17 390
Distribution of value		
Labour and other	(11 754)	(11 217)
Consumables and services	(10 402)	(3 562)
Finance costs	(469)	(768)
Royalty recipients	(531)	(222)
Direct state taxes	33	—
Value retained in the business	(3 564)	(1 621)



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

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

Outlook

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

STAKEHOLDER

MATERIAL MATTERS

EMPLOYEES	• Impact of Covid-19 on the health and well-being of employees • Uncertainty of job security
UNIONS	• Impact of Covid-19 • Uncertainty of job security • Internal rivalries
COMMUNITIES	• Socio-economic impacts of Covid-19 • Employment, procurement and social investment opportunities for host communities
GOVERNMENT	• Socio-economic impacts of Covid-19
CUSTOMERS	• Impact of the Covid-19 pandemic on PGM market fundamentals and their future impact • Force majeure declared on contractual deliveries during the lockdown period

RESPONSE

• Effective response to Covid-19 pandemic • Intensive communication and engagement • Employee support through assistance with UIF TERS benefit claims
• Effective response to Covid-19 pandemic • Intensive consultation and engagement
• Intensive consultation and engagement • Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support
• Support for government to contain the spread of Covid-19 infections and to provide relief aid
• Sustained delivery of refined metal to customers • Force majeure lifted on 22 June 2020

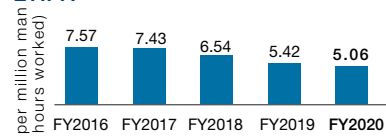
Operational performance – Impala

STRATEGIC PERFORMANCE AREAS	Comment	KPI performance target for FY2020	Performance against KPI target for FY2020
	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 Cost management • Costs <R19.1 billion (excluding 1 Shaft)	Capital allocation • Capital R1.8 billion Cost management • Costs R16.8 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

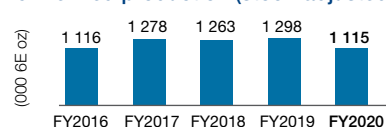
	KPI performance target for FY2021	Key actions in FY2021
	- Zero fatalities - Improve LTIFR – 15% improvement on three-year average (4.83pmmhw) 6E in concentrate production between 1.1Moz – 1.3Moz - Cost per 6E ounce between R16 500/oz – R17 500/oz	- Prevent injury and ensure a safe operational culture - Improve efficiency on stoping - Improve on-reef development to increase face length - Roll out and embed risk management system
	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
	Maintain operational delivery: - Costs <R21 billion - Growth shafts to deliver 355koz 6E	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
	- Manage labour availability to support full operational capacity - Strengthen management succession and build leadership capacity - Implement culture transformation	- Implement culture transformation leadership programme - Embed high performance management system - Develop managerial and competency skills - Strengthen capacity and capability in key areas
	- 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 – >44% - Increase average spend per local supplier	- 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

Trends

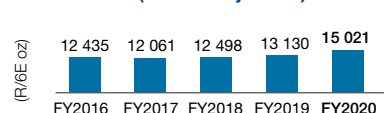
LTIFR



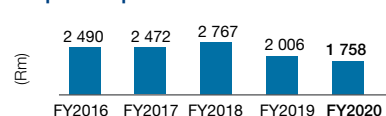
6E refined production (stock-adjusted)



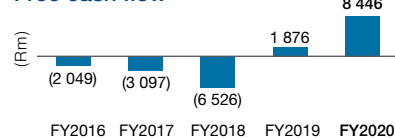
Cost/6E oz (stock-adjusted)



Capital expenditure



Free cash flow



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-CPI 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 R1.8 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 reallocation of 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 stopping 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 stopping tonnes.

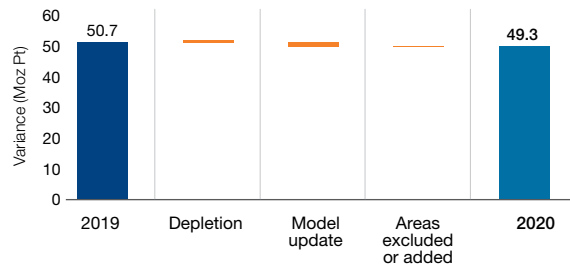
20 Shaft has shown a pleasing improvement in performance and exceeded plan with IMS face length increasing by 66% to 2 607 metres at year-end, with a closing development replacement ratio of 10.5 against a plan of 18 stopping centares per metre developed. Improved operational flexibility is expected 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

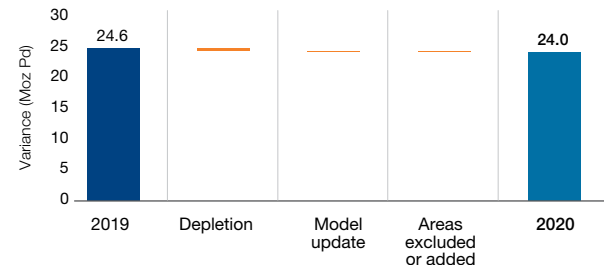
Total Impala platinum Mineral Resources

as at 30 June 2020 (variance Moz Pt)



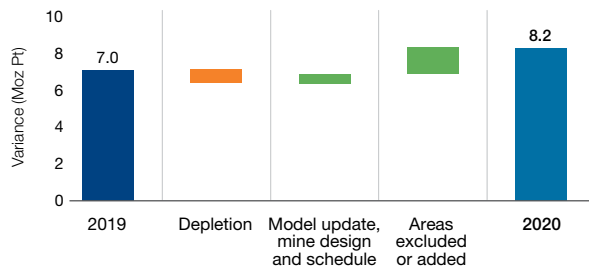
Total Impala palladium Mineral Resources

as at 30 June 2020 (variance Moz Pd)



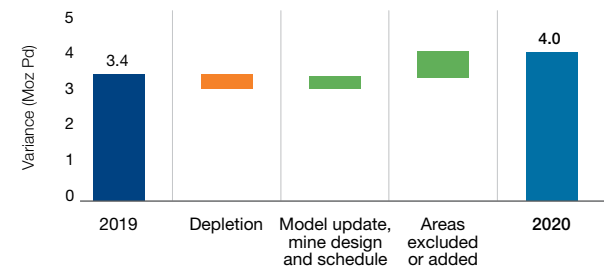
Total Impala platinum Mineral Reserves

as at 30 June 2020 (variance Moz Pt)



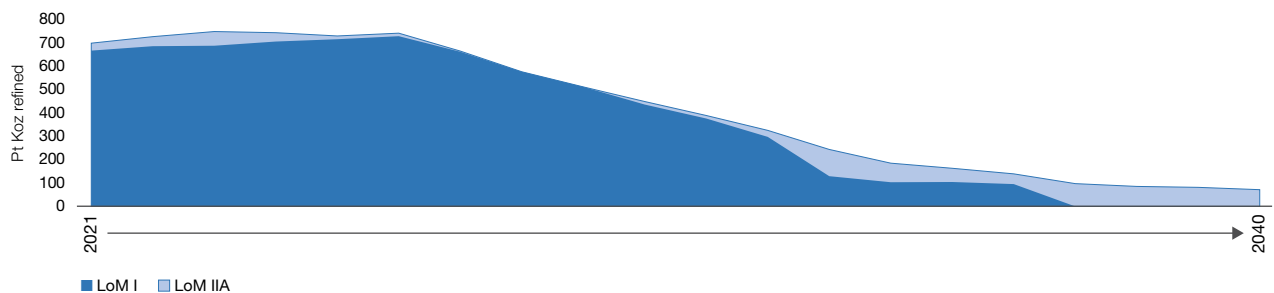
Total Impala palladium Mineral Reserves

as at 30 June 2020 (variance Moz Pd)



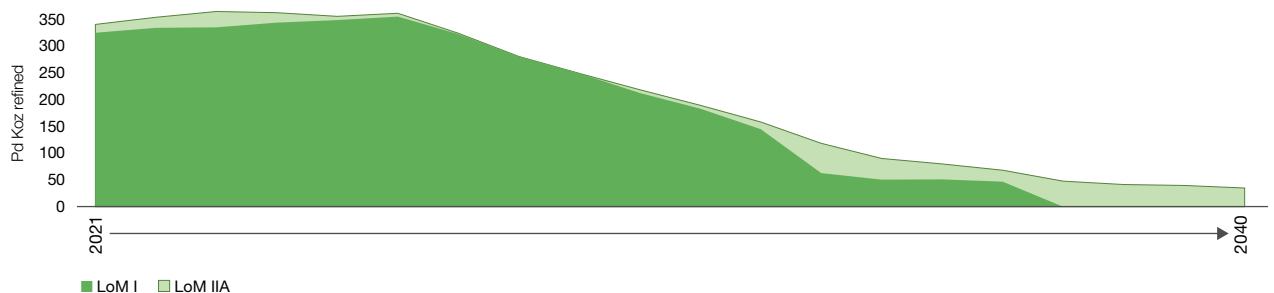
Impala 20-year estimated LoM platinum ounce profile

as at 30 June 2020



Impala 20-year estimated LoM palladium ounce profile

as at 30 June 2020



Operational performance – Impala

Key statistics

		FY2020	FY2019	Variance %
Mining sales	(Rm)	30 220	21 522	40.4
Platinum	(Rm)	8 855	8 739	1.3
Palladium	(Rm)	9 099	6 233	46.0
Rhodium	(Rm)	8 858	3 625	144.4
Nickel	(Rm)	1 036	696	48.9
Chrome	(Rm)	108	199	(45.7)
Other	(Rm)	2 264	2 030	11.5
Cost of sales	(Rm)	(21 302)	(20 045)	(6.3)
On-mine operations	(Rm)	(12 414)	(12 878)	3.6
Processing operations excl smelter	(Rm)	(2 165)	(2 096)	(3.3)
Smelting operations	(Rm)	(934)	(993)	5.9
Refining and marketing operations	(Rm)	(957)	(826)	(15.9)
Head office costs	(Rm)	(283)	(252)	(12.3)
Abnormal production costs	(Rm)	(998)	–	–
Share-based payments and other	(Rm)	(280)	(145)	(93.1)
Royalty expense	(Rm)	(531)	(222)	(139.2)
Depreciation	(Rm)	(2 232)	(2 330)	4.2
Change in metal inventories	(Rm)	(508)	(303)	(67.7)
Mining gross profit	(Rm)	8 918	1 477	503.8
Other	(Rm)	(23)	43	(153.5)
Profit before tax	(Rm)	8 895	1 520	485.2
Income tax expense	(Rm)	(2 366)	(335)	(606.3)
Net profit for the year	(Rm)	6 529	1 185	451.0
Gross margin ex mine	(%)	29.5	6.9	327.5
EBITDA	(Rm)	11 606	4 507	157.5
Sales volumes ex mine				
6E	(000oz)	1 254.0	1 438.3	(12.8)
Platinum	(000oz)	653.1	744.1	(12.2)
Palladium	(000oz)	322.8	372.0	(13.2)
Rhodium	(000oz)	89.4	100.0	(10.6)
Nickel	(tonnes)	4 720	3 894	21.2
Prices achieved ex mine				
Platinum	(US\$/oz)	892	827	7.9
Palladium	(US\$/oz)	1 868	1 180	58.3
Rhodium	(US\$/oz)	6 371	2 560	148.9
Nickel	(US\$/t)	14 557	12 613	15.4
Exchange rate achieved ex mine	(R/US\$)	15.28	14.19	7.7
Revenue per 6E ounce	(R/oz)	23 541	14 889	58.1

		FY2020	FY2019	Variance %
Production ex mine				
Tonnes milled ex-mine	(000t)	9 635	11 211	(14.1)
% UG2 milled	(%)	54.4	56.9	(4.4)
Development metres	(metres)	82 597	85 081	(2.9)
Headgrade (6E)	(g/t)	3.91	3.99	(2.0)
6E stock adjusted	(000oz)	1 115.3	1 298.2	(14.1)
6E refined	(000oz)	1 270.1	1 390.8	(8.7)
Platinum refined	(000oz)	638.3	753.8	(15.3)
Palladium refined	(000oz)	343.2	332.0	3.4
Rhodium refined	(000oz)	100.0	86.9	15.1
Nickel refined	(tonnes)	4 720	3 439	37.2
Total cost				
	(Rm)	16 753	17 045	1.7
	(US\$m)	1 069	1 201	11.0
Per tonne milled	(R/t)	1 739	1 520	(14.4)
	(US\$/t)	111	107	(3.7)
Per 6E ounce refined	(R/oz)	13 190	12 256	(7.6)
	(US\$/oz)	842	864	2.5
Per platinum ounce refined	(R/oz)	26 246	22 612	(16.1)
	(US\$/oz)	1 674	1 593	(5.1)
Per 6E stock adjusted	(R/oz)	15 021	13 130	(14.4)
	(US\$/oz)	958	925	(3.6)
Capital expenditure				
	(Rm)	1 758	2 006	12.4
	(US\$m)	112	141	20.6
Stay-in-business capital	(Rm)	1 427	1 603	11.0
Replacement capital	(Rm)	331	403	17.9
Labour including capital as at 30 June				
	(no)	39 375	39 523	0.4
Own employees	(no)	28 754	28 258	(1.8)
Contractors	(no)	10 621	11 265	5.7
Centares per panel man per month	(m ² /man/month)	17.7	20.5	(13.7)
Tonnes milled per employee costed*	(t/man/annum)	245	289	(15.2)

* Average working cost employees including contractors.

Operational performance

IMPALA VALUE CHAIN



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

KEY STATISTICS

Headline earnings
R4.3bn

Refined 6E production
1.45Moz

Free cash flow
(R116m)

6E sales volumes
1.45Moz

IRS



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

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



Smelting and refining

Outlook

- Available smelting and refining capacities are continuously reviewed and suitable opportunities which shall maximise financial return from spare capacity shall be pursued

RISKS

- Covid-19-related disruptions to supplier volumes or Impala's processing capacity
- Sustained availability of Impala processing infrastructure
- Insufficient processing capacity to serve available business opportunities

OPPORTUNITIES

- Available capacities for suitable processing opportunities
- Remains a strategic competitive advantage for the Group

RESPONSE

- Key processing units scheduled for regular maintenance
- Continuous review of available processing capacities against opportunities as they present

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.

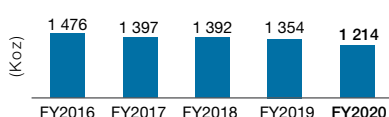
The cash operating costs associated with smelting, refining, and marketing IRS production increased by 7% to R1.5 billion (FY2019: R1.4 billion), with inflationary pressures on utilities and certain processing consumables compounded by the high fixed cost component of allocated smelting and refining 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

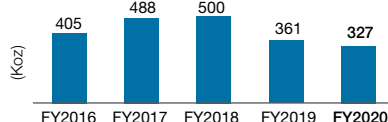
		Comment	KPI performance target for FY2020	Performance against KPI target for FY2020	KPI performance target for FY2021	Key actions in FY2021
STRATEGIC PERFORMANCE AREAS	OPERATIONAL EXCELLENCE	To provide consistent operational delivery to all suppliers through the use of Impala's safe, responsible and competitive surface assets	To ensure timeous adherence to all contractual obligations in accordance with supplier requirements	Excluding the unavoidable declaration of <i>force majeure</i> in March 2020 in accordance with the national lockdown, operational performance was sustained	To ensure timeous adherence to all contractual obligations in accordance with supplier requirements	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
	BUSINESS DEVELOPMENT	Following confirmation of longer-term capacity headroom to explore opportunities to maximise the use thereof	Prevailing surface stocks limited immediate production expansion	Excluding the period following the declaration of <i>force majeure</i>, receipts from Group companies and third-parties were in-line with production plans for FY2020	Reduced surface stock provides an opportunity to increase production in accordance with available capacity headroom	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

Trends

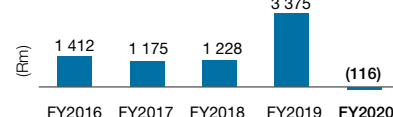
Mine-to-market receipts



Third party receipts



Free cash flow



Key statistics

		FY2020	FY2019	Variance %
Sales	(Rm)	36 304	26 899	35.0
Platinum	(Rm)	9 729	9 057	7.4
Palladium	(Rm)	13 716	9 415	45.7
Rhodium	(Rm)	8 947	3 848	132.5
Nickel	(Rm)	1 285	1 622	(20.8)
Other	(Rm)	2 627	2 957	(11.2)
Cost of sales	(Rm)	(30 279)	(23 534)	(28.7)
Metals purchased	(Rm)	(38 160)	(23 676)	(61.2)
Smelting operations	(Rm)	(593)	(493)	(20.3)
Refining and marketing operations	(Rm)	(763)	(795)	4.0
Head office costs	(Rm)	(172)	(142)	(21.1)
Change in metal inventories	(Rm)	9 409	1 572	498.5
Gross profit	(Rm)	6 025	3 365	79.0
Other	(Rm)	(21)	(169)	87.6
Profit before tax	(Rm)	6 004	3 196	(100.0)
Income tax expense	(Rm)	(1 688)	(1 116)	(51.3)
Net profit for the year	(Rm)	4 316	2 080	107.5
Gross margin	(%)	16.6	12.5	32.8
EBITDA	(Rm)	5 974	3 249	83.9
Total sales volumes				
6E	(000oz)	1 449	1 611	(10.0)
Platinum	(000oz)	713	771	(7.6)
Palladium	(000oz)	470	557	(15.6)
Rhodium	(000oz)	85	105	(19.7)
Nickel	(tonnes)	6 253	9 040	(30.8)
Prices achieved				
Platinum	(US\$/oz)	877	827	6.0
Palladium	(US\$/oz)	1 862	1 185	57.1
Rhodium	(US\$/oz)	6 615	2 559	158.5
Nickel	(US\$/t)	14 959	12 618	18.6
Exchange rate achieved	(R/US\$)	15.67	14.19	10.4
Revenue per 6E ounce	(R/oz)	25 008	16 150	54.8
Refined production				
Platinum	(000oz)	705.7	772.4	(8.6)
Palladium	(000oz)	470.0	577.6	(18.6)
Rhodium	(000oz)	80.6	118.9	(32.2)
Nickel	(tonnes)	10 666	12 609	(15.4)
6E refined production	(000oz)	1 452.7	1 682.7	(13.7)
Metal returned				
Platinum	(000oz)	0.1	0.7	(85.7)
Palladium	(000oz)	1.0	2.9	(65.5)
Rhodium	(000oz)	—	—	—
Nickel	(tonnes)	2 949	3 516	(16.1)

Operational performance

IMPALA VALUE CHAIN

	EXPLORING	✓
	MINING	✓
	CONCENTRATING	✓
	REHABILITATION	✓

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

Fatal incidents	LTIFR
0	6.71pmmhw
Number of employees	Headline earnings
4 360	R1.1bn
Free cash flow	Capital expenditure
R2.2bn	R340m
6E in concentrate production	
210koz	

MARULA



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 KILOMETRES NORTH-WEST OF BURGERSFORT.

Value added statement for the year ended 30 June

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



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

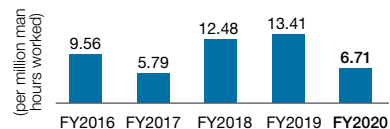
Operational performance – Marula

STRATEGIC PERFORMANCE AREAS	Comment	KPI performance target for FY2020	Performance against KPI target for FY2020
	OPERATIONAL EXCELLENCE	Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery	• Zero fatalities • LTIFR <6pmmhw • 6E in concentrate production between 210koz – 250koz • Cost per 6E ounce <R10 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 <R290 million Cost management • Costs <R2.5 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 • Prioritised focused mining resulting in a reduction in stoping width • Revenue benefited from high palladium and rhodium content • Development of new tailings dam
	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 water consumed <25 000Mℓ • Total water recycled >40% • Increase average spend per local supplier • 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

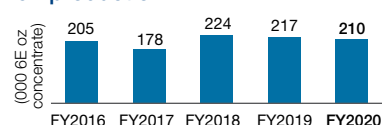
	KPI performance target for FY2021	Key actions in FY2021
	- Zero fatalities - Improve LTIFR – 15% improvement on three-year average (5.40pmmhw) 6E in concentrate production between 220koz – 260koz - Cost per 6E ounce between R10 900/oz – R11 900/oz	- Prevent injury and ensure a safe operational culture - Additional secondary support in identified areas - Focus on improving stoping efficiency - Increase face length in line with plan
	Capital allocation Capital <R370 million Cost management Costs <R2.9 billion	Capital allocation - Construction of new tailings dam and fleet replacement Cost management - Stringent cost management as mining and milling volumes increase
	- Ongoing optimisation of production areas - Progress investigation into extension of the Clapham decline - Advance new tailings dam project	- Construction of tailings dam facility - Progress bankable feasibility study on the extension of the Clapham decline - Replacement of ageing underground fleet - Invest in new mining technology
	- Manage labour availability to support full operational capacity - Strengthen management succession and build leadership capacity - Implement culture transformation	- Implement culture transformation leadership programme - Embed 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 000Mℓ - Total water recycled >44%	- Develop and implement an effective stakeholder management system - Focus on stakeholder engagement to mitigate community disruptions - Proactively manage employee health - Implement third generation SLP - Promote local recruitment and procurements - Maintain environmental authorisations - Improve water management

Trends

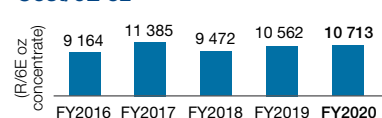
LTIFR



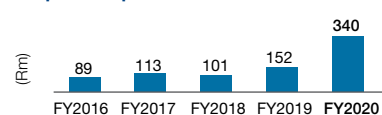
6E production



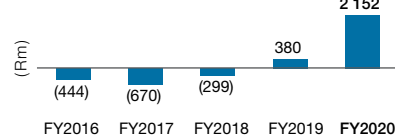
Cost/6E oz



Capital expenditure



Free cash flow



Operational performance – Marula

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).

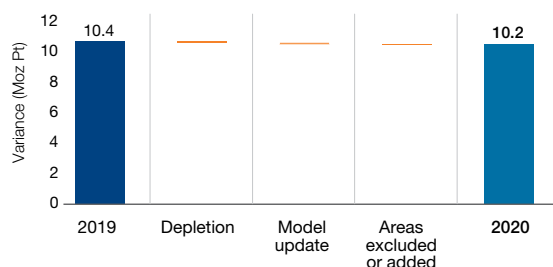
Capital expenditure increased by 124% to R340 million as the TSF project was advanced and the trackless mining fleet replaced. A relatively high exposure to rising palladium and rhodium pricing due to its UG2 basket price resulted in revenue increasing by 77% to R5.3 billion, despite a 3% decline in 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

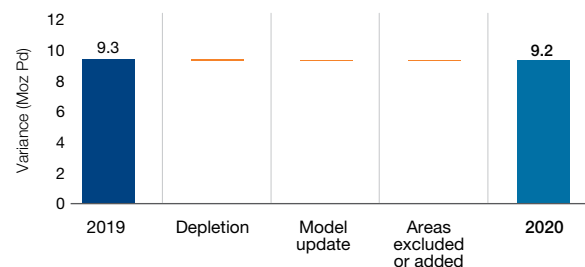
Total Marula platinum Mineral Resources

as at 30 June 2020 (variance Moz Pt)



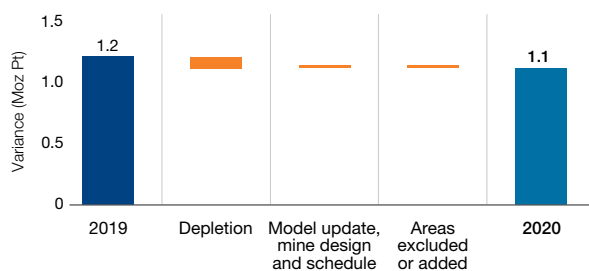
Total Marula palladium Mineral Resources

as at 30 June 2020 (variance Moz Pd)



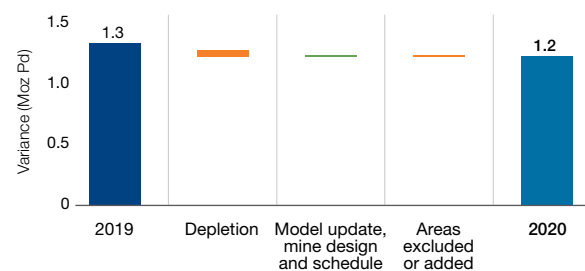
Total Marula platinum Mineral Reserves

as at 30 June 2020 (variance Moz Pt)



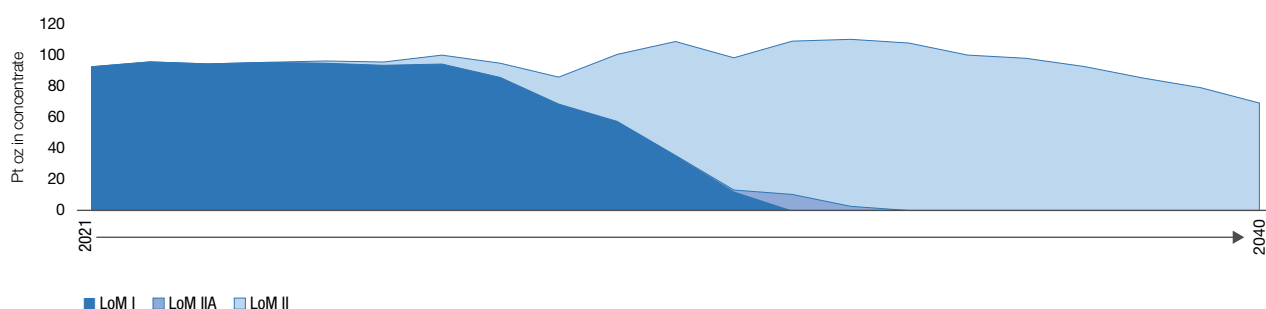
Total Marula palladium Mineral Reserves

as at 30 June 2020 (variance Moz Pd)



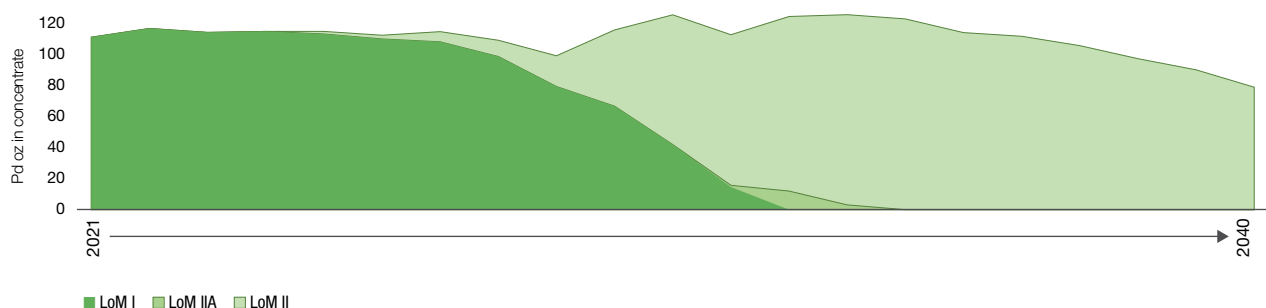
Marula 20-year estimated LoM platinum ounce profile

as at 30 June 2020



Marula 20-year estimated LoM palladium ounce profile

as at 30 June 2020



Operational performance – Marula

Key statistics

		FY2020	FY2019	Variance %
Sales	(Rm)	5 272	2 976	77.2
Platinum	(Rm)	937	835	12.2
Palladium	(Rm)	2 053	1 257	63.3
Rhodium	(Rm)	1 565	562	178.5
Nickel	(Rm)	43	34	26.5
Other	(Rm)	101	132	(23.5)
Movement in commodity prices and exchange rate	(Rm)	573	156	267.3
Cost of sales	(Rm)	(2 865)	(2 676)	(7.1)
On-mine operations	(Rm)	(2 004)	(2 027)	1.1
Processing operations	(Rm)	(251)	(264)	4.9
Abnormal production costs	(Rm)	(150)	–	–
Share-based payments and other	(Rm)	(3)	(51)	94.1
Royalty expense	(Rm)	(207)	(119)	(73.9)
Treatment charges	(Rm)	(4)	(4)	–
Depreciation	(Rm)	(246)	(211)	(16.6)
Gross profit	(Rm)	2 407	300	702.3
Other	(Rm)	(45)	(24)	(87.5)
Profit before tax	(Rm)	2 362	276	755.8
Income tax expense	(Rm)	(689)	(87)	(692.0)
Net profit for the year	(Rm)	1 673	189	785.2
Intercompany adjustment*	(Rm)	(643)	(205)	(213.7)
Gross margin	(%)	45.7	10.1	352.5
EBITDA	(Rm)	2 583	469	450.7
Sales volumes in concentrate				
6E	(000oz)	210.2	216.6	(3.0)
Platinum	(000oz)	80.4	82.8	(2.9)
Palladium	(000oz)	82.5	84.6	(2.5)
Rhodium	(000oz)	16.6	17.3	(4.0)
Nickel	(tonnes)	266	270	(1.6)
Prices achieved in concentrate				
Platinum	(US\$/oz)	760	710	7.0
Palladium	(US\$/oz)	1 612	1 042	54.7
Rhodium	(US\$/oz)	5 430	2 200	146.8
Nickel	(US\$/t)	10 474	8 962	16.9
Exchange rate achieved	(R/US\$)	16.03	14.36	11.6
Revenue per 6E ounce	(R/oz)	22 335	13 001	71.8

* Adjustment note: The adjustment relates to sales from Marula to the Implats Group which at year-end were still in the pipeline.

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	1 636	1 772	(7.7)
Headgrade	(g/t)	4.70	4.40	6.9
6E in concentrate	(000oz)	210.5	216.9	(3.0)
Platinum in concentrate	(000oz)	80.5	83.0	(3.0)
Palladium in concentrate	(000oz)	82.6	84.7	(2.5)
Rhodium in concentrate	(000oz)	16.6	17.3	(4.0)
Nickel in concentrate	(tonnes)	270	270	(0.1)
Total cost				
	(Rm)	2 255	2 291	1.6
	(US\$m)	144	161	10.6
Per tonne milled	(R/t)	1 378	1 293	(6.6)
	(US\$/t)	88	91	3.3
Per 6E ounce in concentrate	(R/oz)	10 713	10 562	(1.4)
	(US\$/oz)	683	744	8.2
Per platinum ounce in concentrate	(R/oz)	28 012	27 602	1.5
	(US\$/oz)	1 787	1 945	(8.1)
Capital expenditure				
	(Rm)	340	152	(123.7)
	(US\$m)	22	11	(100.0)
Stay-in-business capital	(Rm)	324	138	(134.8)
Replacement capital	(Rm)	16	14	(14.3)
Labour including capital as at 30 June				
	(no)	4 360	4 072	(7.1)
Own employees	(no)	3 325	3 312	(0.4)
Contractors	(no)	1 035	760	(36.2)
Centares per panel man per month	(m ² /man)	19.3	21.5	(10.2)
Tonnes milled per employee costed**	(t/man/annum)	386	445	(13.2)

** Average working cost employees including contractors.

Operational performance

IMPALA VALUE CHAIN

	EXPLORING	✓
	MINING	✓
	CONCENTRATING	✓
	REHABILITATION	✓

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

Fatal incidents	LTIFR
1	2.03pmmhw
Number of employees	Headline earnings
3 329	R687m
Free cash flow	Capital expenditure
R1.3bn	R800m
6E in concentrate production	
261koz	

TWO RIVERS



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

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



Joint venture operation



Outlook

- 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

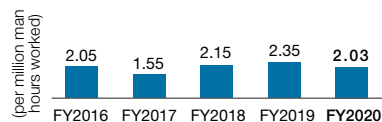
Operational performance – Two Rivers

STRATEGIC PERFORMANCE AREAS				
	Comment	KPI performance target for FY2020	Performance against KPI target for FY2020	
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 300koz – 340koz • Cost per 6E ounce <R8 500/oz	• One fatality • LTIFR – 2.03ppmhw • 6E in concentrate production 261koz • 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	

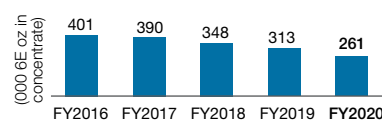
	KPI performance target for FY2021	Key actions in FY2021
	- Zero fatalities - LTIFR – <2.10ppmhw 6E in concentrate production between 260koz – 300koz - Cost per 6E ounce between R10 000/oz – R11 000/oz	- Prevent injury and ensure a safe operational culture - Pursue productivity and cost containment initiatives
	Capital allocation - Capital <R950 million - Returns to shareholders – >R1.5 billion Cost management - Costs <R3.05 billion	Capital allocation - Decline extensions - Plant expansion - New tailings dam - Ongoing dividend payments Cost management - Cost containment initiatives
	Advance projects to optimise production to address orebody variability	- Improve mining flexibility - Decline extensions - Expand concentrator plant - Advance new tailings dam
	- 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

Trends

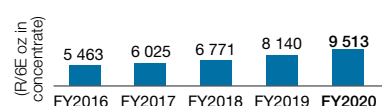
LTIFR



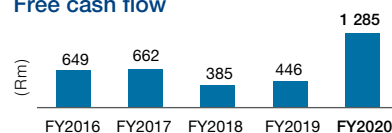
6E production



Unit cost



Free cash flow



Operational performance – Two Rivers

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.

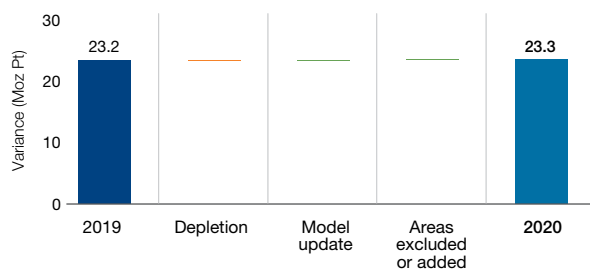
The benefit of strong UG2 pricing bolstered Two Rivers financial performance despite cost inflation and the 18% decline in annual sales volumes to 261 200 6E ounces in concentrate (FY2019: 317 300 ounces). Gross profit improved by 192% to R2.8 billion (FY2019: R963 million) and Two Rivers generated R1.3 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

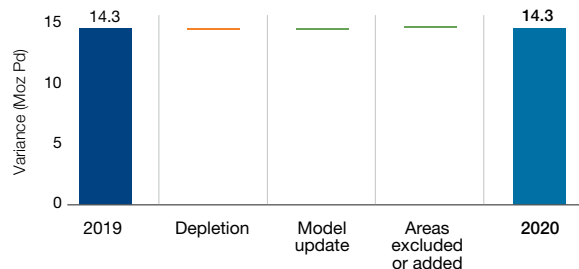
Two Rivers platinum Mineral Resources

as at 30 June 2020 (variance Moz Pt)



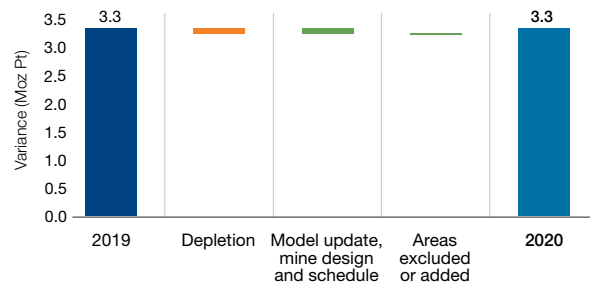
Two Rivers palladium Mineral Resources

as at 30 June 2020 (variance Moz Pd)



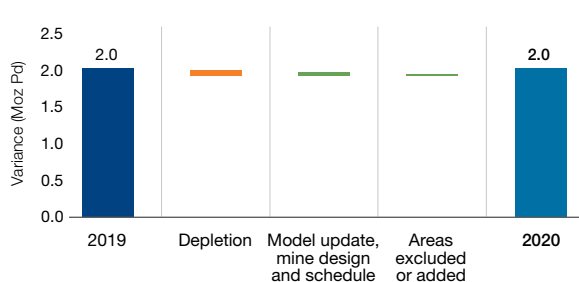
Total Two Rivers platinum Mineral Reserves

as at 30 June 2020 (variance Moz Pt)



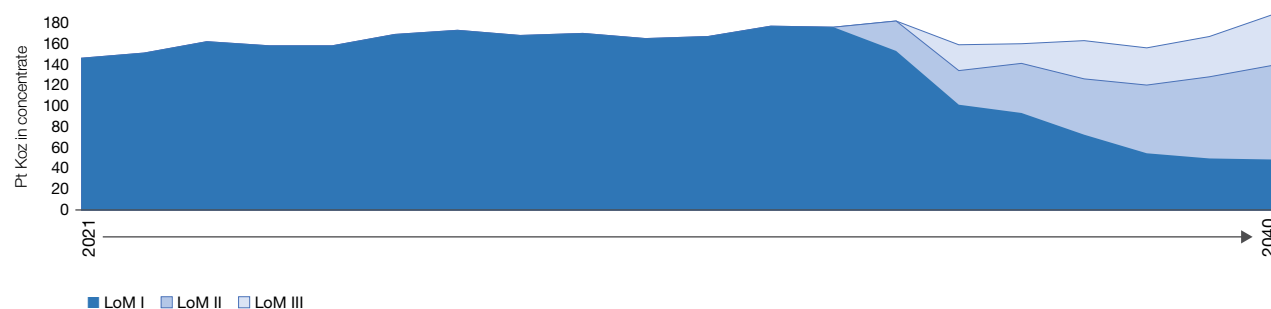
Total Two Rivers palladium Mineral Reserves

as at 30 June 2020 (variance Moz Pd)



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

		FY2020	FY2019	Variance %
Sales	(Rm)	6 203	4 027	54.0
Platinum	(Rm)	1 474	1 479	(0.3)
Palladium	(Rm)	1 996	1 297	53.9
Rhodium	(Rm)	2 289	849	169.6
Nickel	(Rm)	90	80	12.5
Other	(Rm)	97	188	(48.4)
Movement in commodity prices and exchange rate	(Rm)	257	134	91.8
Cost of sales	(Rm)	(3 394)	(3 064)	(10.8)
Mining operations	(Rm)	(2 016)	(2 103)	4.1
Processing operations	(Rm)	(467)	(448)	(4.2)
Treatment charges	(Rm)	(30)	(33)	9.1
Chrome cost	(Rm)	(55)	(54)	(1.9)
Royalty expense	(Rm)	(344)	(112)	(207.1)
Depreciation	(Rm)	(371)	(338)	(9.8)
Change in metal inventories	(Rm)	(111)	24	(562.5)
Gross profit	(Rm)	2 809	963	191.7
Gross margin	(%)	45.3	23.9	89.5
Profit for the year	(Rm)	1 979	598	230.9
46% attributable to Implats	(Rm)	910	275	230.9
Intercompany adjustment*	(Rm)	(223)	(24)	(829.2)
Share of profit in Implats Group	(Rm)	687	251	173.7
Sales volumes in concentrate				
6E	(000oz)	261.2	317.3	(17.7)
Platinum	(000oz)	122.4	148.8	(17.7)
Palladium	(000oz)	73.4	87.3	(15.9)
Rhodium	(000oz)	21.1	25.9	(18.5)
Nickel	(tonnes)	472	552	(14.5)
Prices achieved in concentrate				
Platinum	(US\$/oz)	768	698	10.1
Palladium	(US\$/oz)	1 736	1 112	56.2
Rhodium	(US\$/oz)	6 917	2 489	177.8
Nickel	(US\$/t)	12 119	10 265	18.1
Exchange rate achieved	(R/US\$)	15.67	14.19	10.4
Revenue per 6E ounce	(R/oz)	22 437	11 995	87.1

* Adjustment note: The adjustment relates to sales from Two Rivers to the Implats Group which at year-end were still in the pipeline.

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	3 016	3 405	(11.4)
Headgrade	(g/t)	3.45	3.52	(2.0)
6E in concentrate	(000oz)	261.0	313.4	(16.7)
Platinum in concentrate	(000oz)	122.4	147.2	(16.8)
Palladium in concentrate	(000oz)	73.2	86.0	(14.9)
Rhodium in concentrate	(000oz)	21.2	25.6	(17.2)
Nickel in concentrate	(tonnes)	481	552	(12.9)
Total cost				
	(Rm)	2 483	2 551	2.7
	(US\$m)	158	180	12.2
Per tonne milled	(R/t)	823	749	(9.9)
	(US\$/t)	53	53	0.0
Per 6E ounce in concentrate	(R/oz)	9 513	8 140	(16.9)
	(US\$/oz)	607	574	(5.7)
Per platinum ounce in concentrate	(R/oz)	20 286	17 330	(17.1)
	(US\$/oz)	1 294	1 221	(6.0)
Capital expenditure				
	(Rm)	800	571	(40.1)
	(US\$m)	51	40	(27.5)
Labour including capital as at 30 June				
	(no)	3 329	3 261	(2.1)
Own employees	(no)	2 365	2 336	(1.2)
Contractors	(no)	964	925	(4.2)
Tonnes milled per employee costed**	(t/man/annum)	911	1 070	(14.9)

** Average working cost employees including contractors.

Operational performance

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

STRATEGIC 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

Fatal incidents	LTIFR
0	0.59pmmhw
Number of employees	Headline earnings
6 130	R3.4bn
Free cash flow	Capital expenditure
R2.5bn	R1.7bn
6E production in matte	
580koz	

ZIMPLATS



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, COMPRISES A CONCENTRATOR AND A SMELTER.

Value added statement for the year ended 30 June

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



Primary Zimbabwe unit

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 570koz to 600koz

RISKS

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

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

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 and host communities
- Ongoing engagement with authorities to seek clarity on and cohesion on key policy issues
- Regular review of prioritisation of forex and its allocation
- Exploring alternative sourcing markets and forex support for key suppliers
- Demand-side management of water and assisting host communities with access to potable water

STAKEHOLDER

MATERIAL MATTERS

RESPONSE

EMPLOYEES

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

- Effective response to Covid-19 pandemic
- Intensive communication and engagement
- Recruitment from local communities is prioritised
- Exploring opportunities for LED

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

- Intensive consultation and engagement
- Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support
- Intensive consultation and engagement
- LED programmes gaining traction
- Land has been identified for the relocation of families currently residing in the dam's zone of influence
- Assisting local communities with access to potable water
- Food relief programme implemented

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

- 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

SHAREHOLDERS

- Concerns include:
 - Political and economic developments in Zimbabwe
 - Business performance
 - Impact of regulatory compliance

- Kept informed of business performance through analyst briefings, quarterly updates and other announcements released on the ASX

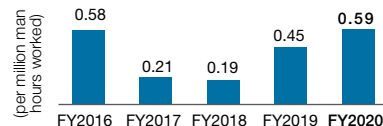
Operational performance – Zimplats

STRATEGIC PERFORMANCE AREAS		Comment	KPI performance target for FY2020	Performance against KPI target for FY2020
	OPERATIONAL EXCELLENCE	Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery	• Zero fatalities LTIFR <0.21ppmhw • 6E in concentrate production between 565koz – 600koz • Cost per 6E ounce <US\$670/oz	• LTIFR 0.59ppmhw • 6E in concentrate production 597koz • Cost per 6E ounce US\$627/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\$120 million Cost management • Costs <US\$390 million	Capital allocation • Capital US\$111 million Cost management • Costs US\$364 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	• Optimisation of portfolio	• Excellent progress on development of Mupani Mine, a replacement portal, with the project well ahead of schedule
	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	• Enhanced focus on human resources • Development of a high-performance culture • Organisational structure and remuneration policies to support this culture
	ESG EXCELLENCE	Develop, protect and strengthen our licence to operate through industry-leading ESG performance	• 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

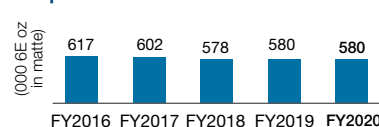
KPI performance target for FY2021	Key actions in FY2021
- Zero fatalities - LTIFR <0.35ppmhw 6E in concentrate production between 570koz – 600koz - Cost per 6E ounce between US\$630/oz – US\$690/oz	- Prevent injury and achieve safety goals - Optimise mining infrastructure and mass balance - Effective grade control - Implement recovery improvement projects
Capital allocation - Capital <US\$140 million Cost management - Costs <US\$400 million	Capital allocation - Continue with Mupani Mine development - Maintain dividend payment as per policy Cost management - Develop alternative sources for South African purchases to limit exposure to ZAR - Review alternatives to mitigate cost of electricity - Extend lifecycle of major equipment
- 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
7% increase in labour count to support accelerated ramp up - Strengthen management succession and build leadership capacity - Implement culture transformation	- Embed high performance management system - Develop managerial and competency skills - Strengthen capacity and capability in key areas
- Address regulatory compliance - maintain licence to operate - Nurture and retain goodwill - Implement CSR programmes - Increase year-on-year community procurement - Environmental management and rehabilitation programmes - Water recycled >44% - CO₂ emissions – achieve year-on-year reductions	- Implement CSR and local enterprise development programmes - Continue with resource conservation and environmental management programmes - Partner with government in rebuilding national economy - Further relationship with government and improve stakeholder engagement

Trends

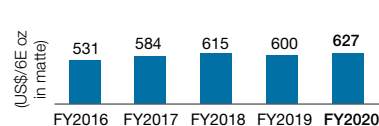
LTIFR



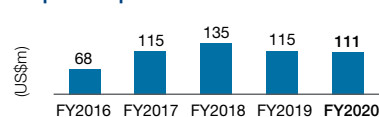
6E production



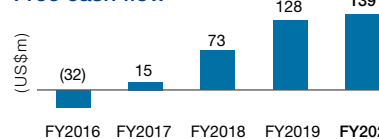
Cost/6E oz



Capital expenditure



Free cash flow



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.

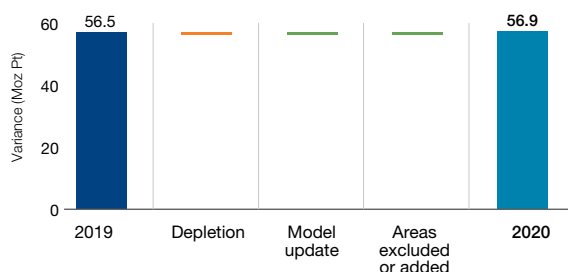
A decision was taken to accelerate the Mupani project to deliver incremental volume growth at Zimplats. A bankable feasibility study on a modular concentrator expansion is expected in H1 FY2021. Forecast capital investment of US\$38 million over two years could increase monthly milling capacity and annual 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

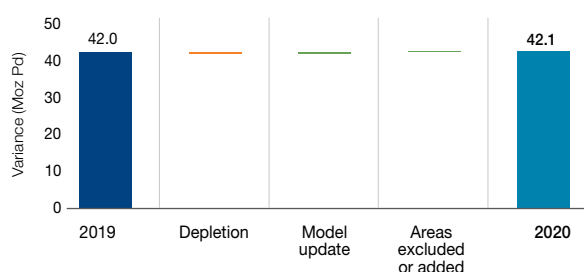
Total Zimplats platinum Mineral Resource estimate

as at 30 June 2020 (Moz Pt)



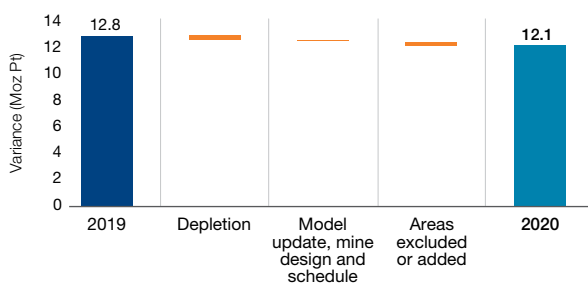
Total Zimplats palladium Mineral Resource estimate

as at 30 June 2020 (Moz Pd)



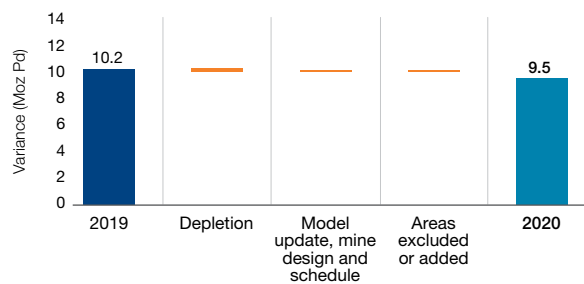
Total Zimplats platinum Mineral Reserves

as at 30 June 2020 (Moz Pt)



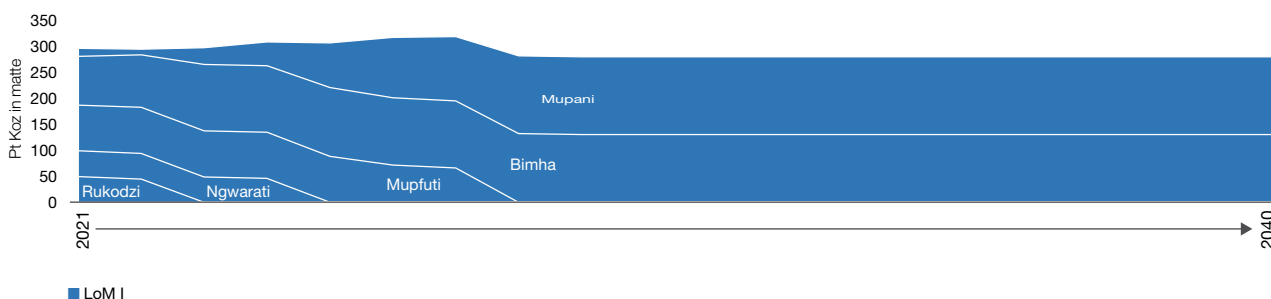
Total Zimplats palladium Mineral Reserves

as at 30 June 2020 (Moz Pd)



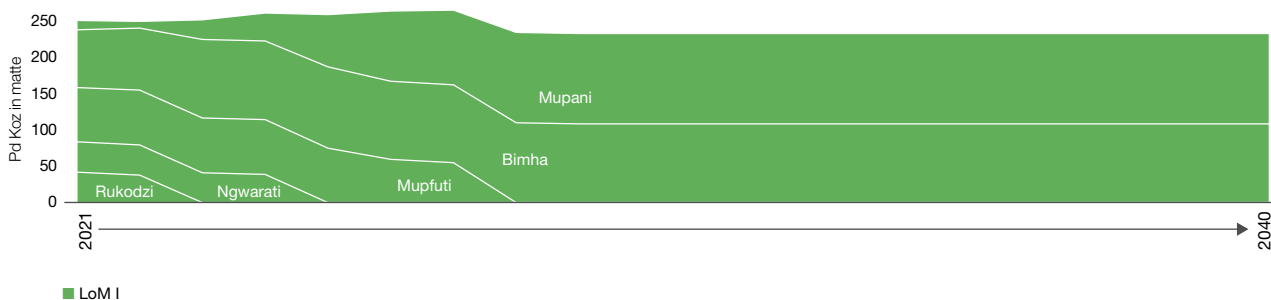
Zimplats 20-year estimated LoM platinum ounce profile

as at 30 June 2020



Zimplats 20-year estimated LoM palladium ounce profile

as at 30 June 2020



Operational performance – Zimplats

Key statistics

		FY2020	FY2019	Variance %
Sales	(Rm)	14 426	8 954	61.1
Platinum	(Rm)	3 282	2 761	18.9
Palladium	(Rm)	6 138	3 365	82.4
Rhodium	(Rm)	2 190	744	194.4
Nickel	(Rm)	872	700	24.6
Other	(Rm)	1 153	911	26.6
Movement in commodity prices	(Rm)	791	473	67.2
Cost of sales	(Rm)	(7 398)	(6 292)	(17.6)
On-mine operations	(Rm)	(3 290)	(2 781)	(18.3)
Processing excl smelter	(Rm)	(1 540)	(1 292)	(19.2)
Smelting operations	(Rm)	(291)	(272)	(7.0)
Head office costs	(Rm)	(579)	(587)	1.4
Share-based payments	(Rm)	(152)	(55)	(176.4)
Royalty expense	(Rm)	(485)	(303)	(60.1)
Treatment charges	(Rm)	1	(15)	106.7
Depreciation	(Rm)	(1 427)	(941)	(51.6)
Change in metal inventories	(Rm)	365	(46)	893.5
Gross profit/(loss)	(Rm)	7 028	2 662	164.0
Other	(Rm)	(126)	370	(134.1)
Profit before tax	(Rm)	6 902	3 032	127.6
Income tax expense	(Rm)	(1 998)	(1 133)	(76.3)
Net profit for the year	(Rm)	4 904	1 899	158.2
Intercompany adjustment*	(Rm)	(1 542)	(429)	(259.4)
Gross margin	(%)	48.7	29.7	64.0
EBITDA	(Rm)	8 273	4 015	106.1
Sales volumes in matte**				
6E	(000oz)	554.9	573.0	(3.2)
Platinum	(000oz)	254.0	264.9	(4.1)
Palladium	(000oz)	218.3	221.6	(1.5)
Rhodium	(000oz)	22.5	23.3	(3.4)
Nickel	(tonnes)	4 992	5 234	(4.6)
Prices achieved in matte**				
Platinum	(US\$/oz)	778	734	6.0
Palladium	(US\$/oz)	1 694	1 070	58.3
Rhodium	(US\$/oz)	5 860	2 247	160.8
Nickel	(US\$/t)	10 523	9 424	11.7
Exchange rate achieved	(R/US\$)	16.60	14.19	17.0
Revenue per 6E ounce	(R/oz)	24 572	14 776	66.3

* 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.

		FY2020	FY2019	Variance %
Production				
Tonnes milled ex-mine	(000t)	6 751	6 486	4.1
Headgrade (6E)	(g/t)	3.48	3.48	—
6E in matte**	(000oz)	580.2	579.6	0.1
Platinum in matte**	(000oz)	266.9	269.9	(1.1)
Palladium in matte**	(000oz)	228.0	223.0	2.2
Rhodium in matte**	(000oz)	23.4	23.9	(2.1)
Nickel in matte**	(tonnes)	4 991	5 295	(5.7)
Total cost				
	(Rm)	5 700	4 932	(15.6)
	(US\$m)	364	348	(4.6)
Per tonne milled**	(R/t)	844	760	(11.1)
	(US\$/t)	54	54	—
Per 6E ounce in matte**	(R/oz)	9 824	8 509	(15.5)
	(US\$/oz)	627	600	(4.5)
Per platinum ounce in matte**	(R/oz)	21 356	18 273	(16.9)
	(US\$/oz)	1 362	1 288	(5.7)
Capital expenditure				
	(Rm)	1 733	1 628	(6.4)
	(US\$m)	111	115	3.5
Stay-in-business capital	(Rm)	1 202	1 182	(1.7)
	(US\$m)	77	84	8.3
Replacement capital	(Rm)	524	418	(25.4)
	(US\$m)	33	29	(13.8)
Expansion capital	(Rm)	7	28	75.0
	(US\$m)	—	2	100.0
Labour including capital as at 30 June				
	(no)	6 130	7 117	13.9
Own employees	(no)	3 332	3 326	(0.2)
Contractors	(no)	2 798	3 791	26.2
Tonnes milled per employee costed***	(t/man/annum)	1 355	1 208	12.2

** Including 6E ounces in concentrate sold.

*** Average working cost employees including contractors.

Operational performance

IMPALA VALUE CHAIN

	EXPLORING	✓
	MINING	✓
	CONCENTRATING	✓
	REHABILITATION	✓

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	LTIFR
1	0.50pmmhw
Number of employees	Headline earnings
3 522	R421m
Free cash flow	Capital expenditure
R376m	R674m
6E production in concentrate	
248koz	

MIMOSA



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 COMPRISES A SHALLOW UNDERGROUND MINE, ACCESSED BY A DECLINE SHAFT, AND A CONCENTRATOR.

Value added statement for the year ended 30 June

	2020 Rm	2019 Rm
Revenue	5 078	4 448
Other net expense	(455)	(368)
Gross value generated	4 623	4 080
Depreciation	(519)	(436)
Deferred tax	(27)	(43)
	4 077	3 601
Distribution of value		
Labour and other	(1 094)	(983)
Consumables and services	(1 061)	(1 777)
Finance costs	(39)	(39)
Royalty recipients	(179)	(133)
Direct state taxes	(508)	(194)
Dividends to shareholders	(174)	(158)
Diminution in value	1 022	318



Shallow underground mine

Outlook

- Steady-state 6E in concentrate production of between 230 000 to 260 000 ounces

RISKS

- Increased socio-economic instability in-country
- Reduction on foreign exchange retention rates
- Changes to the mining fiscal regime
- Power security
- Transition production from Wedza to new mining areas
- Bad ground conditions in remaining Wedza orebody
- Legislative and tax uncertainties in Zimbabwe

OPPORTUNITIES

- Ability to minimise operational disruptions
- Steady power supply will improve operational execution

RESPONSE

- Further improve stakeholder engagement processes, specifically with employees and host communities
- Ongoing engagement with authorities to seek clarity on and cohesion on key policy issues
- Availability of power generators and negotiation of long-term supply arrangements
- Steady focus on operational excellence

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.

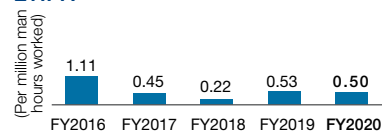
Operational performance – Mimosa

STRATEGIC PERFORMANCE AREAS				
	Comment	KPI performance target for FY2020	Performance against KPI target for FY2020	
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	

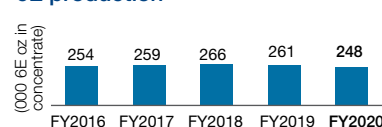
	KPI performance target for FY2021	Key actions in FY2021
	- Zero fatalities - LTIFR <0.35pmmhw 6E in concentrate production between 230koz – 260koz - Cost per 6E ounce between US\$730/oz – US\$790/oz	- Continue to pursue zero harm - Pursue productivity and cost containment initiatives
	Capital allocation - Capital <US\$60 million - Returns to shareholders Cost management - Costs <US\$200 million	Capital allocation - Expansion of plant capacity Cost management - Focus on cost containment initiatives
	- 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
	- Implement social development programmes - Maintain ISO 14001:2015 certification	- Maintain cordial relationships with neighbouring communities - Continue to promote employee well-being - Ongoing roll out of CSI projects - Maintain ISO 14001:2015 certification

Trends

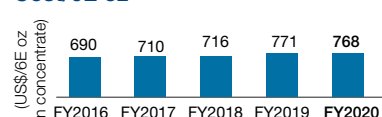
LTIFR



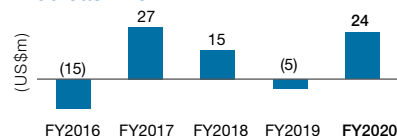
6E production



Cost/6E oz



Free cash flow

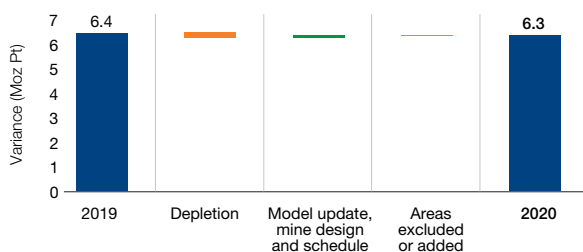


Operational performance – Mimosa

Total Mineral Resource and Mineral Reserve estimate

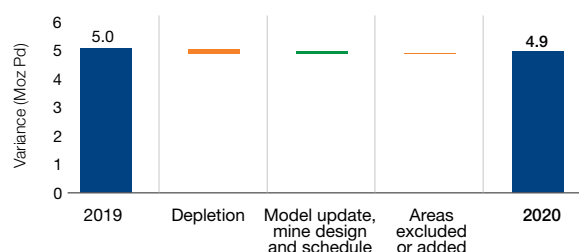
Total Mimosa platinum Mineral Resources

as at 30 June 2020 (variance Moz Pt)



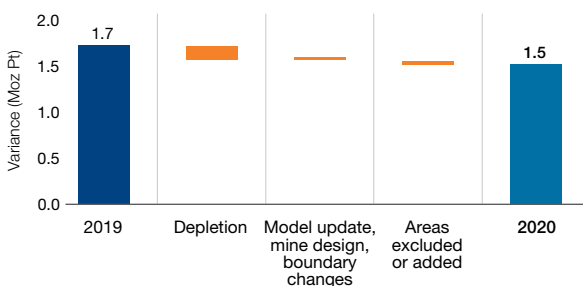
Total Mimosa palladium Mineral Resources

as at 30 June 2020 (variance Moz Pd)



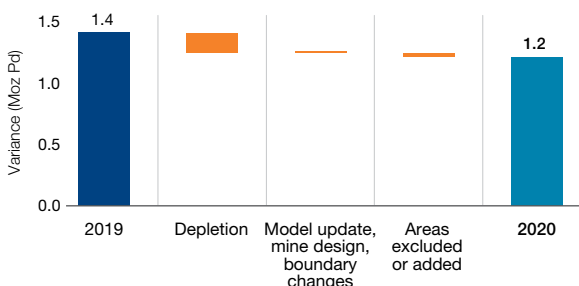
Total Mimosa platinum Mineral Reserves

as at 30 June 2020 (variance Moz Pt)



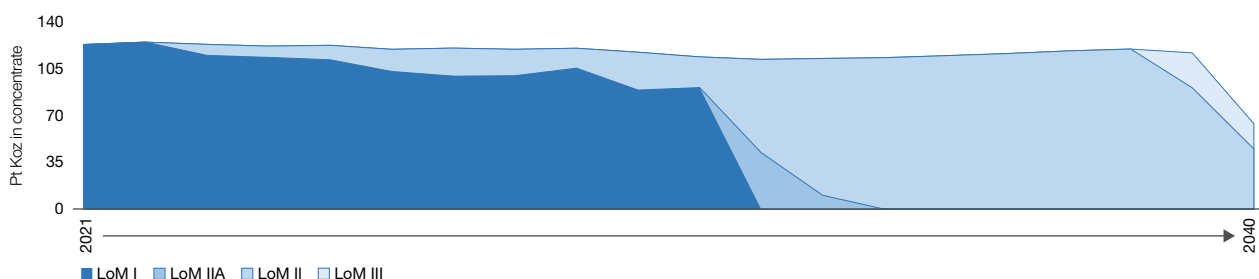
Total Mimosa palladium Mineral Reserves

as at 30 June 2020 (variance Moz Pd)



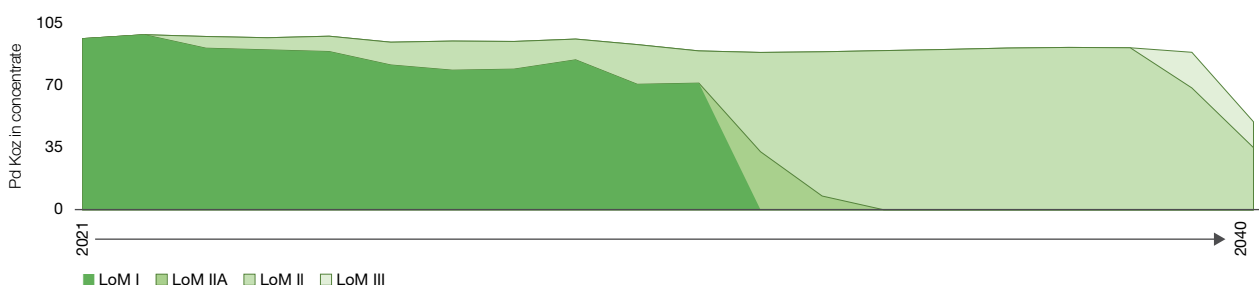
Mimosa 20-year estimated LoM platinum ounce profile

as at 30 June 2020 (in concentrate)



Mimosa 20-year estimated LoM palladium ounce profile

as at 30 June 2020 (in concentrate)



Key statistics

		FY2020	FY2019	Variance %
Sales	(Rm)	5 356	4 448	20.4
Platinum	(Rm)	1 245	1 348	(7.6)
Palladium	(Rm)	1 990	1 505	32.2
Rhodium	(Rm)	598	324	84.6
Nickel	(Rm)	564	576	(2.1)
Other	(Rm)	510	566	(9.9)
Movement in commodity prices	(Rm)	449	129	248.1
Cost of sales	(Rm)	(3 494)	(3 675)	4.9
On-mine operations	(Rm)	(2 168)	(1 996)	(8.6)
Processing operations	(Rm)	(720)	(679)	(6.0)
Selling and administration	(Rm)	(94)	(177)	46.9
Royalty expense	(Rm)	(179)	(133)	(34.6)
Treatment charges	(Rm)	(277)	(313)	11.5
Depreciation	(Rm)	(529)	(449)	(17.8)
Change in metal inventories	(Rm)	473	72	556.9
Gross profit	(Rm)	1 862	773	140.9
Gross margin	(%)	34.8	17.4	100.0
Profit for the year	(Rm)	1 062	348	205.2
50% attributable to Implats	(Rm)	531	174	205.2
Intercompany adjustment*	(Rm)	(110)	(47)	134.0
Share of profit in Implats Group	(Rm)	421	127	231.5
Sales volumes in concentrate				
6E	(000oz)	204.2	255.5	(20.1)
Platinum	(000oz)	96.5	119.7	(19.4)
Palladium	(000oz)	76.0	94.6	(19.7)
Rhodium	(000oz)	8.3	10.5	(21.0)
Nickel	(tonnes)	2 877	3 525	(18.4)
Prices achieved in concentrate				
Platinum	(US\$/oz)	823	790	4.2
Palladium	(US\$/oz)	1 671	1 225	36.4
Rhodium	(US\$/oz)	4 597	2 386	92.7
Nickel	(US\$/t)	12 509	11 247	11.2
Exchange rate achieved	(R/US\$)	15.67	14.19	10.4
Revenue per 6E ounce	(R/oz)	22 665	15 679	44.6
Production				
Tonnes milled ex-mine	(000t)	2 701	2 814	(4.0)
Headgrade (6E)	(g/t)	3.85	3.83	0.5
6E in concentrate	(000oz)	247.8	260.6	(4.9)
Platinum in concentrate	(000oz)	116.6	122.1	(4.5)
Palladium in concentrate	(000oz)	91.7	96.7	(5.2)
Rhodium in concentrate	(000oz)	9.8	10.5	(6.7)
Nickel in concentrate	(tonnes)	3 421	3 567	(4.1)
Total cost	(Rm)	2 982	2 852	(4.6)
	(US\$m)	190	201	5.5
Per tonne milled	(R/t)	1 104	1 014	(8.9)
	(US\$/t)	70	71	1.4
Per 6E ounce in concentrate	(R/oz)	12 034	10 944	(10.0)
	(US\$/oz)	768	771	0.4
Per platinum ounce in concentrate	(R/oz)	25 575	23 358	(9.5)
	(US\$/oz)	1 632	1 646	0.9
Capital expenditure	(Rm)	679	693	2.0
	(US\$m)	43	49	12.2
Labour including capital as at 30 June	(no)	3 522	3 456	(1.9)
Own employees	(no)	1 291	1 336	3.4
Contractors	(no)	2 231	2 120	(5.2)
Tonnes milled per employee costed**	(t/man/annum)	1 170	1 220	(4.1)

* 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.

Operational performance

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	LTIFR
1	7.64pmmhw
Number of employees	Headline earnings
879	R168m
Free cash flow	Capital expenditure
1.1bn	R652m
6E production in concentrate	
97 000oz	

IMPALA CANADA



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 COMPRISES UNDERGROUND AND SURFACE MINING OPERATIONS AND A CONCENTRATOR.

Value added statement for the year ended 30 June¹

	2020 Rm
Revenue	3 254
Other net expense	(222)
Gross value generated	3 032
Depreciation	(611)
Deferred tax	(121)
	2 300
Distribution of value	
Labour and other	(125)
Consumables and services	(1 423)
Finance costs	(395)
Royalty recipients	(119)
Direct state taxes	(23)
Value retained in the business	(215)

¹ Post-acquisition date of 13 December 2019.



Lac des Iles mine

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

STAKEHOLDER

MATERIAL MATTERS

EMPLOYEES

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

COMMUNITIES

- Socio-economic impacts of Covid-19
- Employment, procurement and social investment opportunities for host communities
- Environmental stewardship

RESPONSE

- Effective response to Covid-19 pandemic
- Intensive communication and engagement

- Intensive consultation and engagement
- Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support

Operational performance – Impala Canada

STRATEGIC PERFORMANCE AREAS	Comment	Performance for FY2020	KPI performance target for FY2021	Key actions in FY2021
	OPERATIONAL EXCELLENCE Generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery	- One fatality - LTIFR 7.64pmmhw 6E in concentrate production 97koz - Cost per 6E ounce C\$1 076/oz	- Zero fatalities - Improve LTIFR <4.40pmmhw 6E in concentrate production >250koz – 280koz - Cost per 3E ounce <C\$940/oz to <C\$1 000/oz	- Manage risks to prevent injury and ensure a safe operational environment and culture - Ramp up production volumes from underground operations
	CAPITAL MANAGEMENT Pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework	Capital allocation - Capital C\$54 million Cost management - Costs C\$105 million	Capital allocation - Capital <C\$95 million Cost management - Costs <C\$265 million	Capital allocation - Underground expansion - Tailings management facility - Mobile equipment Cost management - Stringent cost management as mining and milling volumes increase
	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	- Transitioning the mine to a more sustainable underground operation - Completed orepass rehabilitation - Commissioned the mobile crusher	Expansion of underground operations	- Increase underground production volumes - Optimise mill performance
	ORGANISATIONAL DEVELOPMENT Place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver	- Effective Covid-19 risk-based response - Maintained constructive labour relations - Implementing culture transformation leadership programme - Embedding high-performance management system	- Manage labour availability to support full operational capacity - Implement culture transformation	- Implement culture transformation leadership programme - Embed high performance management system - Strengthen capacity and capability in key areas
	ESG EXCELLENCE Develop, protect and strengthen our licence to operate through industry-leading ESG performance	- 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)	- 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)	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.

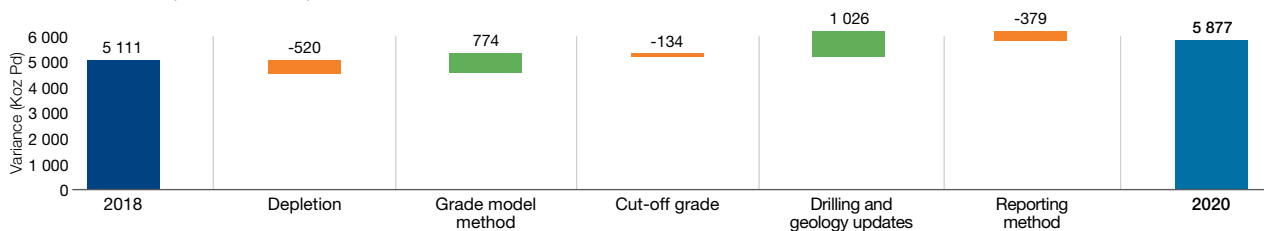
The impact of weak volumes was partially offset by cost savings during the care and maintenance period and the strong palladium pricing received, with gross profit of R879 million and free cash flow of R1.1 billion. After accounting for R191 million of bridge financing costs, Impala Canada contributed R168 million to headline earnings.

Operational performance – Impala Canada

Lac des Iles total Mineral Resource and Mineral Reserve estimates

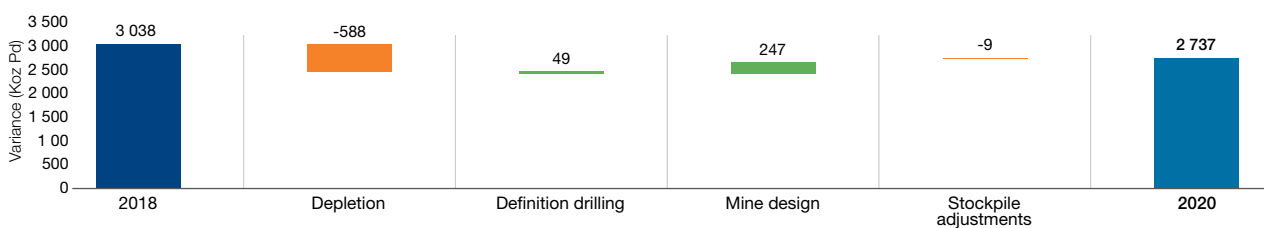
Total Lac des Iles (Impala Canada) palladium Mineral Resource estimate

as at 30 June 2020 (variance Koz Pd)



Total Lac des Iles (Impala Canada) palladium Mineral Reserve estimate

as at 30 June 2020 (variance Koz Pd)



Lac des Iles 10-year LoM platinum ounce profile

as at 30 June 2020 (in concentrate)



Lac des Iles 10-year LoM palladium ounce profile

as at 30 June 2020 (in concentrate)



Key statistics (post acquisition date of 13 December 2019)

		FY2020
Sales	(Rm)	3 254
Platinum	(Rm)	75
Palladium	(Rm)	2 815
Other	(Rm)	213
Movement in commodity prices	(Rm)	151
Cost of sales	(Rm)	(2 375)
On-mine operations	(Rm)	(873)
Processing operations	(Rm)	(288)
Corporate costs	(Rm)	(105)
Abnormal production costs	(Rm)	(128)
Share-based payments and other	(Rm)	(2)
Royalty expense	(Rm)	(143)
Treatment charges	(Rm)	(34)
Depreciation	(Rm)	(611)
Change in inventories	(Rm)	(191)
Gross profit	(Rm)	879
Other	(Rm)	(550)
Profit before tax	(Rm)	329
Income tax expense	(Rm)	(144)
Net profit for the year	(Rm)	185
Gross margin	(%)	27.0
EBITDA	(Rm)	1 231
Sales volumes in concentrate		
6E	(000oz)	96.9
Platinum	(000oz)	6.7
Palladium	(000oz)	83.9
Prices achieved in concentrate		
Platinum	(US\$/oz)	684
Palladium	(US\$/oz)	2 055
Exchange rate achieved	(C\$/US\$)	1.36
Exchange rate achieved	(R/US\$)	16.33
Revenue per 6E ounce	(R/oz)	31 660
Production		
Tonnes milled	(000t)	1 553
Headgrade (6E)	(g/t)	2.45
6E in concentrate	(000oz)	97.4
Platinum in concentrate	(000oz)	6.4
Palladium in concentrate	(000oz)	84.7
Total cost	(Rm)	1 266
	(C\$m)	105
Per tonne milled	(R/t)	815
	(C\$/t)	67
Per 6E ounce in concentrate	(R/oz)	12 998
	(C\$/oz)	1 076
Capital expenditure	(Rm)	657
	(C\$m)	54
Labour including capital at period end	(no)	879
Own employees	(no)	770
Contractors	(no)	109
Tonnes milled per employee costed*	(t/man/annum)	1 811

* Average working cost employees including contractors.

Glossary

ABET	Adult Basic Education and Training
Aids	Acquired immune deficiency syndrome
AMCU	Association of Mineworkers and Construction Union
AMWUZ	Associated Mine Workers Union of Zimbabwe
ART	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)
B-BBEE	Broad-based black economic empowerment
BSC	Balance scorecard
CO₂	Carbon dioxide
Covid-19	Coronavirus disease 2019
CSOT	Community Share Ownership Trust
CTF	Cultural transformation framework
dB	Decibels. Unit of measurement for sound
DEROs	Desired Emissions Reduction Objectives
DOH	Department of Health
DMRE	Department of Mineral Resources and Energy, South Africa
DPM	Diesel Particulate Matter
DSM	Demand-side management
DWS	Department of Water and Sanitation
EA0	Emolument attachment orders
ECD	Early childhood development
EFF	Economic Freedom Fighters
EIA	Environmental impact assessment
EIS	Executive incentive scheme
EITI	Extractive Industries Transparency Initiative
EMA	Environmental Management Agency, Zimbabwe
EMP	Environmental management programme
ESG	Environmental, social and governance factors
ESOP	Employee Share Ownership Programme
ESOT	Employee Share Ownership Trust
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
EVP	Employee value proposition
FIFR	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
FLC	Foundational Learning Competence
FY	Financial year (to 30 June)
GJ	Gigajoules. Unit of measure for energy
GHG	Greenhouse gases
GRI	Global Reporting Initiative
HDSA	Historically disadvantaged South African
HIV	Human immunodeficiency virus
HPD	Hearing Protection Devices
HSE	Health, safety and environment
HSRC	Human Science Research Council
IBC	Inside back cover
IFC	Inside front cover
IFRS	International Financial Reporting Standards
IBT	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
ILO	International Labour Organisation
IMP	Impala Medical Plan
Impala Platinum	Impala Platinum Limited, comprising Impala Rustenburg and Impala Springs
Implats	Impala Platinum Holdings Limited

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	Lifecycle 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
LTIFR	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 <i>ad hoc</i> 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
NO_x	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

PFA	President's Framework Agreement
PGE	Platinum group elements (Pt, Pd, Rh, Ru, IR and Au)
PGI	Platinum Guild International
PGMs	Platinum group metals
PIC	Public Investment Corporation
PPC	Platinum producer's committee
PPE	Personal protective equipment
RBED	Royal Bafokeng Enterprise Development
RBH	Royal Bafokeng Holdings
RBN	Royal Bafokeng Nation/Administration
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
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/Kgoshi/Kgosi or inKosi is the head of the traditional council leadership and the chairman of the council
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals
VCT	Voluntary counselling and testing, in respect of HIV and Aids
VPSHR	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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