



ESG Report 2020  
Supplement to the Annual Integrated Report 2020

RESPECT, CARE  
AND DELIVER



# Our key performance indicators (KPIs)

Our 2020 performance data includes Impala Canada which was incorporated into the Implats Group on 13 December 2019

<p><b>KPI:</b> Zero fatalities <span style="color:red">⊗</span></p> <p><b>FATALITIES AT MANAGED OPERATIONS:</b></p> <p><b>5</b> (2019: 5) <i>For more information refer to page 44.</i></p>	<p><b>KPI:</b> 20% year-on-year improvement in LTIFR performance <span style="color:green">⊗</span></p> <p><b>LTIFR AT MANAGED OPERATIONS:</b></p> <p><b>4.55</b> (14% improvement y-o-y) <i>For more information refer to page 44.</i></p>	<p><b>KPI:</b> Year-on-year reduction in number of new cases of occupational disease <span style="color:green">⊗</span></p> <p><b>NEW NOISE-INDUCED HEARING LOSS (NIHL) CASES (+10% SHIFT) SUBMITTED FOR COMPENSATION:</b></p> <p><b>62</b> (3% decrease y-o-y) <i>For more information refer to page 40.</i></p>	<p><b>KPI:</b> TB incidence rate below estimated national South African average of 567 per 100 000 <span style="color:green">⊗</span></p> <p><b>ANNUALISED TB INCIDENCE RATE PER 100 000:</b></p> <p><b>293</b> (SA operations) (13% reduction y-o-y) <i>For more information refer to page 39.</i></p>
<p><b>KPI:</b> Reduce direct (scope 1) carbon emissions by 2% on 2017 levels by 2020 <span style="color:red">⊗</span></p> <p><b>SCOPE 1 EMISSIONS:</b></p> <p><b>419kt</b> (target 392kt by 2020) <i>For more information refer to page 98.</i></p>	<p><b>KPI:</b> Reduce indirect (scope 2) carbon emissions by 5% on 2008 levels by 2020 <span style="color:green">⊗</span></p> <p><b>SCOPE 2 EMISSIONS:</b></p> <p><b>3 225kt</b> (target 2 568kt by 2020) <i>For more information refer to page 98.</i></p>	<p><b>KPI:</b> Ongoing operational efficiency improvements to ensure 40% of water consumed is recycled water <span style="color:green">⊗</span></p> <p><b>WATER RECYCLED:</b></p> <p><b>44%</b> (target of 40%) <i>For more information refer to page 95.</i></p>	<p><b>KPI:</b> Continue to deliver on our social commitments through projects that meaningfully mitigate social challenges in our host communities <span style="color:orange">IP</span></p> <p><b>SOCIO-ECONOMIC DEVELOPMENT SPEND:</b></p> <p><b>R113 million</b> in South Africa</p> <p><b>US\$2.6 million</b> in Zimbabwe</p> <p><b>C\$137 000</b> in Canada</p> <p><i>For more information refer to page 64.</i></p>

\* Year-on-year comparability impacted by the inclusion of Impala Canada.

⊗ KPI achieved   ⊗ Improved performance, KPI not achieved   ⊗ Performance unchanged or deteriorated, KPI not achieved   IP In progress

## NAVIGATION

For easy navigation and cross referencing, we have included the adjacent icons within this report: Our strategic pillars to make referencing between our report suite easier. With this report we also include additional information relating to online topics.

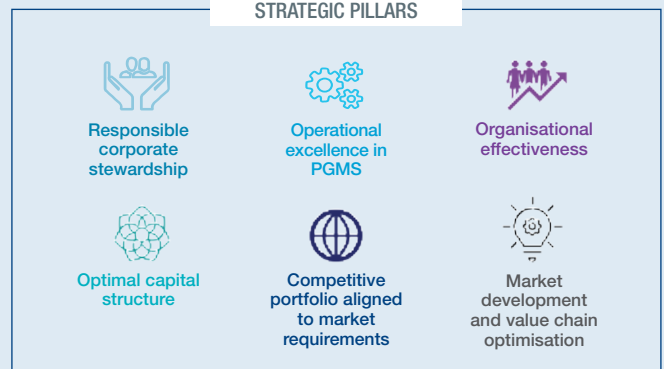
### Strategic pillars and strategies

Our strategic pillars 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 pillars.

Information available elsewhere in this report

Information available on our website

## STRATEGIC PILLARS



The purpose of this report is to provide our stakeholders with a transparent account of how we addressed the most material environmental management, social responsibility and corporate governance issues our Company faced during the financial year 2020.

**RECOGNITION FOR ESG EXCELLENCE**

The Group's strong management of environmental, social and governance (ESG) issues is recognised in global rankings by leading agencies:



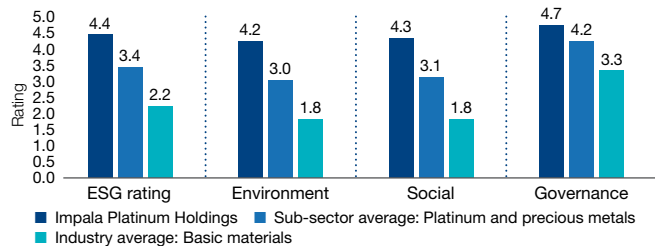
Implats is a constituent of the FTSE4GOOD Index



Implats maintained its inclusion in the FTSE/JSE Responsible Investment Top 30 Index

**FTSE INDEX 2020**

Implats ESG performance is rated above sub-sector and industry averages (ESG rating in 2019: 4.2)



Source: FTSE Russell Peer Comparison Tool June 2020.



Ranked among the top 100 companies in the Vigeo Eiris best emerging-markets performers ranking for corporate environmental, social and governance responsibility.



Implats is one of 325 companies globally and one of only eight South African companies to have entered the Bloomberg Gender Equality Index in January 2020.



Implats was part of a select group (72 out of 2 435) of companies in 2019 that received an A rating from the global Carbon Disclosure Project (CDP) for disclosures, awareness and management of water security risk. Implats also received a B performance score for its 2019 CDP climate response submission. This is higher than both the metal smelting, refining and forming sector average of C and Africa regional average of B-.

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**WE WELCOME YOUR FEEDBACK TO ENSURE WE COVER ALL ASPECTS THAT MATTER TO YOU**

Go to [www.implats.co.za](http://www.implats.co.za) or email [investor@implats.co.za](mailto:investor@implats.co.za) to provide us with your feedback.

**ONLINE [www.implats.co.za](http://www.implats.co.za)**

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



[@impalaplatinum.com](https://twitter.com/impalaplatinum)



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



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

# Our approach to reporting

Our disclosure on ESG follows best practice, with strong oversight at board and executive management level.

## BOUNDARY AND SCOPE

The information in this report relates to the financial year 1 July 2019 to 30 June 2020 also referred to as 2020 throughout the report. The report covers the operations over which we have direct management control and for which we set and implement policies and standards: Impala, Marula, Zimplats and Impala Canada. The acquisition of Impala Canada was concluded in December 2019 and quantitative operational data for the second half of the financial year is included in this report. The operational performance of our non-managed entities, notably Mimosa (Midlands Province, Zimbabwe) and Two Rivers is covered in our Integrated Report. As such, the performance data reported here excludes these non-managed operations.

## MATERIALITY

This report follows on from our Sustainable Development report published in September 2019, covering the 2019 financial year, and has been renamed to more accurately reflect our disclosure concerning environmental management, social responsibility and corporate governance. The content of the report is aimed at communicating our governance processes, risk management approaches and delivery on various ESG initiatives and commitments. Our material ESG focus areas are identified through our structured risk management process, our approach to creating value, an assessment of our most significant impacts on human, natural, social and relationship capitals and with consideration of the views and interests of our stakeholders. The chapters of this report have been structured to reflect these focus areas and associated issues.

## REPORTING STANDARDS

This report has been compiled in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, the FTSE/JSE Socially Responsible Investment (SRI) requirements, and internally developed guidelines on reporting, which are available on request. We have provided a separate more detailed response to the GRI Standards in a comprehensive GRI response table, available at [www.implats.co.za/implats.annual-reports.asp](http://www.implats.co.za/implats.annual-reports.asp). Implats is a signatory to the principles of the United Nations Global Compact (UNGC) and this report serves as our advanced level UNGC Communication on Progress (CoP), outlining our support for its broader development objectives and our work on implementing the principles.

## MEASUREMENT UNITS

Monetary amounts referred to in this report have been expressed in South African rand (R), US dollars (US\$) and Canadian dollars (C\$). Where appropriate, and to facilitate comparability, we have presented the amount in South African rand (R). During the reporting period, the average cost of US\$1 was R15.67 and C\$1 was R12.07. We have used a total production of 19 576 kilotonnes milled (this accounts for tonnes of ore milled at our managed operations (2019: 19 469 kilotonnes milled)) to calculate intensity or efficiency ratios for water, carbon dioxide and energy consumed. Performance data is for the respective financial year period unless calendar year data is specified.

## INDEPENDENT ASSURANCE

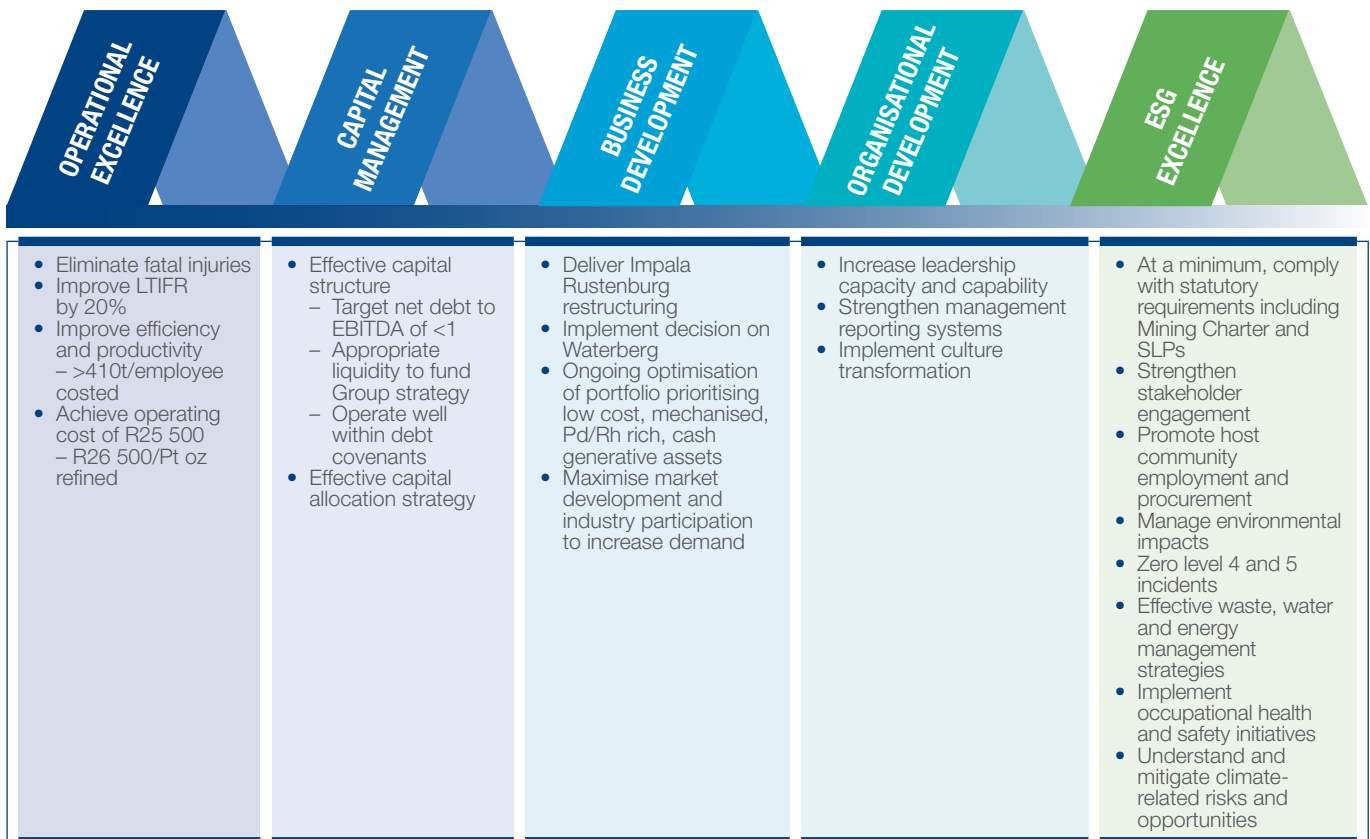
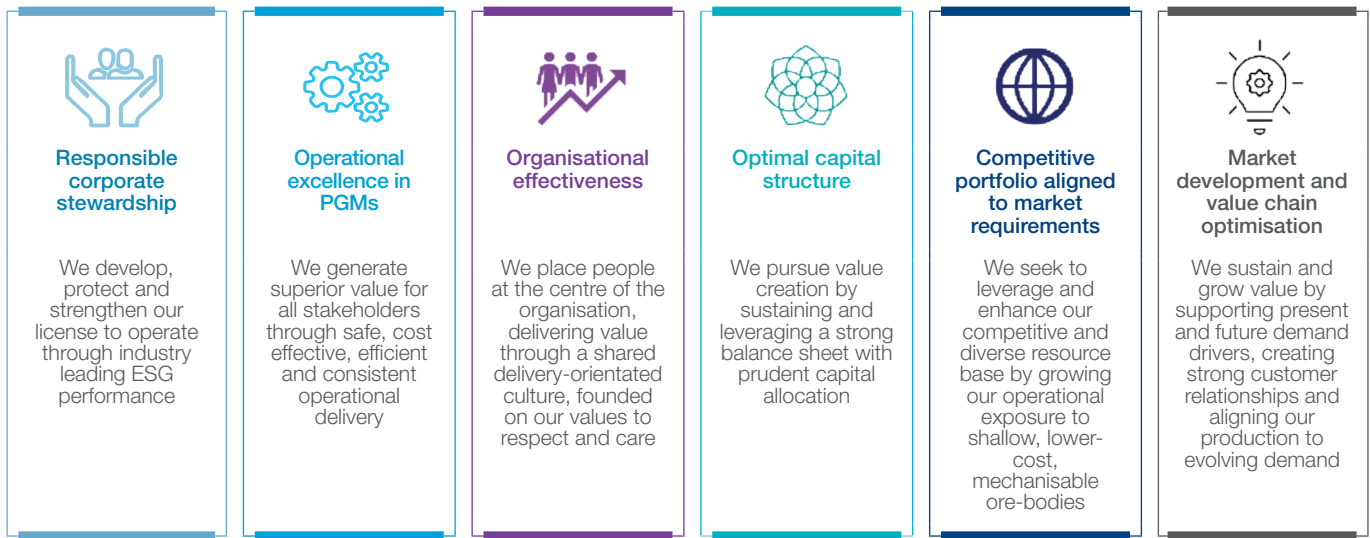
Independent assurance over selected sustainability key performance indicators has been provided by Nexia SAB&T, a 92% black-owned and 48% black women-owned assurance firm. The scope of the assurance, the selected performance information and the independent statement of assurance are provided on page 133.

## BOARD APPROVAL

Following approval of this report by the social, transformation and remuneration (STR) committee, the board collectively reviewed the content of this report and confirms that it believes this ESG report 2020 addresses our material issues and is a balanced and appropriate presentation of the sustainability performance of the Group.



# Our vision, mission and values



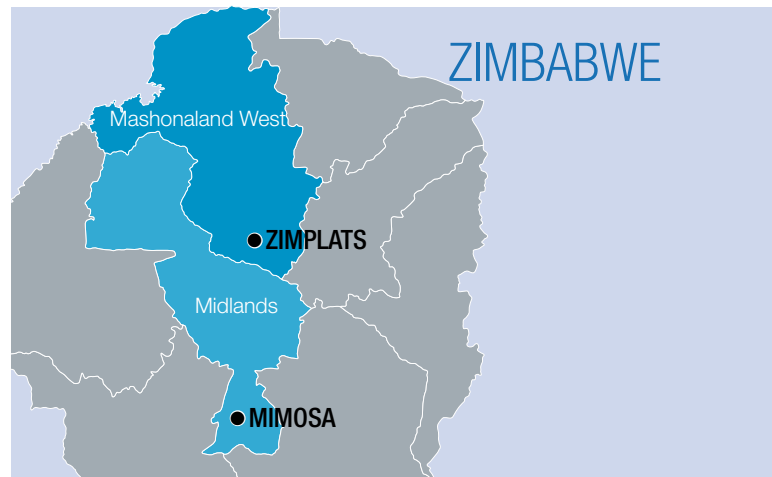
# Our business at a glance

Impala Platinum Holdings Limited (Implats) is one of the world's foremost producers of platinum group metals (PGMs). Implats is currently structured around six main operations with a total of 20 underground shafts.

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.

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 Public Investment Corporation (PIC) (13.87%), BlackRock Inc (7.52%) and Coronation Asset Management (6.23%), with the balance of the shares held by various public and non-public shareholders (refer to page 14 of the Group annual financial statements.)

We have a workforce of 50 712 own employees including 15 816 contractors, none of whom are self-employed. We have no seasonal employees.



**Afplats**  
**Ownership:** Implats 74%  
 Ba-Mogopa Platinum Investments (Pty) Ltd (26%)  
*Afplats has been impaired and is currently non-operational*

## TOTAL IMPLATS

2 813 000oz Refined 6E production		
0.050 FIFR	4.55 LTIFR	11.3 TIFR
5 Fatalities	35 836 Number of employees	
16 778GJ (000) energy consumption	3 644KtCO <sub>2</sub> -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.

28 500 Number of people		1 270 000oz Contribution to Group 6E production	
4 Fatalities	0.053 FIFR	5.06 LTIFR	13.03 TIFR
12 879GJ (000) energy consumption	3 060KtCO <sub>2</sub> -e carbon emissions footprint		24 090ML of water consumed

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.

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.

3 222 Number of people		210 000oz Contribution to Group 6E production	
0 Fatalities	0.000 FIFR	6.71 LTIFR	15.34 TIFR
714GJ (000) energy consumption	191KtCO <sub>2</sub> -e carbon emissions footprint		3 130ML of water consumed

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.

261 000oz Contribution to Group 6E production	
0 Fatalities	

\* 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.

3 332 Number of people		580 000oz Contribution to Group 6E production	
0 Fatalities	0.000 FIFR	0.59 LTIFR	0.65 TIFR
2 469GJ (000) energy consumption	370KtCO <sub>2</sub> -e carbon emissions footprint		12 171ML of water consumed

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.

204 000oz Contribution to Group 6E production	
1 Fatality	

\* Non managed

Lac des Iles

**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. Lac des Iles, in operation since 1993, features a unique ore body, modern infrastructure, advanced new underground technologies and a world-class exploration portfolio that features several promising greenfield opportunities. The operation expands Implats' footprint onto the Canadian Shield, a prominent layered igneous complex domain for PGMs.

Lac des Iles comprises an underground mine, surface mining activities, and a concentrator plant and benefits from year-round road access and reliable power from the provincial grid. Lac des Iles'

underground operations employ long hole open stope and sub-level shrinkage mining methods. The processing mill has a capacity of 13 500 tonnes per day ("tpd"). Lac des Iles is currently ramping up its underground performance to 12 000 tpd.

720 Number of people		97 000oz Contribution to Group 6E production	
1 Fatality	0.955 FIFR	7.64 LTIFR	12.42 TIFR
716GJ (000) energy consumption	22KtCO <sub>2</sub> -e carbon emissions footprint		3 732ML of water consumed

# 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 (UN SDGS) 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

<ul style="list-style-type: none"> <li>Direct, inclusive employment</li> <li>Local procurement</li> <li>Taxes and royalties</li> <li>Social investments</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of workers that earn an amount equal to or above national minimum wage of R3 500 per month (R42 000 per annum)</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>
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**3 GOOD HEALTH AND WELL-BEING**  
**ENSURE HEALTHY LIVES AND PROMOTE WELLBEING FOR ALL AT ALL AGES** 30

<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Preventative care</li> <li>Combating tuberculosis and HIV/Aids</li> <li>Supporting mental health</li> </ul>	<ul style="list-style-type: none"> <li>Our TB incidence rate versus national</li> <li>Reduction in Aids deaths in service</li> </ul>	<ul style="list-style-type: none"> <li>Our TB incidence rate is 293 per 100 000 people (SA operations) versus estimated national average of 567 per 100 000</li> <li>73% reduction in Aids deaths in service since 2016</li> </ul>
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**4 QUALITY EDUCATION**  
**ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL** 49

<ul style="list-style-type: none"> <li>Workforce education and training</li> <li>Building local capacity through training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Company skills development spend</li> <li>Company spend on community education initiatives</li> </ul>	<ul style="list-style-type: none"> <li>R493 million skills development spend (SA operations)</li> <li>R35 million spend on bursaries, learnerships and community schools support initiatives</li> </ul>
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**5 GENDER EQUALITY**  
**ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN** 61

<ul style="list-style-type: none"> <li>Equal opportunities for women</li> <li>Gender-sensitive work environment</li> </ul>	<ul style="list-style-type: none"> <li>Representation of women at all levels in the Company</li> <li>Gender mainstreaming initiatives</li> <li>Gender pay ratio across the Group</li> </ul>	<ul style="list-style-type: none"> <li>Women represent 12% of the workforce</li> <li>6 out of 13 board members at Group level are female (46%)</li> <li>22% of managers are female</li> </ul>
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**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

<ul style="list-style-type: none"> <li>Conserve and recycle water</li> <li>Monitor water quality</li> <li>Manage water through a catchment approach</li> </ul>	<ul style="list-style-type: none"> <li>Group target of 40% water recycled</li> </ul>	<ul style="list-style-type: none"> <li>We recycled 44% of the water we consumed</li> <li>Contributing to watershed management</li> <li>Sharing benefits with host communities through water infrastructure</li> </ul>
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Integration into core business  
 Reporting indicator  
 Our contribution or relevant disclosures  
 Page reference





**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 ECO SYSTEMS**

110



- Minimise biodiversity impacts
- Land rehabilitation



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

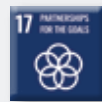


- R1.8 billion in provisions for environmental rehabilitation at year-end (2019: R1.49 billion)
- Our active tailings and Rockwall dams in Rustenburg support various species of wildlife with regional conservation importance
- The re-mining of our old tailings facility in Rustenburg will increase land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

## Statement by the chairperson of the social, transformation and remuneration committee

Implats' 2020 ESG Report follows on from our previous annual sustainable development reports; it has been renamed to more clearly reflect our performance and disclosure on environmental, social and governance (ESG) matters, in response to the rising interest in this area. On behalf of the social, transformation and remuneration (STR) committee, I welcome this opportunity to share some high-level reflections about Implats' performance over the year.

### Our safety and health

Our safety strategy strives to foster a safe operational culture and achieve our vision of zero harm. This year, Implats sustained its improved safety performance and saw a further reduction in the number and severity of injuries recorded at our operations. Regrettably, however, we continue to experience fatalities.

**This year we lost five colleagues in work-related safety incidents at the Group's managed operations.**

Each of these tragic events is devastating and we extend our deepest sympathies to our colleagues' families, friends and co-workers. We investigate the root causes of each incident and implement remedial actions in an attempt to prevent a repeat occurrence.

### The coronavirus pandemic

The coronavirus pandemic (Covid-19) has become the prevalent health challenge facing Implats' employees and their families and communities.

The Group's robust health strategy has underpinned its leading response to managing Covid-19 across its operations.

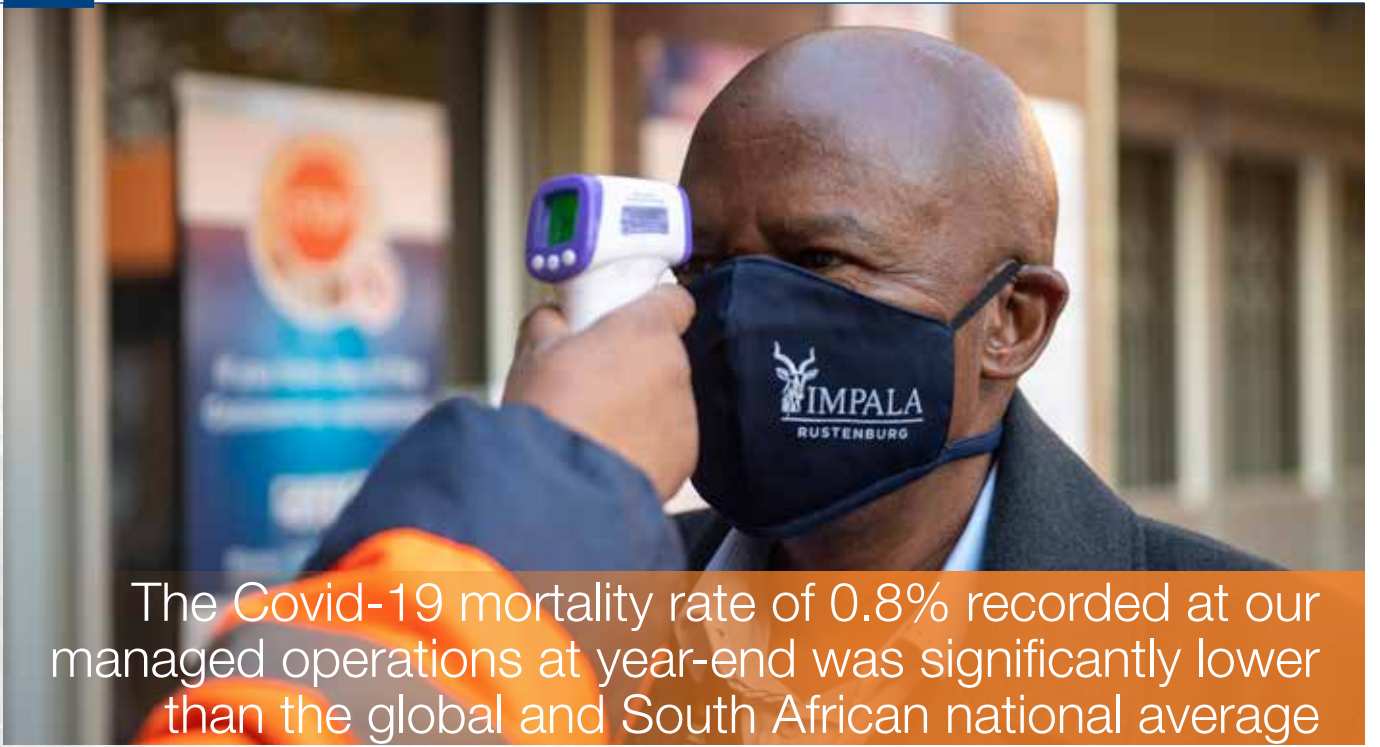
The comprehensive response plans against Covid-19 included:

- early education of employees and communities on the pandemic
- the development and implementation of best practice governance procedures and practices, with focused weekly executive team review meetings
- in consultation with our key stakeholders, the provision of large supplies of personal protective equipment (PPE)
- the identification and protection of vulnerable employees with comorbidities and the recruitment of additional *locum* doctors and professional nursing staff to deal with the projected numbers of patients.

# VALUE

**Mpho Nkeli**  
Chairperson: social, transformation and remuneration committee





The Covid-19 mortality rate of 0.8% recorded at our managed operations at year-end was significantly lower than the global and South African national average

Covid-19 screening at Impala Rustenburg

**At year-end, Implats had conducted approximately 5 207 Covid-19 tests, recorded 528 confirmed cases, 238 recoveries, and sadly had four Covid-19 deaths at our managed operations. All the deceased individuals had comorbidities.**

Our mortality rate of 0.8% at year-end was lower than the South African national mortality rate of 1.8% and the global mortality rate of 5% reported by the World Health Organization in its 28 June 2020 Covid-19 Situation Report.

At the South African operations, managing employees returning from high-risk provinces and neighbouring countries was a key focus in managing a safe work environment. Implats converted on-site accommodation facilities into suitable isolation and quarantine beds, and developed several innovative solutions, including different cycles of work and staggered-shift systems to minimise the spread of Covid-19.

Implats has worked closely and collaboratively with government, unions and community leadership, in implementing Covid-19 mitigation measures.

**Government officials have visited Implats' operations and commended our proactive screening, testing and quarantine facilities, and it is inspiring to see a real sense of togetherness in the face of the immediate challenge.**

Supporting the mental health of employees, dependents and health workers has been a particular focus during this crisis. The Company has continued to facilitate access to professional support and has extended its employee assistance programmes to family members of Covid-19 patients and to people in isolation. Additional coaching has been provided to managers to build their capacity in responding appropriately to Covid-19. A Group wellness committee has been established to ensure an integrated response through aligned Group wellness initiatives.

# OUR PEOPLE

# Statement by the chairperson of the social, transformation and remuneration committee

## Valuing Implats' workforce

The strong and collaborative relations the Group has maintained with employees and union representatives contributed to the successful signing of the new wage agreements with recognised unions for Impala Rustenburg and Marula operations in November 2019.

**As a result of robust operational performance improvements and higher commodity prices, Impala Rustenburg significantly revised its restructuring plans avoiding the proposed closure of Shaft 1, and securing the jobs of about 2 800 own and contractor employees.**

The Company remains committed to minimising the number of forced retrenchments through employee reskilling and retraining initiatives and redeployment to other shafts.

Gender imbalance has long been a feature of the mining industry. It is pleasing to see the progress the Company is making on promoting greater female representation across the business, including through recruitment and talent development.

**The Group's commitment to gender diversity is reflected in Implats' inclusion in the Bloomberg 2020 Gender-Equality Index, which recognises companies committed to transparency in gender reporting and advancing women's equality in the workplace.**

At year-end we had 197 females in management positions (22%) across the Group (2019: 22%). At our South African operations, women made up 12% of our total workforce, with 9% in the core disciplines of mining, engineering, projects and metallurgy (unchanged from 2019).

**At board level, female representation improved from 38% in 2019 to 46% in 2020.**

Our focus in 2021 and beyond is to improve female representation at junior management level at the South African operations, as we strive to meet challenging Mining Charter III targets in this category.

Addressing income and wealth inequality remains one of South Africa's greatest challenges. The Gini coefficient is a measure of income distribution of a nation's residents. It ranges from zero to one; zero represents a completely egalitarian income distribution, and one represents extreme inequality.

**This year Implats' internal Gini coefficient at its South African operations was 0.266 (2019: 0.252); this compares favourably with the national coefficient of 0.436 and the mining industry coefficient of 0.416.**

## Making a positive social contribution

**To address a deficit in host community medical response measures, the Company donated 1 700 Covid-19 PCR tests to the Department of Health and conducted a further 1 259 PCR tests on community members.**

Our Covid-19 community response interventions have helped to build resilience in host communities and health institutions, with an initial emphasis on distributing Covid-19 education materials, food parcels and basic goods. We donated over R20 million to various community-related Covid-19 efforts in South Africa, C\$80 000 in Canada and a further US\$172 000 in Zimbabwe. While this support has strengthened Implats' relations with communities and other stakeholders, we are nonetheless mindful that the pandemic's long-term implications for livelihoods, could stoke tensions. It is pleasing therefore to report that there have been no operational disruptions due to mine-related community unrest at any of our operations since March 2019. In the coming year we will work to conclude the restructuring and re-establishment of the Mine Community Leadership Engagement Forum at Impala Rustenburg to ensure that information on social investments, procurement and employment opportunities flows unabated to our communities.

In Zimbabwe, host communities continue to be negatively impacted by the significant economic challenges facing the country, which have been further aggravated by the five-week Covid-19 lockdown and a persistent severe drought.

**Zimplats has maintained a strong focus in responding to national disasters and has committed US\$305 000 in humanitarian food assistance for the areas surrounding its operations for the period June to December 2020.**

In Canada, the Lac des Iles operation works closely with its local indigenous communities, including consultation on all permit applications and renewals. The operation remains committed to building and growing long-term, mutually beneficial relationships with all its key stakeholders.



The Group maintains a strategic focus on creating shared value through its supply chains, channelling the benefits of mining more directly, and more sustainably, to local communities. The Company's improved operational and financial performance over the last two years, and the positive price environment for palladium and rhodium, have supported efforts to increase local procurement opportunities.

**In 2020, Implats spent R1 298 million on local-to-site procurement, accounting for 16% of total supplier expenditure (R1 732 million or 18% of total spend in 2019).**

The decrease in spend is as a result of reduced commercial activity following the national lockdown and the acquisition by a multinational of a host community supplier in South Africa with whom we conducted a substantial amount of business.

### Responsible environmental stewardship

Implats has maintained good performance across key areas of responsible environmental stewardship, not recording a 'major' (level 5) or 'significant' (level 4) environmental incident at any of our operations since 2013. This year there were 16 limited-impact (level 3) incidents, a 30% reduction on the 23 incidents recorded in 2019. None of the incidents resulted in any lasting harm to the environment. Water security remains a critical priority and we continue to improve our efforts to increase the use of recycled water.

**In 2020, 44% of total water consumed was recycled water, against a Group target of 40%.**

We remain committed to the transparent disclosure of climate-related risks and opportunities for our business. This year, we narrowly missed our scope 1 (direct emissions) emissions reduction targets that were set on a 2017 base year. Progress was challenged by Impala Rustenburg's new and deeper operations at 16 and 20 Shaft which require greater energy for transportation, ventilation and refrigeration. We have embarked on a process of reviewing our Group's carbon emissions reduction targets in line with regulatory expectations as a minimum, while also considering a science-based target approach.

Performance measures this year also included a 60% target for the reuse, recycling or recovery of non-mineral waste produced at Implats operations. Even though the lockdown period negatively impacted our waste management efforts, we recycled 69% non-mineral waste generated (2019: 70%). In an attempt to contribute to the circular economy, Impala Rustenburg launched a project to re-mine tailings in its dormant facility, and the operations' progressive end-of-life shaft closure decommissioning and rehabilitation programme is delivering pleasing results.

### Our commitment to a sustainable world

As the world transitions towards cleaner and low-carbon economies, Implats is committed to playing its role in providing the essential metals that will enable this, and doing so in a manner that generates sustainable returns to all stakeholders.

I believe that Implats' agile response to the Covid-19 pandemic, and its effective management of sustainability risks and opportunities, demonstrates the integration of environmental and social issues into our governance structures, decision-making, and core business processes.

**The Group's strong performance and management of ESG is recognised in global rankings by leading agencies.**

I invite you to share your feedback on this report in terms of our performance and the quality of disclosure. Frank feedback from stakeholders is essential to foster greater accountability and helps us deliver more effectively on our sustainability as we strive for ESG excellence.

### In appreciation

I extend my thanks to our chief executive, Nico Muller, for his exemplary leadership, as well as to the management team, my colleagues on the STR committee, and all employees for their resilience and commitment during these challenging times. We have navigated a difficult year and face further uncertainty in the year ahead. I am confident that through effective collaboration, together with our other key stakeholders, we will continue to ensure sustainable value creation for all our stakeholders and strengthen our position to deliver on our commitments relating to zero harm, transformation, socio-economic development and environmental protection.

### Mpho Nkeli

Chairperson: social, transformation and remuneration committee

## CEO statement

THE GLOBAL COVID-19 OUTBREAK IN 2020 HAS RAISED UNPRECEDENTED CHALLENGES FOR IMPLATS AND FOR THE COUNTRIES AND COMMUNITIES IN WHICH WE OPERATE. AS AN ORGANISATION, WE HAVE RESPONDED DECISIVELY IN MITIGATING THE RISKS POSED BY THE PANDEMIC TO THE HEALTH AND WELLBEING OF OUR KEY STAKEHOLDERS. OUR ABILITY TO RESPOND IN THIS WAY AND ADAPT OUR OPERATIONS ACCORDINGLY REFLECTS THE PROGRESS WE HAVE MADE IN BUILDING ORGANISATIONAL RESILIENCE AND A TRULY SUSTAINABLE BUSINESS. PROTECTING THE SAFETY AND HEALTH OF OUR PEOPLE CONTINUES TO BE OUR PRINCIPAL PRIORITY IN ALL OUR DECISION-MAKING, ENSURING WE LEVERAGE OUR STRENGTHENED BUSINESS AND FINANCIAL POSITION TO ALSO HAVE A MEANINGFULLY POSITIVE SOCIAL IMPACT WHERE WE OPERATE.



### Responding to Covid-19

In all the jurisdictions in which we operate, we have demonstrated leadership and commitment in our efforts to safeguard and support our employees and their families, as well as our broader host communities. We have put extensive measures in place to combat the spread of the virus. These include strengthening and leveraging our already significant internal medical capabilities, securing our own dedicated testing capacity, implementing extensive health screening measures, securing isolation and quarantine facilities for employees and their families, and altering work practices where required to enhance social distancing and mitigate the spread of the virus as far as possible.

Nico Muller  
CEO

# RESPOND





## Each operation developed and implemented a customised Covid-19 Code of Practice

Hand sanitising underground at No 1 Shaft Impala Rustenburg as part of Covid-19 Code of Practice

All Covid-19 protocols at the workplace were implemented in close collaboration with the recognised unions at each of our operations and exceeded the requirements prescribed by the relevant regulatory authorities. Each operation developed and implemented a customised Covid-19 Code of Practice and extensive standard operating procedures guided by global best-practice guidelines.

In responding to this pandemic, our wide-ranging efforts were directed to where support was most needed, very often in terms of providing basic services at the local community level in remote areas around our mines. At our South Africa operations the precautionary measures implemented were effective in slowing the spread of the virus among our employee base.

### Mitigating operational disruptions

A nationwide Covid-19 lockdown from 26 March 2020 compelled the Group to place its South Africa mining operations on care and maintenance for three weeks, following which legislation was changed to allow for staffing levels to increase initially to 50% from 1 May 2020 then to full capacity from 1 June 2020. Our processing and refining facilities at Impala Rustenburg and Impala Springs were allowed to continue operations. Implats was declared an essential service by the Zimbabwe government and operated uninterrupted. At Impala Canada, the Lac des Iles Mine was put on care and maintenance for five weeks following a Covid-19 outbreak at the site.

Despite limitations on staffing at our South Africa operations, the production ramp-up following the easing of restrictions surpassed initial expectations, with revised operating protocols proving effective in mitigating the impact of potential virus-related interruptions. The mines had returned to 85% capacity by mid-June owing to a slow return of our employees from neighbouring countries as directed by the lockdown regulations.

**Implats declared *force majeure* on its contractual deliveries of final metal to its customers from the onset of the national lockdown in South Africa. The *force majeure* was lifted following the easing of restrictions on 22 June 2020. An overwhelming majority of our customers elected to receive their metal on delayed delivery terms rather than exercise their right to cancel deliveries.**

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.

# DECISIVELY

# CEO statement

## Reinforcing our social development commitments

Our value-focused business strategy, prioritising value-over-volume, has positioned the Group well to confront the challenges brought about by the Covid-19 pandemic.

Continued interventions to grow and localise the supply chain have proved successful in not only de-risking the supply of critical commodities, but also in supporting local economies during periods of intense economic disruption. We have established good foundations for collaborating with our communities and other stakeholders to promote sustainable, vibrant communities post mine-closure. These focus areas dovetail with our commitment to meaningfully advance our local procurement and business development programmes and to capacitate enterprises to not only become part of our supply chain but to transition to provide their services nationally. This is one of the critical drivers of sustainable community development.

Covid-19 has further highlighted security and management of water as a strategic ESG focus area, with government community awareness campaigns focusing on hand washing. Accessing adequate water supply is a challenge in many of the communities around our South Africa and Zimbabwe operations. These operations have been addressing supply constraints in vulnerable host communities through major infrastructure projects and continue to focus on alleviating inherent and climate-exacerbated water shortages.

**We continue to assist with strategic regional planning, local service provision, and work closely with local stakeholders to address immediate community needs.**

## Supporting our people

Delivering on our commitment to achieving zero harm remains our top priority. Although our focus on passionate, resilient safety leadership and mining discipline drove significant improvements in our safety performance in recent years, we continued to experience serious safety incidents. **Five of our colleagues tragically died this year in safety-related incidents at our managed operations.** We thoroughly investigated each incident and acted on lessons learned.

**The vital role our people play in delivering on the Group strategic objectives cannot be understated. The significance of our concerted efforts to put our people at the centre of our business model and strategy was heightened due to the Covid-19 crisis.**

While the Covid-19 pandemic has presented complexities and challenges in delivering on our objectives related to cultural transformation, it has also created opportunities to further develop and entrench our culture of high performance, care and respect. We ensured we informed and equipped our employees with the knowledge and means to reduce the risk of contracting the virus at work and at home. We continuously communicated to employees that their safety, health and wellbeing remained our top priority and that we stood ready to provide support to them through counselling, call centres, medical support and, where applicable, assistance with attaining loss of income or unemployment benefits. In enhancing our communication with employees, we took significant strides in using digital platforms.

## Contributing to a low carbon economy transition

An important thrust of our ESG commitments is to contribute to a greener world, through both our operations and product stewardship. Our South Africa operations rely on a carbon-intensive electricity grid plagued with severe reliability issues. Here, we are in the early stages of developing a low-carbon transition strategy that will focus on improving our energy management and reduce greenhouse gas (GHG) emissions at our operations. Our current focus is on developing opportunities to replace diesel with low-carbon fuels and the potential application of solar photovoltaic (PV) technology to generate electricity.

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.

## Galvanising our resilience

Amid the Covid-19 pandemic and global economic turbulence, we expect that much of the 2021 financial year will be characterised by a 'business unusual' operating environment. This expectation emanates not only from the social and economic impact of the pandemic to date, but also from the inevitable medium-term downturn in economic activity expected globally. We expect this will lead to heightened market volatility and we remain prepared to continually review our operating landscape and proactively respond to manage these evolving risks.

The long-term fundamentals for our suite of precious metals are strong. The acquisition of the palladium-rich Impala Canada operation is an important development in our evolution into a sustainable PGM producer.

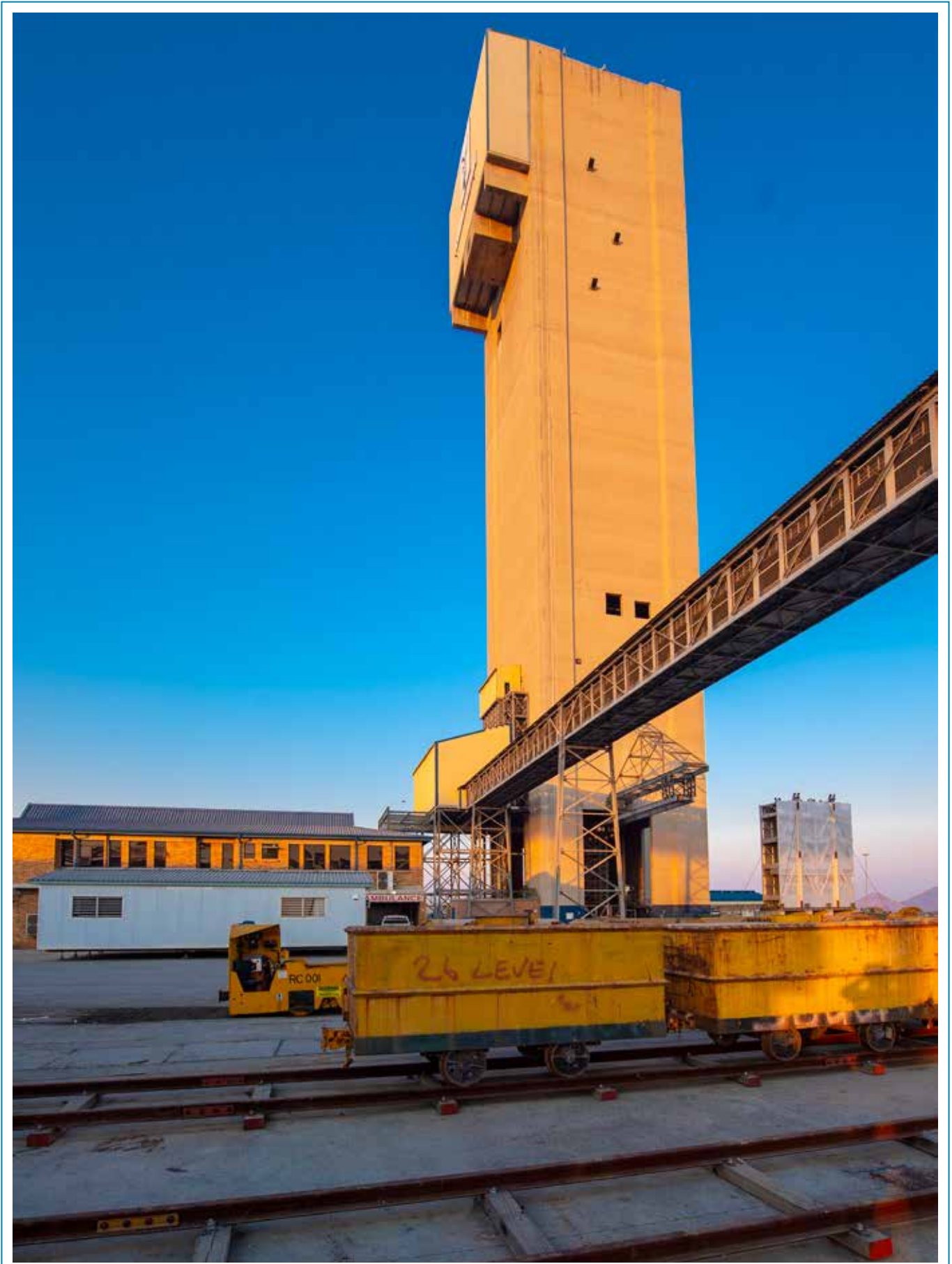
As we forge a path through a period of considerable change and uncertainty, we are cognisant of the following issues which will be critical to our longer-term sustainability:

- The impact of Covid-19 on our operations
- The impact of business interruptions due to increasingly unreliable electricity supply on our South Africa and Zimbabwe operations
- Delivering on our commitment to zero harm
- Addressing the increased health and socio-economic challenges of our host communities in a post-Covid-19 world
- Managing climate-related water risks in our areas of operation.

I thank everyone within the organisation for their efforts and commitment to working together to enhance our resilience, for the benefit of all stakeholders.

**Nico Muller**  
CEO





■ No 16 Shaft headgear and underground hoppers ■



## Key features

Incidents of human rights abuse reported

**0**

Reduction in reported cases for ethics violations

**19%**

Customer approval of our products and business practices

**93%**

Number of operational disruptions due to community action or labour disputes

**0**

No 16 Shaft reef conveyor to silo

# OUR GOVERNANCE AND MANAGEMENT APPROACH





### Certification of management systems

All our operations are ISO 14001:2015 certified (except Impala Canada). Safety management systems at Zimplats and Impala Springs are ISO 45001:2018 certified. Impala Springs quality management system is ISO 9001 certified. Our Group risk management process is aligned to ISO 31000.

### Sustainability governance

Good progress with integration of Impala Canada into the Group. Quarterly board sub-committee reporting on the operation's health, safety and environment as well as social and stakeholder issues has been incorporated into board sub-committee work plans.

### Respect for human rights

We subscribe to the United Nations Guiding Principles on Business and Human Rights and we are committed to the United Nations Global Compact. Impala Springs is a signatory to the Voluntary Principles on Security and Human Rights since 2014.

### Responsible sourcing

The Group has established a responsible sourcing policy to assure our customers that we mine and source our platinum and palladium-bearing materials ethically.

# 02

### Our alignment with SDGs



# Sustainability governance

Implats is committed to demonstrating socially and environmentally responsible business practices and ensuring good governance.

## Our approach

We have a structured and systematic approach to managing our most significant social, economic and environmental impacts and to addressing the material interests of our priority stakeholders.

Given significant developments in the environmental, social and governance (ESG) arena, Implats has embarked on a review of its sustainability strategy. The process will produce strategic objectives, goals and commitments to guide Implats' efforts to 2026 and beyond and will be shared during the coming year.



## Covid-19 implications and our response measures

The Covid-19 pandemic has emphasised and advanced the case for good ESG performance as a strategic imperative. It has renewed our focus on the social dimension of sustainability, further highlighting the importance of protecting the health and wellbeing of our employees and host communities. For Implats, the impact of the pandemic on our operations is our top business risk. Our approach to mitigating the risks and impacts is guided by, and reinforces, our ESG commitment and trajectory. We believe that our effective management demonstrates the integration of environmental and social issues into our governance structures, decision-making, and core business processes.

## Governance structures and processes

Implats is committed to maintaining the highest standards of good governance in order to promote quality decision-making and ensure the execution of these decisions within a disciplined framework of policies, procedures and defined delegations of authority.

Sustainability issues are addressed at least quarterly through the following board sub-committees:

- The social, transformation and remuneration (STR) committee is responsible for the Group's activities relating to: social and economic development; transformation; public safety; oversight of customer relationships; labour and employment issues; and remuneration. The board has delegated the oversight for health and environment to the health, safety, environment and risk (HSER) committee and the oversight of ethics to the nominations, governance and ethics (NGE) committee.

Social, ethics and transformation (SET) committees for our different operations act as sub-committees to the STR. They undertake complementary work examining and addressing social and ethics-related issues impacting their employees and host communities.

- The HSER committee oversees strategy implementation, assesses the adequacy and appropriateness of HSER policies, standards and procedures and reviews Group-wide performance and risk management practices quarterly. The committee also investigates and reviews all major incidents within the ambit of its work.
- The audit committee oversees the appointment of the assurance provider for non-financial performance each year and monitors fraud and corruption cases. The results are presented to both the audit and STR committees with the necessary recommendations and remedial action plans.

BOARD SUB-COMMITTEE

The Group's risk function is disseminated throughout all committees, except the NGE committee.

Further details of the composition and activities of these board committees are provided on page 11 to 13 of our Integrated Report.

At an executive level, sustainable development falls under the responsibility of the executive committee (Exco). Specifically, the Group has appointed a Group executive: sustainability who is responsible for developing strategy and reviewing performance in terms of the Group's non-financial indicators. The Group also has a Group executive: safety and health and a Group executive: stakeholder engagement. The Exco lends support to the board's HSER committee, STR committee and audit committee.

EXECUTIVE LEVEL

PERFORMANCE EVALUATION

Sustainability objectives form part of the key performance indicators (KPIs) against which Implats' management are measured.



## INTEGRATION OF IMPALA CANADA



Headgear and surface infrastructure at Impala Canada

**Implats acquired Canadian PGM mining company North American Palladium Limited (NAP) in December 2019. Renamed Impala Canada, the operation has a world-class ore body and modern infrastructure.**

With a workforce of about 720 people, the round-the-clock mechanised Lac des Iles Mine diversifies the Group's production base with a palladium-rich operation in an established, low-risk mining jurisdiction. The operation upholds Company values that are closely aligned to those defined for the Group.

The integration of Impala Canada has been carefully managed to ensure a smooth transition. A decentralised management approach has been applied. The operation has established an operational board of directors, chaired by the Implats Group CEO. The Implats risk governance approach has been rolled out to ensure that all key risks are understood, documented and managed across the business.

A detailed integration plan is being implemented which considers all key Implats functional areas and focuses on people issues. To assist in monitoring progress on key integration elements, the integration plan focuses on multiple streams and addresses the key steps for successful integration. Roles and responsibilities are tabled in an authorisation matrix that is aligned with Implats governance structures. Group reporting protocols have been put in place and Impala Canada began reporting in line with Group definitions in the third quarter of 2020. The appointment of the former chief financial officer of NAP as chief executive officer of Impala Canada, as well as effective retention mechanisms for key skills, have assisted in ensuring business unit stability during the transition period.

Impala Canada is aligning with Group compliance policy requirements. Quarterly board sub-committee reporting on health, safety and environment as well as social and stakeholder issues has been incorporated into board sub-committee work plans as well as annual corporate reporting assurance.

# Sustainability governance

## People management

**Focus areas, policies and procedures:** Management of our employees is headed up by a dedicated Group executive for human resources reporting to the CEO. The scope of work includes remuneration, human resource development, talent management and employment equity. We have talent councils at all levels in the organisation to support talent management. Group policies and procedures on people management issues are established at corporate level and apply at our operations.

**Transformation:** Each operation has a transformation committee comprising representatives from management, unions and women, as well as various other stakeholder groups who contribute to overseeing and advancing transformation at each operation. The operational committees report to the Group STR committee.

**Community forums:** Our operations also have community forums, at which issues of concern to local communities – such as employment opportunities, skills development, procurement, community development projects and health, safety and environmental performance – are discussed. Issues arising from these community forums are relayed to the operational committee and, ultimately, to the Exco. These are elevated to the STR committee quarterly and to the board as required. Our community engagement forum at Impala Rustenburg has experienced challenges in the last financial year and, under the auspices of the Group executive: stakeholder engagement and our social partners at the Royal Bafokeng Nation (RBN), is being restructured to ensure effectiveness (see page 28 and page 68).

## Managing health, safety and environmental (HSE) issues

Group and site-specific HSE policies, procedures and standards are in place to ensure compliance with legislative requirements and support our vision of zero harm. The Group executive: health and safety in conjunction with the Group executive: sustainability develop the Group's HSE policy. Responsibility for implementing HSE policies and procedures rests with line management. This year we have been strengthening our operational HSE risk management processes; these provide operational managers with a means of identifying, prioritising and controlling the risks that threaten their ability to meet their objectives. All operations submit quarterly performance reports to the board-appointed HSER committee. Group and operational level HSE specialists support line management to implement the strategy and to monitor and manage performance. Impala Canada has aligned with Group HSE reporting protocols.

**Environment:** The Implats environmental policy outlines our commitment to effective management of resources, reduced impacts on the environment and host communities, as well as compliance to legal requirements. Policy implementation is enhanced by our commitment to maintaining ISO 14001:2015 certification for our environmental management systems (EMS) at all operations, except at Impala Canada which does not have an ISO-certified EMS.

The Group's internal auditors and external auditors conduct regular compliance audits. In addition to the ISO 14001:2015 certification, Impala Springs is ISO 9001 certified and retained its Responsible Care® certification.

**Health and safety:** Zimplats and Impala Springs are certified to the ISO 45001:2018 standard which replaced the widely-implemented OHSAS 18001. At Impala Rustenburg and Marula, to deliver on one of the key requirements of the ISO 45001:2018 standards, we have developed and are implementing a health and safety risk management system in line with the corporate risk management system. Impala Canada adheres to the national Occupational Health and Safety Act (OHSA) regulations and remains committed to the voluntary compliance process. Our health and safety management systems standards are also implemented at all non-certified operations.

Various internal and external review and assurance programmes ensure that priority unwanted risks are identified and that adequate controls are in place to manage them.

A detailed review of our risk management practices is provided in our Integrated Report. Our key safety and environmental performance data are independently assured on an annual basis.

## Managing our social impacts

Our approach to social performance is informed by our values and our business and ethics principles; all our operations apply high social performance standards in line with our sustainable development policy, community policy and legal frameworks of the countries in which we operate. Our Group executive: stakeholder engagement develops strategies to engage with affected communities to avoid, prevent and mitigate adverse impacts of our activities, and to build development opportunities. Extending the positive benefits of mining, notably by creating opportunities for local businesses and associated job creation, also promotes social stability and builds resilience within communities to prosper beyond mine closure.

Impala Canada is working towards establishing Community Benefits Agreements with each of its local indigenous communities. These agreements are to clearly articulate commitments regarding consultation protocols, environmental stewardship, employment and training, business opportunities and financial consideration, as well as to ensure business certainty for operations.

## Managing our investments in socio-economic development

We identify community projects based on a needs analysis, undertaken in consultation with stakeholder representatives from communities, local government and employees. In Zimbabwe, sustainable development initiatives are implemented and managed by the stakeholder engagement executive supported by technical personnel from the operations.

Each year an independent verification is conducted on selected social projects, based on the financial, legal and reputational risk as well as to determine impact, progress and potential remedial action where a project faces possible failure. A summary of this can be found on page 114.



**Supply chain management**

We have a large and diverse base of suppliers from which we procure goods and services.

We have clear principles that guide the selection of reputable contractors with the right skills and value systems to do specific tasks that we are not able to do.

All our suppliers are apprised of our policies and business practices and are expected, as a minimum, to abide by these principles in their business conduct and practices at all our operations. These include requirements regarding health and safety, environmental protection and respecting human rights.

We conduct *ad hoc* supplier audits against our standards on various criteria. These primarily focus on safety and environmental practices. A supplier code of conduct for our Impala Rustenburg and Marula operations has been drafted and is being reviewed by external compliance auditors. The finalisation and implementation of the code will strengthen our current practices in monitoring and managing ESG supply chain risks.

Fronting remains the main ethics-related risk with regards to our suppliers of goods and services in South Africa. We have appointed a specialist service provider to monitor and verify the black ownership of our suppliers. This year we suspended three suppliers pending investigations into suspected fronting.

We focus on increasing our levels of expenditure with local suppliers and on developing existing procurement capacity in the areas close to our operations.

**ASSURING OUR ETHICAL PRODUCTION PROCESSES**



Ventilation pipe inspection, No 16 Shaft

**Implats is committed to being a reputable and responsible PGM producer through ethical production processes.**

This year we started implementing a Group platinum and palladium 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 Implats as a good delivery refiner.

We have put systems in place to ensure that we conduct appropriate due-diligence audits on the companies from which we source some of our platinum and palladium. We have established criteria for identifying high risk suppliers – for instance in terms of money laundering, child labour, funding of conflict, or political exposure – 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.

**Voluntary codes and social compacts**

- We follow the International Council on Mining and Metals guidelines in terms of managing our tailings facilities
- We subscribe to the United Nations Guiding Principles on Business and Human Rights
- We are committed to the United Nations Global Compact
- We support the Extractive Industries Transparency Initiative (EITI)
- We participate in the annual climate change and water disclosures (CDP)
- Impala Springs is a signatory to the Voluntary Principles on Security and Human Rights
- Our initiatives support the United Nations Sustainable Development Goals



# Upholding ethics and integrity

## Our alignment with UNGC principles

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

**Implats has a zero-tolerance approach to unethical and corrupt practices, and every member of our organisation is accountable to ensure that our values are always upheld in all our activities.**

## Our approach

The Implats Board assumes overall responsibility for the effectiveness of internal controls, risk management and governance, and guides management with the aim of achieving business objectives. Organisationally we are committed to promoting the highest standard of corporate governance, ensuring that our practices are in line with the recommendations of the King Code of Corporate Governance for South Africa 2016 (King IV)<sup>TM\*</sup>.



Further details are provided on page 2 of our Integrated Report.

We maintain a zero-tolerance stance on fraud, corruption, misconduct or dishonesty. We will not associate with any organisation that is implicated in activities of fraudulent nature unless they have cleared their name and are recognised as such in the conduct of their business. We will extricate ourselves from any incumbent contracts identified and proved as being inappropriate once a viable alternative is available to ensure business continuity. We expect all our employees, business partners, contractors and associates to conduct themselves in accordance with the Implats code of ethics (code), our fraud, corruption and whistleblowing and related governance policies.

**Ethical leadership and accountability:** Implats aspires to embed an ethical culture in the Company through its corporate values, by leading in a manner that demonstrates an ethical tone at the top, and the implementation of an ethical management programme. The Group board chairperson is vocal in ethics and provides visible ethical leadership. The executives and line management are responsible and accountable for the implementation of the Implats code, the related policies, associated procedures and ethical management practices.

**Ethics management programme:** This year we implemented action plans to improve our ethics management internal controls. Implats is developing a formal ethics programme in line with the framework of the Ethics Institute of South Africa. As part of this process, we engaged independent consultants to conduct an ethics risk assessment process at Group and subsidiary level, with participation from Exco and the board sub-committees. The main objective is to strengthen our compliance programme with respect

to bribery and corruption, money laundering, and violations of local and international sanctions. The process is being finalised and a risk register and gap analysis will be completed by December 2020, with recommendations made for enhancements and any additional anti-bribery and anti-corruption policies and processes to address significant risks identified. This will inform the development of an ethics programme to promote a consistent level of awareness, integration and ethical culture across the Group.

**Code of ethics:** The Implats code addresses issues relating to conflict of interest, the prevention of unauthorised dissemination of Company information, the acceptance of donations and gifts, and the protection of the Company's intellectual property and patent rights. It also describes the disciplinary action – including dismissal or prosecution – that is taken in the event of any contravention of the code. We continuously raise awareness among employees around the code and ethics hotline. Employees without access to a computer are trained on the code as part of their induction process and refreshed on it when they return from compulsory leave.

**Electronic portal:** We implement an electronic system that enables employees to access the code, the training material and to make declarations of financial interests and gifts online. The platform assists with reinforcing a good corporate culture and is reviewed by the Group compliance function and the Company Secretariat.

**Protection of personal information:** The Protection of Personal Information Act (POPIA) came into effect on 1 July 2020 and aims to protect companies against data breach and the misuse of personal information. Implats implements a protection of personal information management policy that guides our approach to processing, using and storing personal information to ensure that its integrity and confidentiality is secured. The Group has a POPIA implementation steering committee to oversee progress in ensuring organisational alignment with the POPIA requirements.



## Covid-19 implications and our response measures

Implats has strengthened its approach to ensuring effective management of cyber risks, which have increased during the Covid-19 pandemic as a result of increasing numbers of employees working remotely, sharing data and access to business-critical systems, and a Group-wide escalation in the use of mobile digital technology. We have tested the robustness of our cyber capability under different operating conditions and we have enhanced our controls and risk mitigation measures. To promote cyber security awareness, we implemented Group-wide campaigns about phishing – the fraudulent attempt to obtain sensitive information and have introduced a platform for reporting suspicious emails.

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# Upholding ethics and integrity

**Fraud, corruption and whistleblowing policy:** This policy highlights our commitment to creating an environment that encourages an anti-fraud and anti-corruption culture, informed by our organisational core values and our respect for open and honest communication. The audit committee and board chair have oversight on all whistleblowing reports, follow-ups and close-outs. Appropriate, consistent and immediate action (including dismissal and legal action) is taken against those persons committing fraud and corruption irrespective of the length of service or position in the organisation.

**Ethics hotline (0800 005 314):** Implats has a toll-free ethics hotline, managed and operated independently by KPMG, to facilitate the confidential reporting of alleged incidents. This line is available to all employees, contractors, all stakeholders and community members to anonymously report suspected fraud, corruption and any suspected forms of irregularity and unethical behaviour. All reported allegations are investigated, each to its logical conclusion and disciplinary action taken against perpetrators identified.

**Consequence management:** We strive to maintain a consistent consequences management approach to addressing fraud, corruption and ethics transgressions. The Ethics Office assesses and tracks management actions in response to confirmed findings as recorded in forensic audit reports.

### Our 2020 performance

- Ninety-one fraud/ethics-related cases were reported across the Group, representing a 9% decrease from 2019. Sixty-eight percent of the incidents were reported at the South Africa operations, with the remainder in Zimbabwe.
- Seventeen of the incidents were reported through the whistleblowing hotline, compared to 21 in 2019 (SA operations only).

The classification of the allegations and outcomes in each category is provided in the table below:

### Number of fraud/ethics-related cases reported Group-wide in the 2020 financial year

Nature of allegation	Investigation pending	Allegations unfounded	Allegations founded	Insufficient evidence	Total 2020	Total 2019	Variance %
BEE fronting	4	1	0	1	6	23	74 ↓
Conflict of interest and corruption	19	0	1	4	24	21	14 ↑
Fraud and theft	11	7	10	4	32	32	0 ↔
Misconduct and other	12	10	6	1	29	24	21 ↑
Abuse of human rights	0	0	0	0	0	0	0 ↔
<b>Total</b>	<b>46</b>	<b>18</b>	<b>17</b>	<b>10</b>	<b>91</b>	<b>100</b>	<b>9 ↓</b>

Performance key: ↑ ↓ Improved   ↓ ↑ Deteriorated   ↔ Flat

No incidents related to the abuse of human rights were reported in this period.

There were 17 founded cases, 10 of which were related to fraud and theft (2019:13). All founded cases for the year were processed through the internal disciplinary process and resulted in the dismissal of seven employees. Year-on-year, the number of founded cases remained unchanged at 19% of all total cases reported.



■ No 10 Shaft headgear ■

# Respecting human rights

## Our alignment with UNGC principles

**Principle 1:** Support and respect the protection of internationally proclaimed human rights

**Principle 2:** Ensure we are not complicit in human rights abuses

**Principle 4:** Eliminate all forms of forced and compulsory labour

**Principle 5:** Ensure the effective abolition of child labour

**Related to the overall wellbeing of our people and that of our wider stakeholders is our commitment to human rights.**

## Our approach

Respect for human rights is an integral part of the Company's code of ethics and values. Our human rights policy commits us to full compliance with applicable legislation in the regions in which we operate, as well as to implementing the human rights principles in the UNGC. Our approach is aligned with the UN Guiding Principles on Business and Human Rights (UNGPs).

In driving improvements in our practices, we have maintained a focus on aligning all of our operations to the Voluntary Principles on Security and Human Rights (VPSHR) as defined by the United Nations. Indeed, our Impala Springs operation has been a signatory to the VPSHR since 2014. Our remaining operations continue to address the only area requiring further progress, which relates to ongoing communication between the Company and security service providers.

In the workplace, we uphold the basic human rights of the International Labour Organisation through the implementation of fair employment practices. We have clear policies and processes in place to ensure observance of human rights, including the right to freedom of association and collective bargaining, the eradication of child and forced labour and non-discrimination. Observance of these rights is required of all our operations and suppliers, irrespective of location.

**At our operations, we have policies and processes in place to ensure that we do not employ any under-age or forced labour. No incidents of employing under-age individuals or forced labour were reported in 2020.**



The age profile of employees engaged by the Group in the year is presented in our detailed performance table on page 123. All employees receive human rights training as part of their induction process. We aim to raise awareness around human rights issues through various communications with employees.

**Contractors are expected to abide by our Company policies, practices, standards and the constitution of the countries in which we operate. Through stakeholder engagement processes, material community issues pertaining to human rights are addressed in community forums.**

## Security and human rights

There remains a risk of civil unrest in the areas around our South African operations. There is a safety risk with illegal mining activity around our Impala Rustenburg operations. We employ our own personnel and contract third-party services to protect our people and our assets. We have eight professionally certified security personnel in permanent positions (seven at Impala Springs and one at Impala Rustenburg as Group head) and we employ 845 independent contractor security personnel in South Africa. This year we spent R162 million in providing security for our South African operations. Enhancing the interface between the South African Police Service (SAPS) and our own security response is critical to avoid any escalation of conflict.

## PREVENTING ILLEGAL MINING



Recovered copper cable from a disused shaft at Impala Rustenburg

**The South African mining industry faces a long-standing risk of illegal mining activities and the North West mining industry faces an increasing challenge.**

In the Rustenburg area, artisanal mining activities are mainly confined to mines that are disused or have been closed. Criminals are targeting copper (cable theft) for conversion into a saleable product for the illicit market. The criminal activity has become more organised and sophisticated. Implats has adopted a multi-disciplinary approach to address the threat posed by artisanal miners. Intensified efforts to mitigate the risk include VPSHR awareness training for security personnel, improved fortification of closed shafts, deploying specialised vehicles and security personnel in identified high risk areas, regular collaboration and information sharing with the SAPS and other mining companies in the Rustenburg area. As a result of all these efforts we have recorded a 75% decrease in copper theft from disused mines and recovered copper cables valued at approximately R1 million. No incidents of human rights abuse have been recorded or associated with our security efforts.



# Engaging our stakeholders

**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 human rights and to responding to legitimate stakeholder aspirations and concerns.**

## Our approach

Stakeholders are defined as those individuals or groups that have interests that are, or could be, affected by our activities and decisions. Implats' stakeholder engagement philosophy takes into account King IV and the overarching AA1000 Assurance Standard principles of materiality, inclusiveness and responsiveness. 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 (zone 1), requiring high-level ongoing care and responsiveness to sustain mutually beneficial relations.

## Transforming our stakeholder engagement landscape

In 2019 we assessed our stakeholder engagement practices and identified strengths and areas for improvement. This informed the development of an overarching stakeholder-centric system in 2020 to assist our operations with monitoring and managing their stakeholder engagement activities. The uniform, integrated approach has facilitated a more effective multi-stakeholder engagement and outcome-driven process, and has been critical in underpinning collective efforts to fight the Covid-19 pandemic in our mine communities.

This year we reviewed the amended Mineral and Petroleum Resources Development Act (MPRDA) regulations, effective 27 March 2020, requiring community consultations (widely defined) in accordance with the National Environmental Management Act (NEMA) public participation process; we have developed foundations that will give effect to a governance system, supported by all stakeholders, to ensure we comply with the new regulations.



# Engaging our stakeholders








## Covid-19 implications and our response measures

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. We will continue to work actively with our stakeholders to maintain this spirit of cooperation in forging a new social compact.

### Key stakeholder issues in 2020 requiring high level engagement and strategic response





Issue	Key developments and our response measures	Outcome/status and outlook	Further info
<b>EMPLOYEES AND TRADE UNIONS</b>			
<p><b>Covid-19 risk and impacts:</b></p> <ul style="list-style-type: none"> <li>Operational changes</li> <li>Risk of contracting coronavirus in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>In response to the Covid-19 outbreak, in all the jurisdictions in which we operate, we timeously developed and implemented comprehensive response plans to safeguard and support workers and host communities.</li> <li>We reviewed our pandemic protocols with union leadership to ensure that they were satisfied with our approach.</li> <li>We increased our communications activities with employees and union representatives through diverse media including digital platforms.</li> <li>Key communications and engagements related to: extensive awareness and education around Covid-19 and preventative measures both general and in the workplace; operational developments and working practice changes and the implications, with updates provided as necessary.</li> <li>All employees received Covid-19 training and personal protective equipment.</li> <li>We worked closely and cooperatively with unions at branch level in implementing interventions to curb the spread of Covid-19.</li> </ul>	<ul style="list-style-type: none"> <li>Engagements with our employees have been effective and cooperative.</li> <li>At our South African operations, we successfully slowed the infection rate and registered recovery rates greater than national and international average.</li> <li>Regrettably, four of our colleagues died of Covid-19 (as at year-end): one in Canada and three in South Africa.</li> <li>Health challenges will continue as Covid-19 infections are expected to increase in South Africa and peak during Q1 of 2021.</li> </ul>	<p>Managing Covid-19: page 36</p> <p>Employee relations: page 58</p>





Issue	Key developments and our response measures	Outcome/status and outlook	Further info
<b>EMPLOYEES AND TRADE UNIONS</b> continued			
<p><b>South Africa Covid-19 national lockdown:</b></p> <ul style="list-style-type: none"> <li>Evolving regulatory requirements and restrictions</li> <li>Pay arrangements (unpaid leave)</li> </ul>	<ul style="list-style-type: none"> <li>Prior to and throughout the extended lockdown, we held numerous teleconference meetings with AMCU leadership and maintained regular, frequent engagements. These primarily addressed: the Company’s preparedness regarding Covid-19 regulations; proposed activities and updates on significant Covid-19-related decisions or developments at operations; and demonstrating compliance with regulations and commitment to safety regulations.</li> <li>Key issues discussed included applications for limited mining-operation activity, phased mine start-up process, and pay arrangements for affected workers (initially 50%) on extended unpaid leave.</li> <li>Efforts focused on ensuring employees on unpaid leave receive unemployment (UIF) benefits.</li> </ul>	<ul style="list-style-type: none"> <li>We have sustained cordial relations and cordial industrial relations climate.</li> <li>We successfully navigated challenges, ensuring safe operational ramp up and successful UIF claims on behalf of affected employees.</li> </ul>	<p>Adapting working practices: page 50 and 58</p> <p>Pay arrangements: page 58</p>  
<p><b>Job security concerns</b> amid Impala Rustenburg restructuring process (second phase) and Covid-19 crisis</p>	<ul style="list-style-type: none"> <li>Revised restructuring plans at Impala Rustenburg and reskilling initiatives have ensured minimal job losses.</li> <li>We continued to implement job-loss avoidance measures including redeployment at other shafts, natural attrition, reskilling, voluntary separation, and business improvement initiatives.</li> <li>We continued to implement a proactive communications strategy and targeted engagement process to address employee concerns and inform them of operational developments.</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to keep employees and unions informed of evolving operational circumstances and restructuring developments and seek solutions to issues of concern.</li> </ul>	<p>Employee relations: page 58</p> 
<p><b>Negotiation of three-year wage agreement</b> for Impala Rustenburg and Marula operations</p>	<ul style="list-style-type: none"> <li>A new wage agreement was signed with recognised unions. The three-year agreement was achieved without disruption, or third-party intervention.</li> <li>Our intensive engagements at all levels with union leadership, particularly with the AMCU, have strengthened relations.</li> <li>Two process issues – relating to job grading and the Igula provident fund transfer request – are being negotiated.</li> </ul>	<ul style="list-style-type: none"> <li>The new wage agreement is being effectively implemented.</li> <li>The process-issue negotiations will continue once the lockdown restrictions are lifted.</li> </ul>	<p>Employee relations: page 58</p> 
<p><b>Employee safety</b></p>	<ul style="list-style-type: none"> <li>Although our focus on passionate, resilient safety leadership and mining discipline has driven significant improvements in our safety performance in recent years, we are not yet where we must be in terms of no lives being lost.</li> <li>We continue to learn from safety incidents to effect stronger controls to prevent incidents.</li> <li>This year we strengthened our safety risk-management interventions with a focus on fatality risks control and preventing material unwanted events.</li> </ul>	<ul style="list-style-type: none"> <li>Five fatalities recorded at our managed operations in 2020.</li> <li>We are committed to eliminating fatalities and reducing the number and severity of injuries.</li> </ul>	<p>Employee and contractor safety: page 42</p> 







# Engaging our stakeholders






Issue	Key developments and our response measures	Outcome/status and outlook	Further info
<b>COMMUNITIES</b>			
<b>Social challenges posed by Covid-19 South Africa lockdown restrictions</b>	<ul style="list-style-type: none"> <li>• Implats donated R20 million to South Africa's Solidarity Fund and Gift of the Givers specifically to help address the impacts of Covid-19.</li> <li>• Our Covid-19 community response interventions capacitated host communities and health institutions to mitigate the impact of Covid-19. An initial emphasis was on distributing Covid-19 education materials, food parcels and basic goods.</li> <li>• Covid-19-related goods and services are procured locally where possible.</li> <li>• Impala Rustenburg and Marula established dedicated Covid-19 structures with community partners to collaboratively implement interventions to curb the spread of the virus.</li> <li>• Impala Rustenburg has committed to providing food parcels to 17 mine communities bi-monthly from June to December 2020.</li> <li>• Marula has committed R4 million to Covid-19 community interventions.</li> </ul>	<ul style="list-style-type: none"> <li>• Our support for communities has strengthened relations.</li> <li>• We are however mindful that long-term lockdown implications for livelihoods could stoke tensions.</li> <li>• Our operations will continue to engage with government and community leaders to support community health and wellbeing.</li> </ul>	Covid-19 community response contribution: page 71 
<b>Disproportionate community reliance on the organisation for employment, procurement and social investment</b>	<ul style="list-style-type: none"> <li>• We invest in skills development initiatives that make members of local communities employable and promote employment through our local procurement practices and social projects.</li> <li>• Local-to-site (tier 1) host-community procurement spend totalled R1 203 million at Impala Rustenburg and R156 million at Marula.</li> <li>• We implement a policy of employing people from communities close to our operations where possible and continuously develop community members and identify opportunities for entrepreneurs in the mine lease area.</li> </ul>	<ul style="list-style-type: none"> <li>• The decrease in our business plan and uncertainty around Covid-19 is likely to impact on levels of recruitment and procurement.</li> </ul>	Community wellbeing and development: page 65   Inclusive procurement: page 77 
<b>Impala Rustenburg – reestablishment of the Mine Community Leadership Engagement Forum (MCLEF) meetings</b>	<ul style="list-style-type: none"> <li>• The restructuring of the MCLEF has been slow, but good progress has been made under the guidance of the Royal Bafokeng Nation (RBN), Rustenburg local municipality (RLM) and DMRE. The forum has been restructured to ensure greater efficiency and that information on social investments, procurement and employment opportunities flows unabated to our communities.</li> <li>• We have maintained effective communication with our communities through our good working relationship with the RBN and RLM.</li> </ul>	<ul style="list-style-type: none"> <li>• We envisage that MCLEF meetings will be reinstated once the national lockdown is lifted.</li> <li>• We will continue to engage extensively with communities to foster greater collaboration with the Company.</li> </ul>	Community relations: page 68 

Issue	Key developments and our response measures	Outcome/status and outlook	Further info
<b>COMMUNITIES</b> continued			
<p><b>Ensure peace and stability around Marula operations</b></p>	<ul style="list-style-type: none"> <li>In promoting a sustainable resolution to disputes concerning the governance and distribution of the community-managed dividends from the Makgomo chrome project, a peace agreement entered into in July 2019 between relevant parties has proved effective in preventing intra-community leadership disputes and associated disruptions to the Marula mine and chrome operations. This has enabled Marula and Makgomo Chrome to create further value for their respective beneficiaries.</li> <li>The Marula operations have developed and started implementing a community engagement strategy. This is supported by diverse communication channels to provide timeous and accurate information.</li> <li>The Marula Community Trust (MCT) trustee election processes this year were successfully completed in four of the six host communities, achieving a quorum.</li> </ul>	<ul style="list-style-type: none"> <li>There have been no significant disruptions to operations since March 2019.</li> <li>After the lockdown, MCT meetings will be held with the relevant traditional leadership and broad communities to conclude contested election processes in the remaining two communities.</li> </ul>	<p>Community relations: page 68</p> 
<p><b>Impala Canada relations with First Nation groups</b> (host indigenous communities)</p>	<ul style="list-style-type: none"> <li>During the Covid-19 state of emergency, Gull Bay First Nation (GBFN) protested the Impala Canada mine's essential status and rallied Whitesand and Fort William First Nations into lobbying the government for closure.</li> <li>Direct dialogue with Fort William and Whitesand First Nations remained constructive and they were ultimately supportive of our re-opening plans.</li> <li>GBFN also publicly suggested that their Covid-19 outbreak stemmed from the Impala Canada mine outbreak. Impala Canada has not received any epidemiological data that links our outbreak with that of GBFN or any other outbreak across Ontario or Canada. The operation provided a formal response substantiating its compliant and responsible conduct.</li> <li>All the indigenous communities remain concerned with environmental stewardship. Indigenous groups are consulted in all permit applications and renewals.</li> </ul>	<ul style="list-style-type: none"> <li>Relationships with Fort William and Whitesand First Nations are generally more constructive and collaborative than with GBFN.</li> <li>Some challenges remain.</li> <li>Impala Canada is working towards establishing Community Benefits Agreements with each of its local indigenous communities.</li> </ul>	<p>Community relations: page 68</p> 
<p><b>In Zimbabwe: socio-economic challenges</b> heightened by severe drought and Covid-19 pandemic</p>	<ul style="list-style-type: none"> <li>A priority for Zimplats has been to assist in addressing health and food insecurity challenges in its neighbouring communities.</li> <li>Complementing government efforts, the Company has committed US\$305 000 in humanitarian food assistance for June to December 2020.</li> </ul>	<ul style="list-style-type: none"> <li>The anticipated onset of rains in December will enable communities to regain self-sufficiency.</li> <li>Zimplats is working with government and local municipalities to recycle sewage and effluent water from public works for use in community irrigation initiatives.</li> </ul>	

# Engaging our stakeholders

Issue	Key developments and our response measures	Outcome/status and outlook	Further info
<b>GOVERNMENTS</b>			
<b>Supporting national responses to Covid-19</b>	<ul style="list-style-type: none"> <li>In South Africa, Implats donated R20 million to the Solidarity Fund and Gift of the Givers and our operations contributed extensively in providing preventative measures and supporting basic living needs in host communities.</li> <li>The CEO of Impala's Rustenburg mining operations was charged with alleged contraventions of certain regulations issued in terms of the provisions of the Disaster Management Act 57 of 2002 as applied to South Africa's Covid-19 lockdown.</li> <li>Zimplats and Impala Canada have also implemented various initiatives to capacitate local communities to address the impacts of the pandemic.</li> <li>Implats' directors and management followed the President of South Africa in donating a portion of their fees and salaries to government-led Covid-19 relief efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Our Covid-19 relief efforts have been favourably received and contributed positively to host community livelihoods.</li> <li>The CEO of Impala Rustenburg operations appeared in court in a representative capacity on behalf of Impala. The charges were withdrawn as announced by the Company on 18 August 2020.</li> </ul>	Covid-19 community response: page 70 
<b>Compliance in South Africa with statutory requirements</b> including the Mining Charter III (Charter) and Social and Labour plans (SLPs)	<ul style="list-style-type: none"> <li>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, there is concern regarding delays in the implementation of the ring-fenced mine community local economic development (LED) SLP projects.</li> <li>Impala Rustenburg, Afplats and Marula await approval of MPRDA amendment applications that each lodged seeking a respective extension on SLP LED project timelines.</li> <li>Our B-BBEE verification process (for 2019 performance) has been protracted and is yet to be finalised.</li> <li>The judicial review of the Mining Charter III is yet to be completed; provisions relating to empowerment and procurement remain a concern.</li> </ul>	<ul style="list-style-type: none"> <li>The national lockdown has resulted in further delays in the DMRE's processing of requested time frame extensions, as well as the implementation of the outstanding projects.</li> <li>We remain confident of a positive outcome.</li> <li>We await finalisation of the Charter judicial review process.</li> </ul>	Social legal compliance: page 85 
<b>SHAREHOLDERS AND INVESTMENT COMMUNITY</b>			
<b>Covid-19:</b> <ul style="list-style-type: none"> <li>Impacts of regulatory requirements</li> <li>Volatility in equity markets</li> <li>Complexities and uncertainty regarding impacts</li> </ul>	<ul style="list-style-type: none"> <li>We engaged remotely with all key investors and stakeholders during the restricted lockdown period.</li> <li>Interruptions to operational activity across the Group as a result of national lockdowns and Covid-19-related disruptions/stoppages, impacted on the Group's balance sheet and liquidity position. Therefore, various operational and financial initiatives have been undertaken to ensure the Group's financial resilience.</li> <li>Most of the South African mines returned to about 85% of capacity by mid-June.</li> </ul>	<ul style="list-style-type: none"> <li>We anticipate increasing challenges to our medical preparedness and operational resilience as the Covid-19 pandemic progresses in 2021.</li> <li>We will continuously review the operating landscape and proactively respond to the potential risks it poses.</li> </ul>	Integrated Report: page 26 
<b>Governance, disclosure and contributions toward environmental, social and governance (ESG) related matters</b>	<ul style="list-style-type: none"> <li>Implats is committed to making lasting positive contributions to our people, the communities around our operations and the environment.</li> <li>We will continue to develop our understanding of how we can attain our ESG objectives while positively contributing towards the SDGs and our ongoing commitment to the 10 principles of the UN Global Compact.</li> <li>We are developing a Group sustainability strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Our sustainability strategy 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.</li> </ul>	Our contribution to the SDGs: page 6 



Issue	Key developments and our response measures	Outcome/status and outlook	Further info
<b>SHAREHOLDERS AND INVESTMENT COMMUNITY</b> continued			
<b>Integration of Impala Canada</b>	<ul style="list-style-type: none"> <li>The acquisition of the palladium-rich mining company North American Palladium Limited (NAP) in December 2019 boosted the Group's value and strengthened its cash flow.</li> <li>A detailed implementation framework has been put in place to ensure seamless integration of Impala Canada into the Group. Adjustments to the process were made to allow for the operation to focus on immediate challenges associated with Covid-19.</li> <li>Group executives provide guidance and support to the leadership of the Canadian operation.</li> </ul>	<ul style="list-style-type: none"> <li>The integration process has gone well.</li> <li>Impala Canada has aligned with Group HSE reporting protocols and is aligning with Group compliance policy requirements.</li> </ul>	Integration of Impala Canada: page 19 
<b>In Zimbabwe: economic and fiscal challenges</b>	<ul style="list-style-type: none"> <li>Following the re-introduction of the Zimbabwe dollar currency, uncertainty around exposure to exchange rate losses as the local currency continues to devalue against the US\$ presents challenges for our Zimbabwean operations.</li> <li>Zimplats has implemented various controls and mitigation measures to mitigate currency-related financial impacts on the operations.</li> <li>Zimplats management has continuously engaged with government to assist in addressing economic and fiscal policy challenges.</li> <li>As part of a raft of measures to fight Covid-19, the Reserve Bank of Zimbabwe allowed the use of US\$ to pay for goods and services ordinarily charged in ZWL\$ during the Covid-19 lockdown period.</li> </ul>	<ul style="list-style-type: none"> <li>Zimplats will maintain high level engagement and participation in industry engagements with the government.</li> </ul>	Integrated Report: page 53 
<b>CUSTOMERS</b>			
<b>Impact of Covid-19 lockdown regulations on South African operations</b>	<ul style="list-style-type: none"> <li>During the lockdown period the refineries was regarded as essential services and was able to refine previously locked-up concentrate at Impala Rustenburg.</li> <li>Implats declared <i>force majeure</i> on its contractual deliveries of final metal to its customers when the national lockdown in South Africa was announced on 23 March. The <i>force majeure</i> was lifted on 22 June.</li> <li>An overwhelming majority of Implats' customers elected to receive their metal rather than exercise their right under <i>force majeure</i> to cancel deliveries.</li> </ul>	<ul style="list-style-type: none"> <li>Our South African mines returned to 85% capacity by year-end having been operating at 50% previously in the wake of the relaxation of hard lockdown in April.</li> </ul>	Integrated Report: page 50 
<b>Attracting and retaining customers through integrity, innovation and quality</b>	<ul style="list-style-type: none"> <li>Engagements were held throughout the year with customers to maintain good relations.</li> <li>We have introduced a Group platinum and palladium responsible sourcing policy and have strengthened our ethical sourcing assurance practices in line with requirements of the London Platinum and Palladium Markets' (LPPM) Responsible Platinum and Palladium Guidance (RPPG).</li> <li>Our bi-annual customer satisfaction survey was completed during the review period. The results indicated an ongoing strong partnership between Impala and its customers.</li> </ul>	<ul style="list-style-type: none"> <li>In spite of the impact of the Covid-19 pandemic on global economic activity, the demand for our metals remains strong.</li> <li>We are committed to being a reputable and responsible PGM producer through ethical production processes.</li> </ul>	Supply chain management: page 21  Integrated Report: page 67 

# Engaging our stakeholders

## CUSTOMER CUSTODIANSHIP



Ladle transfer of molten furnace matte to a converter

**Customer custodianship is a multi-faceted issue, governed by many policies, procedures and pieces of legislation. It entails continuous oversight including internal and external assurance. We strive to ensure a competitive advantage by differentiating our product suite in the market on the basis of product quality, reliability of supply, and a willingness to adapt to changing customer needs.**

To measure our effectiveness, we undertake a customer satisfaction survey every two years. The results of the 2019 survey (for the period 1 July 2017 – 30 June 2019) 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.

The customer survey response rate was 90% (35 out of 39 active customers), made up of 37% base and 63% precious metals customers, representing more than 90% of Impala's revenue.

**The following are high-level conclusions based on the results of the 2019 customer survey, and as compared to the outcomes of the 2017 survey:**

**96.5%**

The Impala brand image rating increased from 95.5% to 96.5%

**10**

Customer complaints have decreased by 37.50% (10 compared to 16 in 2017), indicating continuous efforts by the team to deliver products and services which meet customer requirements.

**Quality**

Impala customers value the continuous support they receive from Impala through the provision of quality products and service offerings.

**93.5%**

Levels of customer satisfaction with Impala products increased to 93.5% compared to 91% in 2017, with the following aspects considered most important: quality of products; delivery on time; and properly packaged and documented shipments.

**98%**

The majority of customers regard Impala as key and relevant to the success of their organisations. Of these, 98% regard Impala as their long-term partner, consistent with 2017 levels; 91% of customers have conducted business with Impala for more than nine years, up from 79% in 2017.

**2021**

The next customer satisfaction survey will take place in 2021.

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.

Further details on our platinum and palladium responsible sourcing policy are provided on page 21.

PGM supply agreements in place with all our customers articulate responsible supply chain management expectations. We conduct regular visits to customer sites to appraise the operations and their use of metal procured from the Company. In light of the heightened focus on responsible supply chain management across all stakeholders within the PGMs community, most of our customers have adopted internationally recognised auditable standards.



# Our risk management process

We identify our material ESG focus areas through our structured risk management process, internal materiality process and with consideration of the views and interests of our stakeholders.

## Our approach

Our risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward. The Implats enterprise risk management (ERM) is aligned with ISO 31000, the international risk management standard.

A detailed review of our risk management and assurance practices is provided in our Integrated Report.

## Group risk profile

The Group risk profile is continually reviewed and updated on a quarterly basis. As at 30 June 2020, the top 10 risks identified are shown below. The ranking is based on residual severity and likelihood, after taking into account the effectiveness of controls currently in place. The risk profile has changed significantly over the course of the year. While risks number 4, 9 and 10 remain unchanged, all the other risks are new. A detailed description of each risk and its value impact on the Group is given in the Integrated Report. Where applicable, context and performance relating to the ESG aspects of the risks is covered in the various sections of this report.

Risk number	Risk description as at year-end	Risk trend compared to 2019	Additional commentary and context
1	Impact of the Covid-19 pandemic on Implats operations	↑	Pages 34 – 111
2	Ability and capacity to align and improve margins at Rustenburg operations to the current metal pricing environment	↓	Integrated Report: page 50
3	Impact of load shedding due to constrained electricity supply capacity resulting in business interruption (RSA and Zimbabwean operations)	↑	Integrated Report: page 52
4	Deterioration in safety performance	↔	Page 42 – 47
5	Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar	↔	Integrated Report: page 53
6	Maintaining the Group's social licence to operate and sustaining good stakeholder relations	↔	Pages 65 – 86
7	Impala Canada: Failure to deliver on the business case and unsuccessful integration into Implats	↑	Integrated Report: page 54
8	Failure to comply with legal and regulatory requirements through the value chain	↓	Page 86
9	Challenged capacity and efficiencies of management layers at South African operations	↔	Pages 48 – 63
10	The security of water supply at South Africa (Bojanala and Rustenburg) and Zimplats' operations	↔	Page 95

Key: ↑ New risk ↓ Risk decreased ↑ Risk increased ↔ Risk flat





## Key features

Covid-19

**4 deaths**

**238 recoveries**

**420 active cases**

Improvement in TB incidence rate

Our TB incidence rate of **293** per **100 000 employees** is **significantly lower** than the national (South Africa) average of **567** per **100 000** citizens

Decrease in the number of cases submitted for compensation for NIHL

**3%**

Recorded safety fatalities

**5**

Improvement in LTIFR

**14%**

Employees at Impala Rustenburg waiting to go underground

# HEALTH, WELLBEING AND SAFETY



### Health

Covid-19 risk prevention measures successfully flattened the curve in cases recorded at our South African operations. Group Covid-19 mortality rate is lower than national and global rates

### Wellbeing

Adherence to HIV and TB treatment remains high at 95% and 100% respectively. Aids deaths in service (15) are at their lowest levels in five years

### Safety

Nine out of 17 of our operations achieved millionaire or multi-millionaire status in terms of fatality-free shifts

# 03

#### Our alignment with SDGs



# Employee health and wellbeing

**We strive to ensure effective control of occupational health risks and to promote employee wellbeing and optimal levels of health.**



Covid-19 screening at Impala Rustenburg

## HIGHLIGHTS

- 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

## LOWLIGHTS/CHALLENGES

- **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
- 332 new cases of HIV diagnosed among new and existing employees
- 679 employee contracts terminated due to ill-health and disability

## FOCUS AREAS FOR 2021 AND BEYOND

- Ensure optimal Covid-19 prevention and treatment regimes to further minimise Covid-19 impacts
- Replace the 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



## Covid-19: Safeguarding and supporting our workers and host communities

Covid-19 is a global health crisis. The infectious disease has become the prevalent health challenge facing our employees and their families and communities at all our operations.

In all the jurisdictions in which we operate, our leadership responded quickly and decisively in developing and implementing comprehensive response plans to safeguard and support employees and host communities. These included early education of employees and communities on Covid-19, the implementation of best practice governance documents, procedures and practices, developed in consultation with key stakeholders, provisions of large supplies of PPE, boosting the immunity of all employees and protecting vulnerable employees with comorbidities.

We are committed to maintaining best practice Covid-19 prevention and treatment regimes.

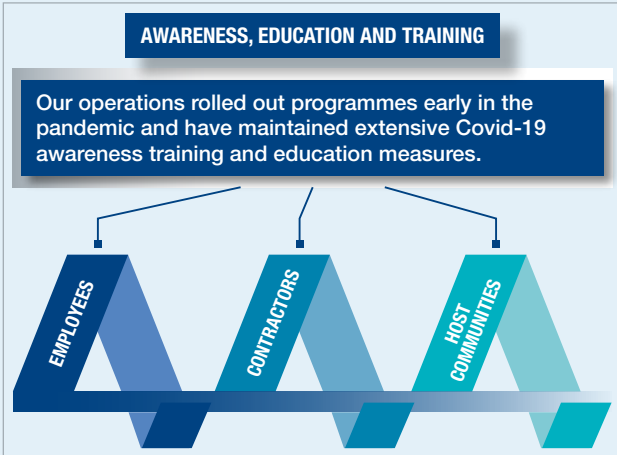
### Compliant risk-based approach

A Group Covid-19 policy and extensive supporting operating procedures were developed to serve as a framework for mitigating and managing Covid-19. These tools were compiled in accordance with guidelines provided by the World Health Organization, the National Institute for Communicable Diseases, the Department of Health and the Minerals Council South Africa. Every operation developed and implemented a customised Codes of Practice and supporting operating procedures in line with the Group's policy and in accordance with respective regulatory requirements and best practice guidelines.

Covid-19 command centres were established to ensure structured management and oversight. The operations conducted comprehensive Covid-19 risks assessments to identify high-risk work-environment areas and developed a risk staging model, with appropriate response strategies established for each stage of the pandemic.

Our robust health strategy has underpinned our leading response to managing Covid-19 at our operations.





**Prevention and control measures**

Covid-19 preventative measures implemented and stringently applied include: physical distancing protocols; hygiene measures at the workplace including sanitisation processes and disinfection; protocols for transportation of employees; travel restrictions; use of Covid-19 prescribed personal protection equipment (PPE) by all employees and medical staff; and Covid-19 screening and polymerase chain reaction (PCR) testing.

**A key part of Implats’ strategy has been to identify potentially vulnerable at-risk employees, such as those with diabetes, HIV or hypertension, and to provide additional precautionary measures to increase their protection.**

Our at-risk employees are provided with vitamin and dietary supplements, flu vaccinations and critical medical screening. In addition, employees with an illness deemed to be well controlled, have been provided with pre-packaged supplies of chronic medication for a period of six months to ensure that these at-risk employees do not need to visit hospitals or clinics during the peak Covid-19 infection time. For employees who came into close contact with Covid-19 positive patients or for employees who became infected, suitable Company quarantine and isolation accommodation is availed for those who may not be able to self-isolate or self-quarantine at home.

In South Africa, mandatory quarantine and isolation protocols were implemented for employees returning from Covid-19 hot spots to minimise the risk of transmission to the workforce and host communities.

**We have developed several innovative solutions, including different cycles of work and staggered shift systems to enable the best possible precautionary measures against the spread of Covid-19 among Implats’ employees.**

Our Covid-19 prevention strategies have also been rolled-out to host communities.

A review of our Covid-19 community response initiatives is provided on page 71.

**Medical staff resourcing**

All medical staff completed training on Covid-19 procedures to ensure sustained compliance. Additional *locum* doctors and professional and assistant nursing staff were recruited early on in order to deal with the projected numbers of patients and to assist with monitoring and wellness. Covid-19 medical teams rotate to limit exposure for healthcare workers.

**Screening, testing and tracing**

All employees and contractors undergo daily Covid-19 screening, which involves submitting a questionnaire, skin temperature thermo-scanning and, if necessary, core temperature screening, before entering any work area.

**Employees with risk indicators are transported to designated medical facilities for diagnosis and, if necessary, testing, quarantine and early hospitalisation.**

Anyone testing positive is isolated and a thorough contact tracking and tracing process is actioned. We secured PCR testing capacity early on and are conducting and tracking diagnostic testing. Our Covid-19 testing rate has compared favourably with national and global average testing rates.

To address a deficit in host community medical response measures, we donated a significant portion of our supplies (more than 1 700 PCR laboratory tests) to the Department of Health to support their efforts to curb the spread of the disease.

**Implats Covid-19-related statistics**

(as at year-end)

<b>Diagnostic testing</b>	<b>5 207 employees</b>
<b>Positive cases</b>	<b>528 employees</b>
<b>Recovered</b>	<b>238 employees</b>
<b>Active cases</b>	<b>420 employees</b>
<b>Deaths</b>	<b>Four employees</b>

**Treatment and facilities**

Our Covid-19 facilities provide excellent nursing and healthcare and were scaled up to ensure that we had sufficient numbers of beds to provide for our employees (including contractors) and their dependents. Employees in quarantine are fully provided for in terms of basic living requirements and medication.

# Employee health and wellbeing

At Impala Rustenburg, isolation and quarantine wards at the Impala Hospital were prepared for both male and female patients, and dedicated Covid-19 examination rooms were allocated and appropriately equipped. We ensured adequate quarantine facilities and have steadily increased our hospital capacity in anticipation of an escalation towards a peak in cases in the coming first quarter of 2021.

**We have over 75 fully equipped Covid-19 isolation hospital beds which can be increased to 236 if required and over 1 000 isolation and quarantine beds. Marula operations have 100 quarantine beds and 10 isolation hospital beds.**

Zimplats established a fully equipped Covid-19 medical centre (including ventilators and oxygen supply), as well as quarantine facilities. Impala Canada increased its medical capacity with access to two doctors virtually and highly trained nursing staff on-site.

## Supporting good mental health

Recognising the critical importance of supporting the mental health of our employees and dependents as well as our health workers, we continue to promote and facilitate access to professional support and have increased the capacity of our employee assistance programmes, which are extended to family members of Covid-19 patients, and people in isolation. We have also provided managers with additional coaching to build their capacity to manage the pressures that Covid-19 has brought, and to lead their subordinates.

## Collaborative efforts and recognition

We have worked closely and collaboratively with government and unions in implementing Covid-19 mitigation measures. Government officials in South Africa and Zimbabwe have commended our operations for their proactive screening, testing and quarantine facilities.

## Challenges and outlook

Covid-19 has emerged as the major health risk at our operations. We are committed to ensuring that all efforts are implemented to reduce infection rates. Asymptomatic Covid-19 cases and uncertainty around transmission of the coronavirus in communities present significant challenges in modelling and managing the disease scenarios. We have applied leading research (Actuarial Society of South Africa Model) assumptions and estimates to assess expected infections and medical requirements at our operations and we continue to evaluate the number of positive cases and the number of recoveries, so that we are able to respond effectively to the continually changing level and magnitude of the risk.

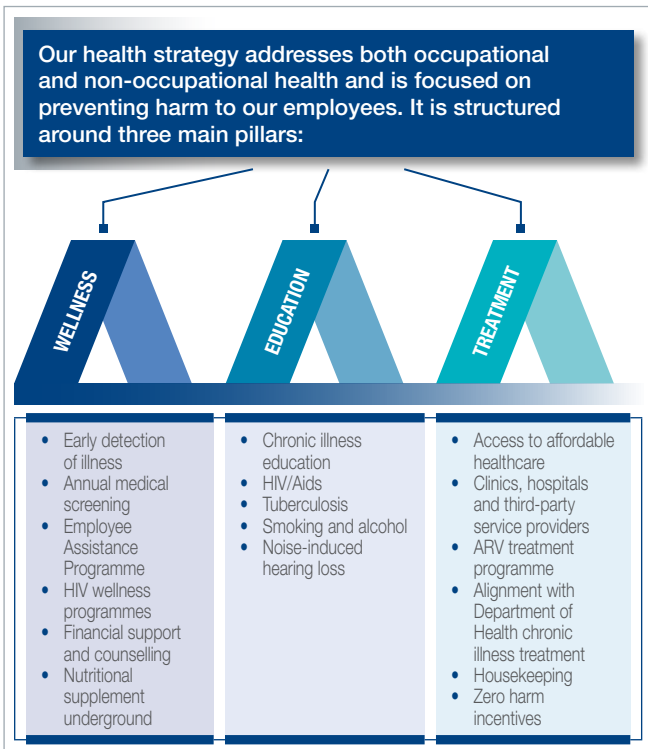
At our southern African operations, pulmonary tuberculosis (TB) and the associated human immunodeficiency virus (HIV) co-infection continue to be a material health concern. These two infections have been shown to increase the risk of complications developing from Covid-19. Our strong management here continues to assist us with mitigating the impact of Covid-19.



■ Limpopo premier Stanley Mathabatha praised Marula's adherence to Covid-19 protocols during his visit to the Marula Mine. The premier was quoted in a national newspaper: "We are pleased on how the mine is operating and we trust that if they continue with such adherence we will then record no cases at the mine."

Source: Daily Sun, 5 May 2020

### Our approach



The major occupational health risk associated with our mining activities is noise-induced hearing loss (NIHL). Every employee undergoes a medical screening examination at least once a year. Any abnormalities detected are referred for further diagnostic investigation and treatment. Any potential disability is referred to independent third parties for assessment and possible compensation.

Our strategy on non-occupational health focuses on ensuring that all employees have access to affordable healthcare so that all health stressors can be identified, managed and treated. Implats has extended its shared responsibility to include the health of dependents of employees, as well as broader investments in community healthcare projects.

Our approach is also informed by occupational health milestones set for the South African mining industry. The 2024 health milestones include targets for HIV, TB, silicosis and NIHL.

### Our 2020 performance\*

Number of employees	2020	2019	Variance %
New pulmonary TB cases	92	111	17 ↓
TB incidence rate per 100 000**	293	337	13 ↓
Number of new HIV cases	332	509	35 ↓
Number of voluntary counselling and testing (VCT) cases	9 666	12 093	20 ↓
Number of HIV+ employees on antiretroviral therapy (ART) (net enrolment at year-end)	6 035	5 730	5 ↑
Employees compensated for NIHL shift >10%	38	36	6 ↑
Medical incapacity	679	811	16 ↓

\* Five-year safety data for the Group is detailed on page 128 in the Appendix.  
 \*\* National incidence rate estimate in South Africa is 567 per 100 000 people.

Performance key: ↑ ↓ Improved ↓ ↑ Deteriorated ↔ Flat

#### Managing HIV/Aids and TB

- Implats takes an integrated approach to managing TB and HIV due to the co-infection rate. Our integrated response includes implementing appropriate health policies, proactive efforts to enrol HIV-positive employees on treatment programmes, and reducing the incidence of TB and its associated complications.
- The number of new cases of pulmonary TB diagnosed for employees decreased by 17% year-on-year, to 92. We also diagnosed 15 cases of cardio respiratory TB. There were no new cases of multiple drug resistant (MDR) recorded. There are four MDR cases on active treatment, all at Impala Rustenburg. No extreme drug resistant (XDR) cases were diagnosed or on treatment.
- Over 60% of new TB cases diagnosed have a co-infection with HIV.

**At our South African operations, the annualised incidence rate of 293 per 100 000 employees remains well below the estimated South African average of 567 per 100 000 citizens and therefore Implats remains on track to achieve the 2024 mining milestones for TB.**

**All cases of pulmonary TB are submitted for disability assessment to third parties and then to the Department of Health’s Medical Bureau of Occupational Diseases for recording and final assessment.**



# Employee health and wellbeing

All employees and contractors are counselled and offered HIV testing at annual medical examinations, as well as at wellness days and at all Group medical facilities. Our estimated HIV prevalence rate has remained level at 23%, based on available data for Impala Rustenburg.

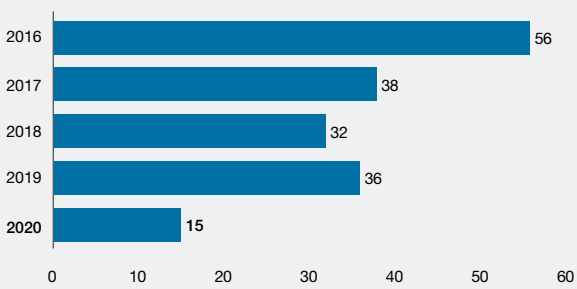
- A total of 9 666 employees underwent VCT testing, a decrease of 20% year-on-year. Group-wide there are 6 035 patients receiving antiretroviral treatment (ART) through our company medical facilities. An increase of 305 new ARV recipients this year was largely driven in the last quarter through proactive counselling of patients who have been reluctant to start ARVs, about the danger of co-infection with Covid-19.
- This year, we received 462 permanent disability medical incapacitation applications for HIV-related disorders.

## AIDS DEATHS IN SERVICE

Adherence to HIV treatment has remained high over the last three years at 95%.

Failure to adhere to long-term treatment is a concern and may lead to serious health complications and even death. All our ART patients are closely monitored by our health professionals. Our Aids deaths in service have reduced drastically since 2015. Regrettably, 15 patients passed away in service from known and diagnosed HIV-related illnesses, a 58% reduction year-on-year.

Aids deaths in service as at 30 June 2020



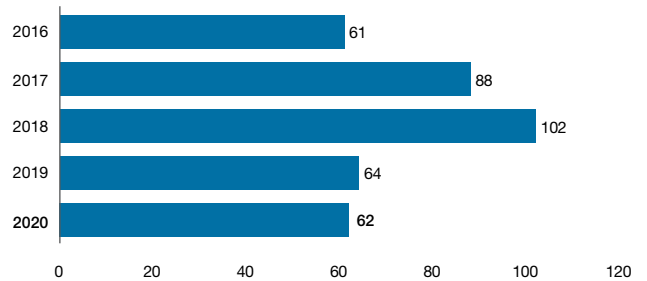
## Noise-induced hearing loss (NIHL)

NIHL is the main occupational health risk facing our employees. We are intensifying our efforts to replace the machines at our operations that emit noise levels above 107dB in order to improve our performance in this area.

- We provide all employees exposed to noise with custom-made hearing protection devices (HPD) and extend education and training across the Group on the risks and effect of exposure to noise both in the work environment and outside of work.
- We conduct annual audiometric examinations to detect any early deterioration of hearing before permanent NIHL develops. Employees found to have an early hearing loss shift of 2.5% to 5.0% undergo formal counselling on the effects of noise and the importance of wearing hearing protection in designated noise areas. Employees who are found to have a hearing shift of between 5% and 9.9% from baseline undergo a formal incident investigation process.
- All employees who have an NIHL shift of more than 10% are submitted for independent third-party assessment of disability and compensation if the hearing loss is deemed to be due to work-related exposure. This year, 62 cases were submitted for assessment compensation, with 38 cases deemed by third-party assessment to be compensable noise-induced hearing loss (2019: 64 submissions and 36 compensated).

## NIHL

as at 30 June 2020 (submitted for compensation)



## Managing inhalable pollutants

**Pneumoconiosis:** The risk of contracting pneumoconiosis (silicosis) at our operations is extremely low due to the very low levels of alpha quartz in the rock mined. The average dust concentration trends recorded remain below 10% of the occupational exposure limit (OEL). Real-time dust monitors are installed at high-risk locations underground to detect potential excessive dust volumes. Nevertheless, all employees are checked for signs of silicosis at annual occupational health screening examinations.

This year, 15 employees and one contractor were diagnosed with silicosis. All of these cases have historical gold mine exposure and have been submitted for assessment of disability and compensation.

We provide INH prophylaxis to current known silicosis patients to reduce TB infections.

**Diesel particulate matter (DPM):** We continue to monitor exposure to DPM, which presents a potential occupational carcinogenic risk. The risk of exposure to DPM is mitigated by adequate ventilation, low sulphur diesel replacement and DPM exhaust filters in underground diesel combustion engines. All underground locomotives are electric and therefore do not emit DPM.

#### Musculoskeletal stress

The most prevalent musculoskeletal issue at our operations is lower-back pain in machine operators. In all cases, we ensure the necessary assessments and, where applicable, referral to a specialist. We continue to implement education and awareness initiatives on correct manual handling, good posture and periodic stretching exercises.

#### Mental health support

We are placing greater emphasis across the Group on supporting employees in managing mental health-related issues.

**All operations facilitate access to professional support through an employee assistance programme and various other resources aimed at encouraging wellbeing.**

This support has been critical in helping to mitigate mental health effects associated with the Covid-19 pandemic, which can be greater for people with pre-existing mental health conditions.

In Zimbabwe, Zimplats implements a mental health support programme with a special emphasis on managing drug and alcohol-related issues, as well as the effects of the Covid-19 pandemic. Impala Canada's employee assistance programme offers counselling in person and remotely to both employee and dependants.

## EMPLOYEE WELLNESS PROGRAMME AT OUR SOUTH AFRICAN OPERATIONS

### Our employees and contractors have access to the Company-funded employee wellness programme (EWP).

The utilisation of the EWP services includes self, informal and formal referrals across the spectrum of available support services including: psychosocial counselling, legal wellbeing, financial wellbeing, and health information. **During the period January to May 2020, 722 employees made use of the programme: 659 at Impala Rustenburg, 22 at Impala Rustenburg, and 41 at Marula.** In 50% of the cases, employees (mainly from Impala Rustenburg) were referred to the EWP by medical staff and were assisted at the onsite clinics. Employees access the EWP for a variety of personal and professional reasons. The top reasons for consultations were mental wellbeing and health related (54%), HIV/Aids related (21%), couple and family related (10%), and financial issues (6%). The EWP offers a range of counselling services to provide a holistic intervention to address the presenting problems. Impala Rustenburg provides on-site financial advice and additional substance abuse support to employees.

#### Financial wellbeing

Mental health challenges are often related to financial difficulties. In recent years, we have implemented various initiatives aimed at assisting employees with financial literacy, planning and mitigating the over-indebtedness. As part of assisting employees, all collection orders are scrutinised and must adhere to the legal requirements before implementation.

**At our South Africa operations, the benefits of our initiatives are evident in decreasing numbers of garnishee, maintenance and administration deduction (from salary) orders instituted against our employees. In 2020, the number of deduction orders reduced by 10.7% year-on-year and by 51% from their peak in 2014.**

We continue to proactively identify employees in need of debt counselling and to encourage more employees to use our financial wellbeing services.

Zimplats provides financial management literacy awareness and training, which is extended to employee spouses. The operation also monitors garnishees received and through payroll checks identifies suspected cases of over-indebtedness. Debt counselling is provided through the mental health programme and heavily indebted employees are referred for additional counselling.

#### Non-occupational medical care

Our non-occupational medical care applies only to permanent employees however we ensure that independent contractors have equal access to our primary care clinic for the treatment of Covid-19.

#### Medical aid

Various medical scheme options exist across the Group to cover non-occupational health. The Impala Medical Plan (IMP) has 26 200 employees and dependants across Impala Rustenburg, Marula and Impala Springs. The IMP contribution rates remain competitive in the industry. Zimplats has set up a ring-fenced new medical aid scheme aimed at mitigating medical shortfalls experienced by employees and their dependants when they seek medical services.

# Employee and contractor safety

**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.**



Rock drill operator drilling the face under the protective cover of heavy-duty netting

## HIGHLIGHTS

- Sustained our improved safety performance, positioning the Group favourably relative to the overall industry
- Strengthened our safety risk-management interventions
- Nine of the Group's 17 operations achieved millionaire or multi-millionaire status in terms of fatality-free shifts
- Zimplats and Impala Springs are certified to the ISO 45001:2018 standard. At Impala Rustenburg and Marula we need to deliver on one key requirement of the ISO 45001:2018 standards to ensure full alignment

## LOWLIGHTS/CHALLENGES

- **Five safety-related fatalities** at managed operations
- The tragic fatality at Impala Canada in May 2020 was the first fatality recorded at the operation since 2014
- We continue to experience incidents of high-risk behaviour resulting in fatalities and serious injuries
- 124 days of lost production due to Section 54 stoppages
- 34 safety-related high-potential incidents

## FOCUS AREAS FOR 2021 AND BEYOND

- Eliminating fatalities and reducing the number and severity of injuries
- Strengthening critical control management to prevent material unwanted events
- Building resilient safety leadership at supervisory levels and enforcing operational discipline
- Intensifying supervision of critical activities at the work face

## Covid-19 implications and our response measures

The Covid-19 pandemic has required extensive revisions to operating practices to ensure the health and safety of our employees. The revisions focus on mitigating Covid-19 health risks while ensuring that safety risk management is not compromised.

At our South African mining operations, we have taken additional care in ensuring the safe start-up of operations that had been closed due to lockdown regulations. Covid-19-related operational disruptions also occurred at Impala Canada's mine, which was put on care and maintenance for five weeks following a Covid-19 outbreak at the site. Operations at our Marula Mine were also temporarily suspended in May after detecting positive Covid-19 cases.

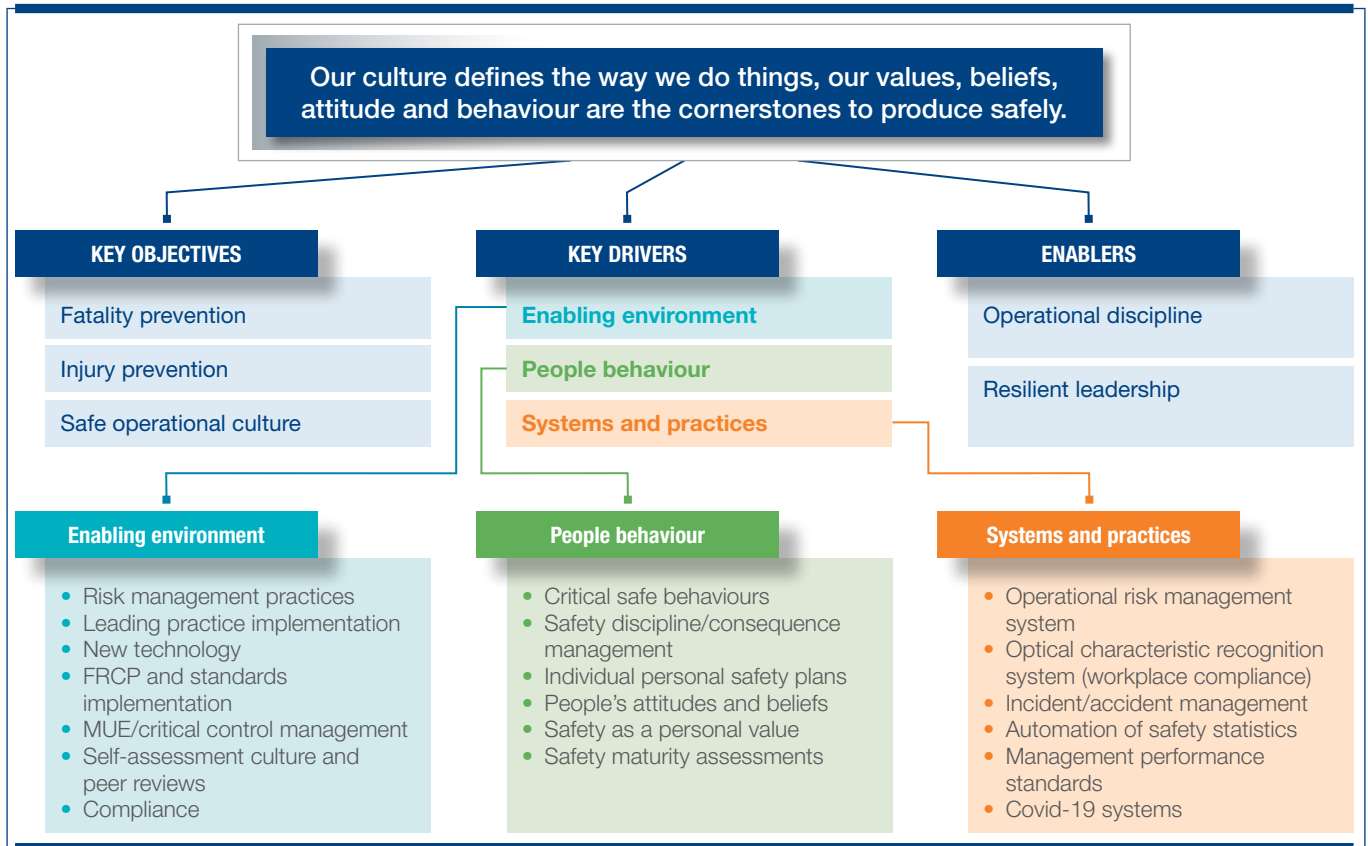
On returning to work, all employees have been inducted and trained on preventative measures for Covid-19. All workplaces that had been dormant for longer than 30 days were deemed high-risk areas in terms of our Trigger Action Response Plan (TARP) process. To ensure a safe production ramp-up, all working places must be inspected and declared safe to operate by a cross functional team. This process involves several working shifts before production commences.

The significant reduction in our mining activities during the last quarter of the year as a result of restricted staffing limits, has impacted on the comparability of our year-on-year safety performance data. The uncertainty, fear and other mental health effects associated with the Covid-19 pandemic can impact on safety behaviour. We have increased the level of professional counselling offered to employees.

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.



Our approach



Our safety strategy strives to foster a safe operational culture and achieve our vision of zero harm. The strategy is informed by external and internal reviews of our safety systems and culture, and by a continual analysis of the root causes of all fatal, reportable and lost-time incidents.

The principal safety risks facing our employees and contractors relate to falls of ground, moving machinery, transportation, working at heights, electrical or release of stored energy incidents and isolation/lock-out. Fatigue and stress management is another focus area. A review of strategic interventions and developments to mitigate safety risks in 2021 is summarised on page 47. Further details of our safety performance are provided in our performance tables on page 126.

**Our 2020 performance\***

We deeply regret the loss of five of our colleagues at our managed operations this year (see page 46). Any loss of life is unacceptable. Each of the tragic incidents is subject to a rigorous independent investigation, with learnings shared across the Group and management actions taken to improve controls and to prevent recurrence. Failure to identify hazards or respect risks, not following standard operating procedures, and inadequate supervision and oversight, continue to be identified as contributing factors in significant and fatal incidents.

Our Group-level key lagging and leading safety performance indicators are provided on pages 44 and 45. Year-on-year comparability has been impacted by the significant reduction in our mining activities at our South African operations during the last quarter of the year, in line with regulated restrictions during the national lockdown. This is reflected in improvements in absolute numbers for certain lagging indicators (number of lost time injuries, permanent disability injuries, and dangerous occurrences) and a downward trend in most leading indicators.

**Integration of Impala Canada**

The Lac des Iles operation has aligned its safety performance indicator reporting definitions with the Group's. Impala Canada's safety performance from date of incorporation (13 December 2019) to 30 June 2020 is included in our safety performance statistics.

\* Five-year safety data for the Group is detailed on page 127 in the Appendix.

# Employee and contractor safety

## Key lagging indicators

Category	Target	2020 actual	2019 actual	Variance %	Achievement against target	2021 target
Fatal injuries	0	5	5	0 ↔	No	0
Fatal injury frequency rate	0	0.050	0.047	6 ↑	No	0
Reportable injury frequency rate	2.36	3.7	3.96	6 ↓	No	2.36
Lost time injuries recorded	–	456	561	19 ↓	–	–
Lost time injury frequency rate	20% year-on-year improvement	4.55	5.3	14.2 ↓	No	20% year-on-year improvement
Permanent disability injuries	–	9	24	63 ↓	–	–
Medical treatment case frequency rate	–	6.76	7.4	9 ↓	–	–
Total injury frequency rate	–	11.32	12.7	11 ↓	–	–
Dangerous occurrences (excluding fatalities)	–	26	34	24 ↓	–	–

### Definitions

Medical treatment case frequency rate (MTCFR), which includes any injury that requires more than first-aid treatment.

The total injury frequency rate (TIFR) – a measure of all recordable injuries, including fatalities, lost-time injuries and medical treatment cases.

Reportable injury frequency rate – a measure of all injuries, including fatalities, resulting in more than 14 days off work

Dangerous occurrence – Incidents that must be reported to the inspector of mines, including among other things fall of ground and caving incidents, fire, power failures, failure of lifts and ventilation systems

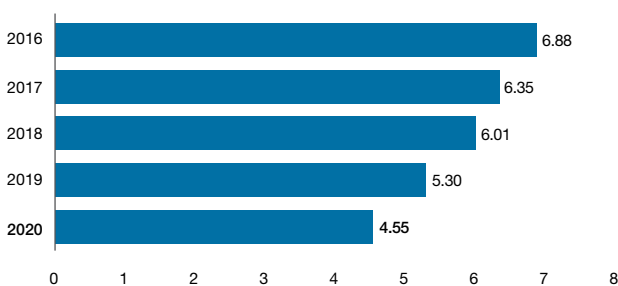
Lost Time Injury Frequency Rate (LTIFR) – number of lost time injuries (work-related injuries resulting in employee being unable to attend work and perform their assigned duties on the next calendar day after their injury) per million hours worked

Performance key: ↑ ↓ Improved ↓ ↑ Deteriorated ↔ Flat

- Our fatal injury frequency rate (FIFR) regressed this year by 6%. We experienced four fatalities at Impala Rustenburg and one fatality at Impala Canada – the first fatality at the operation since 2014. Our fatal incidents are discussed in greater detail on page 46. The overall improvement in our FIFR over the last five years can be seen in the chart below.
- Our lost time injuries (LTI) were mostly attributable to falls of ground, equipment material handling, rail bound tramming, and slipping and falling. During this reporting period, 81% of LTIs became reportable injuries compared to 75% the previous year. The number of reportable injuries underlines the severity of some of the incidents.
- Our LTIFR improved by 14% compared to 2019. The overall improvement in our LTIFR over the last five years can be seen below.
- In 2020, 65% of dangerous occurrences were at Impala Rustenburg operations, an improvement on the 91% recorded last year.

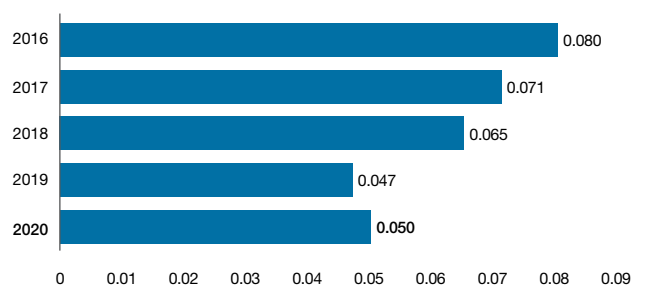
### LTIFR

as at 30 June 2020 (per million man hours worked)



### FIFR

as at 30 June 2020 (per million man hours worked)



## Key leading indicators

Category	2020 Actual	2019 Actual	Variance %
Regulatory stoppage instructions (Section 54s and 55s)	75	95	21 ↓
Proactive internal stoppages	1 886	2 846	34 ↓
VFL engagements*	23 331	26 223	11 ↓
Planned task observations	69 787	73 764	5 ↓
High-potential incidents	34	88	61 ↓
Induction training to ensure that all new and ex-leave employees are trained	52 211	52 764	1 ↓
Road behaviour checks – percentage compliance (%)	97	97	0 ↔
Breathalyser tests – number testing positive	124	213	42 ↓

\* Against target VFL engagements of 27 562.

↑ ↓ Improved   ↓ ↑ Deteriorated   ↔ Flat

- Our leading indicators statistics for 2020, for example the number of proactive internal stoppages, VFL engagements, high-potential incidents and breathalyser tests have been significantly impacted by the national lockdown in South Africa.
- Section 54 stoppage instructions issued (39) continue to be restricted to the area where the danger/non-conformance was observed; 24 of the stoppages impacted production with a total of 124 days of lost production.
- Analysis of Section 54s and our internal stoppages shows that the majority issued for non-compliance with winch rigging and support operating standards.
- The positive breathalyser alcohol tests represent 0.01% of tests conducted, unchanged from 2019.



# Employee and contractor safety

## Responding to fatal incidents

### Lives lost at our operations and support for relatives

This year, five of our colleagues tragically lost their lives in the course of work at our operations. In remembrance, the names of these individuals are: Mr Odirile Nelson Thipe, Mr Mnonopheli Louis Mkwibiso, Mr Sibusiso Jalisa, Mr Orlando Samuel Buvane and Mr Edward Gallant. We extend our sincere condolences to the families, friends and colleagues of the deceased.

Recognising the severe impacts of their loss, we offer support to the respective families. Principal areas of assistance include: specialised trauma counselling for dependants and counselling for co-workers; providing Group insurance cover for funeral expenses and a benefits pay-out to the family according to the rules of the respective fund; offering employment at Implats for a family member; and providing ongoing financial assistance for the schooling of children of the deceased (from pre-school to tertiary level). We visit the families at least annually to monitor their wellbeing and educational progress, and to demonstrate ongoing support.

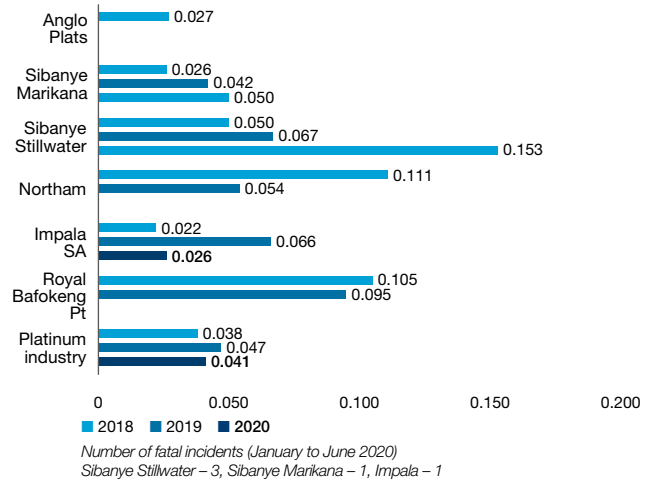
### Investigations and remedial actions

The root causes of each fatal incident is investigated and remedial actions implemented in an attempt to prevent a repeat occurrence. With human error being a contributor to many incidents, our priority remains to cultivate a culture of operational discipline to ensure full compliance and commitment to safe working practices. The details of our fatal incidents and a summary of remedial actions and learning points are given below.

Fatal incidents in 2020	Remedial action and learning points
<b>Mr Odirile Nelson Thipe was fatally injured in a locomotive incident at Impala Rustenburg No 1 Upper Shaft. (06/08/2019)</b>	Disciplinary action was taken against several employees involved in the incident for breaching safety protocols. We continue to invest in overseeing and strengthening contractor accountability and we are investigating fitting personnel detection system and vehicle detection systems to locomotives.
<b>Mr Mnonopheli Louis Mkwibiso was fatally injured in a winch incident at Impala Rustenburg No 11 Upper Shaft. (06/09/2019)</b>	Developed and reviewed an action plan to remove the need for a person in winch rope interaction. We reviewed the transporting method for the coiling and uncoiling of a winch rope to establish the best practical method to carry out the task as per the standard. Considerations include reducing the winch rope length and consequently weight, to make it easier for the winch drivers to manoeuvre. In driving the right safety mindset, we created videos with visual effects to make employees aware of the severe consequences of taking short cuts or non-adherence to procedures. A mine overseer and shift supervisor team tracker roster is implemented to ensure each of the teams are visited within 48 hours. We enforce structured HSE visits to check on the behavioural change of the employees. We are implementing a manager's schedule for visiting shift supervisors who scored below 80% on their Chief Safety Officers' reports and according to the manager's 'hot spot' plan. We implement a planned task observation (PTO) database and PTO tracker programme.
<b>Mr Sibusiso Jalisa was fatally injured in a fall of ground (FOG) incident at Impala Rustenburg No 12 Shaft. (19/11/2019)</b>	Refresher training was provided to employees and line supervision on support standard, barring, mining discipline (how to deal with reef in the hanging wall), and safe declaration control. Legal training on the Mine Health and Safety Act was provided to line supervision. All working places were audited on support compliance, ground condition and mining discipline. Disciplinary action was taken against management, line supervision and crew members for poor entry examination and working without support.
<b>Mr Orlando Samuel Buvane was fatally struck by a rock that rolled down the travelling way at Impala Rustenburg No 12 Shaft. (18/05/2020)</b>	Retraining was provided to development teams on the installation of swing barricades that prevent rolling rock and we audited all travelling ways to ensure compliance on the installation of swinging barricades.  We are improving the quality of the safety officers' audit on risk assessments. We are enforcing operational discipline through ownership by line management and proper change management – IBRA to form part of planning meetings. The head of department was sent for CURA training, which will be used to implement a risk register with preventative and corrective actions logged.
<b>Mr Edward Gallant was fatally injured underground following a "run of muck" incident from No 1 ore pass. This pass was under construction and rehabilitation with screening, bolting and shotcrete work at Impala Canada. (27/05/2020)</b>	To prevent a repeated incident, the rehabilitation and construction process has been changed as follows: <ul style="list-style-type: none"> <li>• Bolting and screening will first be completed by shrinking the muck in the ore pass. The shotcreting process will then be completed afterwards, when the ore pass is empty. This will prevent any run of material.</li> <li>• Ore pass rehabilitation is specialised work that is often dangerous. Going forward, the risk assessments associated with such work will not only encompass all aspects of work being performed, but will include unrelated work in nearby areas.</li> </ul>

Although our focus on passionate, resilient safety leadership and mining discipline has driven significant improvements in our safety performance in recent years, we are not yet where we must be in terms of no lives being lost. Implats is committed to playing its role in dialogue and collaborative efforts between government and the mining sector to eliminate fatalities. We participate in industry safety forums and share our learnings and practices with our peers through the Minerals Council South Africa. A comparison of the fatality rates across the South Africa platinum industry shows that the Group's safety performance compares favourably with our peers. At year end, nine of the Group's 17 operations achieved millionaire or multi-millionaire status in terms of fatality free shifts.

**Comparison of fatality rates (calendar years) across the large South African mines in the platinum industry**  
as at 30 June 2020 (per million man hours)



Source: Minerals Council of South Africa

### Focus areas for 2021 and beyond

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.

### Strategy implementation and monitoring

At Impala Rustenburg and Marula, each operation develops and implements a 90-day safety plan to support the achievement of defined safety objectives. We have improved this process by providing the mines with additional safety resources and competencies.

In 2021, we will conduct a safety culture assessment to measure the effect that our various initiatives have had on improving the safety culture of our people.

### Enabling our desired safety culture

In creating our desired safety-culture, our focus has shifted from monitoring conditions in the workplace to developing a holistic environment that incorporates processes, practices, systems and new technology. In 2020 we automated our monitoring of key safety performance indicators and standards for mine managers and teams at two pilot sites. It is hoped that this technology will assist our people to identify and address hazards and substandard conditions timeously. If successful, the technology will be implemented at our other operations in 2021 and beyond.

### Effective risk management practices, monitoring and reporting

We are placing an emphasis on more proactively managing safety risks.

We have implemented the CURA risk management tool at Impala Rustenburg and Marula operations to standardise operational safety risk management standards and practices. This will drive improvements in identifying, implementing and monitoring critical controls.

### Passionate leadership

We will continue to use visible-felt leadership (VFL) to foster improved workplace discipline and consistency at our operations. We will focus on increasing the number of VFL interventions and coaching sessions at our South Africa operations. The programme includes reinforcing critical safe behaviours through awareness, hazard identification and coaching as part of weekly VFL interventions.

### Incident and injury investigations

The timeous recording, analysis and public showcasing of any lost time injury (LTI) in the workplace is assisting in reducing levels of LTIs. We will maintain concerted efforts to promote the identification, reporting and investigation of high potential incidents (HPI); these are incidents that could have resulted in fatal or multiple fatal accidents. All HPis are investigated through the incident cause analysis method (ICAM) process to identify critical learnings to share across the Group in order to effect more robust controls.

### Critical safe behaviours

We will continue to entrench critical safe behaviours for rock drill operators, scraper winch operators, locomotive operators, panel operators and trackless machine operators. This is driven through safety representative and supervisory monitoring interventions.

### Technical solutions

We implement best practice technical initiatives and assess new technological advances. Zimplats has increased its use of barring down cages in fall-of-ground high-risk areas. The operation also completed a major furnace and rebuild exercise. Both these developments should significantly enhance safety at the operation going forward.

### Management of independent contractors

Contractor safety management practices are receiving greater attention across the Group. In South Africa, focus is on ensuring adequate oversight of contractor activities. Zimplats has intensified its practices, including pre-qualification safety assessments, thorough pre-work induction and contractor compliance. Impala Canada is focusing on improving contractor management through awareness and training interventions.



## Key features

New three-year wage agreement at Impala Rustenburg and Marula operations

Implats Gini coefficient of 0.266 compares favourably with the national coefficient of 0.436 and mining industry coefficient of 0.416



One of only eight South African companies to have entered the Bloomberg Gender Equality Index in January 2020

Employee turnover rate of 6.9% against a target of 7.5%

Ensuring safety is a top priority. Safety messaging underground at Impala Rustenburg

# SHAPING OUR CULTURE AND DEVELOPING PEOPLE WHO RESPECT AND CARE





### Transformation

Good performance against most of the Mining Charter III employment-equity targets

### Restructure

Avoided the proposed closure of Impala Rustenburg 1 Shaft, securing 2 813 jobs

### Culture

Effectively adapted our ways of working in response to Covid-19-related restrictions

# 04

#### Our alignment with SDGs





# Organisational design and culture

**We strive to foster a culture of delivery, accountability, teamwork, development and care through an organisational structure that is fit for purpose, resourcing this structure with the best capability and empowering our people to deliver results.**



Mine manager at No 16 Shaft, Impala Rustenburg

## HIGHLIGHTS

- Effectively adapted our ways of working in response to Covid-19-related restrictions
- Enhanced our communication with employees and human resource (HR) practices through accelerated uptake of digital solutions
- Leaders have demonstrated resilience and ability in navigating Covid-19-related challenges
- Successful integration of Impala Canada operation into the Group

## LOWLIGHTS/CHALLENGES

- 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

## FOCUS AREAS FOR 2021 AND BEYOND

- Adapt our ways of working in line with evolving Covid-19 impacts and implications
- Improve our operating model and fit for purpose structuring of the business
- Further digitise HR practices
- Implement and sustain culture transformation over the next three years, driving organisational success through our people



## Covid-19 implications and our response measures

The Covid-19 pandemic has presented unprecedented challenges for human resource management across the Group, with no easy answers. Our teams have responded effectively and with agility. This has been underpinned by the progress we have made over the last two years in building resilient leadership capability and fostering our desired Company culture.

Our focus during the last three months of the financial year was on Covid-19 operational readiness, ensuring protocols for the safe return of employees and adapting working practices to ensure ongoing safety and operational continuity in line with regulatory requirements and restrictions. Some of the changes we have made to our working environment and practices have been more temporary than others, as regulatory requirements evolve.

Complexities and challenges in delivering on our culture transformation objectives have centred around the reduced capacity requirements at our South African operations during the national lockdown, the shift to remote working where possible, and the need to ensure effective social distancing. Remote working and managing people who are out of sight has required a mindset change, as well as a change in the way of work.

The crisis has, however, also presented opportunities to further entrench our culture of high performance, care and respect. We have ensured that our employees are informed and equipped with the knowledge and means to mitigate the risk of contracting the virus at work and at home. We have continuously communicated to them that their safety, health and wellbeing is our top priority and that the support available to them includes counselling, call centres, medical support, and assistance with attaining unemployment benefits.

Our leadership teams have demonstrated resilience and diligence in navigating short-term challenges. Visible (virtual) felt leadership has ensured that employees see the involvement and continued support of management, reflecting our efforts to nurture empathy, emotional intelligence, active listening, and transparency when communicating with colleagues. We have provided leadership with additional coaching to assist with the required coping mechanisms.

We have also taken significant strides in using digital platforms to communicate with employees and to improve HR practices (see page 52).



### Our approach

We are three years into our five-year human resource (HR) strategy, which is guiding our progress in creating our desired organisational culture. We have further embedded our HR strategy across the organisation through the prioritisation of our HR strategic pillars below. We seek to embed a culture of continuous improvement, underpinned by a commitment to learning. Our approach centres around instilling organisational discipline, enhancing people engagement and people management capabilities, empowering our line managers to take responsibility for people management, and ensuring effective performance management to deliver on objectives.

We are committed to implementing sound and consistent policies and practices in order to ensure that Implats is perceived as a fair, equitable and transparent employer, with a compelling employee value proposition.

## VISION, STRATEGY, BUSINESS OBJECTIVES UNDERPINNED BY VALUES

**HR STRATEGIC INTENT:** Maximum individual potential, increasing organisational capacity and positioning Implats as an employer of choice

	ORGANISATIONAL EFFECTIVENESS	PERFORMANCE MANAGEMENT	TALENT	LEARNING AND DEVELOPMENT	TALENT SOURCING	REWARD AND RECOGNITION	STAKEHOLDER ENGAGEMENT	WELLNESS	INFORMATION TECHNOLOGY AND SYSTEMS
<b>Strategic Intent</b>	<p>Fit for purpose operating model and defined company culture</p> <p>An engaged, empowered and productive workforce</p>	<p>Embed a high performance culture where continuous improvement takes place</p>	<p>Having the right people in the right roles at the right time creating a talent pipeline for critical roles</p> <p>Successors identified for all critical roles</p>	<p>Customised training to develop the talent that the business requires now and in the future</p> <p>Developing strong people leaders</p>	<p>Attracting the best talent in the industry</p>	<p>Rewarding and recognising performance and continuous improvement and development</p> <p>Performance based pay</p>	<p>Creating a conducive employee and employer relations climate and fostering partnerships with key stakeholders</p>	<p>Deliberate management of employee health and wellness activities to improve efficiency and output of employees</p>	<p>Digitising human resources</p>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>Operating model</li> <li>Fit for purpose structures</li> <li>Culture defined/alignment</li> <li>Acquisition integration</li> </ul>	<ul style="list-style-type: none"> <li>Group Operational BSC</li> <li>D and above BSC in place</li> <li>Onboard C5</li> <li>Standardised calibration process</li> <li>Link to reward</li> <li>System support</li> </ul>	<ul style="list-style-type: none"> <li>Talent framework</li> <li>9 box plotting</li> <li>Verified successors</li> <li>Critical positions identified</li> <li>Talent councils</li> <li>System support</li> </ul>	<ul style="list-style-type: none"> <li>Implats Way modules implemented</li> <li>Leadership development programme D band and above</li> <li>Supervisory programme</li> </ul>	<ul style="list-style-type: none"> <li>Optimise social media</li> <li>Minimise agencies</li> <li>Induction programmes</li> <li>Aligned branding</li> <li>Standardised psychometric assessments</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>Link to Pay for performance</li> <li>Education of line and HR</li> <li>C5 inclusion in LTI</li> <li>Automation of annual processes</li> </ul>	<ul style="list-style-type: none"> <li>Relationships with organised labour</li> <li>Conclude restructurings without disruption</li> <li>Drive Gender Mainstreaming</li> </ul>	<ul style="list-style-type: none"> <li>Strategy and forum</li> <li>Education programmes</li> <li>Understand wellness profile of workforce</li> </ul>	<ul style="list-style-type: none"> <li>HR digitisation strategy and plan</li> <li>Success factors performance and talent management</li> <li>HR dashboard</li> <li>Review and optimising of current systems</li> <li>Optimising Let's Talk</li> <li>Onboarding of Canada</li> </ul>
<b>Workforce planning:</b> Strategic and objective aligned plans, optimised effective systems and accurate reporting									
<b>HR policies processes, systems:</b> Employee services, payroll, HR administration, document and records management									
<b>HR information technology and systems (HRITS):</b> SAP, success factors, time and attendance, payroll									

CHANGE MANAGEMENT AND COMMUNICATION  
HR UP-SKILLING AND EMPOWERMENT

# Organisational design and culture

## Organisational culture transformation

We have sustained ongoing progress in fostering and embedding our desired organisational culture of delivery, accountability, teamwork, development and care. At the heart of this change process, is the implementation of our Implats Way leadership and culture foundation programme. Based on the care and growth leadership methodology which focuses on people and their development, the programme is building the leadership competencies we aspire to embed across the organisation, with a focus on middle management and supervisory levels.

Each of our operations has developed and is implementing a culture change programme in support of the Group defined culture. Our recently integrated Impala Canada operation has company values and an organisation culture akin to that defined for the Group. The operation is implementing the Implats Way culture foundation programme to ensure full alignment.

**In 2021, we will conduct dipstick surveys at each operation to determine progress made through our culture transformation initiatives. A full culture survey will be conducted thereafter.**



### COVID-19 RESPONSE ACCELERATES DIGITAL TRANSFORMATION IN THE WORKPLACE

Employees at Impala Rustenburg Training Centre

**In adapting to the Covid-19 era, we have escalated our use of mobile technology to enable direct communication with employees and to support a sense of connection and team cohesion. We have also adopted new technologies to make HR processes safer and more efficient.**

We have enhanced our internal communication capability across the Group by using our internal WyzeTalk App, Facebook, WhatsApp and SMS. At our South African operations, we have extensively shared video messaging and materials through our sophisticated mobile platform called Let's Talk. **Targeted efforts to increase levels of usage of our digital communication platform have motivated an increase in registered users from 30% of the workforce before the national lockdown, to 57% by year-end, with Marula's workforce-participation levels at 97% and Impala Springs at 93%.**

The Let's Talk platform has enabled the automated issuing of essential service certificates to relevant employees, leave application forms, payslips, and where applicable, letters validating an employee's financial challenges for the attention of financial service providers. In addition, the platform allows for the electronic completion and submission of compulsory daily Covid-19-related questionnaires eliminating close human interactions.

Our Zimbabwe operation has developed an SMS platform that reaches almost all its permanent staff and the majority of active contractors, for communicating health and safety messages to employees and their families.

The new digital practices we have introduced at our operations have enhanced efficiencies and effectiveness and will be formalised and sustained.

# Attracting, retaining and developing talent

**We aim to attract the best people in the industry and to maximise their potential, increasing organisational capacity and positioning Implats as an employer of choice.**



Miners at Impala Rustenburg

## HIGHLIGHTS

- Revised restructuring plans at Impala Rustenburg ensured minimal job losses
- Rolled out the Leading the Implats Way programme to lower-level employees
- We automated our recruitment processes

## LOWLIGHTS/CHALLENGES

- Covid-19-legislated limits on staffing levels at South African operations resulted in setbacks in capacity building initiatives
- Performance target setting is challenging given the uncertainty around future Covid-19-related impacts
- Covid-19-related challenges have driven labour unavailability at Impala Rustenburg operations

## FOCUS AREAS FOR 2021 AND BEYOND

- Creating a people-centric learning organisation that ensures continuous organisational improvement
- Building leadership capacity and capability
- Attracting scarce skills
- Improving employee productivity and efficiency

### Covid-19 implications and our response measures

In implementing our HR strategy, during the restricted lockdown period in South Africa we have experienced setbacks under some pillars, notably our strategic focus on leadership development.

The limitation on employee capacity at mining operations in compliance with Covid-19 regulatory requirements restricted or delayed certain training and development initiatives. Virtual training sessions ensured ongoing progress in certain areas. Leadership development at top levels continued on an individual basis. The ongoing implementation of our capacity building programme for mining supervisors was maintained during the last quarter, with Covid-19 protocols integrated. Covid-19 precaution measures, including ensuring effective social distancing, have been implemented to safeguard all trainees in the workplace. Planned trainee intakes in April and June 2020 have been postponed to the new financial year.



The lockdown conditions resulted in temporary and evolving adjustments to remuneration, performance management, and recruitment processes. Our remuneration arrangements during the lockdown are reviewed on page 58.

The lockdown conditions also presented particular challenges for performance management processes. We have adjusted KPI assessments to account for measures impacting employee performance, and revised certain targets going forward. This is especially challenging given the uncertainty around future operational restrictions and disruptions.

At Impala Rustenburg, Covid-19 and associated lockdown measures have resulted in high rates of absenteeism and sick leave among employees. Factors negatively affecting labour availability included the non-return of foreign employees due to the closure of the borders (about 1 500 employees), desertions subsequent to the nationwide lockdown, a high number of employees in the process of either being tested or awaiting results, or in quarantine or isolation. Special focus is being applied to employees who are sick or absent without pay. We have developed and implemented numerous labour analytic tools that enable HR to determine trends and make predictive decision-making with regard to labour planning. Impala Rustenburg operations will be required to recruit approximately 2 500 employees through to December 2020. This figure considers attrition, projected higher labour unavailability and the build-up of business plan 2021. We have sourced additional HR personnel on a temporary basis, and two additional recruitment agencies, to assist with the recruitment.



# Attracting, retaining and developing talent

## Building leadership capacity

In developing a high-performance culture, we have maintained a focus on: aligning our business plans to individual performance objectives and talent management; strengthening our succession pipeline for key positions within the Group; developing more decisive and effective middle management capability and employee engagement; and instilling a learning culture, with training interventions focused on meeting business needs and delivering in terms of return on investment.

Improving capacity and efficiencies in management layers remains a strategic focus. The Implats Way leadership and culture programme was introduced to all managers in 2019 and this year we made progress in cascading the programme to supervisory levels. We will continue to implement and embed the Care and Growth leadership model.

**We have established formal coaching and people management programmes to promote improved supervisory and management leadership development. We are partnering with a reputable corporate university to customise an intervention aimed at addressing leadership competency gaps that we identified through our succession management process.**

## Remuneration

Our remuneration structure for all managers within the organisation is designed to align shareholder interests to that of executives in terms of rewards and to support a culture of performance, delivery and accountability. The incentive schemes aim to link short-term delivery to medium and long-term delivery, so that we can sustainably deliver on our business plans year-on-year. A limited set of KPIs for short-term performance has focused managers' attention on the key business metrics.

Through our performance management programme, we have committed to offering attractive remuneration and employment benefits, together with effective incentives. We undertake regular benchmarks of pay and conditions to ensure that we remain competitive.

 Details of our remuneration policies and practices are outlined on pages 16 to 25 of our Integrated Report.

## REDUCING INEQUALITY THROUGH FAIR REMUNERATION PRACTICES



**A wage gap analysis at our South African operations conducted by PwC in January 2020 showed that Implats' Gini coefficient was 0.266 in 2020 (2019: 0.252). This performance continues to compare favourably with the national coefficient of 0.436 and mining industry coefficient of 0.416.**

The Group's marginally increased Gini coefficient this year is mainly as a result of a higher increase in top earners' variable pay in relation to the lower earners. Fewer employees earn up to R250 000 and more employees earn between R250 000 and R500 000 compared to 2019. Less than 2% of employees are earning a total remuneration (TR) above R1 million per annum. The total guaranteed pay of the CEO is 63.6 times that of the lowest earning employee (2019: 61.29). The lowest earning employee at Implats earns a 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.

The Palma ratio provides a ratio of the TR of the top 10% earners of the Company compared to the TR of the bottom 40% earners of the Company. Implats' Palma ratio was 1.074, which compares favourably with the mining circle ratio of 1.964 and the national circle ratio of 2.235.

### Performance management process

Our performance management process aims to align people’s individual goals with the business goals, with effective systems in place to measure and manage their performance. A key element is the implementation of a balanced scorecard, consisting of the following five key performance areas and elements against which we measure our performance and aim to incentivise behaviour that supports the attainment of business goals:

- Financial and capital management (converted into safe operational delivery)
- Operational excellence
- Strategy and business development
- Organisational effectiveness
- Sustainability/social licence to operate.

Clear strategic objectives and goals are set against the five pillars of the scorecard in the Group balanced scorecard which is cascaded to the operational balanced scorecard.

**This approach ensures that targets are set not only for financial performance and production targets but inclusive of ESG and people performance measures.**

Individual scorecards are in place from executive level to junior management. The high weighting on targets for managing people aims to ensure each manager’s direct accountability for improving the organisational climate for their areas of work. We are providing line managers with in-depth leadership training to ensure that they are equipped with the necessary skills to cascade business goals, define goals, and be able to link and promote continuous performance and development.

Scorecard assessments include informal quarterly assessments, with two formal performance assessments, mid-year and at year-end. Once all performance ratings are determined, we do a calibration at operational and Group level to ensure the performance outcomes are aligned to business outcomes. The final performance assessment reflects business performance against objectives.

Targets in the production bonus scheme for employees in our bargaining unit relate to safety, cost and production.

### Talent management

We aim to strengthen leadership and technical skills by developing an internal pipeline of successors for critical roles, and to have readily available talent information to inform development decisions.

The talent management framework (TMF) has been developed and introduced to the business. Each operation is implementing an action plan, with timelines on rolling out the framework. A change management programme was also communicated to ensure sound execution of the TMF including accountability and alignment of leaders.

The OurPeople (Success factors) system currently hosting the performance management process has been expanded to include the talent management module. This forms part of the HRIS strategy to create a strategic system to house the HR strategic framework creating integration between the HR pillars.

Our TMF includes a nine-box matrix which is based on performance and potential.

<b>Ratings</b>	The update of the <b>performance and potential ratings</b> are automated and forms part of <b>OurPeople</b> system
<b>Actions</b>	For <b>each box</b> there are <b>recommendations on actions</b> that should be taken
<b>Top talent</b>	Once <b>top talent</b> employees are <b>identified</b> , the employee’s aspirations, qualifications, experience and fit against the <b>Implats Leadership Framework profile</b> will be taken into <b>consideration</b>
<b>Plans</b>	<b>Development plans</b> updated

We have talent councils at all levels in the organisation to promote a learning organisation, provide career advancement opportunities and to ensure that the organisation has a healthy internal pool of qualified candidates that may be considered for advancement.

Last year we initiated the CEO and Exco succession planning process. Leadership assessments were conducted on Exco members and direct reports to Exco based on the Implats leadership competency framework. The executive succession plan project is now complete and actions are ongoing to develop respective careers through a series of stretch assignments and coaching.

### Training with a purpose

As part of creating a learning organisation, our approach is to train with a purpose. Measuring return on investment (ROI) helps to ensure that our training adds value and achieves its purpose. Factors taken into consideration include the goal, current knowledge of the employees, their feedback, and performance results.

**We analyse the ROI of all our top priority training initiatives across our operations.**

This process assists in shaping our training interventions and making training decisions for the future. At Impala Springs, we are developing a ROI procedure to be applied for high-cost training initiatives or where training is deemed to be critical.

### Recruitment and selection

Our recruitment standards are designed to ensure that we bring in the right talent to contribute to creating, embedding and sustaining our desired culture.

This year we have introduced an automated online process for managing recruitment which is significantly improving efficiencies.

### Principal talent pipeline initiatives

We work with local schools and other education stakeholders to identify and develop skills in our youth to recruit directly from our local communities in the future.

**Impala Rustenburg and Marula recruit youth from their communities through cadet mining training, bursaries and learnerships.**

# Attracting, retaining and developing talent

Impala Rustenburg's learning and development strategy consists of the following strategically aligned elements to support the business:

- Adult education and training (AET) provides the general conceptual foundation leading to lifelong learning and development
- Bursaries are offered to students from historically disadvantaged communities to fund their tertiary education
- Engineering training is offered through learnerships and skills programmes at a dedicated centre
- Learner miner training programme and technical mining training
- Capacity building for mining supervisors
- Internal graduate development programme recruits graduate interns and experiential learners with preference given to our local communities
- Mentoring is offered to all employees across different occupational levels
- Cadet programme develops critical mining skills within our local communities. The cadets also receive financial life skills and basic business skills training.

**Key achievements this year include the appointment of candidates from the internal graduate development programme into key roles such as mine managers and mine overseers. At Impala Rustenburg, 90 candidates from the cadet programme were in full-time employment, of which 58 were from the mine community surrounding the operation and 32 from the labour sending areas. Since inception, 425 community members at Marula have completed the cadet programme and 95% of them were permanently recruited by the mine. The mentoring programme is another highlight, with 67 mentors and 233 mentees trained to date.**

Portable skills training is offered to employees at our operations who have either been permanently incapacitated or are due to retire, in order to ensure that they have skills enabling them to seek other employment or to become self-employed. Portable skills training is also offered to employees affected by a Section 189 process. This year, 2 344 employees received training.

## In Canada

Impala Canada has implemented a comprehensive leadership development programme for front- and second-line leadership personnel over the last four years. The operation conducted a succession planning exercise in December 2019 that indicated continued growth and deepening of the bench strength.

The operation's reward policies and practices are aligned with the Group approach, where appropriate and reasonable. The rollout of the Implats talent framework is underway as well as the implementation of the executive leadership succession programme. In 2021, Impala Canada will be fully implementing the Implats performance management and talent management systems using Successfactors for human capital management.

The operation has placed a focus on employee retention. As part of the integration process, retention awards were offered to senior and managerial employees which were well received and have ensured business stability.

**As a remote mine with extended work schedules (often two-weeks-on, two-weeks-off), the location presents challenges for many workers, and underlies an ongoing struggle with employee turnover.**

Annual turnover averages 20% (turnover at other Implats' operations is on average less than 10%). Impala Canada is implementing targeted initiatives to improve employee retention. Interventions include: constructing an upgraded fitness facility at the mine site; a comprehensive relocation policy to incentivise relocation to Thunder Bay (closest major community to mine site); emphasis on hiring from the local indigenous community (Thunder Bay and surrounding area); and implementation of an online applicant tracking system.

## Our 2020 performance

### Skills development

<b>South Africa</b>	<p>This year our South African operations <b>invested R493 million</b> (2019: R465 million) on <b>skills development</b>; this was <b>4.85%</b> of annual leviable payroll against our target of <b>5%</b>. <b>93%</b> of employees received <b>training</b> (2019: 93%).</p> <hr/> <p>The <b>average</b> number of hours of training per employee at our South Africa operations was <b>70</b> (2019: 68); each contractor received an average of <b>134 hours</b> of training (2019: 106.5).</p>
<b>Impala Canada</b>	<p>Impala Canada <b>invested C\$800 000</b> (data for second half of the financial year).</p>
<b>Zimbabwe</b>	<p>At our Zimbabwean operation, we <b>spent US\$2.86 million</b> on <b>skills development</b> (2019: US\$1.3 million).</p>

### Select resource development expenditure at our South African operations (excluding mandatory skills development levy) in 2020

Training area	Number of participants	% HDP representation	% women representation	Total R million
Non-artisan learnerships (Level 2 and 3 rock breaker qualification obtained)/DMRE blasting certificate	137	100	23	9.78
Artisan learnerships	288	100	39	27.89
Adult education and training (AET)	180	100	7	11.84
Bursaries and scholarships	148	97	34	8.80
Internships and experiential trainees	69	100	51	5.82
Portable skills training (skills outside of mining industry) for Section 189 employees	193	100	4	4.46
Portable skills training (skills outside of mining industry) for employees	2 344	95	9	4.87
Transfer of skills and capacity building of mine communities	153	100	24	4.95
Other school support and post-matric programmes – School teacher mentoring programme – High school student development	1 984	100	52	7.06
<b>Total</b>	<b>5 498</b>	<b>96.7</b>	<b>28</b>	<b>85.47</b>

Note: The remainder of the training spend (R407 million) in South Africa was for other training initiatives such as learner mining official, blasting certificate, ex-leave, licensing, other external training and safety and skills programmes and includes man-day cost of attendees.

**Workforce movement and skills turnover:** At our South Africa operations, a total of 2 335 employees left the Company (of which 87% were at Impala Rustenburg) and 2 709 new employees were recruited. Zimplats headcount remained level at 3 328. Impala Canada recruited 82 new employees during the second half of the financial year, increasing its headcount to 723 employees at year end.

**Our employee turnover (the number of permanent employee resignations as a percentage of total permanent employees, including voluntary separation packages), was 6.9% down from 8.7% in 2019 for our southern Africa operations. Turnover at Impala Canada from date of incorporation was 18.5%.**

**We aim for a total global employee turnover below 7.5% per annum.**

## PROMOTING LOCAL COMMUNITY EMPLOYMENT IN SOUTH AFRICA

**Implats has a policy of employing people from communities close to our operations where possible.**

This year, 21% of new employees at Impala Rustenburg were sourced from host communities (2019: 19%) and 80% of new employees at Marula were sourced from local communities (2019: 80%). The shortage of critical skills in the mine communities continues to necessitate recruitment from labour sending areas, particularly of rock drill operators and winch operators from the Eastern Cape, North West, Northern Cape and Lesotho. At year-end, 90% of employees in South Africa were South African nationals (2019: 90%). All our operations continue to invest in skills development initiatives in their local communities, and to promote local employment through targeted local procurement practices.

Additional workforce details are provided in the performance tables on pages 118 to 125: occupational levels and diversity profile, labour sending areas, employee turnover, engagements per age group, terminations per age group, female to male pay ratio, and skills development.

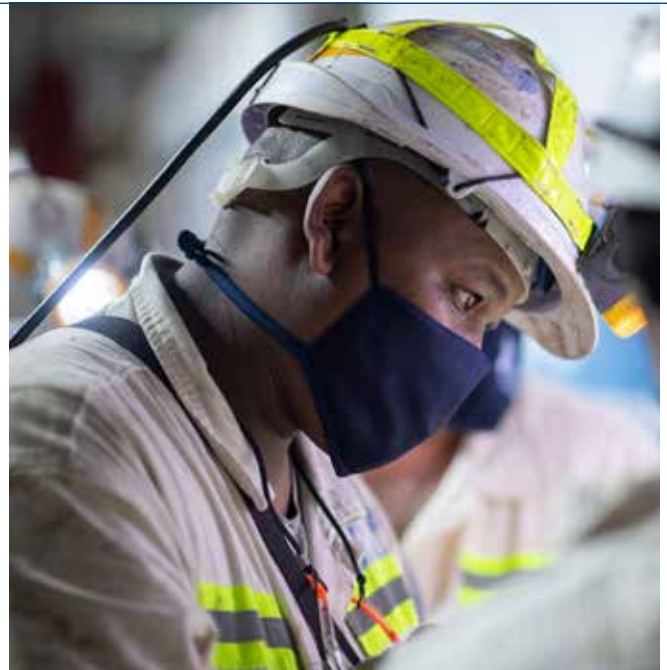


# Employee relations

## Our alignment with UNGC principles

- Principle 1:** Support and respect the protection of internationally proclaimed human rights
- Principle 3:** Uphold the freedom of association and the effective recognition of the right to collective bargaining

**Through collaborative efforts, we have maintained stable and constructive labour relations and partnerships with unions at all our South African operations and at Impala Canada, and a strong workforce culture at our Zimbabwe operations.**



Safety briefing, Impala Rustenburg

## HIGHLIGHTS

- 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
- Ensured that employees on unpaid leave during South Africa's lockdown received unemployment benefits

## LOWLIGHTS/CHALLENGES

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

## FOCUS AREAS FOR 2021 AND BEYOND

- Maintain high levels of employee engagement and continuously monitor and seek to mitigate employee relations-related risks
- Conclude negotiations on two process issues outstanding from the new wage agreement at Impala Rustenburg and Marula
- Ensure that forced job losses are minimised



## Covid-19 implications and our response measures

### In South Africa

Our operations maintained effective, regular engagement with labour unions at both national, regional and branch level prior to and throughout the lockdown and ramp-up process. Overall, relations have remained cordial. Branch structures have been cooperative and supportive as we navigated short-term challenges. Key areas of engagement with unions have included the Company's strategy and efforts to curb the spread of Covid-19, the Covid-19 Code of Practice and the regulatory environment, the start-up process for each of the shafts, travel and transportation arrangements, payment and leave arrangements, and the revised shift plan. We continue to work closely with unions and strive to meet all reasonable expectations.

**We maintained ongoing communication on the need to implement reduced operational capacity requirements (initially 50% employment levels) at mining operations. Those employees required to report for duty, or able to work remotely, continued to receive their normal pay and benefits. All other employees were placed on unpaid leave and continued to receive the living out allowance/housing allowance, and medical and pension risk premiums. Mindful of the impact of the 'no work no pay' principle on affected employees and dependants, efforts have focused on ensuring that employees on unpaid leave receive all government employee assistance funds available. Our application to the Unemployment Insurance Fund (UIF) Covid-19 temporary employer/employee relief scheme (TERS) on behalf of qualifying employees was successful and as at year-end, payments had been made for the months of April, May and June 2020.** These were well received by the respective employees and by the unions. Revised leave arrangements were implemented and communicated to employees on unpaid leave. Employees with sufficient annual and accumulated leave balances were permitted to apply for annual leave which converts the unpaid leave to paid leave.

In July 2020, we conducted a survey with a set of 10 questions aimed at gaining insights into how people were coping during the pandemic and the support that they need. We have developed initiatives to address the issues identified.

### In Canada

Impala Canada's mine was put on care and maintenance on 13 April due to a Covid-19 outbreak at the site. **For the period 13 to 30 April the company continued to pay all its workers in full. From 1 May 2020, those employees who were not part of the care and maintenance team were placed on 'unpaid job protected leave' in line with the Ontario Employment Standards Act. Most employees were understanding, and were partially compensated with the taxable Canadian Emergency Response Benefit (CERB) of C\$500 per week during this period. Impala Canada continued to pay the health and medical insurance plans to all employees throughout this period.** As of 26 May 2020, all employees were recalled to work and received full pay. During the state of emergency period in Ontario, those employees with a heightened risk, based on their health, or who reside in communities and households deemed as high-risk by the Ontario government, were granted the option to have their base pay covered by the Company if they chose to remain off work.

### In Zimbabwe

Zimplats remained operational throughout a national lockdown in Zimbabwe as it was classified as an essential service. The operation has continued to operate uninterrupted and in compliance with all national directives, regulations, and best practice guidelines and guiding principles on managing Covid-19.

### Our approach

We maintain high levels of employee engagement based on the shared values of respect and care, collaborative relationships with unions, and effective communication with employees. This is necessary to ensure our employees are treated with respect and care, fairly rewarded for their contribution, empowered to raise concerns, safely engaged in their daily duties, and able to deliver on their organisational goals.

Our labour-relations policy deals with freedom of association, recognition of unions, discrimination and the rights of employees and contractors. We strive to achieve full compliance with labour legislation and to work closely with unions in South Africa to resolve all internal disputes through dispute resolution mechanisms and within the auspices of the Commission for Conciliation Mediation and Arbitration (CCMA).

**We are committed to sharing all relevant information timely, openly and honestly with employees and unions. The operations have various platforms and structures in place to foster effective internal communication and dialogue with employees.**

### Key issues and focus areas

#### In South Africa

The most significant employee and union-related issues managed this year, aside from the Covid-19 pandemic, are reviewed below.

#### Wage agreement concluded

Our sustained good communication and relations with our employees and recognised unions provided a robust foundation for negotiating a new wage agreement at Impala Rustenburg and Marula operations. A three-year agreement with the Association of Mineworkers and Construction Union (AMCU), the National Union of Mineworkers (NUM) and Union Association of South Africa (UASA), was signed on 15 November 2019.

**The agreement was achieved without disruption, or third-party intervention and assures all employees within the bargaining unit of increases to all major components of remuneration, including basic salaries (an agreed 7% mandate), living-out and home ownership allowances and medical aid and pension fund contributions. The settlement precludes the unions from going on secondary strikes.**

Negotiations through working committees on two process issues emanating from the wage agreement, relating to job grading and a requested transfer to the IGULA provident fund, remain a priority and will continue in the new year. A further issue to be negotiated, is the implementation of new legislative requirements relating to parental leave, adoption leave and commissioning parental leave.

# Employee relations

## Impala Rustenburg restructuring

Impala Rustenburg significantly revised its restructuring plans in September 2019 as a result of robust operational performance improvements and higher commodity prices.

**The proposed closure of Shaft 1 was avoided. The shaft returned to profit and the Company intends to mine the shaft provided it remains profitable. This will secure the jobs of about 2 813 Impala own and contractor employees.**

The closure of 9 Shaft was initially postponed to June 2020 but has been delayed. The process to finalise a framework agreement with the unions to govern the closure of the shaft once mining activities are discontinued, will continue after the lockdown.

- The Section 189 process with unions has proceeded successfully under the auspices of the CCMA. As of March 2020, parties agreed to continue with the consultations on their own and only seek CCMA's intervention in the event they are unable to resolve any retrenchment-related issues.
- The number of forced retrenchments has been minimised through employee reskilling and retraining initiatives and redeployment to other shafts. We will continue to work with the union to prioritise reskilling to mitigate job losses.

### In Zimbabwe

Zimplats has maintained stable industrial relations. Works council meetings are conducted regularly to promote cordial and harmonious relations. Quarterly worker leadership forums have reinforced the positive industrial relations climate.

**Zimplats has taken measures to shield the value of employee earnings from the prevailing economic challenges. The operation has also set up a ring-fenced new medical aid scheme aimed at mitigating medical shortfalls experienced by employees and their dependants when they seek medical services.**

### In Canada

At Impala Canada, the majority of the workforce is unionised. The operation has built a good relationship with the United Steel Workers Union, the largest private-sector union in Canada. Weekly engagements are held with union leadership to maintain positive and constructive relations. There is a well-established effective grievance process at the mine site and the operation has provided union representatives with training on problem resolution. The current three-year wage agreement will expire in May 2021. Collective bargaining negotiations will commence early in 2021.

### Unionisation

Employees currently covered by collective bargaining agreements (excluding management):

<b>South Africa</b>	<b>83% permanent employees</b>
<b>Canada</b>	<b>72% employees</b>
<b>Zimbabwe</b>	<b>18% employees</b>

These agreements address salary and benefit reviews, the participation of unions in decision-making at different forums and consultation and notice periods regarding any significant organisational changes. The minimum notice period for any organisational change at Implats is 30 days.



Underground meeting, No 1 Shaft Impala Rustenburg



# Diversity and inclusion

## Our alignment with UNGC principles

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation

**Our commitment to employee diversity is driven not only by strong compliance requirements, but also by the belief that a more inclusive and diverse organisation is ultimately more competitive.**



Management meeting, Impala Rustenburg

### HIGHLIGHTS

- Six out of 13 (46%) Implats board members are female, compared to 38% in 2019
- Good performance against most of the Mining Charter III employment equity targets
- Gender mainstreaming initiatives expanded and reinforced
- Implats included in the Bloomberg 2020 Gender-Equality Index

### LOWLIGHTS/CHALLENGES

- Achieving the Mining Charter III target for female representation at junior management remains challenging at our Impala and Marula operations
- Attracting and retaining women at remote locations such as Marula remains a challenge

### FOCUS AREAS FOR 2021 AND BEYOND

- Promoting female representation especially at junior management level
- Increasing historically disadvantaged persons (HDP) representation at senior management level
- Recruiting and retaining HDPs with critical skills

## Our approach

Implats strives to instil a leadership mindset that is committed to inclusion and diversity. This is essential to achieve our desired culture transformation. We believe that when people feel included, they are more likely to feel a sense of belonging and, in turn, a commitment to the business and our values.

**While our efforts focus on advancing diversity in South Africa and improving female representation across the business, we are also fostering a commitment to involve, support and enable colleagues living with a physical disability, learning difficulty or mental health issue, to reach their full potential. We have implemented a diversity and inclusion training programme across our operations aimed at addressing the challenges of a diverse workforce and increasing cultural awareness.**

In governing board diversity, we have a board charter and a board diversity policy that complies with JSE expectations. We set voluntary board diversity targets which are being met.

The Implats board diversity policy and board charter are available on our website.

## Demonstrating our commitment to gender inclusion

**For Implats, gender diversity is a business imperative. Our commitment is reflected in our inclusion in the Bloomberg 2020 Gender-Equality Index (GEI) which recognises companies committed to transparency in gender reporting and advancing women’s equality in the workplace. The GEI measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand.**

**Gender does not play a role in determining salary levels for our employees. Qualifications and experience are the key determinants. Across the organisation as a whole, the female-to-male pay ratio for our South African operation is 1.07:1. The reason for this is that the majority of our male employees are lower-level employees (relative to female employees), skewing the male pay downwards. At Zimplats, the female-to-male pay ratio is 1.30:1.**



# Diversity and inclusion

## Our 2020 performance\* In South Africa

Our diversity and employment equity (EE) strategy and action plans at our South African operations align with the Mining Charter III targets and with our plans and policies aimed at fostering our desired organisational culture. Our operational transformation steering committees play a key role in driving the strategic plans.

All our operations are implementing five-year EE plans (2020 to 2024).

### Gender mainstreaming

A key objective in the mining industry is to have sufficient representation of women at all levels. This is supported by the inclusion of women targets in the Mining Charter III and the publication this year of the Minerals Council South Africa's White Paper on Women in Mining to streamline the industry's strategies to advance women in the industry. We support this intervention and continue to collaborate with the Minerals Council, government and organised labour, to promote gender diversity and inclusion at all levels in the workplace.

**We have taken decisive steps over the last two years to improve our approach to creating an environment conducive to gender equality and to address barriers to the employment, retention and the advancement of women.**

Strategic interventions have included the establishment last year of a gender mainstreaming committee at Impala Rustenburg, chaired by the chief executive of Impala Rustenburg. This year we introduced gender mainstreaming forums at all our Impala Rustenburg operations aimed at identifying areas for improvement and risks at shaft level. The forums have well-balanced panels that include decision-makers at specific sites to ensure corrective measures are taken.

\* Supplementary data regarding people management is detailed on page 118 to 125 in the Appendix.

**We conducted a gender-based violence (GBV) communications campaign this year to educate employees about GBV and how to prevent, identify and address it through various support channels.**

### Equitable representation

We made good progress this year in promoting equitable representation at all levels at our South African operations.

Reporting against the 2018 Mining Charter targets commenced in March 2019. As at year-end, we had achieved a weighted score of 28.1% for Impala operations and 25% for Marula operations out of a target of 30%.

In general achieving our female representation targets at Marula remains a challenge. This is mainly due to the operation's remote location. At Impala, female representation at junior management is also a concern. Overall, we have 415 HDP employees in management positions, above the supervisor level – excluding non-executive directors. This represents 61% of management level employees in South Africa.

See page 63 for EE performance against Mining Charter III targets at our Impala and Marula managed operations.

**The focus going forward will remain on identifying opportunities for African females at all levels and on increasing recruitment and retention of HDP female candidates at junior management level.**

The demographics of our succession pool place an emphasis on the inclusion of HDP candidates (currently at 87%). Preference is given to internal candidates, with 47% of opportunities this year realised through promotions.



Gender diversity is a business imperative

### Employment equity at our managed operations (as at end of 2020) against Mining Charter III targets: Impala (comprising Impala Rustenburg and Impala Springs operations)

		Mining Charter target %	% achieved	HDP	Total in service
Impala board	HDP	50	56	5	9
	HDP female	20	33	3	9
Exco	HDP	50	50	5	10
	HDP female	20	30	3	10
Senior management	HDP	60	55	62	113
	HDP female	25	20	23	113
Middle management	HDP	60	62	312	501
	HDP female	25	24	121	501
Junior management	HDP	70	83	3 473	4 179
	HDP female	30	15	624	4 179
People with disabilities		1.5	4	1 010	28 564
Core and critical		60	87	23 333	26 963

■ Target not achieved

### Employment equity at our operations (as at end of 2020) against Mining Charter III targets: Marula

		Mining Charter target %	% achieved	HDP	Total in service
Marula board	HDP	50	57	4	7
	HDP female	20	14	1	7
Exco	HDP	50	75	6	8
	HDP female	20	13	1	8
Senior management	HDP	60	75	6	8
	HDP female	25	13	1	8
Middle management	HDP	60	67	35	52
	HDP female	25	15	8	52
Junior management	HDP	70	85	470	555
	HDP female	30	15	82	555
People with disabilities		1.5	2	73	3 222
Core and critical		60	95	2 897	3 045

■ Target not achieved

#### In Zimbabwe

Our workforce at Zimplats has 99.9% indigenous representation. Women account for 8% (262 of the 3 328 permanent employees), up from 7% last year. Despite a restriction on external recruitment for non-critical skills in response to the tough economic environment, an additional 23 women were appointed this year. Zimplats implements similar initiatives to those at our South African operations aimed at recruiting and advancing women into higher positions. This year a female board member and CFO have been appointed into top leadership positions.

#### Implats' Group female representation

At year end we had 179 females in management positions (22%) across the Group (153 in South Africa). At our South Africa operations, women made up 12% of our total workforce, with 9% in the core disciplines of mining, engineering, projects and metallurgy. We employ 1 083 people with disabilities, representing 3% of the workforce. At Implats board level, female representation increased from 38% to 46%.

Women in management (D level and up)	Female	Male	Total	% women
Impala Rustenburg	85	386	471	18.0%
Impala Springs	32	58	90	35.6%
Marula	9	51	60	18.5%
Head office	29	24	53	54.7%
Zimplats	19	98	117	16.5%
Impala Canada	5	19	24	7.1%
<b>Total</b>	<b>179</b>	<b>636</b>	<b>815</b>	<b>21.8%</b>

#### In Canada

Impala Canada implements a policy that promotes the employment of under-represented groups with an emphasis on advancing opportunities to increase the representation of women and indigenous community members. Indigenous people account for 10% of the workforce and females 4% to 5%. Recruitment efforts include implementing training programmes such as summer internships, engineering and apprenticeship programmes, and participation in government initiatives.



## Key features

**R113 million** in socio-economic development spend including Covid-19 community relief initiatives in South Africa, **81%** on SLPs

**US\$2.6 million** in socio-economic development spend including Covid-19 community relief initiatives in Zimbabwe

Approximately **107 000** people benefited from the selection of our social investments in South Africa and Zimbabwe

**C\$137 000** in socio-economic spend including Covid-19 community relief initiatives in Canada

Employee housing at Turf Village, Ngezi Mine, Zimplats

# RESPECTING HOST COMMUNITIES





**21%** decrease to **R1.4 billion** in local-to-site (tier 1) procurement spend at Impala Rustenburg and Marula due to national lockdown and acquisition of supplier by multi-national

**4.8%** increase to **US\$42 million** in spend with local indigenous development suppliers in Zimbabwe

**7%** or **C\$9.7 million** in spend with local indigenous businesses in Canada

# 05

## Our alignment with SDGs





## Our approach

The sustainability of our mining activities depends ultimately on the wellbeing and prosperity of our mine communities. In seeking to build and maintain our social licence to operate, we invest in socio-economic development initiatives, drive our policy and legislative compliance requirements, and engage proactively with our communities, social partners and government representatives. At STR board sub-committee has oversight of the Group's activities relating to social and economic development.



It is through our core activities – employing people, paying taxes and procuring from host communities and countries – that we make our most significant contribution to socio-economic development in the countries where we operate. The proceeds from mining also enable us to implement social interventions designed to alleviate some of the challenging socio-economic conditions in our host communities. We also support employee and community ownership in our Group. An employee share ownership trust (ESOT), introduced in 2016, holds 4% of the issued shares in Impala Platinum Limited in a trust on behalf of the employees of Impala.

Zimplats was a pioneer in Zimbabwe with the implementation of both its Mhondoro-Ngezi Community Share Ownership Trust (CSOT) and its ESOT. The Marula Community Trust (MCT) has a 9% shareholding in Marula that is held by Marula's six host communities.

## Economic and social value added

In 2020, we created value for our various stakeholders in the form of:

### Government taxes

South Africa	R2 710 million
Zimbabwe	US\$173 million (R2 711 million)
Canada	C\$49 million (R591 million)

### Communities

#### Socio-economic developments

South Africa	R113 million
Zimbabwe	US\$2.6 million (R40.7 million)
Canada	C\$0.137 million (R1.7 million)

### Procurement of goods and services

South Africa	R8 500 million
Zimbabwe	US\$369 million (R5 782 million)
Canada	C\$142 million (R1 713 million)

### Employees Wages

Implats Group	R14 863 million (managed operations)
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### Skills development

South Africa	R493 million
Zimbabwe	US\$2.86 million (R44.8 million)
Canada	C\$0.8 million (R9.7 million)

### Improving housing and living conditions

South Africa	R175 million
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### Shareholders

Payment of dividends	R5.25 per share declared
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# Community relations

**We are engaging with host community stakeholders through formalised structures to strengthen our relationships and foster greater collaboration. We commit to working with our social partners to address community concerns as best we can, and in accordance with our financial means.**



Employee transport at Impala Rustenburg

## HIGHLIGHTS

- 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

## LOWLIGHTS/CHALLENGES

- The Covid-19 crisis has exacerbated expectations for our operations to deliver greater socio-economic benefits, particularly employment and procurement opportunities
- Slow progress in the restructuring of the Mine Community Leadership Engagement Forum (MCLEF) at Impala Rustenburg

## FOCUS AREAS FOR 2021 AND BEYOND

- 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



## Covid-19 implications and 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, as reviewed on page 36, has been very well received by key stakeholders and has strengthened relations with host communities.

We are responsive to increasing concerns about Covid-19-related health and economic impacts, especially in our host communities in South Africa and Zimbabwe where many are unable to provide for their basic physiological needs or the medical precautions required to prevent potential infection. Our ongoing relief efforts focus on supporting the most vulnerable groups and are coordinated through formal structures at our South African operations. Impala Rustenburg formed a Covid-19 forum with the Royal Bafokeng Traditional Council (RBTC) to enable enhanced and timeous communication with communities and to provide oversight of Covid-19 prevention and reduction measures implemented. At Marula, the establishment of the Marula six host-community Covid-19 committee and the Marula six-host community stakeholder representative Covid-19 task team, to jointly implement Covid-19 mitigation measures, have strengthened the regional stability.

In Canada, Impala Canada has contributed significantly to local efforts to safeguard the health and wellbeing of local communities. The operation was, however, subject to allegations in a report by civil society organisations that it had continued to operate its mine after a Covid-19 outbreak was reported in Thunder Bay and that infections in a nearby community were connected to the mine. Impala Canada provided a formal response to demonstrate its compliant and responsible conduct.

In South Africa, we are mindful that Covid-19 and the associated lockdown measures have exacerbated community socio-economic challenges resulting in increased community expectations for our operations to provide employment and procurement prospects, as well as ongoing support with basic needs.

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.

# Community relations

## Our approach

We develop and implement fit-for-context community engagement plans to deepen our relations with host communities and seek collaborations for sustainable initiatives that benefit both host communities and our operations. We have an executive stakeholder relations who is working with operations, guiding the development and implementation of our community relations strategy.

We strive to play a strong integrating role with all affected community stakeholders – including traditional leadership structures, local, provincial and national government, community representative organisations, and youth movements.

## South Africa

Through regular, structured engagements we continue to create dialogue platforms with our host communities, particularly around conflict resolution, laying a firm foundation to meaningfully engage on critical community areas such as youth unemployment. The foundations are in place for collaborating with community representatives and authorities to ensure peace and stability and to deliver on socio-economic objectives. This is imperative as we face increasingly high levels of unemployment during the Covid-19 crisis, and ongoing challenges relating to service delivery.

To deepen our understanding of the quality of relationships we have with host communities at Impala Rustenburg and Marula, we have commissioned independent perception surveys. Fieldwork has been delayed due to the Covid-19 pandemic and will commence when it is safe to do so.

## Impala Rustenburg

A key focus has been the restructure of the Impala Mine Community Leadership Engagement Forum (MCLEF). Under the guidance of the Royal Bafokeng Nation (RBN), Rustenburg local municipality (RLM) and DMRE, significant progress has been made in the restructure of the MCLEF to ensure that going forward, the forum operates with greater efficiency and that information on social investments, procurement and employment opportunities flows unabated to our communities. We envisage that MCLEF meetings will be reinstated in the second quarter of our 2021 financial year.

## Marula

This year we made significant progress in engagement and collaboration with our Marula operation, and as such, peace and stability in the area have been maintained.

In promoting a sustainable resolution to disputes concerning the governance and distribution of the community-managed dividends from the Makgomo chrome project, a peace agreement entered into in July 2019 between relevant parties has proved effective in preventing intra-community leadership disputes and associated disruptions to the Marula mine and chrome operations. This has enabled Marula and Makgomo Chrome to create further value for their respective beneficiaries. Implats contributed towards setting up the chrome project as a means of sharing the financial benefits of chrome processing with the communities.

Marula received R18 million in chrome dividends in 2019 by virtue of its 20% shareholding. In partnership with the community, local municipality and provincial government, various infrastructure-related projects have been identified for implementation in the region after the lockdown.

There have been no significant disruptions to operations since March 2019. Marula was affected by one incident of community unrest during the year. This was not directed at Marula but involved the blocking of a main road used by our employees to get to work, for two days.

## Zimbabwe

Zimplats' host communities continue to be negatively impacted by a raft of economic challenges facing the country. Their situation has been further aggravated by Covid-19, the five-week lockdown that impacted income generating activities and a persistent severe drought.

Despite the difficult operating environment, Zimplats continues to enjoy cordial relations with its communities, ensuring uninterrupted business operations and the efficient roll-out of social investment projects in partnership with the community.

Quarterly engagement forums at Zimplats continue to provide an effective channel of communication with community leaders. As the biggest player in the country's mining industry, Zimplats continues to be viewed as a critical contributor to the future of Zimbabwe, and a responsible host community tenant. The greatest challenge facing mine communities remains the issue of youth unemployment, which is estimated at 80%. More than 60% of Zimplats' mining employees come from the local community; the Company is forging stronger partnerships with communities through investment in income-generating activities that have the potential to create sustainable employment.

## Canada

Impala Canada remains committed to building and growing long-term, mutually beneficial relationships with its local indigenous communities. The operation strives to foster trust and respect through open, transparent and frequent communications and consultation. Our support includes providing employment, training and skills development, business opportunities and sustainable socio-economic benefits.

Overall, our relationships with the indigenous communities are strong and cooperative. While our relationship with Gull Bay First Nation (GBFN) has consistently proven to be the biggest challenge compared to Whitesand and Fort William, we have continued to work together to resolve contentious issues. Our other stakeholder communities have been more straightforward and constructive in our negotiations and consultation discussions.



The Company is working towards establishing community benefit agreements with each of its local indigenous communities. These agreements are to clearly articulate commitments regarding consultation protocols, environmental stewardship, employment and training, business opportunities and financial consideration. There are two previously established agreements in place, one with the Métis Nation of Ontario and the other with Red Sky Métis Independent Nation. During 2019 Impala Canada advanced additional agreement negotiations with Fort William First Nation (exploration agreement) and Whitesand First Nation (tentative Lac des Iles Mine operations agreement reached in October 2019).

In striving to conclude a long-term agreement with GBFN, while there are positive intentions and regular engagements maintained, the expectations around the specific content of the agreement continue to evolve.

During the Covid-19 state of emergency, GBFN protested the mine's essential status and rallied Whitesand and Fort William First Nations into lobbying the government for closure. GBFN also publicly suggested that their Covid-19 outbreak stemmed from the Impala Canada mine outbreak. We have not received any epidemiological data that links our outbreak with that of GBFN or any other outbreak across Ontario or Canada.



Roby pit of Lac des Iles Mine in summer, Canada



# Community wellbeing and development

**The challenging socio-economic contexts in which we operate, particularly in South Africa and Zimbabwe, highlight the need for sustainable community development as a commercial and social imperative.**



Medical professional treating patients at Impala Rustenburg's mine hospital

## HIGHLIGHTS

- Provided extensive Covid-19 support to host communities where it was most needed
- South African operations extend Covid-19 testing and treatment facilities to community members
- Our investment in community development: R113 million in South Africa, of which 81% was on SLP projects; and US\$2.6 million in Zimbabwe
- Social investments in Canada from date of incorporation in December 2019 to 30 June 2020 totalled C\$137 000

## LOWLIGHTS/CHALLENGES

- 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 as 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

## FOCUS AREAS FOR 2021 AND BEYOND

- Ongoing implementation of Covid-19 community response plans
- Implementation of Impala Rustenburg and Marula third generation SLPs
- Promote host community employment and procurement opportunities through our various social projects
- Zimplats has committed US\$305 000 in humanitarian food assistance for its host communities from June to December 2020
- Impala Rustenburg has committed R10 million in 2021 for community Covid-19 relief efforts
- Marula has committed R4 million in 2021 for community Covid-19 relief efforts



## Covid-19 implications and response measures

The Covid-19 pandemic has amplified the social challenges faced by our mine communities. Implats has demonstrated its commitment to contribute meaningfully to mitigate the impact of the pandemic on lives and livelihoods. Our Covid-19 community response plans have focused on providing education and awareness on virus prevention measures, personal protective equipment, nutritional support for vulnerable community members, supporting community medical facilities, and supporting community home facilities. An overview of our contribution is provided on page 71. Our operations have sourced these goods and services from local enterprises as far as possible. We are continuing to increase and broaden our monetary and in-kind support as conditions and needs evolve. Enhancing community access to safe water is another channel of support we provide (see page 95).










































At our South African operations, a significant portion of our workforce Covid-19 prevention strategies have been rolled-out to host communities as well. The poor capability and capacity levels of local community health systems with regard to quarantine facilities, testing and screening capacity, is placing additional pressure on Implats to provide greater capacity and support.

The health crisis has also become a jobs crisis as a result of the national lockdown, with extensive implications for livelihoods. Many struggle to access the government social relief of distress grants and monthly food parcels, increasing the risk of social unrest and associated violence. We have worked with local stakeholders to mitigate risks within our mining communities.

Implats donated R10 million to the Solidarity Fund established to cushion the impact of the pandemic on the country's most vulnerable citizens. Implats donated a further R10 million to the Gift of the Givers for social interventions in the various provinces of South Africa. Longer term commitments include Impala Rustenburg providing 1 700 food parcels to each of its 17 mine communities bi-monthly from June to December 2020 and committing R10 million in 2021 for community Covid-19 relief efforts. Marula has committed to invest R4 million in Covid-19 community response interventions in 2021.

The national lockdown in South Africa has disrupted the implementation of many of our social investment projects. We continue to engage with relevant stakeholders to keep them informed on developments. The uncertainty about projected Covid-19 impacts in our host communities presents challenges to longer-term project planning.

Implats contribution to community Covid-19 support

OPERATION	RECIPIENT	COMMUNITY ASSISTANCE	COMMENTS	SPEND TO DATE
Implats	<ul style="list-style-type: none"> <li>Solidarity Fund</li> <li>Gift of the Givers Foundation</li> <li>Eastern Cape relief efforts</li> </ul>	<p><b>R10 million</b> donated to Gift of the Givers</p> <p><b>R10 million</b> to Solidarity Fund</p>	<p>R10 million channelled to the disaster response NGO, Gift of the Givers Foundation. R10 million donated to South Africa's Solidarity Fund, established to cushion the impact of the pandemic on South Africa's most vulnerable citizens. R350 000 donated to Covid-19 relief efforts in the Eastern Cape.</p> <p> CASH</p>	<b>R20.35 million</b>
Impala Canada	<ul style="list-style-type: none"> <li>Thunder Bay Regional Food Distribution Association</li> <li>Thunder Bay Hospital Covid-19 Relief Fund</li> <li>Roots to Harvest Food Bank</li> <li>Employees and their families</li> <li>Local indigenous communities</li> <li>Various local organisations</li> </ul>	<b>C\$150 000</b> allocated	<p>Cash provides food to local communities, PPE for frontline healthcare workers.</p> <p> CASH     PPE KITS     SANITIZER     SURGICAL MASKS 5 000     DISPOSABLE GLOVES     HYDRATION</p>	<b>C\$80 000</b> <b>(R965 600)</b>
Impala Rustenburg	<ul style="list-style-type: none"> <li>Rustenburg local municipality</li> <li>Host communities including Meriting, Freedom Park, Luka, Phokeng and Lefaragatlhe</li> <li>Platinum Village</li> <li>Bafokeng clinics</li> <li>34 local schools</li> <li>Taxi associations</li> <li>Royal Bafokeng Nation</li> </ul>	<b>R10 million</b> committed	<p>Water infrastructure was installed and repaired to ensure a constant flow of fresh water into reservoirs and to supply water to local schools. Deep cleaning took place at 34 local schools and awareness and education campaigns were carried out at local schools, clinics, radio stations and in local communities.</p> <p> THERMAL SCANNERS 200+     PPE KITS     SANITIZER 100 000+ litres     SURGICAL MASKS 240 000+     BLANKETS 150     DEEP CLEANING     FOOD SUPPLEMENT SACHETS 500     PCR TESTS 1 200+     BOTTLES OF WATER 500     SOAP BARS 500     MATTRESSES 150     WATER SUPPLY     FOOD PARCELS 1 770+     BOREHOLE     EDUCATION     OXYGEN MONITORS 6</p>	<b>R7.2 million</b>
Marula	<ul style="list-style-type: none"> <li>Three government clinics around mine</li> <li>South African Police Service</li> <li>Local radio station</li> <li>Host communities</li> </ul>	<b>R4 million</b> allocated from chrome dividends	<p> THERMAL SCANNERS 3     PPE KITS     SANITIZER 4 300+ litres     SURGICAL MASKS 200 000+     DISPOSABLE GLOVES 600     EYE PROTECTION 60     EDUCATION     FOOD PARCELS 4 000</p>	<b>R879 000</b>
Zimplats	Hospitals including Kadoma District, Chegutu District, Norton, Mubaira, Ngezi, Wilkins and Chinhoyi hospitals, the Selous Clinic and the Turf Polyclinic and Turf Police	<b>US\$500 000</b> committed of which <b>US\$300 000</b> for emergency food assistance	<p> THERMAL SCANNERS 32     TENTS 3     PPE KITS 100     SANITIZER 400 litres     BUCKETS WITH TAPS 44     VENTILATORS 5     SURGICAL MASKS 6 000     GAS BOTTLES 10     DISPOSABLE GLOVES 30 sets     OTHER MEDICAL EQUIPMENT</p>	<b>\$172 307</b> <b>(R2.7 million)</b>

# Community wellbeing and development

## IMPALA RUSTENBURG COMMUNITY SUPPORT FUND INITIATIVES



The Impala Rustenburg Community Support Fund provides a vehicle to facilitate Covid-19 community outreach activities, projects and campaigns.

The Fund is managed by a committee chaired by the Impala Rustenburg CEO and works with social partners to deliver interventions into our communities. Details of the Fund's medical, school support and taxi campaign initiative are summarised below.

**Community Covid-19 outreach:** CEO of Impala Rustenburg handed over essential care items to Cllr Mpho Khunou, the executive mayor of Rustenburg, to be distributed to the homeless in the RLM area.

### MEDICAL CAMPAIGN

- 100 000 **masks** to Royal Bafokeng Nation and host communities
- Four ventilators and 90 000 litres **sanitizer** donated
- 1 259 **PCR** tests done for communities and 1 700 **PCR** tests donated to government
- Six **oxygen/ECG/BP monitors** loaned to external ICUs

### SCHOOL SUPPORT

- 33 schools **deep cleaned**
- 14 000 branded **masks** donated to teachers and learners
- Donated 260 **scanners** for daily screening
- Donated educational **booklets, posters and sanitizers**

### TAXI CAMPAIGN

- 1 200 **posters** donated to Taxi Association as part of an awareness drive
- Over 2 000 **masks** donated to taxi drivers
- **Sanitizer, scanners** and social distancing **stickers** donated to taxi ranks
- **Covid-19 training** given to taxi drivers and taxi leadership

## Our approach

Our mines represent a centre of socio-economic activity and an important source of welfare. In southern Africa, our operations are in rural areas characterised by limited formal economic activity, high levels of youth unemployment, inadequate provision of infrastructure and poor service delivery. Our social interventions are designed as far as possible to address these issues and are delivered in partnership with government, development agencies, communities and non-governmental organisations. Each of our operations facilitates organised volunteering activities for our employees to support host communities.

## South Africa Social investment

Our socio-economic development (SED) investments comprise specific initiatives that are defined in our social and labour plans (SLPs), and our corporate social investment (CSI) projects.

### SLPs

Our operations implement a five-year SLP, as required under the Mineral and Petroleum Resource Development Act (MPRDA). The SLPs are developed through a consultative process with the respective municipalities' Integrated Development Plans (IDPs), Traditional Authority Plans and host communities. The plans are reviewed and revised where necessary, including prioritisation of projects. An amendment to the MPRDA regulations as of 27 March 2020, requires our operations to hold a minimum of three meetings each year with host communities and interested and affected persons to update stakeholders on progress made with implementing the SLP. The outcomes of this broad public participation process are to be recorded and included as part of the annual SLP reports submitted to the DMRE. Our operations were unable to convene such meetings in the last quarter of 2020 due to Covid-19 lockdown restrictions. The meetings will be implemented in 2021 once relevant restrictions have been lifted.

The 2018 Mining Charter requires mining rights holders to ensure 100% compliance with regard to the mine community local economic development (LED) projects and housing and nutrition elements in terms of stated commitments in their SLPs, at all times. This can be challenging in instances where projects are delayed due to factors outside of the Company's control, as experienced by both Impala Rustenburg, Marula and Afplats operations in the implementation of certain second generation SLP (SLP II) infrastructure projects.

Impala Rustenburg lodged an application with the DMRE in 2018 to extend the implementation period to complete outstanding projects in its second generation SLP to December 2020. We have maintained regular follow-ups with the DMRE to facilitate approval. The national lockdown has resulted in further delays in the processing of the extension applications, as well as the implementation of the outstanding projects and may necessitate a request for further extension of the implementation period from the DMRE.

### Impala Rustenburg

Recognising the imperative of job creation to reduce poverty and economic exclusion among the youth, beyond 2021, the operation has shifted its LED strategy to focus on collaborating with government, the Royal Bafokeng, and other mining companies, to identify and implement high employment generating projects

through public-private partnerships. We are researching opportunities to catalyse job creation in particular in the agriculture and manufacturing sectors. Pending approval, the operation's third generation SLP (SLP III) LED commitments will commence in 2021.

In delivering on current (SLP II) project commitments, this year three projects were completed: two road construction projects and the renovation of the Luka community hall. Implementation of five other projects was halted during the lockdown and will continue in 2021.

**Marula**

Our Marula operation has completed its outstanding SLP II project, the protracted construction of a road in conjunction with the Roads Agency Limpopo. The operation's SLP III was approved in July 2019 and focuses on education and skills development, healthcare, small scale infrastructure projects, community empowerment, and partnerships in local municipalities. The larger construction projects planned as part of Marula's SLP III include the building of a community hall and construction of four blocks of classrooms in four different schools. The school project will be implemented through an equal funding partnership with the Department of Education in Limpopo.

**Creating shared value – Marula received R18 million in dividends from Makgomo Chrome in 2019 and allocated R3 million to each of its six host communities for investment in infrastructure projects (mainly related to community access roads upgrading, water and electrification). Procurement processes are underway to appoint local service providers for the various projects. The chrome project has paid over R100 million in dividends from 2016 to date for use in community development initiatives.**

**Our 2020 performance**

A breakdown of our community investments in South Africa in 2020 is presented below.

Programme	Total 2018 Rm	Total 2019 Rm	Total 2020 Rm
Empowerment of community structures	10	5	0
Health, safety and environment	1	2	1
Education	53	35	35
Infrastructure	53	29	40
Sport development	2	3	3
Enterprise development	10	2	5
Community welfare, arts and culture	8	10	27
<b>Total socio-economic development</b>	137	86	113
Housing and living conditions	270	200	175
<b>Total sustainable development</b>	407	286	288

An independent third-party review of a selection of the projects undertaken in the year is provided on page 114. Our efforts to improve the accommodation and living conditions of our employees are reviewed on page 82.



**Social investment project highlights in 2020**

**An independent review of a selection of our social projects this year showed that our interventions benefited approximately 89 000 people in South Africa. These interventions included infrastructure, education and enterprise and supplier development initiatives.**

**Infrastructure**

Our infrastructure projects in South Africa this year include construction of roads, boreholes, sports facilities, and school and community infrastructure upgrade projects.

- R113 million spent on community development initiatives (including Covid-19 relief initiatives) (R86 million in 2019) despite significant disruptions to several infrastructure projects due to Covid-19 lockdowns
- Despite significant disruptions due to the Covid-19 lockdown, we completed three (Luka community hall, Freedom Park roads upgrade and Kutlwanong School for the Deaf road upgrade) infrastructure projects. The remaining projects which are all currently in progress, were on track for completion by December 2020 prior to the lockdown. These projects will now likely be completed in the first half of the 2021 calendar year
- The community project with the greatest spend was a roads upgrade project in Freedom Park which accounted for R18 million or 16% of total social spend in South Africa. This project has benefited approximately 30 000 community members in Freedom Park township, and created business opportunities for 14 local companies that employed 126 community members for the duration of the project
- A further 16 822 community members benefited from the renovation of a community hall in Luka which will contribute to improved administrative and communal services by the councillors for villages of Luka and Mogono in the North West province
- Impala Rustenburg rolled out first aid training in trauma and medical emergencies to schools in its mine communities. To date, 32 educators from nine primary schools have been trained. The accredited three-day First Aid course was delivered in conjunction with Red Cross South Africa
- At Impala Rustenburg, with the exception of Adult Education training, the shortfalls in our Human Resource Development targets as outlined in our SLP II were met and in some cases exceeded
- In Marula, we provided electricity access to 245 households and 304 residential stands in GaMahlakwane village. The project was handed over to Eskom for ongoing management and maintenance
- A total of 651 employment opportunities were created through the 11 infrastructure the projects reviewed, many of them for local people.



# Community wellbeing and development

## Education

Initiatives include providing bursaries and learnerships (mainly for mining related careers) to our community members and employees, and much needed support (facilities and training for teachers) for schools in our areas of operation.

<b>Artisan and non-artisan learnerships</b>	425 participants <b>Cost: R9.8 million</b>
<b>Bursaries</b>	148 students supported <b>Cost: R8.8 million</b>
<b>Schools support programme</b>	10 schools supported <b>Cost: R7 million</b>

## KUTLWANONG SCHOOL FOR THE DEAF

Kutlwanong School for the Deaf is a public school for students with impaired hearing located in Rustenburg local municipality. The school has classes from grade one to seven and a total enrolment of 280 learners, and also offers **carpentry, sewing, gardening, computer and hotel management classes.**

In the year under review, the school received support from Impala Platinum in the form of construction of a 1.2 kilometre paved road, including a visitor's parking lot and an internal road going into the school yard. This formed phase I of the infrastructure upgrades planned for the school. Impala has allocated additional funding for the renovation of school buildings, as part of phase II of the project to be undertaken in 2021.

Planned activities for phase II of the project include the total renovation of the school which will entail painting, tiling, plumbing, electrification, roofing as well as the construction of ablution facilities and pathways. The school and residences will also be given the required equipment in partnership with the North West Department of Education.

The work done at the school so far has improved access to the school especially during the rainy season. It has also contributed positively to the local community as people are now able to use the road for their economic activities.

The project demonstrates our commitment to the communities in which we operate, and the shared value that can be created through positive stakeholder engagement.

## ARTISAN LEARNERSHIPS



Implats' artisan learnership programme is a training programme which runs between 18 to 42 months. Participants are recruited from within the Company, as well as its surrounding communities (Royal Bafokeng villages as well as Meriting, Seraleng and Freedom Park in the Rustenburg area) and the labour sending areas (Taung-Ganyesa and the Eastern Cape).

As part of its goal to contribute to increased employability among the youth, our learnership programme aligns with and is responsive to the skills development and training needs of the mining industry in particular, and South Africa at large. Trainees currently on the programme are completing a variety of courses relevant to the mining sector. These include diesel mechanics, boiler making, fitting and turning as well as instrumentation. On programme completion, they will each have a nationally recognised qualification, which will enable them to progress in their careers both within Implats and at other mining companies.

Entry requirements include a Matric certificate or NQF courses from Technical Vocational and Education Training (TVET) colleges, medical clearance and strong communication skills. Suitability for the programme is evaluated through a variety of processes and procedures, including psychometric tests and medical fitness checks.

In 2020, 60 participants were recruited onto the programme as follows:



This brings the total number of participants currently on the programme to 288, with 228 being internal employee participants. All of the 288 participants are historically disadvantaged people. While age is not considered among entry requirements, the majority of trainees are between 21 and 30 years old. This means the programme is playing an important role in the reduction of youth unemployment.

## Zimbabwe

Zimplats seeks to identify and implement socio-economic development projects in line with the needs and priorities of the neighbouring communities. The projects are aimed at supporting the Company’s business strategy, which emphasises the importance of engagement, forging partnerships in the development process and in managing stakeholder expectations, with particular emphasis on those areas that affect the social licence to operate. The operation’s community development activities fall into the broad categories of health, education, income generation (for example agricultural projects) and local enterprise development, and sports development.

We focus on low-cost, high-impact investments and explore beneficial partnerships with development partners.

### Our 2020 performance

A breakdown of our community investments is presented in the table below.

#### Zimplats’ socio-economic development expenditure (US\$000)

Programme	2018	2019	2020
Education	233	184	89
Sports development	1 929	1 658	534
Income generating projects	515	11	1 360
Health and safety	1 936	1 455	209
Community project on albinism	461	0.33	14
Other	890	478	
Covid-19 spend			207
<b>Total socio-economic development expenditure</b>	<b>5 967</b>	<b>3 784</b>	<b>2 628</b>
Housing and living conditions	–	–	–
<b>Total sustainable development</b>	<b>5 967</b>	<b>3 784</b>	<b>2 628</b>

An independent third-party review of a selection of the projects undertaken in Zimbabwe this year is provided on page 114.

### Social investment highlights in 2020

**An independent review of our health and commercial ranching projects showed that 18 500 Zimbabweans stand to benefit from these interventions.**

#### Health

Zimplats invested US\$152 000 this year in upgrading the Gutu Rural Hospital which serves as the main referral centre for 28 clinics in the Gutu district. Zimplats engaged two local enterprises to construct fully equipped laundry and mortuary facilities, and to sink two boreholes. The hospital is better equipped to manage Covid-19-related demands and to transition to become a district hospital.

#### Humanitarian efforts

Zimplats has a strong record in responding to national disasters. These have included a major cholera outbreak in 2018, torrential rainfall caused by a tropical cyclone Idai in the south east of the country in 2019, and the current Covid-19 pandemic. Zimplats received public high-level acknowledgement by the government for its contribution to the national response to Covid-19. The company donated hospital equipment, including ventilators and consumables valued at US\$172 000.

## ZIMPLATS’ HUMANITARIAN FOOD DRIVE

**In Zimbabwe, a growing crisis relates to successive droughts that have resulted in government having to import maize for vulnerable members of society and appeal for donor support.**

To complement efforts by government and donor agencies, Zimplats will be investing US\$265 000 to buy maize over six months from June to December 2020 to mitigate food insecurity for 2 000 vulnerable households in its host districts Mhondoro-Ngezi and Chegutu, and an additional US\$40 000 for fortified supplements to benefit 7 300 school children over the same period.

#### Community project on albinism

The well-established Zimplats community project on albinism seeks to address discrimination and encourage the acceptance and integration of people with albinism into mainstream society. The campaign also aims to improve the availability and affordability of sunscreen lotions and lip balms for people with albinism. Over the past year, Zimplats has distributed more than 3 500 sunscreens and lip balms to communities in Harare, Matabeleland North and Mashonaland West Provinces and the recently added Masvingo Province. Zimplats continues to work with one of its female-led local enterprises in producing sun protection materials for people with albinism.

#### Supporting quality education

The quality of the school learning environment in several communities and rural schools near Zimplats’ operations is significantly compromised by a lack of access to potable water.

**This year, Zimplats installed solar powered boreholes and storage tanks at two schools and in a village. This will ensure improved access to clean water for up to 650 pupils, providing a safer learning environment.**

# Community wellbeing and development

## Income generation, enterprise and community development

### CREATING SHARED VALUE – COMMERCIAL CATTLE RANCHING PROJECT LAUNCHED



Community member employed at Zimplats' cattle ranching project

**Zimplats has launched a commercial cattle ranching project through a joint venture aimed at developing a unique and integrated community development model with commercial value while harnessing sustainable livelihoods for communities.**

The ranching project is expected to uplift the livelihoods of communities by providing support for herd health, income generating opportunities through an outgrower's scheme, a community dairy initiative and the establishment of common grazing areas. It aims to reach full capacity within five years, annually producing 25 million litres of milk for local consumption and 48 tonnes of beef for local and export markets. The project also seeks to empower local communities through employment, crop production for livestock, community paddocks, pasture improvement and enhanced livelihoods.

The project is being implemented over 11 000 hectares on the Zimplats mining lease and harmonises mining and agricultural development. It also underpins the principles of sustainable development and supports the government of Zimbabwe's thrust for agricultural development, employment creation and forex generation.

Progress this year included introducing 2 029 beef and dairy cattle onto the site. A social contract with communities is being drafted as a tool for managing key interactions with communities. Vaccines and antibiotics were provided to protect more than 4 900 cattle from the community. Seed packs and fertiliser were provided to 200 families for the cropping season, however, the drought tragically caused severe crop failure. A more robust system will be implemented aimed at growing at least 500 hectares for cattle sustenance in the 2020/21 crop season. To date, 16 local community jobs have been created including for three women. As the project grows, an additional 60 jobs for community members are anticipated by the end of the calendar year 2020.

### Zimplats irrigation project

Zimplats is partnering with the Mhondoro-Ngezi rural district council in developing a 100-hectare effluent irrigation project for the Turf community. The project aims to provide irrigation infrastructure for the community and enable the council to expand its 18-hectare gum plantation by an additional 30 hectares. The project builds on an existing sewer irrigation project and will deliver economic benefits through treating the effluent from sewer ponds. In the short to medium term, the irrigation project is also expected to benefit communities through irrigation of pastures as well as irrigation of crops. About 120 households in the surrounding communities will benefit.

### Canada

Impala Canada works closely with its local indigenous communities to be a long-term employer of choice and business partner. The operation supports local employment and procurement where possible, however, there are challenges in meeting increasing expectations for such opportunities. The mine also involves community members in its environmental stewardship monitoring.

The operation's community investment portfolio is focused on investing in programmes that serve the local Thunder Bay community, as the majority of its employees are from this area. It is important to Impala Canada that Thunder Bay continue to see the Company as a steadfast employer and community member committed to the long-term health and sustainability of the city. This task is undertaken by supporting, through financial and volunteer means, organisations that improve food-access to families, enhance educational outreach and experiences to children and further engage educational opportunities focused on the next generation of mining.

**Since incorporation into the Implats Group in December 2019, the operation has invested C\$57 000 in educational programmes, child welfare and Special Olympics initiatives and a further C\$80 000 in Covid-19 community relief efforts.**

### Educational programmes

**Impala Canada** supports existing educational programmes, run by **not-for-profit** organisations in the Thunder Bay area including **multi-year donations** to the local university and college and a number of educational scholarships

# Inclusive procurement and enterprise and supplier development

**A long-term strategic focus is to spearhead our local procurement and business development programmes, capacitating enterprises to become part of our supply chain and to transition to provide their services nationally. This is a critical driver of sustainable community development.**



No 16 Shaft headgear at Impala Rustenburg

## HIGHLIGHTS

- R8.5 billion preferential procurement spend in South Africa
- South Africa operations continue to perform well against most of the Mining Charter III procurement criteria
- Despite the national lockdown, Marula's procurement spend with local-to-site (tier 1) suppliers only decreased by 9% year-on-year, largely due to the ring-fencing of certain opportunities for community members at the operation's tailings storage facility construction project
- Marula has launched new enterprise and supplier development programmes
- **Zimplats** spent US\$221 million with local companies, including indigenous suppliers at least 51%-owned by black Zimbabweans
- **Impala Canada** spent C\$41 million with local Thunder Bay businesses – including indigenous owned – from date of incorporation to the end of the financial year, representing 29% of the total procurement spend

## LOWLIGHTS/CHALLENGES

- Mining Charter targets with respect to procurement of goods and services from 51% or greater South African women and youth-owned and controlled businesses remains a challenge
- Three suppliers were suspended this year pending investigations into suspected fronting. The services of one supplier were terminated as a result of fraudulent/unethical misconduct
- 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 and local indigenous mining-specific suppliers and services

## FOCUS AREAS FOR 2021 AND BEYOND

- Spearhead local procurement and supplier development programmes to help host-community suppliers access opportunities 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



### Covid-19 implications and our response measures

The Covid-19 outbreak required all our operations to procure appropriate goods and services, including personal protective equipment (PPE) and medical resources, to protect our workforce and host communities. Our community response plans also included providing nutritional support and meeting other basic needs. As far as possible, our operations have sourced these goods and services from local enterprises.

The global economic downturn triggered by Covid-19 has heightened community expectations for our operations to provide procurement prospects to alleviate hardship. Our operations have endeavoured to support local suppliers to withstand the prevailing challenges. Progress with some of our enterprise and supplier development initiatives has been slowed due to the Covid-19 pandemic and lockdown conditions.



# Inclusive procurement and enterprise and supplier development

## Our approach

Creating shared value through our supply chains is a key enabler to reduce poverty, unemployment and inequality. The inclusion of small, medium and micro enterprises (SMMEs) in our value chain is essential for building sustainable vibrant communities post mine closure.

Across our operations we implement targeted local procurement and enterprise and supplier development (ESD) initiatives aimed at promoting local employment and socio-economic benefits. We provide SMMEs with preferential early payment terms to help them manage their cash reserves.

The Group's improved operational performance and the positive price environment for palladium and rhodium will support our efforts to increase local procurement opportunities in the face of increasing expectations from our local communities.

## South Africa

In advancing inclusive procurement, our ESD activities are a critical enabler for increasing preferential procurement opportunities. Impala Rustenburg and Marula have aligned their procurement activities and targets with the transformation objectives and expectations of the 2018 Mining Charter (Mining Charter III or 'the Charter') and B-BBEE codes.

The Charter places a significant focus on procurement spend with South African women-owned and South African youth-owned suppliers (51% or more owned and controlled). It also focuses strongly on creating South African manufacturing capability by including a 60% local-content requirement in the procurement scorecard. This requirement, however, has been postponed for two years (calendar years 2019 and 2020). Our operations have nonetheless taken the decision to obtain self-declarations from the top goods suppliers on their local content. On behalf of the industry, the Minerals Council South Africa, by way of a judicial review of the Charter, continues to seek clarity on certain challenging procurement provisions in the Charter. The performance of Impala Rustenburg and Marula operations against year two targets in their respective five-year procurement plans as required by the 2018 Mining Charter is illustrated below. The sourcing of goods and services from youth and women-owned and controlled businesses remains an area of concern (highlighted in red on page 79).

## Supplier support

As part of our ongoing efforts to transform our supply chain, 18 new operational term contracts were awarded to 51% or more HDP-owned and controlled companies. Eleven of the contracts were awarded to women-owned and controlled companies and range from the supply of timber products and early warning instrumentation devices for underground rock monitoring to the rehabilitation of old shafts.

Marula has established a platform known as the Marula Business Forum (MBF) to enable local BEE-compliant businesses, especially those that are youth and women-owned, to access potential business opportunities. The results from this initiative and the operation's newly established ESD programme at the Centre for Supplier Development (see page 80) should go a long way to address the challenges in the operation's procurement scorecard.

**We aim to increase procurement spend with youth and women-owned entities by identifying existing capacity in host communities, creating ringfenced/set-aside opportunities, and driving a localisation agenda aimed at building manufacture and assembly capability in our host communities.**

## 2020 performance

- Our South African operations spent R5 billion (equating to 59% of our discretionary procurement spend) on the procurement of goods and services from companies in which historically disadvantaged persons (HDP)/BEE ownership was greater than 25% (2019: R6.8 billion, representing 74% of total discretionary spend). Our total spend was negatively affected by the national lockdown.
- Of the total discretionary procurement spend, 32% (or R2.7 billion) was with local tiered suppliers in which BEE ownership was greater than 25% (2019: 33% or R3 billion).
- Impala Rustenburg operations spent R1.2 billion with tier 1 suppliers. This represents a 24% year-on-year reduction in expenditure, which is largely attributable to the national lockdown and a strategic supplier of underground support consumables being acquired by a multinational company.
- Despite the lockdown, Marula operations expenditure with tier 1 suppliers only decreased by 9% year-on-year, to R95 million largely due to the ring-fencing of opportunities for host community businesses at the operation's tailings storage facility project, see page 106.
- During 2020, 253 new entrants were registered on the supply data base, of which 25% (63) were 100% black-owned. In collaboration with the Royal Bafokeng Enterprise Development (RBED) in Rustenburg and the Marula community structures in Burgersfort, new "local-to-site" suppliers are continually identified, verified and validated and added to the approved supply base.
- Three suppliers were suspended this year pending an investigation into fronting allegations. The services of one supplier were terminated as a result of fraudulent or unethical misconduct.

## 2018 Mining Charter performance: Impala Platinum Limited

Mining Charter III compliance targets	Five-year plan Year 2 (Target) %	2020 (Actual) %	2020 (Actual) R million
<b>Goods</b>			
Historically disadvantaged persons owned and controlled (HDP) ≥51%	6.0	29.2	965
Women or youth-owned and controlled ≥51%	1.4	2.0	66
BEE compliant (>25% HDP owned and minimum level 4)	12.6	49.5	1 640
<b>Services</b>			
Historically disadvantaged persons owned and controlled (HDP) ≥51%	37.7	45.7	2 377
Women-owned and controlled ≥51%	5.7	5.7	297
Youth-owned and controlled ≥51%	0.0	1.1	55
BEE compliant (>25% HDP owned and minimum level 4)	10.0	53.7	2 796

Note: Suppliers with a valid broad-based black economic empowerment (B-BBEE) certificate or sworn affidavit in the financial year under review contributed to HDP spend.

2018 Mining Charter performance: Marula Limited

Mining Charter III compliance targets	Five-year plan Year 2 (Target) %	2020 (Actual) %	2020 (Actual) R million
<b>Goods</b>			
Historically disadvantaged persons owned and controlled (HDP) ≥51%	18	16.5	94
Women or youth-owned and controlled ≥51%	2.0	0.1	1
BEE compliant (>25% HDP owned and minimum level 4)	35.0	23.7	134
<b>Services</b>			
Historically disadvantaged persons owned and controlled (HDP) ≥51%	30.0	51.8	355
Women-owned and controlled ≥51%	6.0	3.5	24
Youth-owned and controlled ≥51%	2.0	3.5	24
BEE compliant (>25% HDP owned and minimum level 4)	10.0	64.1	440

Note: Suppliers with a valid broad-based black economic empowerment (B-BBEE) certificate or sworn affidavit in the financial year under review contributed to HDP spend.

■ Target not achieved

Promoting local community procurement

We strive as far as possible to source goods and services from local businesses defined as tier 1, 2 and 3 based on their proximity to our operations. All procurement teams place a significant focus on supporting local-to-site (tier 1) suppliers; these are enterprises that are owned by host community members. This year, our local procurement spend was 32% of the total discretionary procurement spend (2019: 33%). The excellent progress that we have made in increasing local-to-site procurement year-on-year since 2017 was impacted by the national lockdown and, at Impala Rustenburg, by the loss of a local community supplier that has been acquired by a multinational company. Here too we aim to increase spend with youth and women owned and controlled businesses. In 2020, we spent R97 million and R0.6 million with tier 1 women-owned and controlled (≥51%) companies at Impala and Marula respectively.

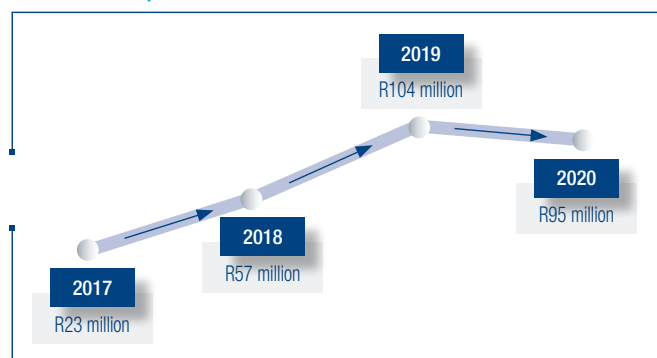
Local (tier 1, 2 and 3) HDP/BEE (>25%) procurement as a percentage of discretionary procurement

	2019		2020	
	R million	%	R million	%
Impala Rustenburg	2 836	38	2 538	35
Marula	181	10	124	6
<b>Total</b>	<b>3 017</b>	<b>33</b>	<b>2 663</b>	<b>32</b>

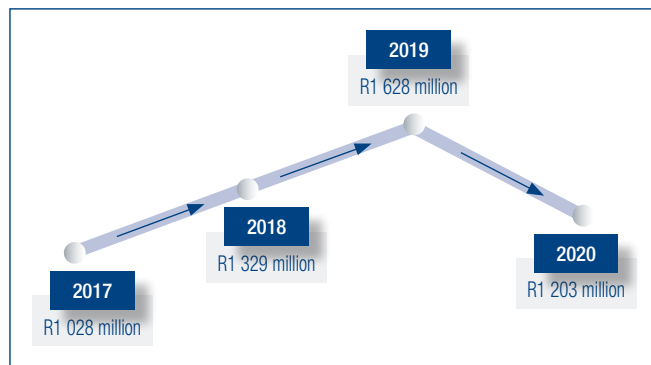
Note: Impala Rustenburg: Tier 1: Mine lease area (Bafokeng Villages, Freedom Park, Seraleng and Meriteng); Tier 2: Rustenburg municipality; Tier 3: Bojanala district; Marula: Tier 1: Mine lease area (four farms); Tier 2: Greater Tubatse municipality; Tier 3: Greater Sekhukhune district.

Local-to-site (tier 1) procurement spend with compliant companies

Marula tier 1 procurement



Impala Rustenburg tier 1 procurement



All our SLP projects are ring-fenced for host community enterprises.

Our sourcing (tender) events provide opportunities for local businesses to participate in the Implats supply chain through formal fixed-term contracts.

Implats has a zero-tolerance policy relating to fronting. An external contracted party, responsible for assessing vendors, highlights potential fronting risks on an ongoing basis.

All contractual transactions and interactions with suppliers are subject to the provisions outlined in our procurement policy and procedures. The Implats ethics policy is included in each tender document issued to suppliers.

# Inclusive procurement and enterprise and supplier development

## Enterprise and supplier development

Our ESD initiatives provide important opportunities for host community-based entrepreneurs to develop and become sustainable enterprises that can provide our operations with high quality goods and services. Our current ESD activities are focused on increasing participation of new black-owned companies (with the emphasis on youth and women-owned enterprises) from our host communities.

### Enterprise development

A total of **R5.4 million** was spent on **enterprise development** in South Africa in the period under review. The founders of **1 122 SMMEs** were **trained and mentored** through the programmes offered by **Accuracy and Classic Oriental Consulting** in Rustenburg and the **Centre for Supplier Development** in Marula. This has resulted in **increased business knowledge** among participants, and contributed to over **R52 million** worth of **Implats procurement opportunities** for **small businesses**.

## EQUITY INVESTMENT BENEFITING BLACK ENTREPRENEURS

### Impala Rustenburg's partnership project with entrepreneurship development company Awethu has progressed well.

This year we identified an untransformed, financially stable company in our supply chain that will receive a R9-million interest-free loan from Impala, and we appointed an experienced black South African principal to acquire a 51% stake in the firm, which manufactures and installs mesh grating. The principal will be incorporated into the executive management team that will manage and oversee the success and profitability of the company. The project is at an advanced stage and is expected to flourish in terms of facilitating preferential procurement, local employment and skills development. Although progress has been slowed owing to the Covid-19 pandemic and lockdown conditions, we anticipate a return on our investment over the next five years.

## Zimbabwe

Zimplats remains committed to assisting in Zimbabwe's economic recovery process through its focus on local supplier development and promotion of industrial linkages. The operation has continued to deliver pleasing results.

Zimplats spent US\$221 million with local companies (including indigenous suppliers – at least 51% owned by black Zimbabweans or other previously disadvantaged groups) in 2020. This represented 60% of the total annual procurement spend compared to 71% local expenditure last year. The decrease is largely due to currency volatility, and "imports-heavy" expenditure on the following strategic projects: Mupfuti Mine development, Bimha Mine re-development and the smelter refurbishment.

## Zimplats' procurement spend (US\$000)

Payments	2018	2019	2020	% of 2020 spend
Local other <sup>1</sup>	122 294	109 551	<b>98 286</b>	<b>27%</b>
Local indigenous <sup>2</sup> (Non-LEDs <sup>3</sup> )	68 976	84 666	<b>80 754</b>	<b>22%</b>
Local indigenous LEDs	42 918	39 865	<b>41 686</b>	<b>11%</b>
Imports	107 087	95 157	<b>148 631</b>	<b>40%</b>
<b>Total overall</b>	<b>341 274</b>	<b>329 239</b>	<b>369 357</b>	<b>100%</b>

<sup>1</sup> Local other – Zimbabwean registered companies owned by non-indigenous people.

<sup>2</sup> Local indigenous – companies owned at least 51% by indigenous Zimbabweans.

<sup>3</sup> LEDs – local enterprise development.

- Total procurement spend increased by 12% from US\$329 million in 2019 to US\$369 million in 2020.
- Imports accounted for 40% of the total procurement spend in 2020 compared to 29% in 2019. This was largely due to meeting the requirements of the above mentioned strategic projects.
- Expenditure with local economic development suppliers (LEDs) increased by 4.8% to US\$42 million in 2020 compared to US\$40 million in 2019.

### Local economic development (LED) programme

Since 2013, Zimplats has supported several small and medium enterprises in Mashonaland West Province, where its operations are located, through skills development, financial assistance and technical capacitation in order to develop their business capabilities.

**The number of companies participating in the LED programme has steadily increased, including the addition of two companies in 2020 from 20 to 22 wholly owned local indigenous enterprises. 20% of the companies are led by women.**

The registered LEDs supplied Zimplats with various products and services, which include engineering, medical, haulage, underground support (shotcreting) legal, catering, protective clothing (work suits and overalls), bricks and silica. The capacity building has enabled some of the LEDs to expand their markets and supply beyond Zimplats into other mines and industries.

Interventions aimed at enhancing the capacity of participating companies include effective performance management, identifying gaps and assisting the LEDs to strengthen production, marketing and financial management practices, and inculcating good corporate governance practices and control systems. In 2020, Zimplats assisted the LEDs, through engagements focusing on technical, financial, health and safety management and corporate governance issues, to withstand the volatile business environment, in particular to hedge against the weak currency to the US dollar and the Covid-19 pandemic.

**The LED programme continues to create opportunities for job creation, skills development and income generation for the benefit of the community. The 22 local enterprises in the programme collectively directly employ 2 450 people (up from 2 380 last year) of whom 1 400 have long-term contracts and 1 050 seasonal engagements.**

A total of US\$247 million has been invested in LEDs for the procurement of goods and services at cost-effective rates since the programme was initiated in 2013, contributing significantly towards community empowerment and import substitution.

### Impala Canada

Impala Canada is committed to providing enhanced opportunities to support the growth of local businesses – both indigenous-owned and operated and non-indigenous businesses – that operate predominantly near the mine.

Having been integrated into the Group in December 2019, the operation spent C\$41 million with local businesses during the second half of the financial year, representing 29% of the total procurement spend.

In tendering for new equipment, parts and services, all bids received are reviewed and scored, evaluating applicants based on their qualifications, pricing and schedule, as well as scoring based on environmental impact, commitment to safety, and local or indigenous ownership and community benefit.

**Our procurement process is aimed at fairly and effectively providing local businesses preferred status in winning contracts for providing goods and services to Impala Canada. Weightings favour indigenous-owned businesses, followed by indigenous joint ventures, and then local Thunder Bay area businesses.**

Further preference is based on contribution to providing employment, community support, training, scholarships and/or apprenticeships to local indigenous community members, to encourage skills development within these communities.

To encourage procurement prospects with indigenous-owned and operated businesses, we maintain a thorough understanding of the capabilities that exist within the local communities, through regular meetings and social interactions, as well as invitations to visit our site. This informs our indigenous bidders list and potential opportunities for joint ventures.

While we maintain an informal commitment to supporting our local community wherever possible, in many cases mining-specific needs – such as hoist parts and underground vehicles and services – have to come from established mining centres further away, as there are no local options available and currently little incentive for this service sector to grow in our area. Where our needs overlap with more robust local industries – such as forestry, road construction, safety and healthcare – it is easier to source our contracts locally. **We spent C\$9.7 million or 7% of our total procurement spend with indigenous-owned businesses.**

## PARTNERING WITH INDIGENOUS JOINT VENTURE BUSINESSES

**A leading example of Impala Canada's support for indigenous joint venture businesses is its partnership with Amik Catering, a catering and cleaning company that has been providing services at the mine site for nearly a decade.**

When the initial contract was due for tender, the local Gull Bay First Nation (GBFN) requested a sole-source contract and proposed a joint venture between their community and the existing contractholder East Coast Catering (now called Compass Group Canada) which has strong management and industry experience. After conducting due diligence comparisons around pricing, we awarded this joint venture a one-year trial contract. Upon successful completion, we moved to a five-year contract, and recently entered our second five-year agreement. Amik Catering is 51% owned by GBFN, and draws nearly half of its 40-strong workforce from Gull Bay, Whitesand and Fort William First Nations. The joint venture has provided good value for service, developed local skills and experience, and has seen a number of Amik workers develop and progress into positions within Impala Canada.



# Accommodation and living conditions

**Employee accommodation and living conditions remain key strategic issues for our operations in South Africa and in Zimbabwe. Our focus remains on facilitating access to decent accommodation for employees who are residing in informal structures.**



Employee in front of his home at Impala Rustenburg's Platinum Village

## HIGHLIGHTS

- Implemented initiatives aimed at encouraging the minority of our employees residing in informal settlements and backyard dwellings to move to a formal serviced structure with water and electricity
- Occupancy rates at Impala Rustenburg residences improved from 60% to 80%

## LOWLIGHTS/CHALLENGES

- Small minority of Impala Rustenburg Marula and Impala Springs employees still reside in informal settlements
- Inadequate sanitation in backyard dwellings and informal settlements is a key concern during the Covid-19 crisis

## FOCUS AREAS FOR 2021 AND BEYOND

- Facilitate home ownership and promote greater uptake of adequate accommodation options available
- Focus on construction of houses and the development of a business stand as part of final two phases (phase III and phase IV) of the Impala Rustenburg Platinum Village housing project
- Complete a Chegutu housing scheme for Zimplats' Selous Metallurgical Complex (SMC)



## Covid-19 implications and our response measures

At our South African operations, we continued to pay employee housing allowances and other contributions throughout the national lockdown.

During the initial three-week strict lockdown, some employees, predominantly essential employees, remained in Company residences. All kitchen facilities were closed to mitigate health risks.

Recognising the potential financial challenges associated with Covid-19 lockdown restrictions, we have made provision for an anticipated shortfall in rental and home loan payments. For example, for April and May we did not deduct any payment for rentals and housing loans from employees that were not being paid in full and we extended permitted payment timelines. Managing the payment obligations of 1 000 private rentals has proved more challenging.

At Impala Canada, the site has operated with approximately 80% of its workforce since the beginning of Covid-19. Challenges contributing to the reduced staffing levels have included inter-provincial travel restrictions, reduced flight options and ongoing 14-day post-travel quarantine requirements. The mine site is in the province of Ontario which is currently under a State of Emergency. During this declared time, the operation has continued to pay those employees who are unable to come to site due to their heightened risk based on health and/or their higher-risk community identification.

Our operations have contributed meaningfully towards Covid-19 response measures to support health and wellbeing in host communities. Our Covid-19 community support is reviewed on page 71.

Providing personal protection equipment and improving access to clean water is an ongoing focus. Notably, Impala Rustenburg installed and repaired local water infrastructure to ensure a constant flow of fresh water into reservoirs and to supply local schools. Inadequate sanitation in backyard dwellings and informal settlements is a key concern during the Covid-19 crisis.



## Our approach

The Company's investment in the accommodation and living conditions of employees is a pillar of our contribution to the wellbeing of our host communities, and an area where we are recognised as leaders across the sector. We endeavour to enable our employees to reside with their families in housing that is stable, healthy, of adequate size, serviced with water, sanitation and electricity, and within easy commuting distance of work.

**At board level, risks and opportunities associated with employee housing and living conditions are reported to the Group STR committee. At executive level, our South Africa operations have a dedicated Group property manager whose primary role is to manage the Group's extensive property portfolio and address current and future housing needs of our employees.**

## South Africa

Over the last 12 years the Company has invested more than R4 billion in accommodation around its South African operations, of which R175 million was invested this year. To date we have constructed 3 420 houses of which 90% have been sold to employees. We have adequate accommodation options available for those employees identified through our surveys to be living in less than ideal conditions. Our target to have 50% of all employees residing in such accommodation has been achieved and confirmed through various census surveys conducted at our operations in 2018 and 2019.

In striving to ensure that our employees live in decent conditions, we provide choices such as Company-owned house rentals, single-residence rentals, family-rental units and houses for sale through our home ownership schemes. Here, employees have the opportunity to purchase a home at cost with the assistance of an interest-free loan from the Company of between 20% and 30% of house value over a 20-year period. We also provide a living-out allowance benefit (R2 450 per month) to enable employees who do not participate in the home ownership scheme to access decent accommodation for themselves.

Survey findings on accommodation and living-out allowances indicate that 4% of employees at Impala Rustenburg, 3% of employees at Impala Springs and 1% of employees at Marula reside in informal settlements, where adequate sanitation remains a challenge.

**Our flagship housing projects are the vibrant Sunrise View and Platinum Village housing developments at our Impala Rustenburg operations. These projects were constructed in partnership with government and independent developers, and include bulk infrastructure (roads, electricity, water, health, sewerage) and schools. Impala Rustenburg operations also provide 4 188 single accommodation residence units (converted from hostel buildings prior to 2013), and 308 family units.**

**To encourage employees residing in inadequate housing to move into decent accommodation, this year we increased our communication on the affordability and appeal of mine single-residence rentals and family-rental units. At Impala Rustenburg, the occupancy rate of these residences has improved from 60% to 80%. Recently we made improvements to the kitchen and grocery store area, established a gymnasium in each residence, and upgraded the soccer fields.**

In spite of Covid-19 impacts, there is a high level of interest for proposed units in the final two phases of the Platinum Village project. Last year we completed the bulk infrastructure and appointed a developer to build houses on developed stands based on demand. To date, the developer has constructed and sold 20 houses to employees.

There are about 2 000 employees at Impala Rustenburg currently paying back interest-free loans for their purchased homes. We are mindful of potential financial impacts as a result of the ongoing organisational restructuring process and the Covid-19 pandemic. To mitigate the negative impacts of loss of household income, we offer various concessions and assistance. These include: allowing 180 days to settle the interest-free loan (second bond); accommodating the option to pay affordable instalments on the second bond; working closely with the employee and financial institutions to manage the process of non-payment should it occur; and assisting employees who wish to sell their homes.

At Impala Springs, our efforts focus on encouraging the 3% of employees who are currently residing in informal structures to make use of available decent accommodation. There are no plans to build any new housing developments as there is a robust housing market to cover employee requirements. To improve living conditions, the operation is considering investing in recreational facilities in areas where its employees are residing.

In Marula, home ownership options are available in proclaimed municipal areas such as Burgersfort but there is low appetite for these houses (150 units) due to their relatively long distance from the mine. Marula has established a housing forum with organised labour that is developing a housing plan for the operation. An option being explored is to sell the current stock of units and portions of unserviced land to create a "housing fund" to assist employees to build or upgrade housing in the villages surrounding the mine, where traditional financial institutions do not operate.

## Legislative developments

Implats complies with all legislation in terms of housing and living conditions. A new housing and living conditions standard for the minerals industry was published on 11 December 2019. The standard is a policy document to guide existing mining right holders in compiling a housing and living conditions plan to be submitted to the DMRE by 10 December 2020. We are engaging with the Minerals Council South Africa on completing the plan which will articulate our strategy to meet the standard's requirements.



# Accommodation and living conditions

## Zimbabwe

Zimplats has maintained a focus on Company-provided rental accommodation (single quarters, houses and apartments) and a facilitated home ownership scheme. Zimplats' stock of 2 228 houses has remained static over the last five years due to financing constraints.

**Approximately 70% of the workforce lives in Company housing and 30% receive a living-out allowance, which is equivalent to 20% of the basic salary. There are no informal settlements around the mines.**

The deteriorating economic environment and Covid-19 have delayed completion of a privately financed housing project at Chegutu which will see 340 serviced stands availed to eligible employees to build houses on, with access to mortgages.

The Company's two-tier housing model of Company houses and the home ownership scheme will continue into the foreseeable future.

## Canada

Impala Canada employs about 720 people, many on a two-week rotational basis. Under normal operating conditions, the site averages 450 employees and contractors onsite. The employee base is demographically diverse in terms of where employees live and how they travel to the mine site. About 10% of the workforce come from local communities, which are rural, isolated and remote; approximately 40% live in the Greater Thunder Bay Area, about 90 kilometres southeast of the mine; 30% come from further afield in Northwestern Ontario, northwest of Sudbury; 10% to 15% come from elsewhere in Southern or Eastern Ontario; and 10% to 15% from even further away – mostly Alberta and the Atlantic provinces.



Aerial view of Impala Rustenburg's Platinum Village housing project

# Social legal compliance

**Ensuring full compliance with government policy and legislative requirements in the countries in which we operate is a cornerstone of our commitment to delivering social value and promoting socio-economic transformation.**



Ore conveyor and headgear at No 14 Shaft, Impala Rustenburg

## HIGHLIGHTS

- Full compliance with government policy and legislative requirements in South Africa and in Zimbabwe
- Good performance against most of the Mining Charter III targets

## LOWLIGHTS/CHALLENGES

- The judicial review of the Mining Charter III is yet to be completed; provisions relating to empowerment and procurement remain a concern
- B-BBEE verification process (for 2019 performance) has been protracted and is yet to be finalised
- Awaiting approval of MPRDA amendment applications seeking extensions on SLP LED project timelines at our South Africa operations

## FOCUS AREAS FOR 2021 AND BEYOND

- Continue to proactively engage government in South Africa and Zimbabwe to help create a consistent and stable regulatory environment
- Compliance with statutory requirements including Mining Charter and SLPs



## Covid-19 implications and our response measures

All our operations continue to operate in line with respective Covid-19 regulations and to support government efforts to mitigate the impact of the pandemic. Adhering to regulatory requirements can be challenging due to ongoing changes, ambiguity, interpretation and application by different arms of government.

We engage with government regulatory authorities to address and resolve any challenges and concerns. We maintain a regulatory update tracking document to ensure all regulations are captured in our operations' Covid-19 Codes of Practice and standard operating procedures. A legal compliance audit was conducted on operational Codes of Practice/standard operating procedures at our South African operations to ensure substantive and adequate coverage of the South African Covid-19 regulatory framework. No material issues deviations were found.



## Legislative and policy environment

We engage proactively with government, both directly as a Company, as well as indirectly through industry representative business organisations, to build trusted and cooperative relations, with the aim of contributing to socially progressive and pragmatic legislation.

### South Africa

The first reporting against the new Charter was completed in March 2020 and measured our performance over the 2019 calendar year. A principal challenge for our Impala Rustenburg, Marula and Afplats operations is that the mine community development element is a ring-fenced element which requires 100% compliance on SLP local economic development (LED) projects. The start date for several SLP II projects at these operations was delayed due to the protracted 2014 platinum industry strike and subsequent financial constraints. These operations await approval of MPRDA amendment applications that were lodged in 2018, seeking extensions on SLP LED project timelines to December 2020.

Implats is implementing a series of transactions to safeguard the Marula operation's BEE ownership credentials by refinancing an outstanding BEE loan debt. As part of restructuring the shareholding with the current BEE shareholders, Implats plans to establish and fund an employee share ownership trust (ESOT) for the employees of Marula.

### B-BBEE codes

We also seek to align with the B-BBEE Act and work towards compliance with the new B-BBEE Codes of Good Practice. The Minerals Council South Africa has lobbied the DMRE and the Department of Trade, Industry and Competition (DTIC) to address concerns that a misalignment between the Charter and the Codes duplicates reporting and compliance requirements.

The fourth B-BBEE verification process for the Group was delayed to incorporate DTIC Codes amendments that came into effect on 1 December 2019. The process has been further delayed by lockdown measures and will be completed in the new financial year.

### Other focus areas

We continue to play a leading role in the Minerals Council South Africa, helping to lobby on key issues and for a consistent and stable regulatory environment. We subscribe to the principles and commitments outlined in the human rights framework, and have maintained our commitments in terms of the leaders' declaration on the mining industry commitment to save jobs and ameliorate the impact of job losses.

### Zimbabwe

Zimplats ensures compliance with the indigenisation framework and monitors policy developments regarding indigenisation. The government has indicated 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 the "Zimbabwe is Open for Business" thrust.

We have continued to engage the Community Share Ownership Trust (CSOT) and government in line with efforts to shift from equity participation to empowerment initiatives. Zimplats continues to play a leading role in promoting industrial linkages and is engaging with platinum producers to work towards the establishment of a national refining facility.

### Canada

Impala Canada remains committed to ensuring full compliance with government regulation, meeting and exceeding what is required to maintain high performance standards in health, safety, environment and community development. Engaging with the provincial government and local stakeholders, including the indigenous communities located in close proximity to our operations, is an ongoing priority, in order to foster transparent and respectful dialogue that enables collaboration and long-term relationships.

Impala Canada is an active member of the Ontario Mining Association and participates in their efforts to build consensus with government on issues that matter to our industry, including how to overcome challenges that impede the competitiveness of responsible operations. The industry's collective goal is to build a policy environment that bolsters the potential of mining as a cornerstone of Ontario's new, innovation-oriented green economy.



■ Using the chairlift at No 1 Shaft, Impala Rustenburg ■



## Key features

**No major** (*level 5*) or **significant** (*level 4*) environmental incident at any of our operations **since 2013**



Achieved an **A rating** for disclosures, awareness and management of water security risk and a **B rating** for disclosures, awareness and management of climate risk

**No fines** or **non-monetary sanctions** for non-compliance with environmental regulations, licences or permits

Penstock tower at No 4 tailings storage facility at Impala Rustenburg

# MITIGATING ENVIRONMENTAL IMPACTS



### Water stewardship

44% of water consumed at operations was recycled water against a target of 40%

### Energy management and climate change

Development work on a 110MW solar project at Zimplats

### Waste management

Recycled 69% of non-mineral waste generated against a group target of 60%

# 06

#### Our alignment with SDGs





# Mitigating environmental impacts

**In the transition to a low-carbon economy, PGMs are critical to enable associated technologies. In delivering these products, we are committed to mitigating our environmental impacts.**



Ngezi concentrator plant, Zimplats

## UNDERSTANDING THE SUSTAINABILITY PERFORMANCE OF PGMs

**Our stakeholders are increasingly interested in the impacts and contribution of our materials and the products manufactured from them. 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.**

This study was important in highlighting that the high recyclability of PGMs and their role in society significantly mitigate the environmental impacts of PGM primary production.

The PGMs are highly resistant to wear, tarnish, chemical attack and high temperature, and have outstanding catalytic and electrical properties. All these unique characteristics have made them indispensable in many industrial applications. By far the largest use of PGMs today is for automobile catalytic converters (autocatalysts), a pollution-control device fitted to cars, trucks, motorcycles and non-road engines. In this application, PGMs are coated onto a substrate housed in the exhaust system, where they act as catalysts to reduce levels of harmful emissions to legislated levels. PGMs enable car manufacturers to comply with emissions standards and help regulators to implement tightening emissions regulations.

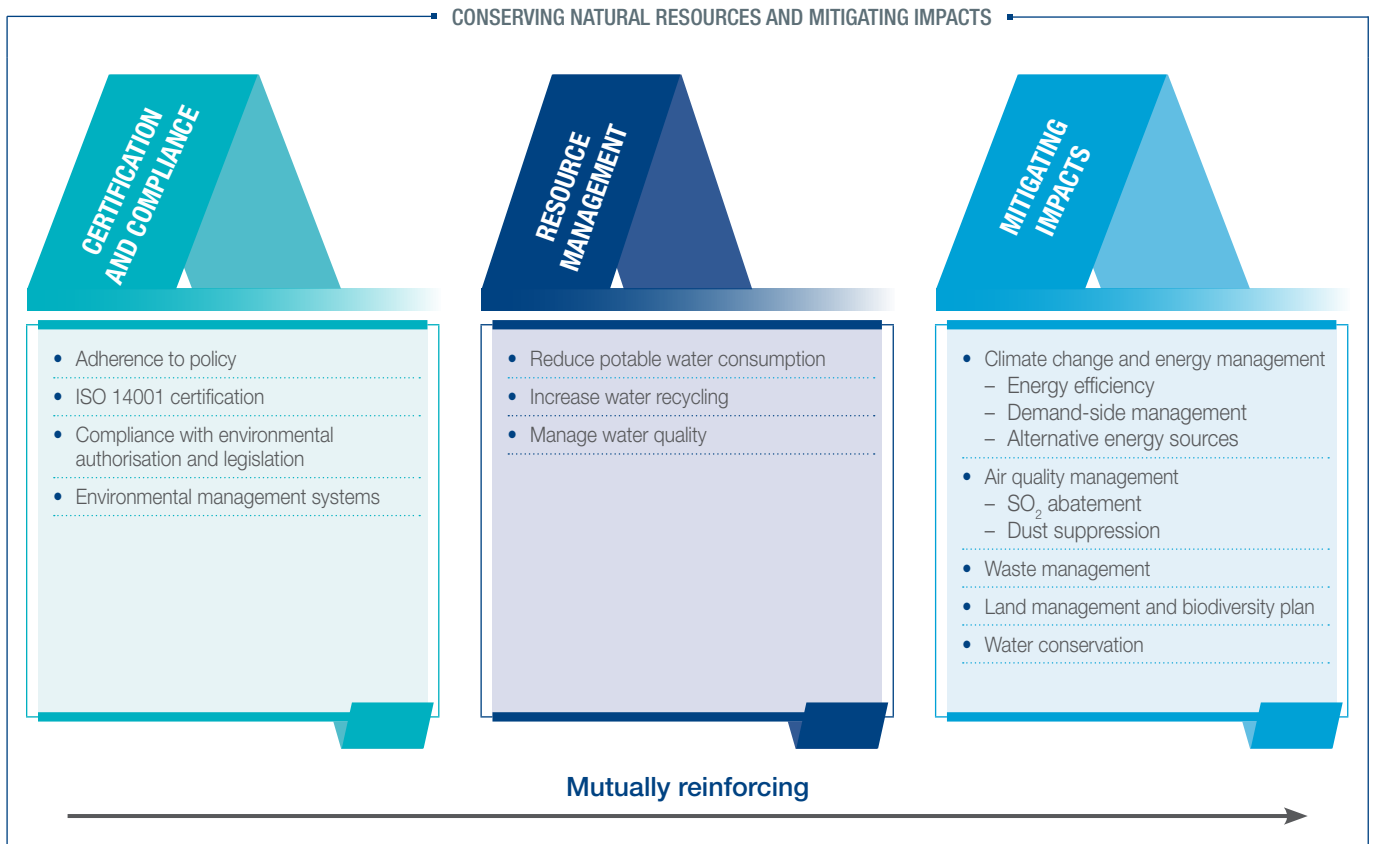
The extraction and refining of PGMs is a capital-, energy- and labour-intensive process. PGMs are produced in low volumes and are used in small quantities. **The high and repeatable recyclability of PGMs means that the environmental burden of PGM production decreases with each recycling round.** Power consumption during mining and ore beneficiation has been identified as the major impact (72%) of the production of PGMs on the environment; a further 27% of the impact comes from smelting and refining. Only 1% of impacts are attributed to recycling. The low footprint of recycling compensates for the higher footprint of primary production.

The LCA illustrated that even though the impacts of PGM production appear to be high from a lifecycle perspective, these impacts are significantly mitigated by the in-use benefits, as indicated in the following findings:

- **Over 1.3 tonnes of toxic and harmful polluting gases, including CO, HC, NO<sub>x</sub> and PM, are reduced by the catalytic converter systems in one EURO 5 gasoline and one EURO 5 diesel vehicle in use over 160 000 km; these emissions are reduced by up to 97%.**
- **Emissions of CO<sub>2</sub> are slightly increased through the use of autocatalysts. This is due to the conversion of CO and HCs into CO<sub>2</sub> during vehicle use; however, this increase is small (2% to 6%) when compared to CO emissions from the combustion of the fuel used to drive the vehicle.**
- **The emissions reductions as a result of the use of an autocatalytic converter outweigh the emissions generated during the production of the catalyst, including the PGMs and other related materials used in the wash-coating process. (The wash coat is the carrier of catalytic materials on the catalyst's surface.)**

The findings of the LCA study have been valuable in assisting companies to make informed business decisions about process improvements, as well as new projects and design of new facilities. An update to the 2014 LCA study was initiated in 2019. The results of the study will be published in 2020.

## Mitigating environmental impacts



### Our approach

Our environmental mitigation activities focus on:

- Maintaining a world-class environmental management system and ensuring compliance with environmental authorisation and legislation
- Promoting responsible water stewardship by minimising water use and water pollution
- Responding to climate change risks and opportunities and promoting responsible energy management
- Minimising our negative impacts on air quality
- Managing and minimising our waste streams
- Promoting responsible land management and biodiversity practices

Our environmental policy commits the Group to running our exploration, mining, processing and refining operations in an environmentally responsible manner and to ensuring the wellbeing of our stakeholders. We integrate environmental management into all aspects of the business with the aim of achieving world-class environmental performance in a sustainable manner.

At board level, the HSER sub-committee oversees strategy implementation, assesses the adequacy and appropriateness of environmental policies, with executive management delivering on standards and procedures, and reviews Group-wide performance and risk management practices quarterly. The committee also has oversight of investigations into all major environmental incidents. We have a Group Executive: Safety, Health and Environment and have recently appointed a Group Executive: Sustainability to develop and implement environmental strategy.



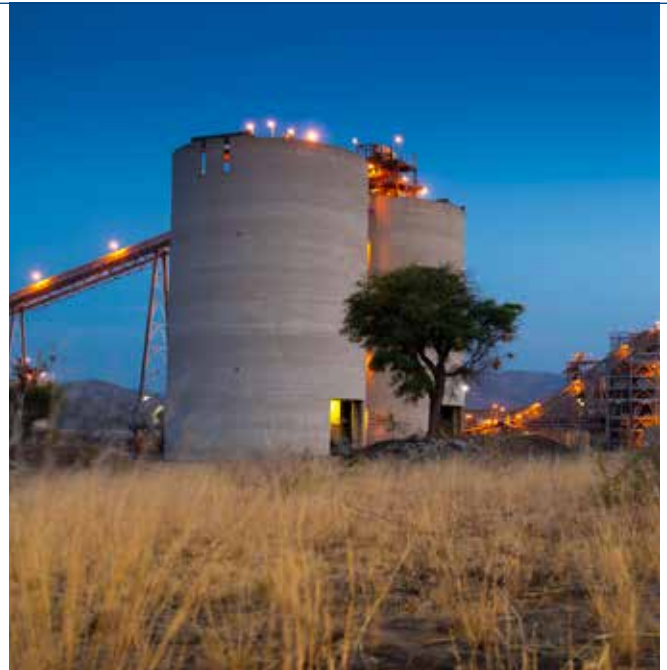
Headgear at No 20 Shaft, Impala Rustenburg

# Environmental legal compliance and management systems

## Our alignment with UNGC principles

- **Principle 7:** Support a precautionary approach to environmental challenges
- **Principle 8:** Undertake initiatives to promote greater environmental responsibility

**We engage with the regulatory authorities in the countries in which we operate to ensure all applicable licences and permit applications are approved and in place, and that wherever possible all requirements are met.**



Silos at number 16 Shaft, Impala Rustenburg

## HIGHLIGHTS

- Zero major or significant (level 4 – 5) environmental incidents
- 30% reduction in limited-impact (level 3) environmental incidents (16 compared to 23 in 2019)
- No directives or fines for non-compliance with environmental regulations
- Marula completed all outstanding DMRE requirements relating to waste and water management and submitted proof in November 2019

## LOWLIGHTS/CHALLENGES

- Outstanding audit items are being addressed; progress is monitored monthly as per audit action plan
- Regulatory audit scheduled for the fourth quarter were delayed as a result of the Covid-19 lockdown regulation

## FOCUS AREAS FOR 2021 AND BEYOND

- 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

## Environmental legal compliance

Regulatory changes and uncertainty continue to present challenges, including delays to authorisations and financial costs associated with managing legal developments.

We report any deviances from regulatory conditions and limits to authorities, and we collaborate in a transparent manner to address any compliance challenges that may arise. At our South Africa and Zimbabwe operations, we use the IsoMetrix software to track legal compliance to licence conditions and to monitor progress on remedial actions to increase levels of compliance.

At Impala Canada, a duty to consult with local indigenous communities is a required and important component of environmental compliance efforts. Impala Canada has a steadfast record of meeting and sometimes exceeding, environmental legislative requirements. The operation conducts a comprehensive environmental monitoring programme and ongoing compliance is ensured by a series of audits and self-reporting of any non-compliance.

**During the year, no fines or non-monetary sanctions for non-compliance with environmental regulations, licences or permits were imposed by authorities at any of our operations.**

Amendments this year to the National Environmental Management Act (NEMA) and section 10 of the Mineral and Petroleum Resources Development Act (MPRDA) require interested and affected persons to be consulted before an application for an environmental authorisation or a prospecting or mining right may be granted.

## Audits

Regulatory audits scheduled for the fourth quarter were delayed as a result of the Covid-19 lockdown regulation measures. The requirement for submission of the National Environmental Management Act EIA regulation audit reports has been delayed until further notice.

Impala Rustenburg will submit performance assessments for its environmental management programme audit reports (EMPR) in December 2020 (as required every two years). Marula's EMPR audit report was submitted in November 2019. The next audit report is due for submission in November 2021.

Marula completed all outstanding DMRE requirements regarding the concreting of roadways and parking areas around workshops (to manage dust and avoid soil contamination from any potential oil spillages) and submitted proof in November 2019. Marula has addressed all legal compliance audit findings relating to waste and water management.

Zimplats has complied with the conditions stipulated in the various permits and licences issued, which include EIA licences, effluent and waste disposal licences, radiation licences, water permits and agreements.

Impala Canada has not undertaken any compliance audits against approved authorisations since the operation was acquired. Regulatory authorities conduct compliance audits against Environmental Compliance Approvals (ECA) and against permits. In addition, Impala Canada engages a third-party to conduct an annual internal compliance audit against all environmental permits.

We engage with the regulatory authorities in the countries in which we operate to ensure all applicable licences and permit applications are approved and in place, and that wherever possible all requirements are met.

**Environmental incidents**

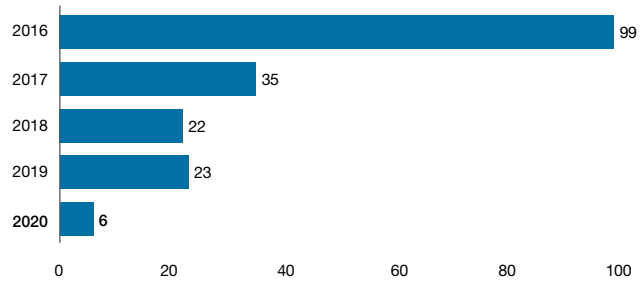
We have an established incident and non-conformity procedure to manage reporting, reviewing and remediating environmental impacts from incidents or substandard acts and conditions. We use a five-tiered scale to report on the impact of an environmental incident (an unplanned/unwanted event that affects the environment). The principal potential impacts of our activities on communities relate to the pollution of soil, surface water, ground water and air quality.

**We have not recorded a major (level 5) or significant (level 4) environmental incident at any of our operations since 2013. This year we recorded 16 limited-impact (level 3) incidents (10 at Impala Rustenburg and six at Marula), representing a 30% reduction on the 23 incidents recorded in 2019. None of the reported incidents resulted in any lasting harm to the environment. Environmental incidents that constitute a legal non-compliance are reported to the authorities.**

Trend analysis of environmental incidents shows that 87% (14 incidents) were related to effluent and dirty water release and 13% of the incidents (two incidents) were related to excessive dust release.

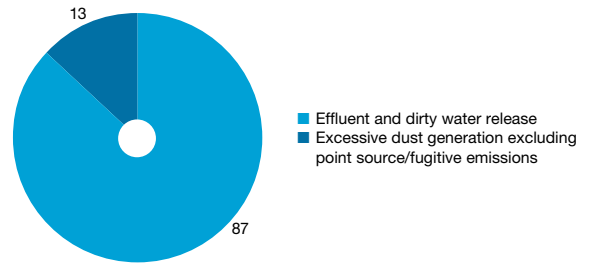
**Environmental incidents**

Level 3 incidents that contain non-conformances against the requirements of the ISO 14001:2015 standard or internal procedures or non-compliances to legislative/licensing authorisations. These non-compliances are those that result in limited environmental impact.



**Breakdown of level 3 incidents**

2020 (%)



**Management systems**

We continue to drive improvements through certified environmental management systems (EMS). The EMS are certified against ISO 14001:2015 at all our operations except Impala Canada. Impala Canada will be undertaking a gap analysis during the next year to determine additional requirements needed to comply with the ISO14001:2015 standard. All operations have environmental authorisations with the associated environmental management plans in place.



# Environmental legal compliance and management systems

## PROMOTING ENVIRONMENTAL AWARENESS AND RESPONSIBILITY



Fun run on the slopes of Impala Rustenburg's tailings dam

**We cultivate a culture of caring for the environment at our operations and extend environmental awareness and conservation initiatives into host communities through community health, safety and environment (HSE) programmes.**

At Impala Rustenburg, the water and tailings management teams collaborated this year in undertaking campaigns at nearby primary schools to raise awareness about our activities and how we mitigate environmental impacts and provide benefits to the communities. For example, to address concerns about tailings dams generating dust, we revegetate tailings dam slopes.

Impala Rustenburg held an internal awareness and team spirit race (four kilometre run or walk) on one of the slopes of its tailings dam. Each participant received a water bottle and a plant to take home.



Zimplats is particularly active in partnering with its host communities and environmental regulatory authorities to foster the spirit of creating a clean, safe and healthy environment around operations. Community environmental awareness sessions are conducted as part of quarterly interactions with host communities. Topical issues discussed include anti-littering, deforestation effects, fire prevention, rainy season hazards, tailings dam safety, and wildlife conservation.

Our operations in South Africa participate in celebrating National Arbor Week in the first week of September annually, by engaging with schools within host communities to plant trees and educate learners about the importance of trees and why we need to care for them. Marula ran a tree planting competition at a local school, and continues to promote awareness of indigenous trees and alien invasive species among employees through competitions. The operation also provides alien invasive species training to local contractors.

# Water stewardship

**Water is a critical input for mining operations. For Implats, water shortage is a principal risk as our southern Africa sites are in water-scarce areas. Our operations implement initiatives to ensure effective monitoring of use, reduction and optimal use of this scarce resource.**



Headgear at number 16 Shaft, Impala Rustenburg

## HIGHLIGHTS

- 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

## LOWLIGHTS/CHALLENGES

- Impala Rustenburg continues to engage with authorities to secure further amendments to its amended WUL application
- Assured security of water supply within Rustenburg's Bojanala district is a top 10 business risk
- Water supply risk at Zimplats due to persistent extreme drought
- Year-on-year comparability of absolute water consumption data is impacted by the inclusion of Impala Canada and/or operational interruptions due to Covid-19

## FOCUS AREAS FOR 2021 AND BEYOND

- Increase the target of water recycled to 44% in 2021 and 50% by 2025 and reduce the volume of water withdrawn
- Progress towards statutory compliance with amended WULs
- Continue to engage with authorities to meet regulatory expectations
- Collaborate with government in developing solutions to ensure sustained access to water in host communities

## IMPROVING COMMUNITY ACCESS TO POTABLE WATER

**Access to clean water and sanitation are basic necessities and are imperative in curbing the spread of Covid-19. Accessing adequate water supply is a challenge in many of the communities around our South Africa and Zimbabwe operations.**

Our operations have addressed supply constraints in vulnerable host communities through major infrastructure projects and continue to focus on alleviating water shortages. We assist with strategic regional planning, local service provision, and work with local stakeholders to address immediate needs.

We participate in water boards in the areas where we operate in South Africa and Zimbabwe and assist with ensuring that bulk infrastructure is maintained and long-term planning is in place.

In the last 10 years our Marula operations have spent approximately R18 million on water reticulation upgrade projects in the areas around its operations. Here, we have supplied standing pipes and water tanks to households and repaired, upgraded and drilled boreholes for communities. In 2019 Impala Rustenburg completed a R30 million Luka water

scheme upgrade project that is benefiting more than 16 000 community members that previously faced water supply challenges.

**Our three water works on our Impala Rustenburg mine are used to treat sewage and effluent from our mine, the Platinum Village housing project and the Freedom Park host community. The water recovered is used in our operations, reducing the need to import potable water which can be used by our surrounding communities.**

At a direct local level, we are working with stakeholders, specifically municipalities, school principals and governing bodies on water conservation and climate change awareness.

In 2015 we built a dam and reservoir to supply water to our operations and Turf village communities in Zimbabwe. Additionally, we have drilled over 60 boreholes to improve the community access to potable water. Zimplats also operates purification plants for rural district council in Turf village, to provide water. Zimbabwe continues to endure a severe drought, putting further stress on limited sources. This year, Zimplats has assisted several communities and rural schools around its operations that had no access to potable water by installing solar powered boreholes and storage tanks. The facilities will benefit about 650 pupils and will support nutrition gardens to mitigate hunger in the communities. With most surface water points dry due to the drought, the borehole sites also serve as watering points for livestock.

# Water stewardship

## Our approach

Water is our most significant environmental concern. The principal risks we face are increased water stress leading to potential operational disruptions, uncontrolled dirty water discharges into the environment, increasing costs associated with water supply and management, local community discontent and reputational risks. At executive management level, the Group Executive: Safety, Health and Environment is responsible for our water strategy and water management initiatives. At board level, the Health, Safety, Environment and Risk board sub-committee is responsible for monitoring our water strategy and risk. Water availability in the North West region and in Zimbabwe is under stress due to low rainfall and increased demand.

Implats is a recognised leader in water management and disclosure. The Group achieved an A performance score (leadership band) for its 2019 submission to the CDP's Water Disclosure Project, with highest scores attributed to water related risk exposure, water risk assessment, targets and goals, and integrated approach.

**Our strategy focuses on water consumption and quality management, and it proposes a framework for operation-specific water conservation strategies, in line with our commitment to reduce our levels of potable water usage and to increase recycled water usage.**

We place a particular focus on managing water at Impala Rustenburg, which accounts for 53% of the Group's total water consumption. We have continued the phased development and implementation of operation-specific water conservation and water demand management plans at all Impala Rustenburg operations, in line with continued efforts to increase the percentage of water recycled and reduce the volume of water withdrawn. We prioritise using grey water for our operations. Our recycled water includes tailings return water and internal and external purified sewage effluent.

**We maintain a Group target for 40% water consumed to be recycled water, which we have achieved for the last four years.**

The target is under review and we have commissioned several studies to determine where in our operations we can employ novel technologies to save water. In 2021, we will aim for at least 44% of water consumed to be recycled water and will invest capital to ensure 50% water is recycled by 2025.

## Compliance with water use licences and permits

The South African operations maintain a focus on improving levels of compliance to WULs in terms of the National Water Act with an emphasis on the separation of clean and dirty water systems.

Impala Rustenburg has continued to engage with the Department of Water and Sanitation (DWS) regarding its WUL amendment application. The operation's WUL received in 2019 regrettably did not address certain requested amendments.

Impala Springs has commenced the renewal process for its WUL, which expires in September 2021. Feedback on amendments previously submitted in 2011, 2012 and 2013 is still awaited from the authorities.

In improving compliance with WULs, Impala Rustenburg and Marula operations continue to focus on storm water management and clean and dirty water separation systems. Marula is also seeking to optimise its metering system in order to improve the accuracy of its water balance. In South Africa, we review and submit our integrated water and waste management plans, and our rehabilitation strategy and implementation plans to the DWS annually.

Zimplats has valid water abstraction agreements and permits issued by the Zimbabwe National Water Authority (ZINWA). We ensure compliance with water permits and agreements through internal water management committees, water-risk reviews, water balance and monitoring frameworks. The quality of effluent discharged from our operations is predetermined through regulatory processes and licensing by the Environmental Management Authority (EMA). All our water discharge points are licensed by the EMA.

Impala Canada operates in accordance with its industrial sewage works Environmental Compliance Approval (ECA) and the Environmental Effects Monitoring (EEM) requirements of the Metal and Diamond Mining Effluent Regulations (MDMER). The ECA approves the treatment and discharge of mine water from the Lac des Iles mine into the environment, with conditions for the monitoring of effluent and receiver water quality. Water is sourced from Lac des Iles in line with the conditions of Ontario's Permit to Take Water (PTTW) programme. The operations maintain ongoing consultation with host indigenous communities to secure their approval.

## Focus areas and developments

### Impala Rustenburg

Assured security of water in the Bojanala and Rustenburg areas is a top 10 business risk owing to the increasing pressure on local water resources from the growth in neighbouring communities, together with low rainfall and a lack of new water capacity in the North West region. Impala Rustenburg currently uses only 60% of its potable water allocation. In mitigating security supply risks, ongoing controls include using specialised software to forecast water supply and demand dynamics given operational requirements and local weather patterns, daily dashboard reporting of water usage, robust water recycling processes at our three onsite water works and use of grey water from external sources. The operation also has scavenging boreholes around its active tailings dam that collectively supply an average of 1.15Ml/day of water. Reduced production at the operation during the national lockdown mitigated water demands. Impala Rustenburg continues to research alternative water sources for usage and alternative storage capacity with the potential to minimise losses.



### Zimplats

Zimplats participates in ZINWA catchment and sub-catchment council meetings, which provide a platform to work with stakeholders in stewarding water as a shared resource. Our participation in catchment councils informs our water-risk reviews and water use target setting. The low rainfall over the last two years has resulted in low dam capacities and increased pressure on water supply in the catchments where Zimplats operates. The operation continues to invest in new technology to reduce the risks related to the exposure of Zimbabwe's hydroelectric utility to increased water stress. It is also exploring options for water harvesting at Mupani mine for use in its concentrator.

### Marula

The operation has increased levels of water recycle to 44% compared to 39% in 2019. The operation is constructing a best-practice tailings facility that is expected to enable a significant increase in water recycled.

### Impala Canada

The operation is water positive and maintains a recycling rate above 75% through recycling process water in the overflow from the tailings thickener and return water from the water management facility.

### Surface and groundwater monitoring

We seek to minimise adverse effects of our mining activities on surrounding surface and groundwater. Poor-quality water can be harmful to the environment and human health, can affect mining and processing equipment, and presents closure liabilities. The volume and quality of water allowed to be discharged by our operations is regulated. Any unplanned discharges or regulatory breaches are investigated and reported as environmental incidents, while root causes are addressed promptly. This year we recorded 14 water discharge related level 3 incidents (2019: 10), none of which had any lasting harm to the environment or surrounding communities. Each incident was investigated and remedial action put in place. Where necessary, additional training was provided to operations personnel. We have surface and groundwater monitoring networks at each operation, and the impact of our operations on aquatic biodiversity is regularly monitored.

#### Our 2020 performance\*

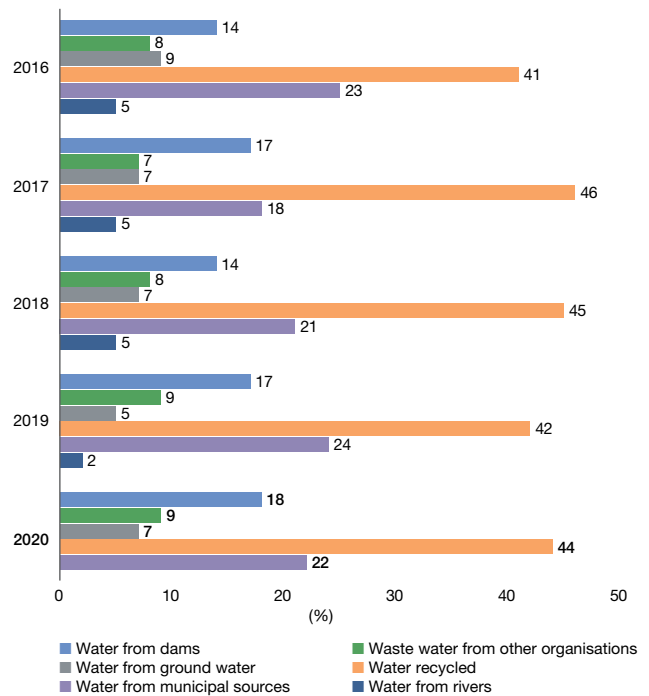
- Total water consumption increased by 8% year-on-year to 43 122 Ml with the incorporation of Impala Canada. Water consumption at southern Africa operations decreased by 1% year-on-year
- Unit consumption rate of water (water intensity) marginally increased to 2.20 kl/tonne of ore milled, from 2.05 kl/tonne in 2019 mostly as a result of evaporative losses associated with drought and elevated temperatures at our southern Africa operations
- Recycled water was 44% of total water consumed, against a Group target of 40%
- 14 limited impact water-related incidents (level 3) were recorded (2019: 10)

Details of the total water withdrawn, consumed and recycled at each of our operations are on pages 129 and 130. Our water management strategies and practices are further detailed in our annual submission to the CDP Water Disclosure Project (2019 financial year review), available at [www.cdproject.net](http://www.cdproject.net).

\* Five-year water consumption data for the Group is detailed on pages 129 and 130 in the Appendix.

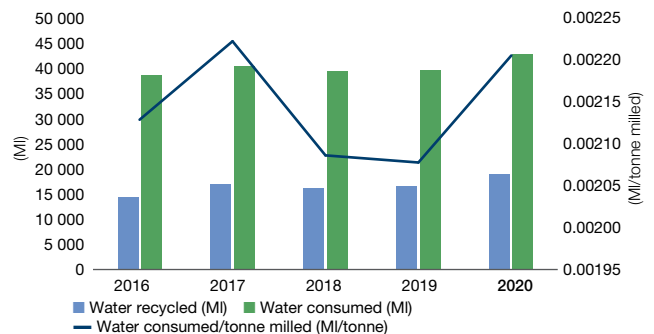
### Implats water consumed per source

as at 30 June 2020 (%)



### Water consumption

as at 30 June 2020



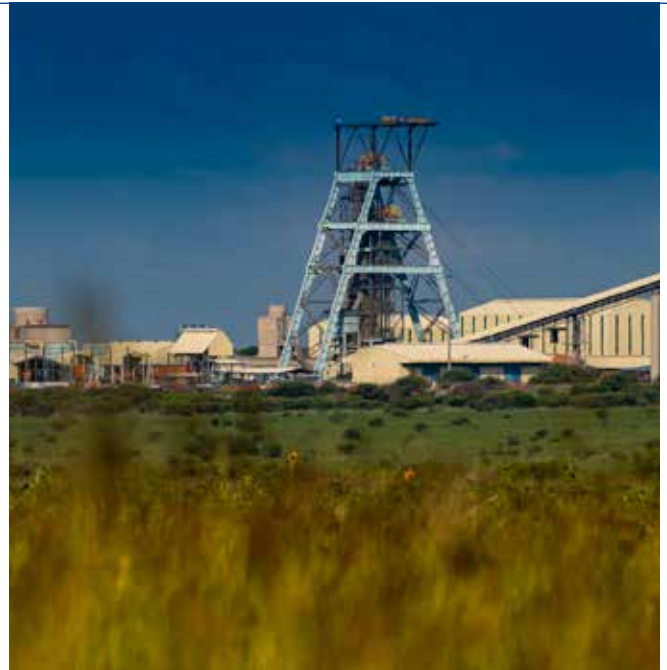


# Energy management and climate change

## Our alignment with UNGC principles

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

**Climate change presents a fundamental challenge in coming decades. We are committed to contributing towards reductions of greenhouse gas (GHG) emissions.**



No 20 Shaft headgear and surface infrastructure at Impala Rustenburg

### HIGHLIGHTS

- 0.5% increase in energy use year-on-year for the Group due to the incorporation of Impala Canada (4% decrease year-on-year at our South Africa and Zimbabwe operations due to the Covid-19 lockdown)
- 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 CO<sub>2</sub> intensity
- We have appointed an executive: 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 spent R69 million in energy efficiency initiatives at Impala Rustenburg in recent years
- We are advancing studies at our Zimplats operations for a 110MW solar plant

### LOWLIGHTS/CHALLENGES

- Achieving significant energy savings will require substantial capital investment, which has been further constrained by Covid-19 impacts
- Our GHG emissions are primarily due to coal and electricity usage
- Rising energy costs and carbon tax in South Africa will increase capital and operating costs
- Electricity security of supply remains high risk in South Africa and Zimbabwe
- Progress in developing a prototype fuel cell driven load haul dumper impacted in recent years due to capital constraints
- Year-on-year comparability of energy use and GHG emissions data is impacted by the inclusion of Impala Canada and/or operational interruptions due to Covid-19

### FOCUS AREAS FOR 2021 AND BEYOND

- Develop a decarbonisation and renewable energy strategy
- Set new Group absolute GHG emission reduction targets (scope 1 and 2)
- Review the Group's fuel cell road map and seek to engage strategic partners to develop and optimise our participation in the value chain
- Continue to support academia on local mineral beneficiation through fuel cell catalyst and stack developments
- Improve our accounting and reporting of scope 3 emissions
- Deepen our understanding of how climate change may impact our risk profile

### Our approach

Mining and processing are energy intensive. Our focus in recent years has been on driving energy and carbon savings throughout our business. We are progressively integrating climate change mitigation into our core business activities, and are aligning our processes with climate change and GHG emission reduction policies and legislation.

In planning for future energy requirements, we are developing a low-carbon transition strategy and have appointed an executive to lead our decarbonisation efforts. This strategy will reduce our reliance on the coal-based grid electricity supply in South Africa, promote opportunities to collaborate with our communities in realising mutually beneficial opportunities, and support the development of new markets for PGMs.

We monitor and review the potential physical implications of climate change for our operations and neighbouring communities and implement appropriate adaptation responses. The main risks relate to changes in ambient temperature, precipitation and prolonged droughts, impacting water security and supply for the hydro-power schemes that power some of our operations.

All climate change-related information on operational impacts is reported to Exco on a quarterly basis. These risks are reported to the HSER committee of the board informing strategic business and capital allocation decisions.

We are committed to the transparent disclosure of climate-related risks and opportunities for our business and are progressively reviewing and aligning our management and reporting approach with the Task Force on Climate-related Financial Disclosures



(TCFD) recommendations for voluntary reporting. The majority of requirements are addressed in our annual submission to the CDP Climate Change Programme, available at [www.cdproject.net](http://www.cdproject.net). We are addressing the need to improve our understanding of the potential impact of global climate change scenarios on our long-term strategic plans.



A table summarising our current reporting in terms of the TCFD's recommendations is presented on page 116.

### Reducing carbon emissions and energy use

Our operations set and implement respective plans to mitigate the Group's carbon footprint through emissions reduction projects.

In 2014 we determined an absolute scope 2 (indirect emissions from the generation of purchased energy) GHG emissions reduction target of 5% by 2020 from the base year 2008 (year of first carbon footprint assessment), in line with our projected growth profile. In 2016 we set our target to reduce absolute scope 1 (direct emissions from owned or controlled sources) emissions by 2% on 2015 levels by 2020. Progress on our scope 1 and scope 2 emissions reduction targets continues to be challenged by increasing energy requirements across the Group. Over the last five years, our energy and GHG efficiencies have, however, improved by 5% and 2% respectively (see page 101). We are in the process of revising the Group's energy and carbon emissions reduction targets in line with regulatory expectations. An estimate of our scope 3 (other GHG emissions not scope 1 or 2) that occur upstream and downstream as a result of Implats-related activities but at sources owned or controlled by other entities emissions is disclosed in our CDP reports. This takes into account emission contributions from the manufacture of capital goods purchased, fuel and energy related activities (not in scope 1 or scope 2) of suppliers and value chain partners and employee commute and business travel. Our 2020 CDP submission estimates our scope 3 emissions in the listed categories at approximately 82 kilotonnes. We plan to improve our accounting and reporting of scope 3 emissions in 2021 and beyond.

### Carbon tax liability

In South Africa, Impala Rustenburg and Impala Springs are liable to pay carbon tax from the combustion of coal and other fossil fuels. The design of the carbon tax provides for significant tax-free emissions allowances ranging from 60% to 95% for the first phase (1 June 2019 to 31 December 2022). To ease the potential adverse impacts on energy-intensive sectors such as mining, there will be no impact on the price of electricity.

The first filing and levy payment date for carbon tax liabilities was 30 July 2020. However, in April the government granted a deferral until 31 October 2020 as part of a relief mechanism during the national lockdown period. Impala Rustenburg and Impala Springs have prepared reports for the time period stipulated in phase 1.

The estimated projected, cumulative, annual liability for the Impala Rustenburg and Impala Springs operations is R14 million after applying offsets. The second phase of the tax scheme (2023 to 2030) may present real exposure risk for Implats as the state-owned electricity supplier generates electricity from coal and may pass the carbon tax to electricity consumers. Electricity use accounts for the overwhelming majority of our exposure to carbon tax cost impacts from 2023 onward.

In Canada, climate change legislation continues to evolve and Impala Canada adjusts its practices accordingly. In Zimbabwe, there is no carbon tax.

### GHG inventory

Implats annually compiles and reports on the Group carbon footprint for all operational areas. The South African operations have complied with the GHG emissions reporting regulations that require registered facilities to report their greenhouse gas emissions (for the previous calendar year) annually, by 31 March. Our Group scope 1 and scope 2 emissions are independently assured. Developing more accurate and auditable data on scope 3 emissions from all operations remains a challenge and focus area for improvement.

### Responsible energy management

#### Energy security

Security of electricity supply and rising energy prices are material risks for our operations in South Africa and Zimbabwe. Electricity consumption continues to account for 74% of our total energy consumption and almost 10% of our operating costs.

In South Africa, the national power utility, Eskom, battles high maintenance costs and coal shortages that are expected to continue until 2025. Zimplats has maintained power securitisation agreements with Zimbabwe Electricity Supply Authority (ZESA). The country's drought and ZESA's aging infrastructure have made electricity supply vulnerable to interruptions. We monitor the situation in both countries constantly and have emergency preparedness plans in place, including protocols to minimise the impact of unplanned power station outages such as the use of back-up generators to elevate employees safely back to the surface, and curtailment agreements, in which we get advanced notifications of any power related issues.

#### Energy efficiency

Initiatives implemented across the Group include underground energy-efficient lighting, optimised use of underground compressed air systems, installation of power factor correction equipment, and diesel performance management. At Zimplats, our focus is on installing energy efficient equipment and increasing the uptake of solar lighting and heating. The energy savings realised at Impala Rustenburg in the last 10 years are shown in the table below.

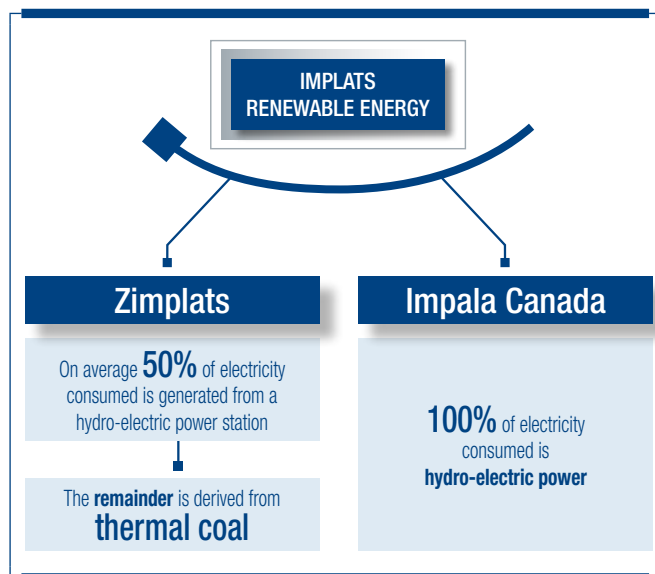
Project	Energy saving (GWh)	Expenditure (Rm)	Remark
Main vent fans optimisation	5	1.3	Completed
Upgrade of heat pumps – industrial change houses	7	10	Completed
Upgrade of refrigeration plants	9	13	Completed
Conversion of underground lighting to LEDs	26	10	Completed
Compressors upgrade	12	12	Ongoing
Installation of high efficiency motors	2	0.6	Ongoing
Mill motor replacement	0.2	2	Completed
Addressing network losses	4	20	Ongoing
<b>Total</b>	<b>65</b>	<b>69</b>	

# Energy management and climate change

## Renewable energy

### Renewable energy usage

Both Zimplats and Impala Canada use renewable energy sources.



In switching to low-carbon energy sources, our current focus is on developing opportunities to replace diesel with hydro-fuel technology and using solar photovoltaic (PV) cells to generate electricity.

There have been positive developments this year in South Africa's energy regulations allowing mining companies to generate their own energy for self-use. We have conducted a feasibility exercise to assess the opportunities and challenges associated with power self-generation.

### Solar photovoltaic (PV) technology

Zimplats completed a feasibility study to evaluate the construction of a largescale (110MW) solar PV plant. The initiative would supply the 80MW of power required at Zimplats Mine, reducing the demand on the national power grid and could potentially channel excess power generated to surrounding communities.

Zimplats complies with new regulations requiring solar water heating systems to be incorporated in all new premises designs and extensions or alterations or retrofitting to existing premises. This year Zimplats has installed solar powered boreholes and storage tanks at local schools and streetlights in villages.

A study to supply solar energy to our Marula Mine is in its early stages. Progress on this initiative will be communicated at a later stage.

## Fuel cell technology

In addressing the global decarbonisation challenge, there are increasing opportunities to use platinum-catalysed fuel cells that provide zero-emitting, carbon-free energy, in electricity and mobile applications.

### Fuel cell

A fuel cell is a device that uses a source of fuel, such as hydrogen, and an oxidant to create electricity from an electrochemical process. In supporting the development of a fuel cell economy, we aspire to make hydrogen a key part of decarbonising and powering our own operations.

Implats has invested around R25 million in targeted fuel cell development in South Africa in collaboration with government and academic institutions to help promote local technology development as well as develop local skills and fuel cell manufacturing and deployment.

In 2016, we developed and successfully implemented the first hydrogen fuel-cell powered forklift and hydrogen refuelling station in Africa, at the base metals refinery at Impala Springs. The project showcased novel metal hydride technology for on-board hydrogen storage and compression. The successful prototype fuel cell forklift reduces noise levels and emissions and continues to perform well. The project motivated investigations into the use of fuel cell technologies within other material movement equipment.

The commercialisation of this technology continues to be reviewed for economic viability in conjunction with the project partners. We believe these efforts should be aligned with the special economic zone (SEZ) for fuel cell development that is under development in the Springs region, aimed at driving local mineral beneficiation.

The SEZ comprises 16 hectares of land donated by Implats, adjacent to Impala Springs. The project in partnership with various government departments is a longer-term strategic investment to facilitate platinum beneficiation. The infrastructure includes the availability of pure hydrogen gas and natural gas on site. In 2020 and beyond, the Group aims to review its fuel cell road map and will seek to engage strategic partners to develop and optimise our participation in the value chain.

### Our 2020 performance

- Total CO<sub>2</sub> emissions for the Group were 3 644 kilotonnes (scope 1 and scope 2), a 5% decrease year-on-year primarily due to reduced production and associated decrease in energy use at our South African operations during the national lockdown. Total CO<sub>2</sub> emissions decreased by 1.5% year-on-year for our South Africa and Zimbabwe operations.
- Approximately 89% of the Group's GHG emissions (3 225 kilotonnes) are associated with electricity consumption, with the balance (approximately 419 kilotonnes) mostly associated with the direct use of coal and diesel in mining operations (such as generating heat for drying concentrate and generating steam).
- Approximately 10% of the electricity purchased was from renewable sources (2019: 7%).
- Implats absolute scope 1 GHG emissions target for 2020 is 392 kilotonnes, a 2% reduction on 2017 base year emissions. Our emissions of 419 kilotonnes including Impala Canada (402 kilotonnes excluding Impala Canada) was 7% above this target (2% above target excluding Impala Canada). The year-on-year reduction in scope 1 emissions at our South Africa and Zimbabwe operations (402 kilotonnes in 2020 versus 411 kilotonnes in 2019) is in line with the reduced direct energy usage as a result of the national lockdown.
- Implats absolute scope 2 GHG emissions target for 2020 is 2 568 kilotonnes. Our emissions of 3 225 kilotonnes was above this target.
- The inclusion of Impala Canada resulted in our emissions intensity (total tonnes of CO<sub>2</sub> per tonne of ore milled) decreasing by 6% to 0.185, from 0.197 in 2019 (1.5% increase year-on-year to 0.200 if Impala Canada is excluded).
- Our total energy consumption (direct energy plus indirect energy) was 16 778 GJ (000) excluding Impala Canada, down from 16 863 GJ (000) in 2019. Our energy use intensity marginally decreased from 0.866 GJ per tonne milled to 0.857 GJ per tonne milled.

Climate change contributors	2016	2017	2018	2019	2020	Target by 2020
Scope 1 CO <sub>2</sub> e emissions (direct – fossil fuels/non-renewable) (t 000)	372	400	382	411	419	392
Scope 2 CO <sub>2</sub> e emissions (indirect – electricity purchased) (t 000)	3 122	3 188	3 061	3 418	3 225	2 568
Scope 3 CO <sub>2</sub> e emission (indirect, not scope 1 or 2) (t 000)	90	75	79	82	In progress, to be reported as part of Implats 2021 CDP submission	
Electricity purchased (renewable and non-renewable) (MWh 000)	3 262	3 387	3 314	3 412	3 339	N/A
Electricity purchased from renewable sources (MWh 000)	247	250	247	248	359	N/A
Direct energy (direct – fossil fuels/non-renewable) (GJ 000)	4 537	5 124	4 271	4 581	4 757	N/A
Indirect energy (renewable and non-renewable) (GJ 000)	10 694	12 192	11 930	12 282	12 021	N/A

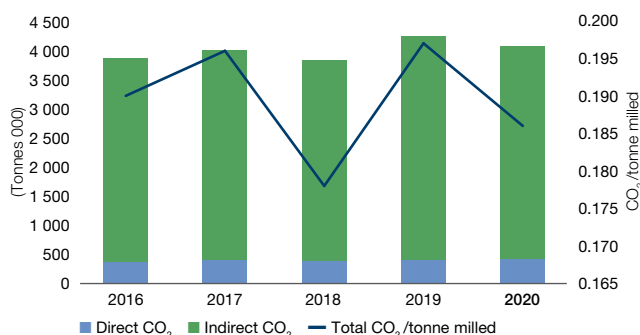
Scope 1 emissions are direct emissions from owned or controlled sources as a result of the use of fossil fuels.

Scope 2 emissions are indirect emissions from the generation of purchased energy.

Scope 3 emissions are indirect emissions that occur upstream and downstream as a result of Implats-related activities but at sources owned or controlled by other entities.

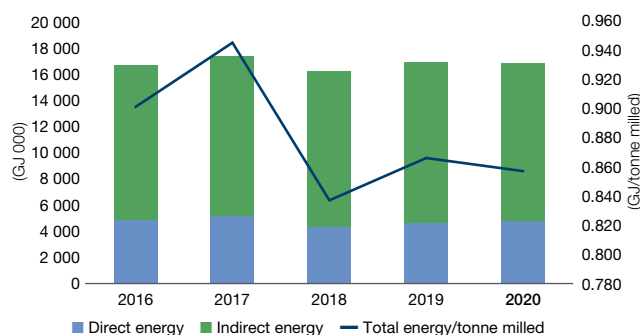
### GHG contribution

as at 30 June 2020



### Energy consumption

as at 30 June 2020





# Air quality management

**Ensuring we adequately understand and control the gases and dust that our operations release is essential to prevent adverse impacts on host communities, and to meet current and future legislative requirements.**



No 14 Shaft winder house, Impala Rustenburg

## HIGHLIGHTS

- In South Africa SO<sub>2</sub> 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) by 2022
- 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 SO<sub>2</sub> emissions at Zimplats
- All external dust fallout monitoring below residential limits

## LOWLIGHTS/CHALLENGES

- PM10 dust exceedance recorded at Impala Rustenburg-owned\* ambient stations (level 3 incident)
- Marula received a dust-related complaint due to construction of a new tailings dam (level 3 incident)
- Although Zimplats SO<sub>2</sub> emission levels are within the bounds of the operation's permit, the stack point source emissions exceed those permitted in South Africa. The ground/ambient level concentrations of SO<sub>2</sub> around SMC and its communities, however, fall within the South African legislative limits

## FOCUS AREAS FOR 2021 AND BEYOND

- Ensure emissions are minimised
- Ensure compliance with 2020 MES is realised by the respective due dates at Impala Rustenburg
- Zimplats aims to progressively reduce its SO<sub>2</sub> point source emissions

\* The airsheds that we operate record both PM10 and PM2.5 exceedances which emanate from various sources (including other industries and communities) besides Impala operations.

## Our approach

The most significant air quality issue for the Group relates to the sulphur dioxide (SO<sub>2</sub>) emissions from our smelting operations at Zimplats, Impala Rustenburg and refining process at Impala Springs.

Impala Springs and Impala Rustenburg are both located in priority areas as promulgated by the National Environmental Management Air Quality Act (NEMAQA) and have maintained adherence to all licence conditions.

**We work towards managing our SO<sub>2</sub> emissions to the lowest possible levels and as a minimum to ensure that we are compliant with the limits set out in our AELs. We strive to maintain SO<sub>2</sub> emissions at Impala Rustenburg at less than 16 tonnes per day.**

Extensive ambient air quality monitoring networks are in place at Impala Springs, Impala Rustenburg and Zimplats operations via ambient monitoring stations. These monitoring stations measure SO<sub>2</sub> and particulate matter in line with regulatory requirements and best practices and provide an indication of ambient air quality levels and associated trends. We report the results of the ambient

monitoring to the relevant authority quarterly. At Impala Rustenburg, due to the extent of the mine lease area, source allocation remains challenging as various factors can influence the ambient measured data. We investigate all SO<sub>2</sub> exceedances to determine the likelihood of our smelter operation being responsible.

## Adherence to licence and permit conditions Zimplats

Zimplats continues to operate within the parameters of a red (high impact) AEL category. Industry lobbying for the air emission legislation to be more comprehensive continues. The current air quality regulations prescribe limits for point source emissions and do not include ambient air or ground level concentration limits. The operation strives to perform in line with South African standards.

The operation is implementing a long-term sulphur dioxide emission reduction roadmap to guide efforts to reduce both point source and ground level (fugitive) SO<sub>2</sub> emissions from smelting operations. The Selous operation has installed a fugitive emissions capture system as part of the current furnace improvement project, to mitigate levels of emissions further and reduce the risk of exceedances. Initial monitoring shows a decline in SO<sub>2</sub> exceedances at the air quality monitoring units stationed in areas with sensitive receptors. The operation continues to explore solutions relating to the scrubber or acid plant, to reduce point source emissions.

**Impala Rustenburg**

Impala Rustenburg submitted its air emission licence (AEL) renewal application in April 2019, following close engagements with the authorities regarding the challenge of adhering to the 2020 minimum emissions standards for the SO<sub>2</sub> emissions from the tailgas scrubbing operations and the dust emissions from the spray dryers. A postponement application for the 2020 MES standards was submitted and granted by the Department of Environment, Forestry and Fisheries. We currently await the renewed licence following discussions with the licensing authority. This has been further delayed due to Covid-19 lockdown restrictions.

As part of the postponement decision, Impala is required to submit quarterly progress reports on the projects listed as part of the postponement application roadmap.

We aim to be in compliance by December 2024 by mitigating particulate matter (PM) emissions associated with the spray dryers and installing a preheater to improve overall plant operability and conversion efficiencies, thereby optimising the heat balance of the sulphuric acid plant. This, theoretically, should see a reduction in the associated tail gas scrubbing emissions. The preheater project has also been delayed due to Covid-19 lockdown restrictions.

**Impala Springs**

Impala Springs operations continued a renewal AEL application process and were issued a final AEL in February 2020, conditional upon the implementation of projects that will progress compliance with the 2020 minimum emissions standards. The review date is 30 September 2024. Compliance to the minimum emissions and completion of projects will be reviewed by the regulator. The scope includes various process modernisation and optimisation measures including consolidating dust generating equipment and treating emissions in a common dust abatement system. The operation is installing equipment that will reduce ammonia and particulate matter at two stacks within the base metal refinery.

**The R225 million steam plant retrofit completed at the operation last year has successfully ensured compliant boiler emission levels and improved the steam plant's operational efficiency.**

The majority of particulate matter is generated in the refinery's coal fired boilers. Coal is used to generate steam and heat for various refining processes.

**Impala Canada**

Impala Canada adheres to the requirements of its Environmental Compliance Approval (ECA) for air quality.

**Data management**

Impala Rustenburg, Impala Springs and Marula operations report on all air emissions for listed activities (smelter and refineries) on the national atmospheric emissions inventory system (NAEIS), submitted annually by 31 March for the previous calendar year's performance. The Section 21 reports for Impala Rustenburg and Impala Springs addressing AEL related activities were completed. Mining reports are also required for Impala Rustenburg, however, the NAEIS has various shortcomings in measuring emissions from mining activities (outside of smelting and refining) and does not provide emission factors to reliably calculate fugitive emissions generated by platinum mining activities, including tailings dams and stockpiles.

**Air quality monitoring**

Zimplats has acquired additional portal air quality monitoring units to enhance its ambient air quality monitoring. Other air quality initiatives include a dust extraction system at the Ngezi concentrator crushing plant and dust suppression including revegetation of barren surfaces particularly at the tailings storage facilities.

At Marula, the operation recorded one air quality incident (level 3 incident) related to dust this year as a result of construction activities relating to the new tailings dam. A new dust protocol has been implemented at the project to prevent re-occurrence. A PM10 dust exceedance (level 3 incident) was also recorded at a Impala Rustenburg-owned ambient station. Exceedances recorded at this station emanate from various sources (including other industries and communities) besides Impala operations.

**Impala Rustenburg and Marula operations have in recent years paved roads in host communities which have significantly reduced the levels of dust in the ambient air in these areas. All our southern Africa operations operate dust monitoring networks and measure dust fallout on a monthly basis.**

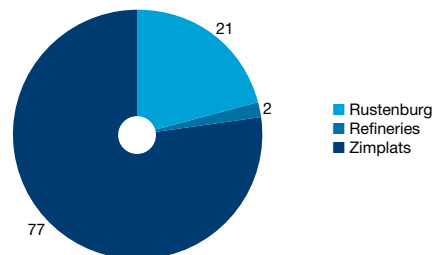
Impala Canada is not required to have installed ambient monitoring stations and the operation does not conduct dust fall-out monitoring. The control of potential fugitive dust emitted from the operation is managed through a best management practice plan. The operation submits data on its air quality monitoring to authorities annually through an Emissions Summary and Dispersion Monitoring report (ESDM).

**Our 2020 performance\***

- Direct SO<sub>2</sub> emissions were within the current conditions of the AELs for our Impala Springs and Impala Rustenburg operations
- Zimplats emitted an average of 54 tonnes per day of SO<sub>2</sub>, a 14% decrease from the previous year. While within the planned emission level per day, levels remain higher than those emitted at our South African operations
- Direct Group emissions of SO<sub>2</sub> were 26 778 tonnes (2019: 29 635 tonnes). Zimplats operations contributed 77% of total direct SO<sub>2</sub> emissions, while Impala Rustenburg and Impala Springs operations contributed 21% and 2% respectively
- The ambient air monitoring at Martindale Primary School (a sensitive receptor located 3 km from Zimplats' smelter) recorded no annual average SO<sub>2</sub> exceedances
- Indirect SO<sub>2</sub> for the Group amounted to 28 561 tonnes (2019: 30 364 tonnes) and indirect NO<sub>x</sub> amounted to 13 678 tonnes (2019: 14 535 tonnes)
- Total Group SO<sub>2</sub> emissions amounted to 55 339 tonnes (2019: 59 999 tonnes)

\* Five-year emissions data for the Group is detailed on page 130 in the Appendix.

**Direct SO<sub>2</sub> emission**  
as at 30 June 2020 (%)



# Mineral waste management

**Mining generates significant quantities of mineral residue, which affects the land through the establishment of tailings dams and waste-rock dumps. We focus on ensuring the integrity and safety of our tailings storage facilities and strive to increase levels of waste mineral recovery and reuse.**



Sunrise over pool on top of Impala Rustenburg tailings storage facility

## HIGHLIGHTS

- An independent assessment confirmed the integrity of all our active tailings storage facilities (TSFs) and their adherence to best practice standards
- Commenced remining of tailings at Impala Rustenburg's dormant TSFs. This initiative will create jobs, reduce dust pollution and increase available land for our communities.
- Our active TSF at Impala Rustenburg continues attract and support a wide variety of wildlife (see page 110 and 111)
- Construction of a new TSF at Marula has created 300 temporary jobs for community members and R45 million spend with community contractors

## LOWLIGHTS/CHALLENGES

- Levels of mineral waste reclamation and reuse at our operations are currently limited
- Delays in the resettlement of families residing in the zone of influence of our Zimplats TSF

## FOCUS AREAS FOR 2021 AND BEYOND

- Conclude the construction of replacement tailings dam facility at Marula
- Finalise and implement a minimum requirement protocol for management of Implats TSFs
- Impala Canada plans to extend its TSF through a combination of hybrid upstream raises on the existing TSF and a greenfields storage location currently being permitted
- Zimplats plans to extend its SMC TSF
- Conduct gap analysis on our tailings design and management standard against recently published and ICMM supported Global Industrial Tailings Management Standard (GITMS)

## RESETTLING FAMILIES RESIDING IN ZIMPLATS' TAILINGS DAM ZONE OF INFLUENCE



### Zimplats continues to collaborate with authorities to resettle six families residing in the zone of influence of the tailings dam at SMC.

While the dam is strictly maintained and managed and the risk of an integrity failure is very low, the relocation is important to mitigate the potential risk of people drowning in the event of a serious tailings dam breach. The authorities in Zimbabwe have experienced challenges in securing suitable farm land for the affected families and the target date of May 2020 for resettlement of families has been affected by Covid-19-related restrictions. We have identified new opportunities for suitable land to clear and construct dwellings on, with a view to relocating the affected families by December 2020.

Zimplats will continue to engage and educate the families on the emergency action plan in place for potential failure of the TSF. The operation conducts regular mock evacuation drills with satisfactory responses from the families.

**Our approach**

All our TSFs are operated and monitored using standardised operating procedures. The TSFs are all constructed on level ground, designed as dry dams which means that any excess accumulation of water on the dam is removed through a water gate, and the walls are kept dry through a drainage process. The greatest integrity risk is an abnormal accumulation of water that could cause the dam to overflow, eroding one of the walls and resulting in an uncontrolled release of the saturated tailings. Our dams are designed with reinforcements to cater for excessive downpours and draining requirements.

Each facility has an emergency action plan for potential failures which is reviewed annually. We have mapped the potential impact on mine communities and mine infrastructure in the zone of influence at each facility should there be a failure, even though there is a very low risk given the safeguards in place. Any residents in the zone of influence are made aware of emergency procedures and mock evacuation drills are conducted.

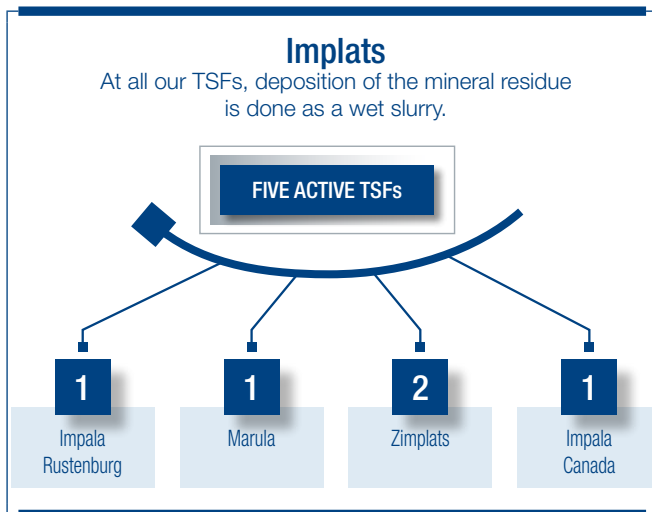
Our operating procedures at the TSFs cater for regular inspections (daily, weekly and monthly) of pipelines, deposition areas and dams, as well as the recording of readings that indicate the retained water level in the dam walls. Management of our dams in Southern Africa is outsourced to Fraser Alexander (FA), the largest operator. In addition to our own operational controls to oversee the operator, independent consultants SRK provide oversight and undertake design audits. We have engaged an independent reviewer to oversee both SRK and FA for many years. All dams are operated within the required safety stability factor.



Further disclosures pertaining to the operation and management of our tailings facilities are available at [www.implats.co.za](http://www.implats.co.za).

**Our tailings dam footprint**

Implats has a total of seven TSFs at Group-managed operations, of which five are active: one at Impala Rustenburg, one at Marula, two at Zimplats and one at Impala Canada.



**Effective risk management**

We have taken decisive steps over the last three years to rigorously review the design, management and monitoring of all our active TSFs across the Group, and to enhance our practices. Our managed TSFs are subject to the highest global safety and stewardship standards and our audit findings attest to their integrity and the high level of compliance to standard operating procedures.

This year we conducted an internal peer review process of all the tailings facilities across the Group and commissioned a leading tailings management expert to conduct an independent assessment of all the facilities against the International Council on Mining and Metals (ICMM) governance framework for preventing catastrophic failure, the Minerals Residue Facility and Water Management Standard (Anglo American) and the Mine Residue Deposits Standard (Canadian Standard).

The independent assessment concluded that the facilities at Impala Rustenburg, Zimplats and Two Rivers were all designed, operated and monitored in accordance with the standards. The only shortcomings identified related to undrained conditions at the Marula facility. Although this did not present an immediate danger, the operation has taken remedial action to address seepage.

The facilities were also assessed for systemic risks and five critical controls. The reviews also considered the zone of influence at each facility and emergency preparedness.

The findings of the independent assessment were closely aligned to those of the internal peer review process. Each operation has actioned respective recommendations to ensure improvements in tailings management, and has tracked implementation and compliance. The tailings dam operator at every facility has been mandated to perform the duties of an engineer of records.

Impala Canada has an independent tailings review board. A TSF safety inspection in October 2019 and safety review in Q2 of 2020 confirmed that high standards of tailings management and storage of mineral residue are maintained.

**Focus areas and outlook**

Marula is constructing a TSF (see page 106) to replace its current facility which is reaching the end of its useful life.

Impala Rustenburg is conducting studies to inform a detailed roadmap to ensure the sustainability of its TSF and continuous improvement in tailings dam management. The study will consider design parameters, water balances, future monitoring principles, closure planning as well as improving emergency preparedness informed by dam-breach and inundation studies.

Impala Canada plans to extend its TSF, which is reaching full capacity, through a combination of hybrid upstream raises on the existing TSF and a greenfields storage location currently being permitted.

Zimplats plans to extend the SMC TSF. The operation has submitted its intention to the Environmental Management Agency (EMA). An EIA addendum covering the extension site was recommended. The operation has engaged competent and registered EIA consultants to compile the addendum in line with regulatory authority's directive.

Implats is participating through the Minerals Council South Africa in an ICMM-led initiative to provide new guidelines for design, management and risk management of TSFs. The Implats team members attended a two-day workshop which included a review of common tailings management shortcomings and the implementation of new technology in new designs as well as old operational dams, to mitigate risks.

Implats has developed a minimum requirement protocol for tailings facilities across its operations which will be finalised in 2021.



# Mineral waste management

## CONSTRUCTING A NEW TAILINGS DAM AT MARULA



Marula is constructing a new tailings dam. This will replace the current dam which is nearing the end of its safe life in terms of design. The facility is being constructed adjacent to the current (old) tailings dam. The location was identified as being most suitable in terms of least environmental and community impact, and cost. The facility covers parts of two farms of the Ga-Mahlokwane community.

The tailings dam is a 77ha upstream spigotted facility and is designed for a 20-year life-of-mine. The facility was designed and has been aligned with international best practice. The basin of the facility is synthetically lined, with above and below liner drains. This will ensure that the groundwater impact of the facility is minimised. The facility is equipped with dual outfall penstocks and pipelines. It has also been designed to cater for a probable maximum precipitation event while ensuring the safety of the facility. The side slopes of the facility are designed to have an overall slope of 1:4, aimed at increasing the stability of the facility, and the effectiveness of concurrent rehabilitation.

Fraser Alexander was contracted for the construction of the tailings facility. Construction began in April 2019 and is expected to be completed by January 2021. The national lockdown in South Africa resulted in a 101-day production loss on the project.

**As part of Implats' commitment to community development, a 30% local community spend clause was included in the contract. The total budget is R256 million. The team has committed to ensure that 30% (R76.8 million), excluding imported lining material, will be spent among local communities. To date, 26 local community contractors have been subcontracted to assist with the construction of the facility. The project has created 300 temporary jobs for local community members. All unskilled labour is sourced from the local communities. Local spend on the project as at June 2020 (including the spend on local labour) was R45 million.**

### Treating and reusing mineral waste

Mineral waste includes tailings, waste rock, sludge and slag. We aim to reprocess these waste streams where feasible in an effort to extract PGMs, alter the post-mining landscape, and support a circular economy. In some cases, waste rock is provided for road construction or made available to local companies to produce crushed rock for aggregate.

The decontamination of sludge dams/ponds at shaft areas is an integral part of the process of responsible mine closure and rehabilitation. Following the successful excavation and re-processing of the residual sludge, samples from the pond basin and side walls are assessed for level of contamination.

Once results confirm the successful removal of contaminants, the sludge pond is cleared for backfilling and rehabilitation.

We continuously reprocess slag generated from furnaces and converters.

#### Our 2020 performance\*

- Mineral tailings deposited totalled 18 977 kilotonnes (including Impala Canada)
- Waste rock deposited on land totalled 406 kilotonnes (including Impala Canada)

\* Five-year waste management data for the Group is detailed on page 131 in the Appendix.

## WASTE RECLAMATION AT IMPALA RUSTENBURG



Waste rock from Impala Rustenburg was used in the construction of this road leading to Kutlwanong School for the Deaf

Impala Rustenburg has identified several waste rock deposits for reuse and recycling through a local enterprise development programme. This enables local companies to reduce the number of mineral waste deposits and to create alternative industries to mining. Three additional companies were allocated waste rock dumps during the year under review.

As part of SLP projects, waste rock from the operations was used by the local municipality in the construction of roads within Luka village and more recently in constructing the road leading to the Kutlwanong School for the Deaf.

**This year Impala Rustenburg launched a project to remine tailings in its dormant facility. An initial feasibility study to determine the best way to process the tailings material considered the existing processing infrastructure, a remining timeline, capacity in the current active dam, the mining profile, metal prices, environmental aspects and potential stakeholder partnerships.**

The operations are committed to ensuring host-community beneficiation from the remining project. A joint venture reclamation company has been established with the Luka community. In addition, Impala Rustenburg has ensured that as far as practically possible, all new labour (unskilled) for the project is sourced from the Luka community. Relevant contracts are awarded through the Royal Bafokeng tender process.

**The progressive removal of the tailings facility and land rehabilitation process will provide available land and reduce dust pollution, as well as reducing mine closure liabilities.**

# Non-mineral waste

**We strive to minimise the amount of non-mineral waste we generate and to increase levels of non-mineral waste recycling/reuse as part of broader efforts to unlock value in a circular economy.**



Impala Canada truck tramping ore to crusher

## HIGHLIGHTS

- All statutory requirements and site-specific obligations met
- Recycled 69% of our non-mineral waste against a 60% target
- At Impala Rustenburg, a local company is appointed to operate the salvage yard; proceeds from waste sales are reinvested in recycling initiatives at the operation

## LOWLIGHTS/CHALLENGES

- Impala Canada does not fully account for waste removed off-site
- Stockpiling of tyres at our South Africa operations will continue until an effective industry waste management plan is implemented
- The portion of waste sent to landfill has increased by 4% year-on-year

## FOCUS AREAS FOR 2021 AND BEYOND

- Ensure all waste management activities remain compliant
- Develop a Group waste recycling strategy
- Contribute to the circular economy by improving our initiatives to avoid, reduce, recover, reuse and recycle waste

## Our approach

Our waste management activities across the Group seek, as a minimum, to maintain compliance with evolving legislative requirements relating to waste. The short to medium-term waste strategy continues to focus on the implementation of all statutory requirements and improving our waste recycling initiatives. Further, we endeavour to define initiatives to avoid, reduce, recover, reuse and recycle waste. We have initiated a process to develop a longer-term waste recycling strategy aimed at entrenching a cradle to grave responsibility throughout the business. By promoting the waste management hierarchy – avoid, reduce, reuse and recycle, we aim to steadily decrease the amount of hazardous and general waste sent to landfill.

At each operation, we strive to recycle a minimum of 60% of the non-mineral waste (hazardous and non-hazardous) we generate. In this context, recycling refers to the combined total of waste reused, recycled and recovered.

At Impala Canada, garbage and domestic waste is landfilled on site in winter (November to May). During the summer (June to October), garbage and domestic waste is often hauled offsite by a licensed contractor and disposed of in the contractor's permitted landfill in Thunder Bay, in order to minimise the attraction of wildlife onsite and the resulting risks to the health and safety of Impala Canada personnel.

## Ensuring compliance

We have waste licences in place for Impala Rustenburg (landfill site and salvage yard) and the salvage yards at our Marula and Impala Springs operations. These operations undertake annual external compliance audits. The Impala Rustenburg landfill site maintained a 99% compliance rating during the annual external compliance audit. Marula has appointed a new waste management contractor to handle waste and ensure that all compliance obligations are met.

Zimplats have renewed their effluent, solid waste, radiation and hazardous substances import licences. Practices have been aligned with new hazardous substances management legislation with the aim of ensuring compliance through self-audits. Zimplats has successfully engaged with the Radiation Protection Authority of Zimbabwe (RPAZ) on the potential risks related to naturally occurring radioactive materials (NORM) and provision of NORM guidelines. Radiation compliance inspections will be a focus in 2021.

At Impala Canada, regulators annually audit conformance to the Environmental Certificate of Approval. Wood and cardboard products are burnt on site in accordance with a burn permit that is renewed annually.

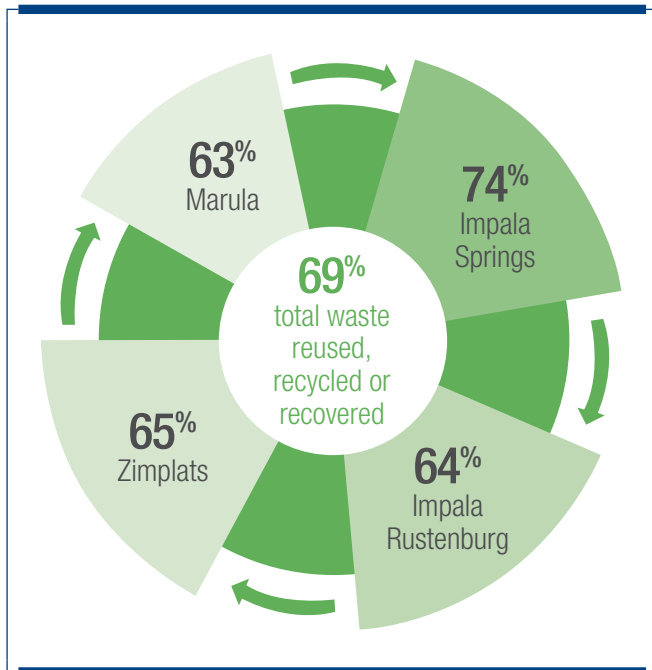


**Group initiatives and performance**  
Focus on recycling and reuse

<b>Recycle</b>	More than <b>40 000 tonnes</b> of non-mineral waste from our operations is recycled each year.
<b>Waste streams</b>	Large non-mineral waste streams include <b>metals, rubber, plastics, ash and oils.</b>
<b>Collect and recycle</b>	The majority of non-mineral waste is <b>collected</b> and transported for <b>recycling</b> offsite.

At Impala Rustenburg, a local company that employs 85 people has been appointed to sort the non-mineral waste generated at source. The waste is then auctioned and proceeds are used to maintain the recycling value chain.

**Waste either reused, recycled or recovered**



Our processing operations capture and screen woodchips from timber support poles that enter the plant with the underground ore. These woodchips are used for composting at Impala Rustenburg as part of the concurrent rehabilitation efforts of the tailings dam side slopes.

Most of hydrocarbon contaminated waste from our South African operations is diverted away from landfill to a waste recovery facility. The management and disposal of waste tyres forms part of our tyre supply contract. The contractor stockpiles the waste tyres from our operations off-site at their branches which are registered with the Department of Environment, Forestry and Fisheries (DEFF) as collection points. The tyres are then collected by an authorised micro-collector. Recent challenges with the waste tyre recycling programme in South Africa has resulted in an increase in these stockpiles. Implats is, however, supportive of the efforts of the DEFF in their appointment of the Council for Scientific and Industrial Research (CSIR) to compile a new Industry Waste Management Plan for tyres. We are confident that this new plan will alleviate the current pressures experienced throughout the country.

Zimplats continues to reduce biodegradable waste generated from all its operations through vermicomposting. The operation has also donated some unused laboratory chemicals to a local university's chemistry department for reuse in their lectures.

**Promoting community efforts**

Our operations engage with their host communities to promote an anti-littering culture and responsible waste disposal. Since 2010, Impala Rustenburg has been supporting the Royal Bafokeng's domestic waste collection programme. This programme encourages people in surrounding villages to dispose of their general waste in the provided waste bins, rather than burning it, which causes air pollution. Waste is collected from these villages by a waste contractor managed by the Royal Bafokeng Administration and disposed of at the Impala landfill site. No disposal charge is levied on this waste. During the reporting period approximately 2 500 tonnes of domestic waste was received through this initiative. The landfill site remained operational throughout the national lockdown for the benefit of communities.

**Our 2020 performance\***

- We generated 62 024 tonnes of non-mineral waste during 2020, compared to 60 853 tonnes in 2019
- We recycled 69% of non-mineral waste generated (70% in 2019) against a targeted 60%
- 24% of non-mineral waste generated was disposed to landfill (2019: 20%)

\* Five-year waste management data for the Group is detailed on page 131 in the Appendix.

Further data on the Group's non-mineral waste (hazardous and non-hazardous) and mineral waste is provided in the appended results tables on page 131.





# Mine closure, rehabilitation and biodiversity

**We are steadily integrating mine-closure planning into life-of-mine planning. We focus on concurrent rehabilitation as we strive to return land to near initial state.**



Birdlife on the pool on top of Impala Rustenburg tailings storage facility

## HIGHLIGHTS

- Impala Rustenburg’s progressive shaft closure, decommissioning and rehabilitation programme is delivering pleasing results
- Impala Rustenburg’s Rockwall dam and active TSF continue to play important roles as habitats for various species of wildlife that have regional conservation importance
- The rehabilitation of the old pits at Zimplats was slightly (3%) ahead of the plan for the financial year
- Alien and invasive species eradication projects are in progress at various operations

## LOWLIGHTS/CHALLENGES

- Draft regulations pertaining to the financial provision for prospecting, exploration, mining or production operations in South Africa are still not finalised

## FOCUS AREAS FOR 2021 AND BEYOND

- Implement concurrent rehabilitation to reduce closure liabilities and improve rehabilitation outcomes
- Plant indigenous trees at Impala Rustenburg

## Our approach

Our approach to ensuring responsible mine closure emphasises the importance of designing, planning and operating a mine with closure in mind. In doing so, we aim to reduce long-term risks and liabilities to our business from an environmental and socio-economic perspective, and to ensure that we leave a positive legacy when our mines conclude their operational lives.

All our mining operations have closure plans in place. These plans are reviewed annually, and the closure liabilities and applicable financial provisions are updated accordingly.

### Closure liability and financial provision

Our assessment protocols and methodology align with South Africa’s draft regulations pertaining to the financial provision for prospecting, exploration, mining or production operations. This ensures a focus on concurrent rehabilitation while a mine is operational. The regulations are yet to be finalised and the due date for compliance was extended from February 2020 to June 2021. We will incorporate any further amendments to the regulations into our 2021 closure liability updates to ensure compliance.

A mine closure and decommissioning report, annual rehabilitation plan (which identify potential areas for current and future rehabilitation) and a post-mining impact assessment form part of the documents that must be submitted to the DMRE according to the financial provision regulations. Our Zimplats operations

undertake annual closure liability assessments in line with the South African assessment methodology and protocols. Closure liability estimates are audited by a third party.

Impala Canada has an approved mine closure plan (July 2019) in effect which outlines how the mine site will be rehabilitated and how costs will be supported. The closure liability has been supported by Impala Canada providing financial assurance in the form of a surety bond totalling approximately C\$22 400 000.

Implats holds various prospecting rights across its South African mining operations. Following a strategic review during the reporting period, a decision was taken to apply for closure of many of the prospecting rights held at the Impala Rustenburg and Afplats operations. In adhering to legislative requirements, the process will include a closure application in terms of sections 43(4) of the MPRDA as well as a Basic Assessment in terms of NEMA’s EIA regulations. These processes have been delayed as a result of the national lockdown.

### Rehabilitation

Ensuring effective rehabilitation is an important regulatory, financial and reputational issue for the Company. The Group strategy for land rehabilitation is to ensure a sustainable and functional post closure landscape. We continuously investigate alternative post closure land uses that are aligned with our host communities’ expectations and supportive of economic opportunities after mining.



The Group's current estimate of future rehabilitation costs and rehabilitation provisions are given on page 131.

**Rehabilitation programmes**

All tailings storage facilities (TSF), in South Africa and Zimbabwe, have concurrent rehabilitation plans that include revegetation, dust management and water management. Rehabilitation of Impala Canada's TSF will be done on closure.

**Mine decommissioning and rehabilitation programme**

This includes reclamation projects and rehabilitation of non-operational units while the mine is still operational. The scope of work includes dismantling and removal of above ground structures and remediating contaminated surface and/or underground areas. The reclaimed assets may be reused at other shafts or sold and the resale value used to off-set rehabilitation costs. Once a shaft or portions of a shaft have been rehabilitated the associated closure liability will be updated. This will have a positive financial impact on the quantum. The project was put on hold during the initial stages of the national lockdown. Although we have a statutory obligation to restore grazing as a minimum, we are constantly reviewing and aligning our post closure land use with the demands and requirements of the landowners.

**RECLAMATION PROJECT GENERATES R27 MILLION**

At Impala Rustenburg, the rehabilitation of the closed 12 North shaft area included the dismantling of the shaft headgear and winder house for reuse at a different mining site. The work was carried out by host community-based businesses and the sale of some assets generated approximately R27 million which will be invested in ongoing rehabilitation activities at the mine.

**Rehabilitation monitoring and progress**

Our rehabilitation monitoring activities are focused on measuring ecosystem functionality, which is essential for sustainability beyond life-of-mine. We have maintained an active rehabilitation monitoring programme, using Landscape Function Analysis, at Impala Rustenburg's rehabilitated opencast pits and at Marula's rehabilitated tailings side slopes.

Our Zimplats operations made excellent progress with open pit rehabilitation of old pits at Ngezi.

<b>Rehabilitation</b>	At Zimplats, <b>20.4ha</b> of backfilled surface area was rehabilitated this year, with grass and <b>500</b> tree saplings planted
<b>Revegetation</b>	<b>2.5ha</b> side slope surfaces at Zimplats' two tailings dams included planting <b>2 800</b> tree saplings
<b>Targets</b>	Zimplats rehabilitation targets are set on an <b>annual basis</b> as part of the business planning process

At Impala Canada, waste rock from the legacy surface stockpiles associated with a dormant open pit is used for underground backfilling and for the TSF expansion project.

**Biodiversity**

Given the potential of mining activities to impact habitats through land disturbance and pollution, biodiversity monitoring and management remains an important activity for us. We determine the biodiversity impacts of our mining operations through our environmental authorisation processes, and we manage these according to site-specific biodiversity management plans and standards.

**Biodiversity management**

We monitor and measure performance against a formal biodiversity management plan that was informed by the Mining and Biodiversity Guideline developed by the South African National Biodiversity Institute (SANBI). This includes terrestrial and aquatic biodiversity monitoring programmes. In addition to this, we undertake dedicated projects to improve biodiversity and compliance with legislation on an ongoing basis. This includes implementing alien and invasive species identification and eradication projects at our various operations.

**Impala Rustenburg operation conducts both summer and winter avifaunal (bird) surveys. The summer survey recorded 117 species across the mining footprint. The Rockwall dam, as well as the pool on top of the TSF, were again highlighted as important habitats not only for common aquatic species, but also species of regional conservation importance.**

Impala Rustenburg continues to play an important role in the conservation of various species of wildlife. The Greater and Lesser flamingos (near threatened), the Yellow-billed stork (endangered), as well as the Caspian tern (vulnerable) have all successfully established a habitat on the mine lease area. In this regard, the TSF pool is an important overwintering location for a large proportion of the Lesser flamingo population. During the winter survey a total of 916 birds were recorded at this location, representing approximately 1.5 to 2% of the estimated numbers present in South Africa during the last (2012) IUCN Red List assessment.

Zimplats has continued to clear invasive alien species (*lantana camara*) around the SMC tailings storage facility, in compliance with regulations pertaining to alien invasive species and has conducted a biodiversity assessment of the area earmarked for its SMC TSF extension. No threatened or specially protected species were recorded on the site.

Impala Canada carries out a comprehensive environmental monitoring programme in accordance with federal and provincial regulatory requirements and in accordance with its relevant permits. Environmental effects monitoring includes, but is not limited to, surface water and groundwater quality, sediment quality, benthic invertebrate community monitoring, fish population studies and air quality monitoring.

**Biodiversity sensitive areas**

Zimplats and Impala Springs both operate close to biodiversity-rich areas. Impala Springs is near the Cowles Dam that feeds into the Blesbokspruit, a designated Ramsar Convention Wetlands of International Importance that is deemed under threat. Although Impala Springs is not seen to have any direct impact on this ecosystem, it continues to partner in environmental education and conservation initiatives in the area.

The Zimplats operation mine lease area includes a 276ha section of land within the Ngezi Recreational Park's boundary. Our rehabilitation and mine closure activities comply with the conditions outlined by the Ministry of Environment in the lease agreement regarding the protection and restoration of biodiversity in the lease area.





Practising social distancing at Impala Rustenburg

# APPENDIX





# 07



# Independent review of Implats' 2020 social investments



## YEAR-ON-YEAR HIGHLIGHTS

- There is an increase in the number of projects that have been rated as good compared to last year. This is attributed to the fact that a number of infrastructure projects which had not been completed in the 2019 period have now been completed and handed over to the community
- The bursary programme has been able to recruit more participants, enabling Implats to meet its SLP obligations. Furthermore, surveys reveal that most students and learners rate the programmes very highly
- Implats has shifted the focus of its ED activities to smaller more grassroots black entrepreneurs to help them build the skills, knowledge and resilience that will allow them to become Implats vendors. It has introduced new programmes to do this, which are showing early promise
- The infrastructure upgrades at Gutu Rural Hospital in Zimbabwe have resulted in increased operational effectiveness, improved working conditions for staff and placed the hospital in a better position to respond to the Covid-19 pandemic. The upgrades have also enabled the health facility to meet some requirements for it to be upgraded from a rural clinic to a district hospital

## YEAR-ON-YEAR CHALLENGES

- Covid-19 has affected the roll-out of some of the projects and programmes, but most have been adapted or the timelines adjusted to accommodate such
- Expectation risks continue to be a challenge among all Implats ED programmes. This is because SMMEs rely on Implats for business and expect to get contracts from the mine despite it undergoing challenges as a result of the current economic climate
- A number of infrastructure projects are yet to be completed or handed over to beneficiaries despite Implats having allocated budgets and met its obligations in line with timelines and project objectives. The delays are attributed to the nature of partnerships Implats has to enter in order to complete large infrastructure projects, and having to rely on partners such as local government and traditional leaders for the completion of projects

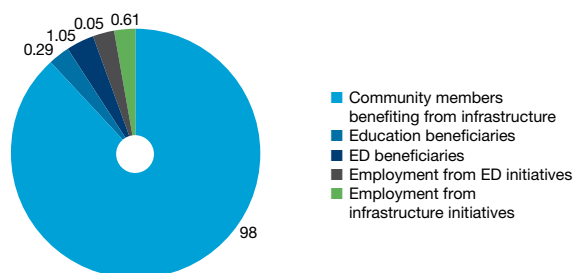
Trialogue and Classic Oriental Consultancy were appointed to undertake an independent review and assessment of the impact of some of Implats' social investments in the 2020 period. A total of 18 projects were reviewed as follows: 11 infrastructure projects, four education projects and three enterprise development projects. The reviewed projects accounted for R77.4 million of our 2020 social investment spend in South Africa (68% of the total R113.3 million spent in South Africa) and US\$1.6 million (32%) of spend in Zimbabwe.

### Social investments

A total of **107 258 people** benefited from the **18 social investments** in the two countries (approximately **88 762 people** in **South Africa** and **18 496** in **Zimbabwe**). Of these, **99.9%** were **black**.

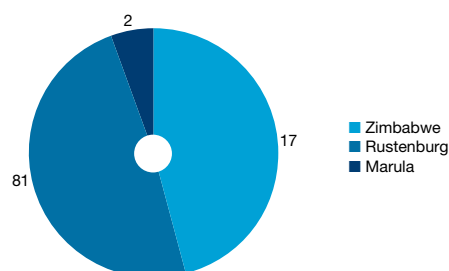
## Beneficiaries by type of project

as at 30 June 2020 (%)



## Beneficiaries by geography

as at 30 June 2020 (%)



### Projects reviewed

Each of the 18 projects was reviewed using frameworks that cover 22 criteria in the following categories: use of Implats funds, project design, implementation, results (impact), sustainability and risk level. Projects are rated exemplary, good, adequate, poor or defective. Of the 18 projects reviewed, 12 were rated as good on average (with scores between 3.5 and 4.5 out of five), and 6 were rated adequate on average (with scores between 2.5 and 3.5).

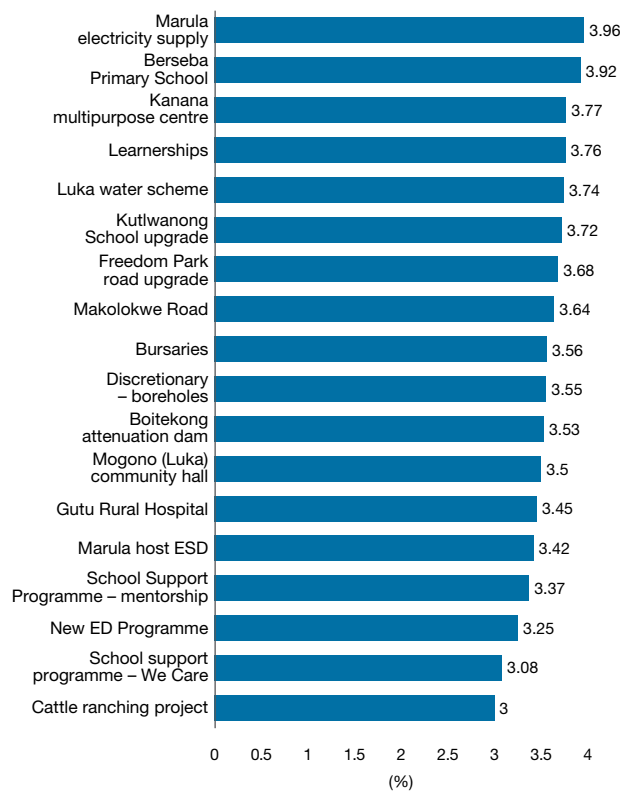
Implats is generally achieving its objectives per project – the 18 projects had a total of 37 objectives.

<b>Achieved</b>	<b>24 (65%)</b>
<b>Partially achieved</b>	<b>7 (19%)</b>
<b>Not achieved</b>	<b>6 (16%)</b>

On average, projects scored best in the use of Implats funds category, and weakest in the sustainability category as some have not been handed over and will continue to rely on Implats for support for the near term. The highest risks were expectation risks in the enterprise development projects, where business owners expect work from Implats, as well as risks linked to sustainability and ongoing dependence on Implats.

The project that was rated the highest was a project in Marula, in which Implats provided electricity access and meters to 245 households and 304 residential stands in GaMahlakwane village. The lowest scoring project was the Zimplats cattle ranching project, which has provided cattle to a local community as well as treatment and vaccination for 4 900 livestock. The drought in Zimbabwe has put the project timelines, targets and expected impacts at risk.

### Overall scores out of five



# Climate disclosures related to the recommendations of the TCFD






**Implats' response to climate-related risks is multi-disciplinary and covered throughout our reporting suite. Our TCFD alignment journey has just started and in the next year we will be doing a thorough review of our strategies and plans to build on our experience with CDP Climate and Water disclosures.**

Implats received a B performance score (management band) for its 2019 CDP climate response submission. This is higher than both the metal smelting, refining and forming sector average of C and Africa regional average of B-. The Company scored well for its risk management processes and governance. Categories requiring attention include understating our scope 3 emissions, refining our knowledge around climate-related physical risks, reviewing our climate-related performance targets, developing and implementing our operational plans on energy, water and carbon emissions reductions. Coupled with the cost competitiveness of renewable energy technology, the hydrogen economy promises to be a key solution in the global transition towards low-carbon economies. We will be seeking to understand and support the potential upside of this new PGM-based market. We endeavour to improve our band rating in the coming assessments.

The table below offers guidance on where to find information relating to each of the task force on climate-related financial disclosures (TCFD) recommendations.

## GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities.

Recommended disclosures	References
Describe the board's oversight of climate-related risks and opportunities.	Governance and management approach (ESG Report, pages 18 to 20)  Climate change (ESG Report, pages 98 to 101)  CDP Climate Response 2019, section C1
Describe management's role in assessing and managing climate-related risks and opportunities.	Governance and management approach (ESG Report, pages 18 to 20)  Environmental management (ESG Report, pages 18 to 20)  Climate change (ESG Report, pages 98 to 101)  CDP Climate Response 2019, section C1

## STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

Recommended disclosures	References
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Climate change (ESG Report, pages 98 to 101)  CDP Climate Response 2019 (Q. CC2 Risks and opportunities)
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate change (ESG Report, pages 95 to 101)  CDP Climate Response 2019 (Q. CC2 Risks and opportunities)



**RISK MANAGEMENT**

Disclose how the organisation identifies, assesses and manages climate-related risks.

Recommended disclosures	References
Describe the organisation's processes for identifying and assessing climate-related risks.	Climate change (ESG Report, pages 98 to 101, Integrated Report: page 15) CDP Climate Response 2019 (Q CC2.2b)
Describe the organisation's processes for managing climate-related risks.	Climate change (ESG Report, pages 98 to 101) CDP Climate Response 2019 (Q. CC2.1, 2.2, 2.5 and 2.6)
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Climate change (ESG Report, page 33) CDP Climate Response 2019 (Q. CC2.1, 2.2, 2.5 and 2.6)

**METRICS AND TARGETS**

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosures	References
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate change (ESG Report, pages 98 to 101) CDP Climate Response 2019 (Q. CC2.2b, 2.3a and 11.3a)
Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Climate change (ESG Report, pages 98 to 101) Performance tables (ESG Report, pages 129 and 130)
Describe the targets used by the organisation to manage water and carbon emissions-related risks and opportunities and performance against targets.	Climate change (ESG Report, pages 95 to 101)

# Performance tables

## OUR PERFORMANCE DATA

Note: Data reported for previous years has been restated to exclude Mimosa where applicable.

### PEOPLE

#### South Africa

#### Occupational levels (number)

Rustenburg	Male				Female				Foreign nationals <sup>1</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	1	0	0	0	0	0	0	1	0	1
Senior management	20	1	4	34	6	0	0	4	1	0	60	10	70
Professionally qualified and experienced specialists and mid-management	144	10	10	157	39	0	6	30	4	0	325	75	400
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2 635	18	0	457	483	6	2	56	171	3	3 281	550	3 831
Semi-skilled and discretionary decision-making	7 175	6	0	43	760	2	0	3	1 418	4	8 642	769	9 411
Unskilled and defined decision-making	11 207	10	0	7	1 330	1	0	0	1 274	37	12 498	1 368	13 866
<b>Total permanent employees<sup>2</sup></b>	<b>21 181</b>	<b>45</b>	<b>14</b>	<b>699</b>	<b>2 618</b>	<b>9</b>	<b>8</b>	<b>93</b>	<b>2 868</b>	<b>44</b>	<b>24 807</b>	<b>2 772</b>	<b>27 579</b>
Non-permanent employees	30	0	0	1	54	0	0	0	0	0	31	54	85
<b>Grand total</b>	<b>21 211</b>	<b>45</b>	<b>14</b>	<b>700</b>	<b>2 672</b>	<b>9</b>	<b>8</b>	<b>93</b>	<b>2 868</b>	<b>44</b>	<b>24 838</b>	<b>2 826</b>	<b>27 664</b>

Marula	Male				Female				Foreign nationals <sup>1</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	5	0	0	2	1	0	0	0	0	0	7	1	8
Professionally qualified and experienced specialists and mid-management	26	1	0	13	5	0	0	3	4	0	44	8	52
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	386	1	1	20	76	0	2	4	65	0	473	82	555
Semi-skilled and discretionary decision-making	970	0	0	0	102	1	0	0	27	0	997	103	1 100
Unskilled and defined decision-making	1 054	0	0	1	429	0	0	0	21	2	1 076	431	1 507
<b>Total permanent employees<sup>2</sup></b>	<b>2 441</b>	<b>2</b>	<b>1</b>	<b>36</b>	<b>613</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>117</b>	<b>2</b>	<b>2 597</b>	<b>625</b>	<b>3 222</b>
Non-permanent employees	68	0	0	2	22	0	0	0	7	0	77	22	99
<b>Grand total</b>	<b>2 509</b>	<b>2</b>	<b>1</b>	<b>38</b>	<b>635</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>124</b>	<b>2</b>	<b>2 674</b>	<b>647</b>	<b>3 321</b>

A – African, C – Coloured, I – Indian, W – White.

<sup>1</sup> Non-permanent employees employed for more than three months are counted as permanent employees.

<sup>2</sup> Foreign nationals are employees employed in South Africa that are not South African citizens.

## PEOPLE

## South Africa

## Occupational levels (number)

Impala Springs	Male				Female				Foreign nationals <sup>1</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	4	0	1	3	0	0	0	1	1	0	9	1	10
Professionally qualified and experienced specialists and mid-management	17	0	7	24	13	1	3	12	1	2	49	31	80
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	189	3	4	74	56	1	0	17	2	0	272	74	346
Semi-skilled and discretionary decision-making	312	7	3	24	117	4	1	13	4	0	350	135	485
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total permanent employees<sup>2</sup></b>	522	10	15	125	186	6	4	43	8	2	680	241	921
Non-permanent employees	9	0	1	3	8	0	1	0	0	0	13	9	22
<b>Grand total</b>	531	10	16	128	194	6	5	43	8	2	693	250	943

Head office	Male				Female				Foreign nationals <sup>1</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	2	0	0	2	0	0	0	2	2	4
Senior management	3	5	1	8	2	0	2	6	1	0	18	10	28
Professionally qualified and experienced specialists and mid-management	2	1	0	1	8	0	2	7	0	0	4	17	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	2	0	0	1	0	0	0	3	3
Semi-skilled and discretionary decision-making	0	0	0	1	1	0	0	2	0	0	1	3	4
Unskilled and defined decision-making	4	0	0	0	0	0	0	0	0	0	4	0	4
<b>Total permanent employees<sup>2</sup></b>	9	6	1	12	13	0	6	16	1	0	29	35	64
Non-permanent employees	0	0	0	2	2	0	0	1	0	0	2	3	5
<b>Grand total</b>	9	6	1	14	15	0	6	17	1	0	31	38	69

A – African, C – Coloured, I – Indian, W – White.

<sup>1</sup> Non-permanent employees employed for more than three months are counted as permanent employees.

<sup>2</sup> Foreign nationals are employees employed in South Africa that are not South African citizens.

# Performance tables

## PEOPLE

### South Africa

#### Workforce diversity profile<sup>1</sup> for our South African operations (as at 30 June 2019) (number)

Combined (South Africa)	Male				Female				Foreign nationals <sup>3</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	3	0	0	2	0	0	0	3	2	5
Senior management	32	6	6	47	9	0	2	11	3	0	94	22	116
Professionally qualified and experienced specialists and mid-management	189	12	17	195	65	1	11	52	9	2	422	131	553
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3 210	22	5	551	617	7	4	78	238	3	4 026	709	4 735
Semi-skilled and discretionary decision-making	8 457	13	3	68	980	7	1	18	1 449	4	9 990	1 010	11 000
Unskilled and defined decision-making	12 265	10	0	8	1 759	1	0	0	1 295	39	13 578	1 799	15 377
<b>Total permanent employees<sup>2</sup></b>	<b>24 153</b>	<b>63</b>	<b>31</b>	<b>872</b>	<b>3 430</b>	<b>16</b>	<b>20</b>	<b>159</b>	<b>2 994</b>	<b>48</b>	<b>28 113</b>	<b>3 673</b>	<b>31 786</b>
Non-permanent employees	107	0	1	8	86	0	1	1	7	0	123	88	211
<b>Grand total</b>	<b>24 260</b>	<b>63</b>	<b>32</b>	<b>880</b>	<b>3 516</b>	<b>16</b>	<b>21</b>	<b>160</b>	<b>3 001</b>	<b>48</b>	<b>28 236</b>	<b>3 761</b>	<b>31 997</b>

South Africa combined – People with disability (PWD)	Male				Female				Foreign nationals <sup>3</sup>		Total		Total
	A	C	I	W	A	C	I	W	Male	Female	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	1	0	0	0	0	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management	1	0	0	6	0	0	0	0	0	0	7	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	54	0	0	34	1	0	0	0	13	0	101	1	102
Semi-skilled and discretionary decision-making	301	0	0	6	4	0	0	1	159	0	466	5	471
Unskilled and defined decision-making	395	0	0	0	8	0	0	0	99	0	494	8	502
<b>Total permanent employees<sup>2</sup></b>	<b>751</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>271</b>	<b>0</b>	<b>1 069</b>	<b>14</b>	<b>1 083</b>
Non-permanent employees	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>751</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>271</b>	<b>0</b>	<b>1 069</b>	<b>14</b>	<b>1 083</b>

A – African, C – Coloured, I – Indian, W – White.

<sup>1</sup> Workforce diversity profile as per the South African Department of Labour guidelines.

<sup>2</sup> Non-permanent employees employed for more than three months are counted as permanent employees.

<sup>3</sup> Foreign nationals are employees employed in South Africa that are not South African citizens.



**PEOPLE****Zimbabwe****Occupational levels (number)**

Zimplats	Females	Males	Total
F – Top management		1	1
E – Senior management	3	24	27
D – Professionally qualified and experienced specialist	16	73	89
C – Skilled technical and academically qualified	103	928	1 031
B – Semi-skilled and discretionary decision-making	112	1 421	1 533
A – Unskilled and defined decision-making	37	614	651
<b>Grand total</b>	271	3 061	<b>3 332</b>

**Group**

In-service	2020	2019	2018	2017	2016
Impala Rustenburg own employees	27 579	27 205	28 498	31 203	29 923
Contractor employees	11 401	11 099	10 293	9 765	8 735
Impala Springs own employees	921	920	931	934	943
Contractor employees	1 050	1 061	1 072	990	915
Marula own employees	3 222	3 308	3 261	3 103	3 540
Contractor employees	1 160	780	705	701	1 170
Zimplats own employees	3 332	3 326	3 242	3 064	3 047
Contractor employees	2 798	3 791	3 231	2 878	2 397
Corporate own employees	64	62	50	46	55
Contractor employees	42	35	35	0	0
<b>Total own</b>	<b>35 118</b>	<b>34 821</b>	<b>35 982</b>	<b>38 350</b>	<b>37 508</b>
<b>Total contractors</b>	<b>16 451</b>	<b>16 766</b>	<b>15 336</b>	<b>14 334</b>	<b>13 217</b>
<b>Group total</b>	<b>51 569</b>	<b>51 587</b>	<b>52 318</b>	<b>52 684</b>	<b>50 725</b>
<b>% own employees relative to total workforce</b>	<b>68</b>	<b>66</b>	<b>70</b>	<b>73</b>	<b>74</b>

**South Africa****Labour sending areas (number)**

South Africa	Impala 2020	Marula 2020
Eastern Cape	6 609	64
Free State	901	19
Gauteng	1 595	30
KwaZulu-Natal	800	17
Mpumalanga	309	388
North West	13 621	58
Northern Cape	973	2
Limpopo	816	2 523
Western Cape	20	1
<b>Total</b>	<b>25 644</b>	<b>3 102</b>
Foreigners	2 920	120
<b>Grand total</b>	<b>28 564</b>	<b>3 222</b>

# Performance tables

## PEOPLE

### Zimbabwe

#### Labour sending areas (number)

Zimbabwe (Zimplats)	2020
Bulawayo	54
Foreigner	3
Harare	169
Manicaland	323
Mashonaland Central	307
Mashonaland East	254
Mashonaland West	1 223
Masvingo province	459
Matabeleland North	39
Matabeleland South	39
Midlands	462
<b>Grand total</b>	<b>3 332</b>

#### Group employee turnover (%)

	2020	2019	2018	2017	2016
<b>Turnover</b>					
Impala Rustenburg	7.3	9.6	11.8	7.7	9.0
Impala Springs	7.8	4.6	4.6	4.3	4.1
Marula	6.9	7.2	7.5	23.5	5.6
Zimplats	3.3	3.7	4.2	3.2	9.5
Corporate	8.7	13.6	14	10.9	14.3
<b>Group</b>	<b>6.9</b>	<b>8.7</b>	<b>8.4</b>	<b>9.9</b>	<b>8.5</b>
<b>Women turnover</b>					
Impala Rustenburg	0.4	0.6	0.7	0.4	0.5
Impala Springs	3.1	0.9	0.6	0.5	0.4
Marula	1.5	1.4	1.2	5.6	0.5
Zimplats	0.2	0.1	0.2	3.0	0.1
Corporate	4.3	9.1	8	6.5	5.4
<b>Group</b>	<b>0.5</b>	<b>0.6</b>	<b>10.7</b>	<b>3.2</b>	<b>1.4</b>
<b>Unionised workforce</b>					
Impala Rustenburg	98	95	84	81	84
Impala Springs	76	73	70	54	51
Marula	95	95	89	93	90
Zimplats	28	33	31	35	34
Canada	72				
<b>Group</b>	<b>74</b>	<b>74</b>	<b>69</b>	<b>66</b>	<b>65</b>

**PEOPLE****Group****Engagements per age group (number)**

	Total
<b>Impala Rustenburg</b>	
18 – 25	172
26 – 35	939
36 – 45	920
46 – 55	356
56 – 63	26
<b>Impala Springs</b>	
18 – 25	37
26 – 35	27
36 – 45	6
46 – 55	1
56 – 63	2
<b>Marula</b>	
15 – 25	22
26 – 35	80
36 – 45	81
46 – 55	31
56 – 63	2
<b>Zimplats</b>	
18 – 25	23
26 – 35	62
36 – 45	18
46 – 55	1
56 – 63	1
<b>Corporate</b>	
18 – 25	
26 – 35	1
36 – 45	3
46 – 55	2
56 – 63	1

# Performance tables

## PEOPLE

### Group

#### Terminations per age group (number)

	Total
<b>Impala Rustenburg</b>	
18 – 25	15
26 – 35	388
36 – 45	618
46 – 55	468
56 – 63	536
<b>Impala Springs</b>	
18 – 25	25
26 – 35	17
36 – 45	7
46 – 55	5
56 – 63	20
<b>Marula</b>	
18 – 25	15
26 – 35	68
36 – 45	62
46 – 55	47
56 – 63	38
<b>Zimplats</b>	
18 – 25	6
26 – 35	43
36 – 45	32
46 – 55	18
56 – 63	11
<b>Corporate</b>	
18 – 25	
26 – 35	
36 – 45	
46 – 55	2
56 – 63	4



## PEOPLE

## South Africa

## Female to male pay ratio

		Female	Male
<b>Impala Rustenburg</b>	Top management	—	1
	Senior management	0.82	1
	Professionally qualified and experienced specialists and mid-management	0.82	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.92	1
	Semi-skilled and discretionary decision-making	1.02	1
	Unskilled and defined decision-making	0.96	1
<b>Total</b>		1.05	1
<b>Impala Springs</b>	Top management	0.59	2
	Senior management	0.94	1
	Professionally qualified and experienced specialists and mid-management	0.82	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.87	1
	Semi-skilled and discretionary decision-making	1.02	1
<b>Total</b>		1.03	1
<b>Marula</b>	Senior management	—	—
	Professionally qualified and experienced specialists and mid-management	0.85	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0.83	1
	Semi-skilled and discretionary decision-making	1.21	1
	Unskilled and defined decision-making	1.00	1
<b>Total</b>		0.88	1
<b>Grand total</b>		1.07	1

## Zimplats

		Female	Male
<b>Impala Rustenburg</b>	Top management		
	Senior management	1	1
	Professionally qualified and experienced specialists and mid-management	0.79	1
	Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1.26	1
	Semi-skilled and discretionary decision-making	0.96	1
	Unskilled and defined decision-making	1	1
<b>Total</b>		1.3	1
<b>Grand total</b>		1.3	1

# Performance tables

## SAFETY

### Group

#### Safety (number)

	2020	2019	2018	2017	2016
<b>Fatalities (employees)</b>					
Impala Rustenburg	4	3	6	7	9
Impala Springs	0	0	0	0	0
Marula	0	0	1	1	0
Zimplats	0	1	0	0	0
Canada	1	N/A	N/A	N/A	N/A
<b>Total</b>	<b>5</b>	<b>4</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>Fatalities (contractors)</b>					
Impala Rustenburg	0	1	0	0	0
Impala Springs	0	0	0	0	0
Marula	0	0	0	0	0
Zimplats	0	0	0	0	0
Canada	0	N/A	N/A	N/A	N/A
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group total</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>Reportable injuries</b>					
Impala Rustenburg	317	333	362	409	401
Impala Springs	1	1	0	4	2
Marula	44	78	66	32	45
Zimplats	8	7	3	3	7
Head office		0	0	0	0
Canada	2				
<b>Group total</b>	<b>372</b>	<b>419</b>	<b>431</b>	<b>448</b>	<b>455</b>
<b>Medical treatment cases</b>					
Impala Rustenburg	522	635	561	648	519
Impala Springs	79	72	69	64	61
Marula	72	69	104	164	109
Zimplats	1	7	5	3	6
Head office	0	0	0	0	0
Canada	5				
<b>Group total</b>	<b>679</b>	<b>783</b>	<b>739</b>	<b>879</b>	<b>695</b>
<b>Lost-time injuries</b>					
Impala Rustenburg	381	441	549	655	665
Impala Springs	1	1	0	5	3
Marula	56	112	96	56	97
Zimplats	9	7	3	3	8
Head office	0	0	0	0	0
Canada	8	N/A	N/A	N/A	N/A
<b>Group total</b>	<b>455</b>	<b>561</b>	<b>648</b>	<b>719</b>	<b>773</b>

## SAFETY

Group  
Safety

		2020	2019	2018	2017	2016
<b>Employee hours worked</b>	Hours					
Impala Rustenburg		71 599 507	77 287 967	79 770 479	84 771 667	84 043 377
Impala Springs		3 835 551	4 307 601	4 196 315	4 105 137	4 141 659
Marula		8 346 790	8 351 825	8 252 958	9 676 621	10 148 375
Zimplats		15 347 752	15 574 775	15 470 518	14 562 652	13 837 573
Growco and head office		264 487	263 444	190 659	147 297	232 719
Canada		1 046 723	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>100 440 810</b>	<b>105 785 612</b>	<b>107 880 929</b>	<b>113 263 374</b>	<b>112 403 703</b>
<b>FIFR</b>	Pmmhw					
Impala Rustenburg		0.056	0.052	0.074	0.083	0.107
Impala Springs		0	0	0	0	0
Marula		0	0	0.121	0.103	0
Zimplats		0	0.064	0	0	0
Canada		0.955	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>0.050</b>	<b>0.047</b>	<b>0.065</b>	<b>0.071</b>	<b>0.080</b>
<b>LTIFR (including RWC)</b>	Pmmhw					
Impala Rustenburg		5.32	5.71	6.88	7.73	7.91
Impala Springs		0.26	0.23	0	1.22	0.72
Marula		6.71	13.41	11.63	5.79	9.56
Zimplats		0.59	0.45	0.19	0.21	0.58
Canada		7.64	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>4.55</b>	<b>5.30</b>	<b>6.01</b>	<b>6.35</b>	<b>6.88</b>
<b>TIFR</b>	Pmmhw					
Impala Rustenburg		12.61	13.92	13.91	15.37	14.09
Impala Springs		20.86	16.95	16.44	16.81	15.45
Marula		15.34	21.67	24.23	22.74	20.30
Zimplats		0.65	0.90	0.52	0.41	1.01
Growco		11.43	0	0	0	0
Canada		12.42	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>11.32</b>	<b>12.70</b>	<b>12.86</b>	<b>14.11</b>	<b>13.06</b>
		2020	2019	2018	2017	2016
<b>MTCFR</b>	Pmmhw					
Impala Rustenburg		7.29	8.22	7.03	7.64	6.18
Impala Springs		20.60	16.71	16.44	15.59	14.73
Marula		8.63	8.26	12.60	16.95	10.74
Zimplats		0.07	0.45	0.32	0.21	0.43
Canada		4.78	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>6.76</b>	<b>7.40</b>	<b>6.85</b>	<b>7.76</b>	<b>6.18</b>
<b>Total injuries</b>	Number					
Impala Rustenburg		903	1 076	1 110	1 303	1 184
Impala Springs		80	73	69	69	64
Marula		128	181	200	220	206
Zimplats		10	14	8	6	14
Growco		1	0	0	0	0
Canada		13	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>1 135</b>	<b>1 344</b>	<b>1 387</b>	<b>1 598</b>	<b>1 468</b>

# Performance tables

## HEALTH

### Group

#### Health (number)

	2020	2019	2018	2017	2016
<b>Employee Voluntary Counselling and Testing Programme Uptake (VCT)</b>					
Impala Rustenburg	8 163	10 152	10 143	13 292	8 831
Impala Springs	6	4	4	2	14
Marula	526	688	822	2 311	1 058
Zimplats	971	1 249	1 059	984	695
<b>Group total</b>	<b>9 666</b>	<b>12 093</b>	<b>12 028</b>	<b>16 589</b>	<b>10 598</b>
<b>Employees on antiretroviral treatment (ARV/ART) – net enrolment at year-end</b>					
Impala Rustenburg	5 556	5 320	5 381	4 602	4 299
Impala Springs	0	0	0	0	0
Marula	316	251	231	233	224
Zimplats	163	159	159	167	160
<b>Group total</b>	<b>6 035</b>	<b>5 730</b>	<b>5 771</b>	<b>5 002</b>	<b>4 683</b>

	2020	2019	2018	2017	2016
<b>New cases of pulmonary tuberculosis diagnosed and treated</b>					
Impala Rustenburg	77	93	138	191	149
Impala Springs	0	1	3	0	1
Marula	14	12	8	4	11
Zimplats	1	5	0	1	4
<b>Group total</b>	<b>92</b>	<b>111</b>	<b>149</b>	<b>196</b>	<b>165</b>
<b>NIHL submitted</b>					
Impala Rustenburg	56	54	88	75	49
Impala Springs	0	2	0	3	0
Marula	6	6	14	7	12
Zimplats	0	2	0	3	0
<b>Group total</b>	<b>62</b>	<b>64</b>	<b>102</b>	<b>88</b>	<b>61</b>

### Zimbabwe

#### Skills development (US\$000)

	2020	2019	2018	2017	2016
<b>Expenditure</b>					
Zimplats	1 541	1 353	1 780	1 718	1 586

### South Africa

#### Skills development

		2020	2019	2018	2017	2016
<b>Expenditure</b>	R million					
Impala Rustenburg		412	362	399	461	424
Impala Springs		13	16	10	13	19
Marula		66	87	72	75	68
<b>SA operations total (4.77% of leviabale payroll)</b>		<b>491</b>	<b>465</b>	<b>481</b>	<b>548</b>	<b>511</b>
<b>Employee literacy (AET III and above)</b>	Percentage					
Impala Rustenburg		79	81	81	81	82
Impala Springs		90	90	90	86	96
Marula		95	94	94	93	92
<b>Average SA operations literacy</b>		<b>81</b>	<b>88</b>	<b>88</b>	<b>87</b>	<b>90</b>
<b>AET training employees</b>	Number					
Impala Rustenburg		163	188	223	155	161
Impala Springs		0	0	0	0	0
Marula		10	23	12	6	11
<b>SA operations total</b>		<b>173</b>	<b>211</b>	<b>235</b>	<b>161</b>	<b>172</b>
<b>AET – nett enrolment</b>	Number					
Impala Rustenburg		164	78	110	331	478
Impala Springs		0	0	0	0	0
Marula		16	15	11	24	16
<b>SA operations total</b>		<b>180</b>	<b>93</b>	<b>121</b>	<b>355</b>	<b>494</b>



## PEOPLE

### Group

#### Skills development

		2020	2019	2018	2017	2016
<b>Total number of employees trained (including AET)</b>	Number					
Impala Rustenburg		25 640	24 924	26 413	27 489	29 526
Impala Springs		835	1 189	2 481	2 986	2 381
Marula		3 094	4 760	2 998	3 021	3 516
<b>SA operations total</b>		<b>29 569</b>	30 873	31 892	33 496	35 423
<b>Value of AET training</b>	R000					
Impala Rustenburg		11 638	10 824	12 190	10 649	10 738
Impala Springs		0	0	0	0	0
Marula		399	1 455	1 150	1 425	1 896
<b>SA operations total</b>		<b>12 037</b>	12 279	13 340	12 074	12 634
<b>Hours of AET training</b>	Hours					
Impala Rustenburg		69 560	63 632	78 080	65 224	70 304
Impala Springs		0	0	0	0	0
Marula		21 888	18 270	11 520	27 288	15 640
<b>SA operations total</b>		<b>91 448</b>	81 902	89 600	92 512	85 944
<b>Functional literacy</b>	Percentage					
Zimplats		99	99	99	99	99
<b>Average Zimbabwean operations functional literacy</b>		<b>99</b>	99	99	99	99

## Environment

### Group

#### Environment

	Unit	2020	2019	2018	2017	2016
<b>Key production figures</b>						
Ore milled (excluding Mimosa)	000 tonnes	19 576	19 469	19 355	18 332	18 426
Tailings disposed on tailing dam	000 tonnes	18 977*	19 296	22 166	21 258	20 936
Dump slag treated	000 tonnes	53	41	126	43	201
Furnace and converter slag generated and treated	000 tonnes	541	739	698	835	755
Total slag treated	000 tonnes	594	780	824	835	946
Platinum produced	000 oz	1 349	1 526	1 468	1 530	1 438
<b>Group material consumption</b>						
Diesel	000 litres	25 044	20 513	19 858	19 146	18 917
Petrol	000 litres	600	347	321	356	386
Coal	tonnes	144 109	150 226	138 079	161 446	153 309
Industrial burning oil	000 litres	1 840	1 700	1 884	1 316	1 222

\* Includes Q3 & Q4 data from Canada.

### Group

#### Energy and water management

		2020	2019	2018	2017	2016
<b>Key production figures – energy</b>	GJ000					
Impala Rustenburg		10 455	11 099	10 535	11 478	10 902
Impala Springs		2 424	2 444	2 405	2 639	2 511
Marula		714	797	779	716	771
Zimplats		2 469	2 523	2 482	2 483	2 425
Canada		716	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>16 778</b>	16 863	16 201	17 316	16 609
<b>Key production figures – water</b>	MI					
<b>Total water withdrawn</b>						
Impala Rustenburg		13 126	13 198	13 935	14 140	14 201
Impala Springs		722	781	728	760	810
Marula		1 788	1 949	1 821	1 412	1 471
Zimplats		7 473	7 218	7 046	7 218	7 903
Canada		920	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>24 029</b>	23 146	23 530	23 530	24 385

# Performance tables

## ENVIRONMENT

### Group

#### Water management

		2020	2019	2018	2017	2016
<b>Total water consumed</b>	MI					
Impala Rustenburg		22 858	23 410	23 760	24 443	22 494
Impala Springs		1 232	1 201	1 170	1 301	1 333
Marula		3 130	3 209	3 269	2 761	2 929
Zimplats		12 171	12 074	11 595	12 166	12 121
Canada		3 732	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>43 123</b>	<b>39 894</b>	<b>39 794</b>	<b>40 671</b>	<b>38 877</b>
<b>Total water recycled</b>	MI					
Impala Rustenburg		9 732	10 212	9 825	10 303	8 293
Impala Springs		510	420	442	542	523
Marula		1 342	1 260	1 448	1 349	1 458
Zimplats		4 698	4 856	4 549	4 948	4 218
Canada		2 812	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>19 094</b>	<b>16 748</b>	<b>16 264</b>	<b>17 142</b>	<b>14 492</b>
<b>Unit water consumption</b>	kl/tonne milled					
Impala		2.05	2.20	2.28	2.42	2.15
Marula		1.91	1.81	1.78	1.85	1.74
Zimplats		1.80	1.83	1.76	1.81	1.80
<b>Group total</b>		<b>2.20</b>	<b>2.05</b>	<b>2.43</b>	<b>2.30</b>	<b>2.09</b>

#### Key production figures

#### Emissions (tonnes)

		2020	2019	2018	2017	2016
<b>Total direct CO<sub>2</sub></b>						
Impala Rustenburg		159 796	170 663	148 516	178 763	170 301
Impala Springs		178 332	179 008	175 452	164 214	145 018
Marula		6 374	6 357	5 888	5 675	6 247
Zimplats		57 210	55 237	51 987	50 869	50 269
Canada		17 652	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>419 364</b>	<b>411 265</b>	<b>381 843</b>	<b>399 521</b>	<b>371 835</b>
<b>Total indirect CO<sub>2</sub></b>						
Impala Rustenburg		2 567 497	2 723 722	2 402 117	2 532 664	2 449 626
Impala Springs		154 492	158 562	144 786	149 779	152 390
Marula		184 916	209 374	188 625	175 953	192 984
Zimplats		313 430	326 732	325 853	329 574	326 665
Canada		5 240	N/A	N/A	N/A	N/A
<b>Group total</b>		<b>3 225 575</b>	<b>3 418 390</b>	<b>3 061 381</b>	<b>3 187 970</b>	<b>3 121 665</b>
<b>Total indirect NO<sub>x</sub></b>						
Impala Rustenburg		10 343	10 972	10 029	10 489	10 187
Impala Springs		590	606	612	620	634
Marula		717	843	817	729	802
Zimplats		2 028	2 114	2 000	2 047	2 128
<b>Group total</b>		<b>13 678</b>	<b>14 535</b>	<b>13 458</b>	<b>13 885</b>	<b>13 751</b>
<b>Total direct SO<sub>2</sub></b>						
Impala Rustenburg		5 704	5 779	5 422	5 369	5 641
Impala Springs		542	724	957	937	677
Marula		0	0	0	0	0
Zimplats		20 532	23 132	21 887	23 067	25 074
<b>Group total</b>		<b>26 778</b>	<b>29 635</b>	<b>28 266</b>	<b>29 373</b>	<b>31 392</b>
<b>Total indirect SO<sub>2</sub></b>						
Impala Rustenburg		21 557	22 869	21 025	21 233	19 160
Impala Springs		1 297	1 331	1 267	1 256	1 192
Marula		1 481	1 758	1 633	1 475	1 509
Zimplats		4 226	4 406	4 192	4 145	4 207
<b>Group total</b>		<b>28 561</b>	<b>30 364</b>	<b>28 117</b>	<b>28 109</b>	<b>26 068</b>

## Key production figures

## Land management

	2020	2019	2018	2017	2016
<b>Disturbed areas rehabilitated</b>	ha				
Impala Rustenburg	2.0	2.0		11.8	14.4
Impala Springs	—	—	—	—	—
Marula	1.5	3.4	2.3	1.1	0.6
Zimplats	22.9	6.3	2.9	53.0	16.0
<b>Group total*</b>	<b>26.4</b>	<b>11.7</b>	<b>19.5</b>	<b>71.2</b>	<b>27.5</b>
<b>Current estimate of future rehabilitation costs</b>	Rm				
Impala Rustenburg	1 342	1 278	1 234	931	858
Impala Springs	275	268	255	245	229
Marula	334	300	279	112	109
Zimplats	668	565	594	627	557
Impala Canada	297	0	0	0	0
Afplats	20	19	16	18	17
<b>Group total*</b>	<b>2 936</b>	<b>2 430</b>	<b>2 378</b>	<b>1 933</b>	<b>1 770</b>
<b>Rehabilitation provisions</b>	Rm				
Impala Rustenburg	759	805	631	497	522
Impala Springs	228	226	201	201	186
Marula	148	157	79	44	52
Zimplats	352	285	307	364	318
Impala Canada	312	0	0	0	0
Afplats	20	19	7	8	9
<b>Group total*</b>	<b>1 819</b>	<b>1 492</b>	<b>1 225</b>	<b>1 099</b>	<b>1 081</b>

\* In line with financial accounting principles and not the DMRE requirements\*

## Key production figures

## Waste management (tonnes)

	Total Group 2020	Total Group 2019	Total Group 2018	Total Group 2017	Total Group 2016
<b>Non-mineral/non-hazardous waste*</b>					
Reused	1 005	989	182	275	811
Recycled	10 299	12 642	13 362	12 251	10 498
Recovered	0	0	0	0	0
Treatment	0	0	0	0	0
Disposal	5 202	4 035	5 323	4 467	6 884
On-site storage	0	0	0	0	0
<b>Non-mineral/hazardous waste*</b>					
Reused	0	0	2.4	2.4	2.5
Recycled	31 488	28 964	24 959	33 355	30 892
Recovered	200	112	224	180	0
Treatment	4 385	5 799	4 738	4 920	5 675
Disposal	9 445	8 312	13 573	10 918	8 997
On-site storage	0	0	8.5	11.0	8.6

\* Excludes Impala Canada as they are still aligning their non-mineral waste reporting methodology with the Group.

## Mineral waste (000 tonnes)

	2020	2019	2018	2017	2016
Accumulated tailings	18 977	19 296	22 166	21 258	20 936
Accumulated waste rock (on surface)	406	613	776	869	911

# Performance tables

## Key production figures

### Leased and managed

South Africa	Implats interest	Mining right (ha)	Prospecting right (ha)
Impala	96%	29 773	
Afplats	74%	4 602	1 065
Marula	73%	5 494	
Two Rivers	46%	11 349	

Zimbabwe	Implats interest	Mining leases (ha)
Zimplats	87%	24 632



# Independent Auditor's Assurance Report on the Selected Sustainability Performance Information in Impala Platinum Holdings Limited's ESG Report

## To the directors of Impala Platinum Holdings Limited

We have undertaken an assurance engagement on the selected key performance indicators (KPIs), as described below, and presented in the 2020 Environmental, Social and Governance (ESG) Report of Impala Platinum Holdings Limited (the Company or Implats) for the year ended 30 June 2020 (the report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

## Subject matter

We have been engaged to provide a reasonable assurance opinion on the KPIs listed in table A, and limited assurance conclusion on the KPIs listed in table B. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information and is reported on the website of the Company (the Reporting criteria).

The selected KPIs to be published in the report are set out in tables A and B and are collectively referred to as the "selected sustainability performance information".

## Reasonable assurance

Table A

Number	Selected sustainability performance information	Unit of measurement	Boundary	Page
<b>KPIs PREPARED IN ACCORDANCE WITH THE GRI GUIDELINES</b>				
1.	Contractor and employee fatalities	Number	Implats Group	44 and 126
2.	Contractor and employee lost-time incident frequency rate (LTIFR)	Rate	Implats Group	44 and 127
3.	Total injury frequency rate (TIFR)	Rate	Implats Group	44 and 127
4.	New cases of noise induced hearing loss submitted for compensation (NIHL)	Number	Implats Group	40 and 128
5.	New cases of pulmonary tuberculosis diagnosed and treated	Number	Implats Group	39 and 128
6.	Employees on antiretroviral treatment (ARV/ART) – net enrolment at year-end	Number	Implats Group	39 and 128
7.	Employee voluntary counselling and testing programme uptake (VCT)	Number	Implats Group	39 and 128
8.	Energy consumption	Gigajoules	Implats Group	101 and 129
9.	Water withdrawn	Megalitres	Implats Group	129
10.	Water consumption	Megalitres	Implats Group	97 and 130
11.	Total indirect carbon dioxide (CO <sub>2</sub> ) emissions	Tonnes	Implats Group	101 and 130
12.	Total nitrogen oxide (NO <sub>x</sub> ) emissions	Tonnes	Implats Group	103 and 130

# Independent Auditor's Assurance Report on the Selected Sustainability Performance Information in Impala Platinum Holdings Limited's ESG Report

Limited assurance

Table B

Number	Selected sustainability performance information	Unit of measurement	Boundary	Page
<b>KPIs PREPARED IN COMPLIANCE WITH THE AMENDMENT TO THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING AND MINERALS INDUSTRY</b>				
1.	Number of employees who are classified as historically disadvantaged South Africans (HDSA) and who are employed at management positions, above the supervisor level – excluding non-executive directors	Number	South African operations only	62
2.	Number of women employees in management positions, above the supervisor level – excluding non-executive directors	Number	South African operations only	63
3.	Number of people trained through adult education and training (AET)	Number	South African operations only	57 and 128
4.	HDSA procurement (> 25%) (in line with the Mining Charter categories of capital goods, services and consumable goods)	Rand	South African operations only	78
5.	Local procurement	Rand	South African operations only	79
6.	Total socio-economic development (SED) expenditure	Rand	South African operations only	70 and 73
<b>KPIs PREPARED IN ACCORDANCE WITH THE GRI GUIDELINES</b>				
7.	Total direct carbon dioxide (CO <sub>2</sub> ) emissions	Tonnes	Implats Group	101 and 130
8.	Total sulphur dioxide (SO <sub>2</sub> ) emissions	Tonnes	Implats Group	103 and 130
9.	Total employee turnover (%)	Percentage (%)	Implats Group	57 and 122

## Responsibilities of directors

The directors of the Company are responsible for the selection, preparation and presentation of the selected sustainability performance information in accordance with the reporting criteria (see Sustainability Reporting 2020 at <https://www.implats.co.za/sustainability-key-documents.php>).

These responsibilities include:

- the identification of stakeholders and stakeholder requirements, material issues and commitments with respect to sustainability performance; and
- the design, implementation and maintenance of internal control relevant to the preparation of the report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability performance information and for ensuring that those criteria are publicly available to the report users.

## Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emission conversion factors derived by independent third parties, our assurance work will not include examination of the derivation of those factors and other third party information.

## Independence and quality control

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code). We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing assurance engagements in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Our firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Auditor's responsibility

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected sustainability performance information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, the International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability performance information are free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

## Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised), and ISAE 3410, involves performing procedures to obtain evidence about the measurement of the selected sustainability performance information and related disclosures in the report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected sustainability performance information, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to the Company's preparation of the selected sustainability performance information. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by the Company;
- Assessing the suitability in the circumstances of the Company's use of the applicable reporting criteria as a basis for preparing the selected sustainability information; and
- Evaluating the overall presentation of the selected sustainability performance information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

# Independent Auditor's Assurance Report on the Selected Sustainability Performance Information in Impala Platinum Holdings Limited's ESG Report

## Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability performance information, assessing the risks of material misstatement of the selected sustainability performance information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability performance information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the selected sustainability performance information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability performance information has been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability performance information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability performance information; and
- Evaluated whether the selected sustainability performance information presented in the report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

## Reasonable assurance opinion and limited assurance conclusion

### Reasonable assurance opinion

In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected sustainability performance information set out in the Subject Matter, Table A for the year ended 30 June 2020 is prepared, in all material respects, in accordance with the reporting criteria.

### Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability performance information as set out the Subject Matter, Table B for the year ended 30 June 2020 is not prepared, in all material respects, in accordance with the reporting criteria.

## Other matter

The maintenance and integrity of Implats' website is the responsibility of Implats' directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on Implats' website.

## Restriction of liability

Our work has been undertaken to enable us to express a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability performance information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



**Nexia SAB&T**  
**Ayisha Ramasike**  
Chartered Accountant (SA)  
Registered Auditor  
Director

21 October 2020



# Glossary

<b>ABET</b>	Adult Basic Education and Training
<b>Aids</b>	Acquired immune deficiency syndrome
<b>AMCU</b>	Association of Mineworkers and Construction Union
<b>AMWUZ</b>	Associated Mine Workers Union of Zimbabwe
<b>ART</b>	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)
<b>B-BBEE</b>	Broad-based black economic empowerment
<b>BSC</b>	Balance-scorecard
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>Covid 19</b>	Coronavirus disease 2019
<b>CSOT</b>	Community Share Ownership Trust
<b>CTF</b>	Cultural transformation framework
<b>dB</b>	Decibels. Unit of measurement for sound
<b>DEROs</b>	Desired Emissions Reduction Objectives
<b>DOH</b>	Department of Health
<b>DMR</b>	Department of Mineral Resources, South Africa
<b>DPM</b>	Diesel Particulate Matter
<b>DSM</b>	Demand-side management
<b>DWS</b>	Department of Water and Sanitation
<b>EAO</b>	Emolument attachment orders
<b>ECD</b>	Early childhood development
<b>EFF</b>	Economic Freedom Fighters
<b>EIA</b>	Environmental impact assessment
<b>EIS</b>	Executive incentive scheme
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>EMA</b>	Environmental Management Agency of Zimbabwe
<b>EMP</b>	Environmental management programme
<b>ESG</b>	Environmental, social and governance factors
<b>ESOP</b>	Employee Share Ownership Programme
<b>ESOT</b>	Employee Share Ownership Trust
<b>Executive director</b>	Is employed by the Company and is involved in the day-to-day running of the organisation
<b>EVP</b>	Employee value proposition
<b>FIFR</b>	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 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
<b>FLC</b>	Foundational Learning Competence
<b>FY</b>	Financial year (to 30 June)

# Glossary

<b>GJ</b>	Gigajoules. Unit of measure for energy
<b>GHG</b>	Greenhouse gases
<b>GRI</b>	Global Reporting Initiative
<b>HDSA</b>	Historically disadvantaged South African
<b>HIV</b>	Human immunodeficiency virus
<b>HPD</b>	Hearing Protection Devices
<b>HSE</b>	Health safety and environment
<b>HSRC</b>	Human Science Research Council
<b>IBC</b>	Inside back cover
<b>IFC</b>	Inside front cover
<b>IFRS</b>	International Financial Reporting Standards
<b>IBT</b>	Impala Bafokeng Trust, socio-economic development vehicle jointly funded by Implats and RBH
<b>ILO</b>	International Labour Organisation
<b>IMP</b>	Impala Medical Plan
<b>Impala Platinum</b>	Impala Platinum Limited, comprising Impala Rustenburg and Impala Springs
<b>Implats</b>	Impala Platinum Holdings Limited
<b>Independent directors</b>	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
<b>IPA</b>	International Platinum Group Metals Association
<b>ISO</b>	International Organisation for Standardisation
<b>IWWMP</b>	Integrated waste and water management plan
<b>IIP</b>	Indigenisation Implementation Plan
<b>JSE</b>	Johannesburg Stock Exchange
<b>KPI</b>	Key performance indicator
<b>LCA</b>	Lifecycle assessment
<b>LCMs</b>	Loose cubic metres
<b>LED</b>	Local Economic Development
<b>Local community</b>	Communities that are directly impacted by our mining operations and are on or near the mine lease area
<b>Lost-time injury</b>	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
<b>LRA</b>	Labour Relations Act
<b>LSE</b>	London Stock Exchange
<b>LTI</b>	Long-term incentive
<b>LTIFR</b>	Number of lost-time injuries expressed as a rate per million hours worked and includes restricted work cases

<b>Marula</b>	Marula Platinum (Pty) Ltd
<b>Materiality and material issues</b>	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
<b>MCDA</b>	Marula community development agency
<b>MCLEF</b>	Mine Communities Leadership Engagement Forum
<b>MCSOT</b>	Mberengwa Community Share Ownership Trust
<b>MCT</b>	Marula Community Trust
<b>MHSC</b>	Mine, Health and Safety Council
<b>MIGDETT</b>	Mining Industry Growth Development and Employment Task Team
<b>Mimosa</b>	Mimosa Platinum (Private) Limited
<b>Minerals Council</b>	Minerals Council South Africa
<b>Mining Charter</b>	Broad-based socio-economic empowerment charter for the South African mining industry
<b>MPRDA</b>	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
<b>Medical treatment cases (MTCs)</b>	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
<b>MW</b>	Megawatt, a measure of electric power
<b>NAC</b>	National Aids Council
<b>NASCA</b>	National Senior Certificate for Adults
<b>NCR</b>	National credit regulator
<b>NGO</b>	Non-governmental organisation
<b>NDP</b>	National Development Plan
<b>NIHL</b>	Noise-induced hearing loss
<b>NMWVZ</b>	National Mine Workers Union of Zimbabwe
<b>Non-executive director</b>	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder
<b>NO<sub>x</sub></b>	Nitrous Oxide
<b>NRF</b>	National Research Foundation
<b>NUM</b>	National Union of Mineworkers, South Africa
<b>OHSAS</b>	Occupational Health and Safety Assessment Series
<b>ORAs</b>	Objective-based risk assessments
<b>PBC</b>	PGM beneficiation committee
<b>PDS</b>	Proximity detective systems
<b>PFA</b>	President's Framework Agreement
<b>PGE</b>	Platinum group elements (Pt, Pd, Rh, Ru, IR and Au)
<b>PGI</b>	Platinum Guild International
<b>PGMs</b>	Platinum group metals
<b>PIC</b>	Public Investment Corporation
<b>PPC</b>	Platinum producer's committee
<b>PPE</b>	Personal protective equipment

# Glossary

<b>RBED</b>	Royal Bafokeng Enterprise Development
<b>RBH</b>	Royal Bafokeng Holdings
<b>RBN</b>	Royal Bafokeng Nation/Administration
<b>Reportable</b>	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
<b>Restricted Work Injuries (RWI)</b>	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
<b>RDP</b>	Reconstruction and Development Programme
<b>RFA</b>	Rehabilitation and Fitness Assessment
<b>RLM</b>	Rustenburg local municipality
<b>RSIP</b>	Rehabilitation strategy and implementation plan
<b>SAMREC</b>	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
<b>SAMVAL</b>	The South African Code for the Reporting of Mineral Asset Valuation
<b>SD</b>	Sustainable development
<b>SED</b>	Socio-economic development
<b>SET</b>	Social, ethics and transformation
<b>SHEQ</b>	Safety, health and environment quality
<b>SLP</b>	Social and labour plan
<b>SMC</b>	Selous Metallurgical Complex
<b>SMMEs</b>	Small, medium and micro-enterprises
<b>SO<sub>2</sub></b>	Sulphur dioxide
<b>SRI</b>	Socially responsible investment
<b>STI</b>	Short-term incentive
<b>TARP</b>	Triggered action response plan
<b>TB</b>	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
<b>TEBA</b>	The Employment Bureau of Africa
<b>TMM</b>	Trackless mobile machinery
<b>Traditional council leadership</b>	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
<b>UNGC</b>	United Nations Global Compact
<b>UNSDG</b>	United Nations Sustainable Development Goals
<b>VCT</b>	Voluntary counselling and testing, in respect of HIV and Aids
<b>VPSHR</b>	Voluntary principles on security and human rights
<b>WBCSD</b>	World Business Council on Sustainable Development
<b>WC/WDM</b>	Water Conservation/Water Demand Management
<b>WiM</b>	Woman in mining
<b>WPIC</b>	World Platinum Investment Council
<b>WUL</b>	Water use licence
<b>ZIP</b>	Zero incident process



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