



KING IV REPORTING



2022



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In working to achieve Implats' purpose to create a better future, the Implats board recognises that the Group must remain successful over time to create sustainable value for all stakeholders. In this regard, the Implats board ("the board") is committed to providing effective and ethical leadership to the Group, maintaining the highest standards of good governance to promote quality decision-making and executing decisions within a disciplined framework of policies, procedures and authorities. The board is guided by the principles of the King IV Code on Corporate Governance (King IV), the Companies Act, 2008, the JSE Listings Requirements and all other applicable laws, standards and codes.

The board maintains and develops its governance framework to meet the highest standards. This ensures that the decisions made and executed are sound and designed to further the interest of Implats and its diverse stakeholder universe in support of a long-term future. The governance framework helps to improve business performance, increase stability and productivity, reduce risk, unlock new opportunities for growth and foster trust.

The application of King IV is on an apply and explain basis and is embedded in many of the policies and procedures governing corporate conduct. The board is satisfied that the Company has applied the principles set out in King IV. This document provides the detail pertinent to the application of these principles.

Where applicable, additional governance disclosure can be found in the annual reports which can be accessed at www.implats.co.za.

September 2022



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KING IV PRINCIPLE

The governing body should lead ethically and effectively

DISCLOSURE

The board is committed to the highest standards of governance and it exercises ethical and effective leadership by ensuring that it acts in good faith, with care and due diligence and in the best interest of the Company while increasing value creation for all stakeholders.

The board recognises that an effective board must foster a culture underpinned by integrity, accountability and transparency therefore directors hold each other accountable for their leadership role and execution. Roles and responsibilities are clearly defined and performance is robustly reviewed on a regular basis and this approach is cascaded throughout the Group.

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KING IV PRINCIPLE

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

DISCLOSURE

The board's approach to ethics is supported by the Code of Ethics and Anti-bribery and Anti-Corruption policies that cover a range of areas which include the management of conflicts of interest, handling business transactions with integrity and reporting unethical behaviour.

The Nomination, Governance and Ethics (NGE) Committee oversees that an effective ethics management programme is developed and implemented. This has assisted the board to develop a culture of ethics in the organisation.

Refer to the Corporate Governance Report and the annual integrated report (IR) for additional disclosure.



3

KING IV PRINCIPLE

The governing body should ensure the organisation is and is seen to be a responsible corporate citizen

DISCLOSURE

Being a responsible corporate citizen (maintaining our social licence to operate) is a key pillar of our strategy. Given the broad scope of our initiatives in this area, oversight vests with two board sub-committees, namely the Social, Transformation and Remuneration (STR) committee and the Health, Safety and Environment (HSE) committee. The board discloses all its initiatives in the annual *Environmental, Social and Governance (ESG) report*, which is available on the Company website.

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KING IV PRINCIPLE

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

DISCLOSURE

The board interrogates strategy implementation on an on-going basis to ensure the continuing relevance of previous decisions. The Group's purpose, risks and opportunities, strategy and business model are also reviewed with due consideration to all the capitals deployed to create value for stakeholders.

Refer to the IR for additional disclosure, which is on the Company website www.implats.co.za

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KING IV PRINCIPLE

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of its performance, and its short-, medium- and long-term prospects

DISCLOSURE

The preparation of the IR and other supplementary reports is guided by the relevant reporting frameworks as well as existing guidance for best practice. The board is assisted by the Audit and Risk Committee as well as other committees to ensure reporting is fair, accurate and independently assured where possible.

All external reports published by the Company are available on Implats' website www.implats.co.za.



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KING IV PRINCIPLE

The governing body should serve as the focal point and custodian of corporate governance in the organisation

DISCLOSURE

The board ensures the Company and all its subsidiaries adhere to high standards of corporate governance. The NGE committee of the board authorises the appointment of directors to subsidiary companies to ensure these standards are maintained. The board functions in terms of an approved charter and is also guided by King IV principles, the memorandum of incorporation, the Companies Act as well as the JSE Listings Requirements.

Refer to the Corporate Governance Report and the IR for additional disclosure.

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KING IV PRINCIPLE

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively

DISCLOSURE

The NGE committee assists the board with planning and appointing suitably qualified members with the requisite skills and experience and the majority of whom are independent. The board also receives recommendations on suitable candidates for deployment to board committees. The board has adopted a diversity policy, which addresses issues of race, gender, skills and geography to enable the board to draw potential candidates across all spectrums. The board has met all its targets in terms of race and gender diversity.

Refer to the Corporate Governance Report for additional disclosure.



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KING IV PRINCIPLE

The governing body should ensure its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

DISCLOSURE

The board comprises majority independent non-executive directors. All committees comprise majority independent directors and are chaired by independent chairpersons. No board member has unfettered powers in any of the board structures, which allows for free-flowing discussion during deliberations. Executive directors and management are always present in meetings to provide context, which enables the board to discharge its duties responsibly. The board delegates certain authority to management and reserves the right to withdraw or vary the delegated authority.

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KING IV PRINCIPLE

The governing body should ensure the evaluation of its own performance and that of its committees, its chair and its individual members, supports continued improvement in its performance and effectiveness

DISCLOSURE

The board conducts an evaluation of itself as a unit, individual members, committees and committee chairpersons. The evaluation of the board and its committee is conducted once every two years in alternate years. This means that each year, the board conducts an in-depth review either of the board or its committees. The evaluations afford the directors an opportunity to self reflect and identify areas for improving board performance.

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KING IV PRINCIPLE

The governing body should ensure that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities

DISCLOSURE

The NGE committee recommends and the board approves the appointment of the CEO, the CFO and other members of the executive committee. The board delegates its authority to management through the CEO and holds management accountable for executing the approved strategy. An approval framework is in place to clarify what powers have been delegated to management and which have been reserved for the board.



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KING IV PRINCIPLE

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

DISCLOSURE

The board takes overall responsibility for the effective governance of organisational risks and opportunities and is assisted by the Audit and Risk Committee. The oversight of top risks are delegated to relevant committees which possess the requisite expertise. The Group continuously monitors its risk appetite and tolerance levels in terms of its strategic objectives and associated key performance indicators. Mitigating controls are formulated to address the risks and the board is kept up to date on progress thereof.

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KING IV PRINCIPLE

The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

DISCLOSURE

The Board exercises ongoing oversight of the governance of technology and information and, in particular, oversees that it results in the strategic leveraging of information as an asset to sustain and enhance the Group's intellectual capital, protection of the privacy of personal information, continual monitoring of security of information and protection of the integrity of information. The Board has delegated authority to the Audit and Risk Committee for setting the approach for technology governance and managing related information and technology risks. The committee views information and technology as an integral part of the risk management process, and where key risks are identified, the necessary assurance is obtained on the effectiveness of the IT internal controls.



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KING IV PRINCIPLE

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

DISCLOSURE

The board takes seriously the requirement to comply with applicable laws, non-binding rules, codes and standards to the extent that they have been adopted. A legal and regulatory compliance management function has been established and it reports primarily to the Audit and Risk committee. The quarterly reports cover areas of current and future focus; actions to monitor and address compliance management; material or repeated sanctions, fines and penalties on the organisation, its officers and/ or members; environment regulator inspections and incidents of non-compliance and the consequences thereof.

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KING IV PRINCIPLE

The governing body should ensure the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

DISCLOSURE

The Company has adopted a remuneration philosophy and policies which enable it to attract, retain and motivate talented individuals. The employee value proposition is assessed annually for internal and external competitiveness and is aligned to Group strategy. The STR committee, comprising only independent non-executive directors, interrogates the reward offering to ensure alignment with all stakeholders. Roadshows are undertaken to engage shareholders about their views regarding reward offerings and reported remuneration activities. The remuneration report addresses the reporting requirements of King IV by including a background statement, policy overview and an implementation report. Shareholders are given the opportunity to vote on the policy and the implementation report. In the event that the non-binding votes do not get the required votes, the Company, led by the chairman of the STR committee, engages shareholders to better understand their requirements. Improvements are made where possible.



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KING IV PRINCIPLE

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports

DISCLOSURE

The board delegates oversight over the effectiveness of the Company's internal controls, risk management processes and integrity of information to the Audit and Risk committee. Assurance is provided over the information reported both internally and externally by management, specialist functions, internal audits, external auditors and other third-party assurance providers. To this end, the Audit and Risk committee adopted an effective combined assurance framework, which has matured over the years in optimising the assurance provided, cross functionally and enterprise wide.

Refer to the IR for additional disclosure.

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KING IV PRINCIPLE

In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

DISCLOSURE

The Company makes every possible effort to engage with stakeholders. Quarterly stakeholder reports are submitted to the STR committee detailing all key engagements and the outcomes thereof. Stakeholder governance, engagement and material matters are disclosed in the *IR and ESG reports*.

CONTACT DETAILS

For further information visit Implats' corporate website:

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