IMPLATS
EXCELLENCE IN PGMs

Creating a better future

Annual Integrated Report **2021**

Welcome to our 2021 Annual Integrated Report

At Implats we are focused on creating a better future. We aspire to deliver value through excellence and execution, and our commitment to responsible stewardship and long-term value creation.

Forward-looking statements

Certain statements contained in this disclosure, other than the statements of historical fact, contain forward-looking statements regarding Implats' operations, economic performance or financial condition, including, without limitation, those concerning the economic outlook for the platinum industry, expectations regarding metal prices, production, cash costs and other operating results, growth prospects and the outlook of Implats' operations, including the completion and commencement of commercial operations of certain of Implats' exploration and production projects, its liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation, regulatory approvals and/ or legislative frameworks currently in the process of amendment, or any enforcement proceedings. Although Implats believes the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results may differ materially from those set out in the forward-looking statements due to, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metal prices, global demand, exchange rates and business and operational risk management. The forward-looking statements herein involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and Implats cautions against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with Covid-19. For a discussion on such factors, refer to the risk management section of the Group's annual integrated report. Implats is not obliged to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the dates of the integrated annual report or to reflect the occurrence of unanticipated events. Disclaimer: This entire disclosure and all subsequent written or oral forward-looking statements attributable to Implats, or any person acting on its behalf, are qualified by caution. Recipients hereof are advised that this disclosure is prepared for general information purposes and is not intended to constitute a recommendation to buy or offer to sell shares or securities in Implats or any other entity. Sections of this disclosure are not defined and assured under IFRS, but are included to assist in demonstrating Implats' underlying financial performance. Implats recommends you discuss any doubts in this regard with an authorised independent financial adviser, stockbroker, tax adviser, accountant or suitably qualified professional.

Online

www.implats.co.za

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

@impalaplatinum.com

www.linkedin.com/company/impalaplatinum limited

www.youtube.com/implats

ESG Report

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

Mineral Resource and Mineral Reserve Statement

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

Annual Financial Statements

Prepared according to:

- The International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB)
- The SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council
- The requirements of the South African Companies Act, Act 71 of 2008
- The Listings Requirements of the JSE Limited and the recommendations of King IV™*

The Company is operating in conformity with the MOI.

Notice to shareholders

- Notice and proxy
- Corporate governance
- Audit and risk committee report
- Social, transformation and remuneration committee report
- Remuneration report
- Directors' report
- Summarised consolidated financial statements

Contents

We welcome your feedback to ensure we cover all aspects

Go to **www.implats.co.za** or email **investor@implats.co.za** to provide us with your feedback.

01 About our business

02 Corporate governance

03 Our operating environment

04 Group performance

05 Operational performance

06 Annexures

Implats' strategy is centred on six focus areas where targeted actions and aspirations serve to achieve our purpose and vision.

Responsible stewardship
We aspire to become an industry leader in ESG, producing metals that sustain livelihoods beyond mining and create a better future

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

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

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

Competitive asset portfolio
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies

Future focus
We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand

Our six capitals

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

How to navigate this report

For easy navigation and cross-referencing, we have included the following icons within this report:

- Information available on our website (www.implats.co.za)
- Information available elsewhere in this report

Creating a better future through **the metals we produce**

About our business

Committed to supplying metals needed to develop, sustain and improve our world

Ethics, risk governance and assurance

At Implats, we believe that assurance is an integral component of governance, however, underpinning good governance is an ethics-based culture where those charged with governance and management lead by example and promote ethical behaviour.

Guided by principle 2 of the King IV Report on Corporate Governance, the board gives effect to the code by governing the ethics of the organisation in a way that supports the establishment of an ethical culture by:

- Setting the direction for ethics
- Approving codes of conduct and ethics policies
- Ensuring that there are ways for stakeholders to be familiarised with Group codes of conduct and ethics policies
- Delegating the implementation of codes of conduct and ethics to management and provide oversight of this management
- Deliberate the management of ethics, focus areas, monitoring measures and how ethical outcomes are addressed.

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

Principles

Fairness and integrity in all business dealings, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

- Respect for the human rights and the dignity of all people
- Care for the health and safety of all stakeholders including the socio-economic wellbeing of our communities, the preservation of natural resources and the environment within which we operate
- Acceptance of diverse cultures, religions, race, gender, sexual orientation and people with disabilities
- Honesty, transparency, accountability
- Adherence to sound standards of corporate governance and all applicable laws.

Board recommended practices

- Set direction for ethics in organisation
- Approve codes of conduct, ethics policies and ensure inclusion of all stakeholders and key ethical risks
- Delegate implementation of code of ethics and assume ongoing oversight management
- Discuss management of ethics, monitoring and focus areas and ethical outcomes.

Approvals and declarations

- Any member of the board
- The chairperson of the NGE committee
- Any member of Exco
- All Implats employees.

Assurance of our integrated report

The board takes overall responsibility for the integrity of the integrated report and ensures its compliance with the International Integrated Reporting Framework by reviewing the final report and approving the material matters and themes to be included in the report when reporting on the various content elements. A combined assurance model is in place and functioned throughout the year under review (refer next page). The King IV Report on Corporate Governance (King IV) has been applied and internal compliance therewith is verified as part of the internal audit assurance cycle for the Company. The Global Reporting Initiative (GRI) Standards, the JSE Listings Requirements and the South African Companies Act, 71 of 2008, are adhered to and compliance is also monitored and reported in a systematic and structured manner to the audit and risk committee throughout the year by the Group's risk and compliance department.

The Group's external auditor, Deloitte, provided assurance on the annual financial statements (AFS) for the year ended 30 June 2021 (refer page 8 of the AFS). Reasonable and limited assurance was provided by Nexia SAB&T on selected non-financial sustainability information and key performance indicators (page 141 of the ESG report). Implats is committed to independent third-party reviews providing assurance for the Mineral Resource and Mineral Reserve estimates which assist with the principle of continuous improvement on the internal processes. The managed operations were subjected to external audit for this cycle and individual audit certificates of each of the respective audit companies are included on pages 119 to 122 of the 2021 Mineral Resource and Mineral Reserve Statement.

Implats overall assurance model

The Implats combined assurance model (CAM), is designed to optimise the assurance provided over the Group's top strategic risks (page 66), risk management and the internal financial controls.

The audit and risk committee monitors and reviews the Group risk profile and the effectiveness of the management activities and monitors adherence to board-approved risk appetite and tolerance. Other board committees perform additional risk oversight through rigorous analysis of management's assertions for their assigned Group risks (refer pages 46 to 50).

The CAM is further applied to evaluate and assure various aspects of the business operations, including elements of external reporting. Implats Group Internal Audit (IGIA) provides a further line of assurance. These combined assurances are provided by management to the board and the respective committees according to their assigned areas of responsibility. The audit and risk committee provides assurance annually to the board on the effectiveness of risk management and internal controls. In addition, the supplementary reports to our annual integrated report are subjected to varying degrees of external assurance.

Governance

The board is responsible for overseeing the Group's risk management and internal control systems, which management is responsible for implementing. The board committees consist of independent non-executive directors, supporting a strong risk governance framework.

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

Implats combined assurance model

Organisational monitoring
- Control self-assessments (CSAs)
- Implementation of standards at operational level
- Internal checks and balances, compliance monitoring

Management review
- Performance and management framework
- Implementation of controls at management level

Independent assurance
- Financial audits
- Risk-based audit and compliance reviews
- Other external audits

Board oversight
- Board committee reviews
- Internal audits and forensic investigations (including IT and compliance general audits)
- Review of controls at strategic level

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

Risk governance

Implats board
Sets the tone at the top and oversees the management of Group risks.

Implats board committees
Oversee assigned risks by aligning board skills and strategic issues and risks. Challenge management assumptions and communicate between board and management.

Implats executive committee
Implements the Group's strategy and identifies associated Group risks. Regularly reviews risk ranking and completeness. Assigned with risk ownership.

Impala Rustenburg, Impala Refineries, Zimplats, Marula and Impala Canada operations executives and functional executives
Execute business plans aligned with Group strategy. Owners of risks associated with execution.

JSE Section 3.84(k) – Group CEO and CFO sign-off on internal financial control

The audit and risk committee reviewed and assessed the certification process implemented by management to support the CEO and CFO confirmation of the fairness of the annual financial statements and the system of internal control over financial reporting (refer page 6 of the 2021 Group consolidated AFS), a JSE Limited Listings Requirement which came into effect in the current reporting period. The results from the attestation process were communicated to the committee. The committee considered the identified deficiencies as well as the appropriateness of management's response including remediation, reliance on compensating controls and additional review procedures. The committee has resultantly noted the final attestation of the CEO and CFO.

Our purpose

Creating a better future

Through the metals we produce	Through the way we do business	Through superior economic performance

Committed to supplying metals needed to develop, sustain and improve our world

- PGMs, including platinum, palladium, rhodium, ruthenium, iridium and osmium, are an excellent raw material in catalyst and manufacturing ingredient.

For more information on PGMs refer below.

Long-term growth and opportunity for all stakeholders

- Develop and care for host communities
- Provide meaningful employment
- Caring for and supporting our environment
- Creating value for stakeholders.

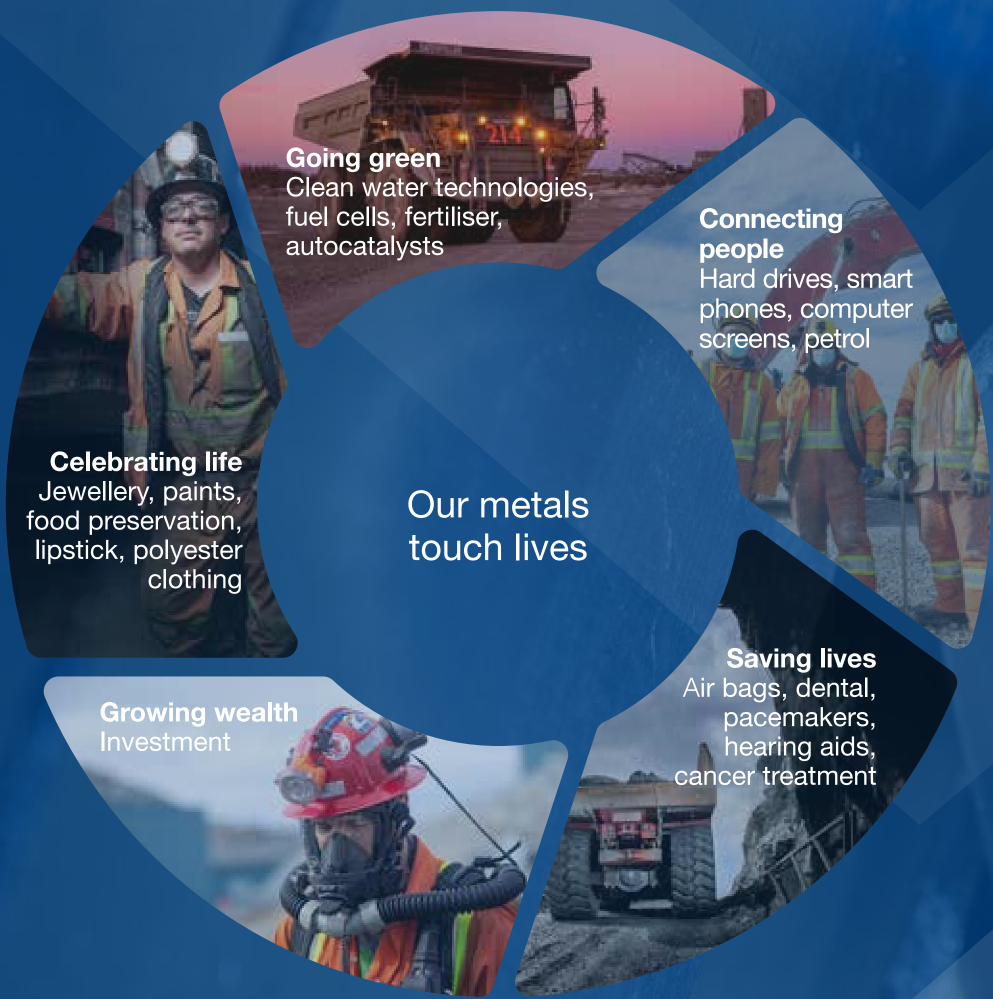
For further information see potential for differentiation and value-focused strategy on page 22.

Sustaining industry leading business and financial performance through the commodity cycle

- Securing business growth and sustainable enterprise
- Delivering steady supply of superior quality products
- Generating meaningful tax and social investment
- Yielding compelling investment returns.

For further information see Group performance and operational performance on chapters 04 and 05 of this report.

Our metals



Our vision

To be the most valued and responsible metals producer, creating a better future for our stakeholders

Most valued	Responsible	Metal producer	A better future	Stakeholders
We aspire to deliver value through excellence and execution, adjusting to market dynamics to remain competitive, delivering strong financial returns through commodity cycles	We are committed to responsible stewardship, long-term value creation and being the trusted partner in the way we do business, treat people and limit our environmental impacts	Our value-driven focus is to be a sustainable, high-value and globally competitive integrated metals producer	Our metals, and the way we produce them, improve quality of life – today and for generations to come	Through the positive contribution we make to society, we create lasting benefits for our stakeholders in a way that is respectful, responsible and transparent

Our values

Respect

We believe in ourselves
We work together as a team
We take ownership of our responsibilities
We are accountable for our actions

Care

We set each other up for success
We care for the environment
We work safely and smartly
We make a positive contribution to society

Deliver

We play our A-game everyday
We go the extra mile
We learn, adapt and grow
We create a better future

Reporting boundary and materiality

The aim of this report is to communicate the full range of factors that affect Implats' ability to create value over time. Implats' definition of value is found in our purpose, vision and values, which inform the content of our integrated report. Items materially affecting strategy, the business model, capitals, governance, performance and prospects of the Group and its stakeholders have been reported on. Our stakeholders' needs vary per operation and are internally managed and evaluated on an individual basis. Therefore, where applicable, information has been presented on an individual basis to address individual operations' stakeholder material matters, risks and the value chain and is included in each one of the operations in section 05 of the IR.

The financial information presented was prepared by applying IFRS consolidation techniques to report on associates, but in the operating sections associates are reported at 100%. Production is reported in terms of platinum group metals (PGMs); 6E being platinum, palladium, rhodium, ruthenium and iridium as well as gold (4E excludes ruthenium and iridium).

Group structure: Financial reporting boundary

Impala Platinum Holdings Limited

Implats holding	Country	Operation	Other holding	Other shareholder(s)
96%	South Africa	Impala	4%	Employee Share Ownership Trust
73.3%	South Africa	Marula	26.7%	Tubatse Platinum (Pty) Ltd, Mmakau Mining (Pty) Ltd, Marula Community Trust Marula ESOT Company (Pty) Ltd
46%	South Africa	Two Rivers	54%	African Rainbow Minerals Ltd
74%	South Africa	Afplats	26%	Ba-Mogopa Platinum Investments (Pty) Ltd
15%	South Africa	Waterberg	85%	Platinum Group Metals Ltd, Mnombo, JOGMEC, Hanwa
87%	Zimbabwe	Zimplats	13%	Minorities
50%	Zimbabwe	Mimosa	50%	Sibanye-Stillwater Limited
100%	Canada	Impala Canada		

Considerations

Purpose, vision and values

Pages 6 and 7

Stakeholders and their material matters

Page 12

- Employees and unions
- Communities
- Government Shareholders and investor community
- Customers

Strategic objectives

Responsible stewardship · Operational excellence · Organisational effectiveness · Optimal capital structure · Operational excellence · Future focus

Business model, resource allocation and strategy

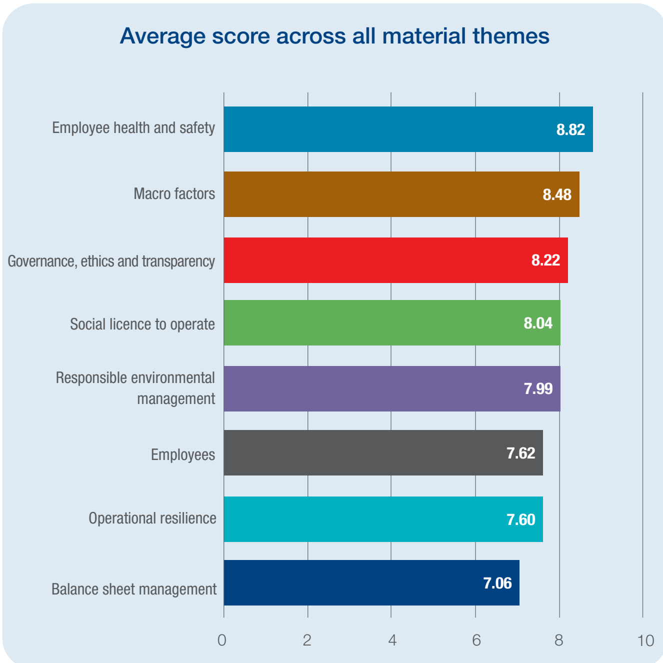
Pages 20 to 23

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

Our stakeholder material matters and themes inform the content of our reporting boundary

A list of potential material matters was compiled through a review of both internal (Implats board and board committee reports and Group risk registers) and external (global risk reports, peer annual reports, media reports) documentation. These potential material matters were grouped into various thematic areas and validated and prioritised via an online survey involving executive committee members, senior managers and external stakeholders (shareholders and analysts). Respondents were asked to rank the material matters on a scale raging from 0 – 10, in terms of their importance/potential to impact Implats, with 10 representing most important matter and 0 – least important. The average scores for the various themes ranged from 7.06 out of 10 to 8.82 out of 10.

Material matters	Scores
Safety	9.22
Macro trends	9.22
Country risks	8.94
Ethical and effective leadership	8.83
Health	8.42
Environmental impacts of our operations	8.33
Organisational efficiency and agility across operations	8.22
Supply/demand dynamics	8.19
Trust reputation and legitimacy	8.14
Strategic management of sustainability and ESG	8.14
Create thriving communities	7.94
Constructive relationships with our employees	7.94
Ethics culture and leadership	7.81
Employee wellbeing	7.69
Effective oversight and control	7.69
Climate change	7.64
Adherence to business plans	7.61
Commodity and forex price	7.56
Appropriate remuneration and performance management	7.44
Inclusion and diversity	7.22
Optimal capital structure and appropriate capital allocation	7.06
Capacity constraints and capital project execution	6.97



Materiality determination process

1 Considerations

- Our value drivers/strategic objectives (page 21 and 23)
- Stakeholder material matters (page 12)
- Significant opportunities (page 21)
- Current performance
- Outcomes (page 12 and 21)
- Operating context (page 57)
- Risks (page 66).

2 Assess impact on value creation

- Nature and magnitude of the effect
  - financial
  - operational
  - strategic
  - regulatory
- Likelihood of occurrence.

3 Prioritise material matters

- Ranking by senior management and those charged with governance.

4 Integrated reporting disclosure

- Apply judgement and disclose
  - the matter
  - effects on strategy, business model or capitals
  - interrelatedness and dependencies
  - Implats' view on potential outcomes or effects
  - current and future response to mitigating actions in response to Implats' risks
  - current and comparative response effectiveness measurement data
  - explanation or indication of the extent of the organisation's control over the matter
  - targets and KPIs
  - qualitative disclosures including outlook.

Approval process: Identification of material matters and themes

Management Assessment of material matters → **Exco** Internal review of material matters → **Audit and risk committee** Evaluation and recommendation for approval → **Board** Approval

Our material matters are framed around the eight content elements of an integrated report:

- Organisational overview
- Governance
- Business model
- Strategy and resource allocation
- Performance
- Outlook
- Basis of presentation.

Board responsibility statement and approval and assurance

The board acknowledges its responsibility for the integrity of this report. The directors confirm they have collectively assessed the content in accordance with the approval process depicted here and believe it addresses the material matters that substantively affect Implats' ability to create value over the short, medium, and long term and that it is a fair representation of the integrated performance of the Group. The audit and risk committee, which has oversight responsibility for the annual integrated report, has applied its mind to the preparation and presentation of the report and has concluded that the report has been presented in accordance with the International <IR> Framework and recommended the report for approval by the board of directors.

The assurance process over our annual reports is disclosed on pages 4 and 5.

The Implats board

Our suite of reports

Annual Integrated Report

ESG Report

Mineral Resource and Mineral Reserve Statement

Annual Financial Statements

Notice to Shareholders (including remuneration report)

Basis of reporting

The Implats annual integrated report for the period ended 30 June 2021 is produced in compliance with JSE Listings Requirements and the recommendations of the King IV Report on Corporate Governance (King IV™). Additionally, we have compiled this report using the guiding principles and content elements contained in the International Integrated Reporting Council's International <IR> Framework and guidance on materiality in the preparation of integrated reports.

Organisational overview

OUR ASSETS

Who we are and where we operate

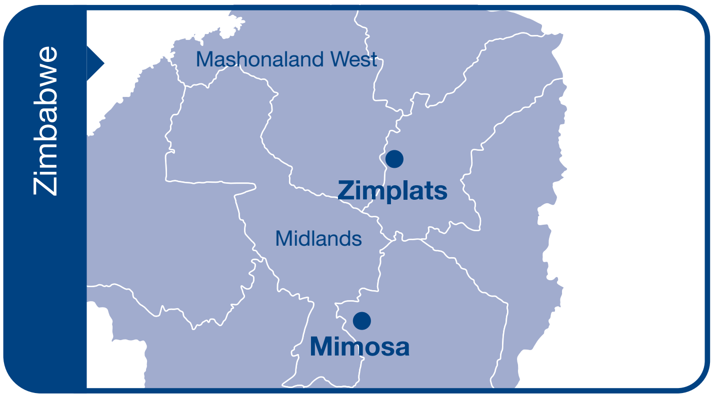
Implats is a leading producer of platinum group metals (PGMs) structured around six mining operations discussed in section 05 of this book and Impala Refining Services (IRS), a toll refining business.

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

We employ 56 180 people across our operations and market and sell our products in South Africa, Japan, China, India, the US and Europe. The metals we produce are the key to making many industrial, medical, and electronic items, and they contribute to a cleaner, greener world. PGMs are fundamental components in the hydrogen production pathway, through electrolysis, to reducing the cost of clean hydrogen for the use in energy transportation sectors.

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 2021, our major shareholders were the Public Investment Corporation (PIC) (14.20%), BlackRock Inc (6.38%) and Ninety One Plc (5.46%) with the balance of the shares held by various public and non-public shareholders (refer to page 14 of the Group annual financial statements).



EXTERNAL ENVIRONMENT

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

1. Covid-19
2. Macro-economic factors
3. Regulatory environment
4. Access to essential services
5. Currency and commodity factors
6. PGM market fundamentals and market analysis
7. ESG considerations
8. Stakeholder expectations

Our stakeholders and the issues that affect the quality of our relationships

1. **Employees and unions**
   - Employee health and safety
   - Skills development
   - Fairness and inclusivity
2. **Communities**
   - Community development
   - Local procurement opportunities
   - Responsible environmental management
3. **Government**
   - Corporate stewardship
   - Responsible environmental management
   - Tax and royalty contributions
4. **Customers**
   - Responsible sourcing
   - Brand and product quality
5. **Shareholders and investment community**
   - Sustainable shareholder returns
   - Responsible corporate stewardship

Refer page 12 for our stakeholder material matters and the outcomes per capital, that impact the quality of our stakeholder relations.

Assets

Optimal capital structure

- Strong balance sheet
- Prudent capital allocation structure
- Predictable dividend policy
- Sustained shareholder returns through the cycle

Competitive asset portfolio

Leveraging, strengthening and growing our diverse asset base through operational exposure to shallow, mechanisable orebodies

- Capital efficient, quick to market brownfield expansions at Zimplats and Two Rivers
- Life-of-mine extensions across the portfolio
- Studies to improve efficiencies and expand processing capacity

ATTRIBUTABLE MINERAL RESERVES AND MINERAL RESOURCES[1]

Attributable Mineral Reserves of 53.4 million 6E ounces

Group attributable reserves increased by 12% in FY2021.

ATTRIBUTABLE ESTIMATES[2]		2021	2020	2019	2018	2017
Mineral Resources	Moz Pt	**132.3**	132.4	131.6	133.8	191.6
	Moz Pd	**90.2**	89.9	81.5	83.0	127.5
	Moz 3E	**234.4**	233.9	228.0	228.0	337.5
	Moz 4E	**249.7**	249.1	239.5	243.9	360.4
	Moz 6E	**277.3**	277.1	268.3	273.2	402.7
	Mt	**1 885.9**	1 818.8	1 710.1	1 740.7	2 787.0
Mineral Reserves	Moz Pt	**24.6**	21.8	21.2	21.2	22.4
	Moz Pd	**18.8**	17.3	14.7	14.4	14.1
	Moz 3E	**46.0**	41.2	38.0	37.5	38.2
	Moz 4E	**48.7**	43.6	40.3	40.0	41.0
	Moz 6E	**53.4**	47.8	44.3	44.2	45.9
	Mt	**512.4**	419.7	370.7	365.5	358.1

1 Refer to the Mineral Reserves and Mineral Resources Statement.
2 Mineral Resources estimates are inclusive of Mineral Reserves.

Our value chain

People
ESG excellence and social licence to operate

Concentrating, smelting, refining
Safe, efficient and reliable downstream processing

Exploration
Portfolio spread across diverse geographies

Market development and sales
Diverse customer base and key customer contracts

Mining
Diverse exposure to favourable ore types and mining methods

Rehabilitation
Leading practice sustainability in mining programme

Stakeholder material matters and outcomes per capital

Stakeholder material matters

M Matter

R Response

Outcomes

- Positive outcome
- Negative outcome
- Neutral outcome

↑ Value created during the period
↓ Value eroded during the period

Refer to the top residual Group risks on page 66

1 – 13

Inclusive stakeholder engagement underpins our approach to respecting and responding to legitimate stakeholder aspirations and concerns. This is essential to maintaining our social licence to operate.

APPROACH TO STAKEHOLDER ENGAGEMENT

The Implats purpose is to create a better future by, among others, bringing long-term growth and opportunity for all stakeholders. We do this through sustaining industry leading business and financial performances through the commodity cycle. We also recognise the impact that our stakeholders have on our ability to create, retain and deplete value. We therefore invest in developing and maintaining constructive relationships with the stakeholders and communities around our operations. Strong stakeholder relations advance **goal 17** of the United Nation's Global Sustainability, ***Partnerships for the Goals***, which emphasises collaboration, a critical catalyst for achieving the other SDGs.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

In delivering on our purpose, to improve the lives of future generations, our ESG framework (refer page 11 of the ESG report) and long-term aspirational goals will guide our increasing contribution to the attainment of UN SDGs, through our core activities and collaborative efforts to build thriving communities. This work builds on our longstanding commitment to the UN Global Compact and its 10 principles.

Implats has prioritised the following 11 SDGs summarised on page 12 of the ESG report, where we believe we can have the most meaningful impact.

Supporting United Nations Sustainable Development Goals (SDGs)

1 End poverty in all its forms everywhere
3 Ensure healthy lives and promote wellbeing for all at all ages
4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5 Achieve gender equality and empower all women and girls
6 Ensure availability and sustainable management of water and sanitation for all
8 Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all
10 Reduce inequality within and among countries
11 Make cities and human settlements inclusive, safe, resilient and sustainable
13 Take urgent action to combat climate change and its impacts
15 Protect, restore and promote sustainable use of terrestrial ecosystems
17 Strengthen the means of implementation and revitalise the global partnership for sustainable development

In this section, we will indicate by way of the above icons the outcomes that have contributed to the achievement of SDGs. Refer also to the various chapters of the ESG report where our contributions are further elaborated on.

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. We have six priority stakeholders that require high-level ongoing care and responsiveness to sustain mutually beneficial relations.

IDENTIFYING MATERIAL STAKEHOLDER MATERIAL MATTERS

Each stakeholder is allocated an executive or champion responsible for managing the relationship with the Group and implementing the processes which are cascaded to more junior management levels who also interact with our stakeholders. The allocated stakeholder champion, in turn, reports material stakeholder issues to the relevant board committees (refer to our corporate governance delivering value section on pages 46 to 50).

This year, several material themes emerged from the materiality assessment process on page 8 involving internal and external stakeholders and these were prioritised according to their associated ranking. Matters with a high score and the material themes identified in the reporting boundary have been discussed throughout the integrated report.

Covid-19 regulatory restrictions and social distancing requirements disrupted many of our regular stakeholder engagement practices and delayed the implementation of a stakeholder engagement model. The stakeholder engagement model consists of an online tracking and management system and supports the launch of a survey to measure the quality of Implats' relationships with its key stakeholders.

The risks associated (top ten) with the stakeholder concerns and interests have been indicated for each of the material matters. The strategies which will assist in ameliorating the specific risk has been listed and detail relating to each one of the risks, mitigation strategies and opportunities for improvement can be found in the risk section on page 65.

OUTCOMES PER CAPITAL AND MONITORING THE QUALITY OF STAKEHOLDER RELATIONSHIPS

The outcomes per capital give an indication of aspects of certain material matters where stakeholder value was created or eroded. This does not however speak to an objective measurement of the quality of the relationships as referred to above, but rather to outcomes which would influence the quality of aspects of the relationships with our stakeholders.

Capitals associated with the stakeholders and their concerns and interests have been listed below. In each instance the measurement metric (normally a lower level KPI linked to various levels of management) has been disclosed and the outcome indicated as positive or negative and whether value was created, eroded or preserved during the year has been indicated.

EMPLOYEES AND TRADE UNIONS

Nature of engagement

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

Stakeholder concerns and interests[1]

Employee health and safety[2]

Matter:
Safe operating conditions

Strategic response:

- Proactive safety management
- Programmes and initiatives with a focus on preventing fatalities and other safety incidents (zero harm)

(3) Deterioration of safety performance

Matter:
Managing non-occupational health issues, specifically Covid-19, HIV and TB

Strategic response:

- Covid-19 infection rates successfully managed and timeous vaccination rollout implemented across operations. Group Covid-19 mortality rate is lower than national and global rates
- Implats hearing conservation programmes remain in place and we have enhanced education across the Group regarding the risks and the effects of noise to compensate for reduced audiometric testing
- Adherence to HIV and TB treatment remains high at 95% and 100% respectively. Aids deaths in service (six) are at their lowest levels in five years

For more information, refer to the employee health and wellbeing section of the ESG report.

(4) Impact of Covid-19 on Implats operations

Employees[2]

Matter:

- Constructive relationships with employees
- Ethics, culture and leadership
- Employee wellbeing
- Appropriate remuneration and performance management
- Inclusion and diversity

Strategic response:

- Empower employees through professional and personal development opportunities to maximise their potential
- Strive to build a diverse and inclusive workforce
- Promote race and gender equality
- Impala labour instability response measures (refer ESG report on page 93)
- Wage negotiation response measures (refer ESG report on page 93)

(1) Maintaining optimal and harmonious labour relations

(10) Challenged capacity and efficiencies of management layers at SA operations

Outcomes per capital[1]

Human capital

Employee health and safety
Key performance indicators

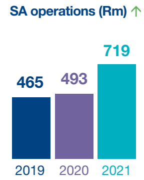
3
Work-related fatalities (own employees and contractors) ↑
2020: 5
2019: 5

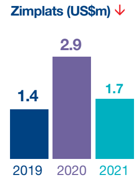
0[1]
New noise-induced hearing loss (NIHL) cases (+10% shift) (number) ↑
2020: 62
2019: 64

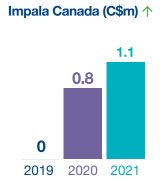
0.026 Pmmhw
FIFR ↑
2020: 0.05 Pmmhw
2019: 0.047 Pmmhw

6 246
HIV-positive employees known to be receiving antiretroviral therapy (ART) ↑
2020: 6 036
2019: 5 730

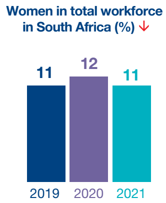
Skills development spend:

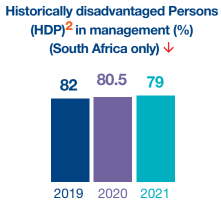


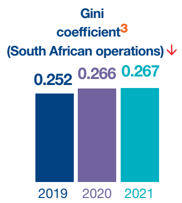




Fairness and inclusivity:







1 No new cases of noise-induced hearing loss (NIHL) (+10% shift) (measured against new industry criteria), however, we submitted 43 cases for assessment of NIHL and possible compensation in terms of the compensation for occupational diseases criteria.
2 Comparatives have been restated to align with Mining Charter definitions.
3 Gini coefficient is a measure of income distribution of a nation's residents. It ranges from 0 to 1, where 0 represents completely egalitarian income distribution and 1 represents extreme inequality.

1 The KPIs related to stakeholder concerns and interests, as well as the outcomes per capital above, are further explained on page 26 for the Group and in the operations section (chapter 05) where each operation's KPIs are disclosed. The KPIs of lower-level line managers (not disclosed in this report) are also aligned with detailed stakeholder interest and outcomes per capital, according to each manager's area of responsibility.
2 Detailed disclosures on employee material matters and their interests are disclosed in the social chapter of our ESG report.

Responsible stewardship
Operational excellence
Organisational effectiveness

Outlook

Health and safety

Internal planning to secure operational resilience during the pandemic has been ongoing since its emergence in early 2020 and vigilance in protecting the safety and health of employees will be maintained in FY2022 as the Group completes the roll out of its planned vaccination programme for employees.

The Group aims to eliminate fatalities and reduce the number and severity of injuries. It seeks to embed operational risk management at all levels, enforce operational discipline and commits to having all operations certified to ISO 45001:2018 by 2024.

Employee relations

The Group's future focus areas are to equip our leaders with the skills to deliver on our purpose and vision, implement our human resource (HR) strategy to drive organisational effectiveness and sustained operational performance through our people, and embed digitisation in the HR strategy.

GOVERNMENT

Nature of engagement

Meetings with officials from local, provincial and national government. The Group performed compliance audits and participates in the Minerals Council South Africa, the Parliamentary Portfolio Committee, Mining Phakisa and Mining Industry Growth, and the Development and Employment Task Team.

Stakeholder concerns and interests[1]

Responsible environmental management

Matter:

Climate change
- Minimising greenhouse gas emissions from our operations
- Compliance to best-in-class air emissions licence conditions (especially Zimbabwe with SO_2 emissions)

Strategic response:

Implats' approach to environmental management and compliance is addressed on the following fronts:
- Certification and compliance
- Resource management
- Mitigating impacts

Refer to the climate change and energy use management chapter on our ESG report from page 39.

11 Failure to establish water security, avoid contamination and manage water costs

Environmental impacts of our operations[2]

Matter:
- Waste management
- Water management, responsible use and access (especially in SA and Zimbabwe)

Strategic response:
- Management of hazardous substances is strictly regulated and controlled at the operations and at receiving-waste facilities, which are regularly audited by external parties (refer to the mineral residue management section of the ESG report on page 49)
- Our strategy focuses on reducing our water risks to ensure resilient operations, while minimising our water footprint. Key objectives are to reduce freshwater withdrawal, improve recycling and re-use, and prevent level 3 and above water-related incidents (refer to the water
- stewardship section on page 34 of the ESG report).

11 Failure to establish water security, avoid contamination and manage water costs

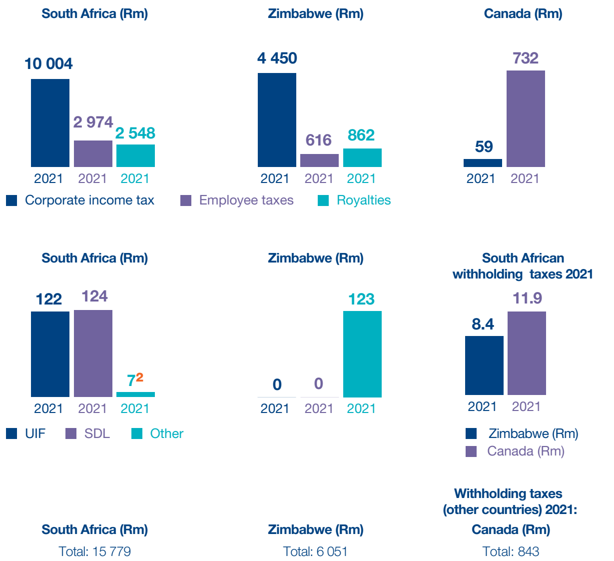
Outcomes per capital[1]

Social and relationship capital

Key performance indicators

Implats taxes paid directly to government by category and country[1]

Our approach to tax is to remain a responsible citizen, pay our taxes fairly, comply timely with the law, and ensure that tax planning is based on commercial business activity, which is aligned with our shareholders' interest, whilst being open and transparent in our dealings with the authorities through regular dialogue and proper and appropriate disclosure.



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

[2] *Carbon tax levy.*

[1] *The KPIs related to stakeholder concerns and interests, as well as the outcomes per capital above, are further explained on page 26 for the Group and in the operations section (chapter 05) where each operation's KPIs are disclosed. The KPIs of lower-level line managers (not disclosed in this report) are also aligned with detailed stakeholder interest and outcomes per capital, according to each manager's area of responsibility.*

[2] *Refer to host communities' concerns and interests below for additional responses.*

Responsible stewardship

Operational excellence

Outlook

- Implats is finalising a revised Group water policy to guide a uniform approach to water across operations and will conduct climate regional vulnerability and site-specific risk assessments to inform water balances and contingency plans.
- The Group is developing a strategy to secure brown water sources and reduce freshwater intake by employing novel water-saving technologies.
- A low-carbon transition strategy is in development to guide decarbonisation efforts, strengthen energy security and to position the Group in the new energy value chain.
- In line with the Group's energy strategy, Zimplats is exploring a 110MW solar power project to ensure security of supply and, in South Africa, a new energy policy will provide a similar opportunity to augment future energy supply and further support the Group's decarbonisation efforts.

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

Stakeholder concerns and interests[1]

Social licence to operate

Matter:
- Creating thriving communities
- Responding to and managing community unrest and related business disruptions (South Africa)
- Social project compliance and performance, including SLP performance and compliance (South Africa)
- Community benefit agreements (Canada) and community agreements (Zimbabwe)

Strategic response:

The Group has determined bold programmes, objectives, aspirational goals and targets, in support of its strategic objectives and at least 11 of the 17 UN SDGs (refer to the mine communities section of the ESG report on page 96).

The Group's four focus areas are:
- Education and skills development
- Enterprise development
- Socio-economic development
- Infrastructure development.

The longer-term plan is to build a stronger shared-value portfolio with more profit-led, collaborative partnerships and self-sustaining initiatives.

6 Maintaining our social licence to operate and good stakeholder relations

12 Marula business disruption due to community unrest

Managing environmental and climate change impacts on host-communities[2]

Matter:
Water security at our operations and host communities

Response:
- In promoting water security in mine-host communities, we assist with strategic regional planning, and work with local stakeholders to address immediate needs
- Implats participates in local water boards in South Africa and Zimbabwe, and assists with ensuring that public water infrastructure is maintained, and long-term planning is in place

Matter:
Air quality impacts of our operations on our host communities

Response:
- Capital allocated towards feasibility studies aimed at identifying the most suitable SO_2 abatement technology in Zimbabwe
- Additional mobile air quality monitoring units deployed at Zimplats to enhance ambient air quality monitoring
- R25 million spent on air quality improvement initiatives at Impala Springs ammonium sulphate facility

Matter:
Responsible disposal of mineral residue from our operations

Response:
- Safely design, construct, operate and decommission tailings storage facilities (TSFs)
- As part of our holistic approach to the safety of our TSFs we engage and communicate with people living nearby

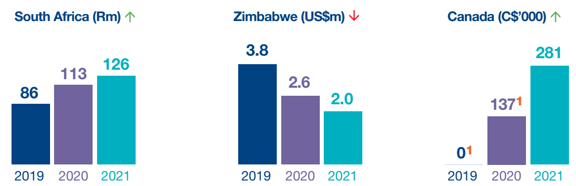
11 Failure to establish water security, avoid contamination and manage water costs

Outcomes per capital[1]

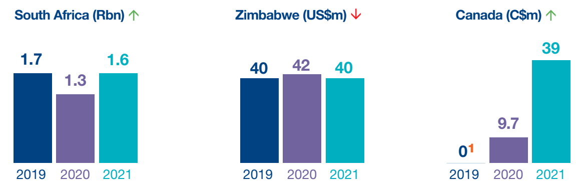
Social and relationship capital

Social licence to operate
Key performance indicators

Community development spend:



Total local procurement:



Managing the impact of climate change
Key performance indicators

Environmental incidents

7
Level 3[2] ↑
2020: 16
2019: 23

–
Level 4 or 5[2] ↔
2020: –
2019: –

2.18kl/tonne milled ↑
Unit water consumption
2020: 2.20kl/tonne milled
2019: 2.05kl/tonne milled

51% ↑
Water recycled (total water recycled Mℓ/total water consumed Mℓ)
2020: 44%
2019: 42%

0.845GJ/tonne milled ↑
Energy-use intensity[3]
2020: 0.857GJ/tonne milled
2019: 0.866GJ/tonne milled

32 602 tonnes ↓
Total direct SO_2 emissions
2020: 26 778 tonnes
2019: 29 635 tonnes

0.178CO_2/tonne milled ↑
Total direct CO_2 intensity[3]
2020: 0.186GJ/tonne milled
2019: 0.197GJ/tonne milled

1 No comparative. Impala Canada was acquired in December 2019.
2 Levels 3, 4 and 5 represent limited, significant and major impact environmental non-compliances respectively.
3 Impala Canada is a clean-electricity user and relies on hydro-electric power. For details on measurement, refer to page 5 of the ESG report.

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2 Refer to the environment chapter of our ESG report for comprehensive disclosure of the climate change impacts on communities and Implats' responses.

Responsible stewardship
Future focus

Outlook

PGM miners in South Africa remain under intense pressure to meet challenging and sometimes conflicting stakeholder expectations and this task has been complicated by the economic devastation and uncertainty associated with the Covid-19 pandemic and recent social unrest. In Zimbabwe and Canada, Implats continues to maintain open and constructive engagement with its stakeholders to advance positive and mutually beneficial relationships with host countries and communities.

CUSTOMERS

Nature of engagement

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

Stakeholder concerns and interests[1]

Governance, ethics and transparency

Matter:
Responsible sourcing and product stewardship

Strategic response:

The Group has established a responsible sourcing policy to assure customers that we mine and source our PGMs ethically. Our approach focuses on ensuring responsible production, meeting regulatory obligations and responding to the growing demand from our customers for assurance that the minerals and metals they buy are produced responsibly (refer ESG report page 118).

(2) Rising cost and unreliable supply of electricity resulting in business interruption

(6) Maintaining our social licence to operate and good stakeholder relations

Macro factors

Matter:
Supply constraints driven by capacity issues in our industry

Strategic response:

Refer to the operating context and market analysis on pages 57 and 138, respectively.

(7) Impala Canada: challenges with mill grade quality due to underground delivery

(9) Ramp-up of 16 Shaft and 20 Shaft to steady-state production in accordance with the business plan

Outcomes per capital[1]

Financial capital

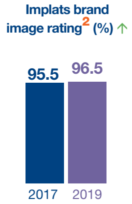
Customers

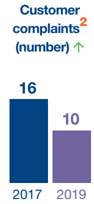
Key performance indicators

Retained ↔

ISO9001 certification

2020: retained
2019: retained





[2] *Based on biennial customer satisfaction survey that was last performed in 2019. The results of the 2021 survey will be disclosed in next year's report.*

[1] *The KPIs related to stakeholder concerns and interests, as well as the outcomes per capital above, are further explained on page 26 for the Group and in the operations section (chapter 05) where each operation's KPIs are disclosed. The KPIs of lower-level line managers (not disclosed in this report) are also aligned with detailed stakeholder interest and outcomes per capital, according to each manager's area of responsibility.*

Responsible stewardship | Operational excellence | Future focus

Outlook

The operational focus in the near-term will be on the continued optimisation of Impala Canada, leveraging the enhanced mining flexibility established at Impala Rustenburg to deliver further growth, and advancing projects across mine-to-market operations where Implats has sought to capitalise on inherent mining efficiencies and flexibilities at its low-cost assets to capture quick-to-market production growth to harness the benefit of a robust PGM pricing cycle.

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

SHAREHOLDERS AND INVESTMENT COMMUNITY

Nature of engagement

Roadshows, results presentations, investor conferences one-on-one meetings.

Stakeholder concerns and interests[1]

Macro factors

Matter:

- Supply constraints driven by capacity issues in the industry
- Country risks (regulatory and policy uncertainty and social unrest in South Africa and Zimbabwe)
- Commodity prices

Strategic response:

Implats is future focused and sustains and grows value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand

- The Group participates in AP Ventures, a private equity vehicle supporting Implats' market development activities into key evolving end-uses for PGMs, including hydrogen, fuel cell mobility and energy storage
- Refer to the responses under the related risks on pages 69 and 71, as well as the discussions in our operating context on pages 58 to 62.

5 Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar

8 Failure to comply with legal and regulatory requirements through the value chain

9 Ramp-up of 16 Shaft and 20 Shaft to steady-state production in accordance with the business plan

Outcomes per capital[1]

Social and relationship capital

Shareholders

Key performance indicators

Operational resilience

Matter:

- Business interruptions resulting from public infrastructure challenges in South Africa and Zimbabwe
- Capital project execution and project delivery risks, including third-party performance as well as Covid-19 and other external factors

Strategic response:

Refer to the responses under the related risks on page 67 to 72 as well as the discussions in our operation context on page 60.

11 Failure to establish water security, avoid contamination and manage water costs

Balance sheet management

Matter:

- Optimal capital structure and appropriate capital allocation

Strategic response:

Value creation is pursued through sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework

- Significant progress achieved in delivering an optimal capital structure through accelerated debt reduction, repurchase and conversion of ZAR convertible bonds and the refinancing and upsizing of debt facilities (refer pages 88 and 89 of the CFO's review)
- 70% of generated free cash was allocated to shareholder returns during the period through a combination of cash dividends and ZAR convertible bond repurchases
- Implats ended the period debt free, using cash to repay debt
- Substantially increased cash balances and balance sheet headroom

[1] *The KPIs related to stakeholder concerns and interests, as well as the outcomes per capital above, are further explained on page 26 for the Group and in the operations section (chapter 05) where each operation's KPIs are disclosed. The KPIs of lower-level line managers (not disclosed in this report) are also aligned with detailed stakeholder interest and outcomes per capital, according to each manager's area of responsibility.*

Responsible stewardship | Operational excellence | Organisational effectiveness | Optimal capital structure | Future focus

Outlook

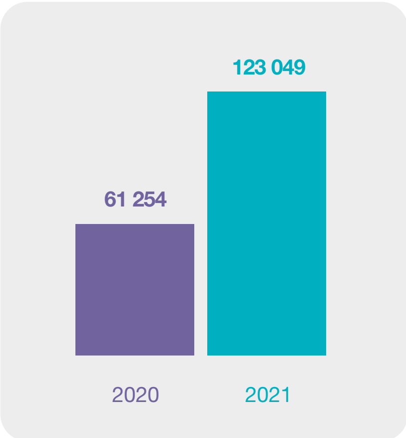
The Group's processing assets are a key competitive differentiator. The changing ore mix of Implats' growing production profile and the aspiration to improve the energy efficiency and environmental impact of its value chain will result in a series of studies aimed at proposing the optimal route for expansion.

Implats' balance sheet is strong, with a substantial closing net cash balance and increased funding flexibility through upsized and refinanced facilities. In line with the Group's capital allocation priorities, this will allow Implats to prioritise shareholder returns and fund the sustainable and efficient growth potential of its asset base. The outcomes of our financial capital results from the use of our capitals within our operating context and through our chosen strategies. As can be seen from the Group value-added statement depicted below, in the current environment, R123 049 million in value was distributed to various stakeholders and R20 987 million of shareholder value was retained in the business.

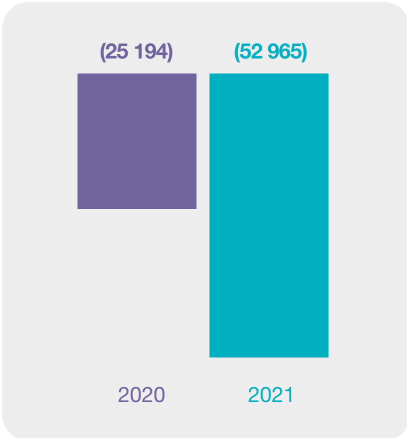
DISTRIBUTION OF FINANCIAL CAPITAL – VALUE ADDED STATEMENT

Together with collaboration, financial capital is the primary enabler of our contribution to stakeholder value creation and the UN SDGs listed on page 12.

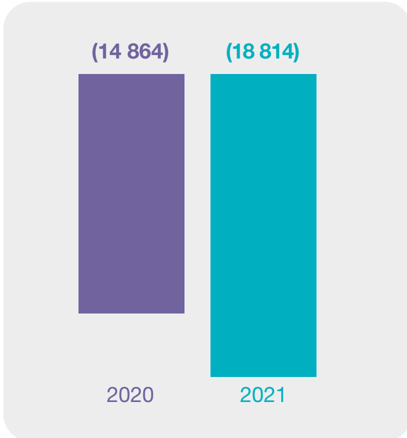
Value distributed (Rm)



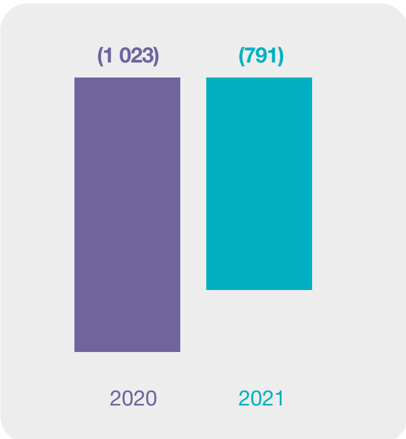
Cost of sales – other[1] (Rm)



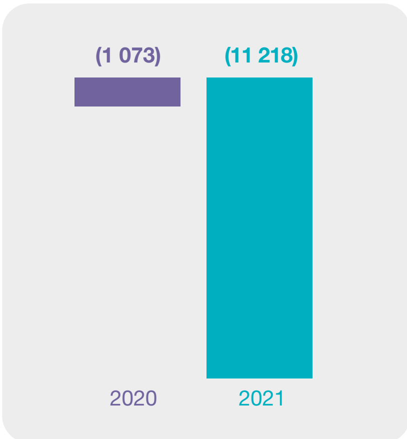
Labour and other[2] (Rm)



Finance cost (Rm)

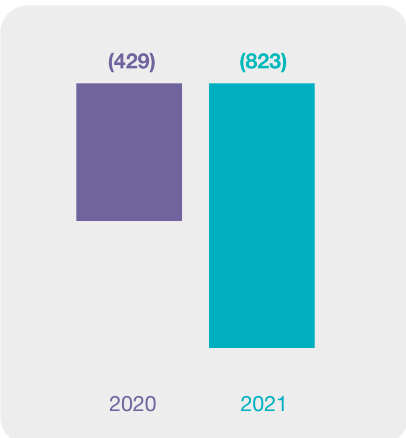


Dividends[3] (Rm)

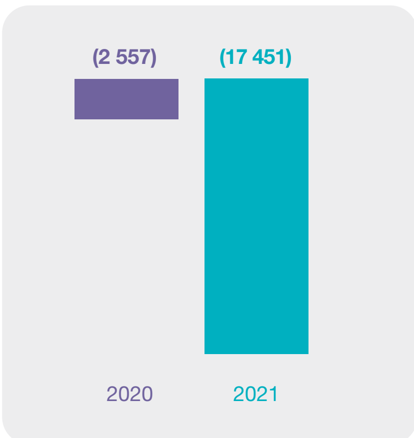


Value retained for shareholders (Rm)

Value retained for non-controlling interests (Rm)



Taxes and state royalties paid (Rm)



Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while retaining financial flexibility for the Group. Of the R38.3 billion free cash generated in the period, circa 70% was allocated to shareholder returns through dividends of R17.7 billion (R7.9 billion interim and R9.8 billion final) and repurchasing R8.6 billion of ZAR convertible bonds and R0.2 billion of shares via the odd-lot offers.

[1] *Includes R1 621 million (FY2020: R513 million) non-state royalties.*
[2] *Including labour cost capitalised.*
[3] *A final dividend of 1 200 cents per share or R9 768 million was declared after period end.*

Business model

Our business model describes the how we create, deliver, and capture value for all our stakeholders. It is informed by our purpose, vision and strategy.

Our operating context and relationships with stakeholders results in risks and opportunities, which impact our capitals, strategy and business model.

Material stakeholders **(pages 12 to 19)**

Stakeholders are defined as those people or groups who are interested and affected by our business, as well as those who have a material influence on our ability to create value.

- Employees and unions
- Host communities
- Government
- Customers
- Shareholders and investment community

We recognise that we cannot create value in a vacuum; we engage with our stakeholders and consider matters that are of material concern to them.

Operating context **(pages 57 to 64)**

- Covid-19
- Macro-economic factors
- Regulatory environment
- Access to essential services
- Currency and commodity factors
- PGM market fundamentals and market analysis
- ESG considerations
- Stakeholder expectations

Inputs

Our capitals

Our capitals are the stocks of value that are increased, decreased or transformed through the activities and outputs of our business.

Financial capital

Value creation is pursued through sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework

- Operating cash flow
- Working capital management
- Capital structure and allocation

Human capital

Our people's competencies, capabilities and experience, and their motivations to innovate. Our people are instrumental to how we live up to our purpose in everything we do

- Our leadership
- Our workforce: 56 180 employees (38 218 own; 17 962 contractors)
- Skills and training
- Social, ethics and transformation

Intellectual capital

Our brand and reputation, organisational systems and related procedures.

- People, governance and safety systems
- Mineral reserve management

- Intellectual property, research and development and processes to:
  - Improve safety performance
  - Mitigate environmental impacts and progressively decarbonise
  - Optimise value chain

Natural capital

The Group seeks to leverage, strengthen and grow its diverse asset base though operational exposure to shallow, mechanisable, orebodies to increase the competitiveness of the asset portfolio

- Mineral reserves
- Mineral resources
- Water usage
- Clean air
- Energy

Relationship and social capital

Our relationships with the communities we operate in, our stakeholders and other networks, and our ability to share information to enhance individual and collective well-being.

- Commitment to education
- Vaccine roll out and assistance to poorer families in communities during Covid-19

- Organisational culture and values
- Key stakeholder relations
- Social licence to operate (commitment to sound ESG practices)

Manufactured capital

Our physical assets that provide the framework and mechanics of how we do business and create value

Property, plant and equipment
- Refining/smelting
- Mining
- Housing

Mineral reserves (Group and operational: refer pages 90 and 96 to 135, respectively)

Our value chain

- **People**
- **Exploration**
- **Mining**
- **Concentrating, smelting, refining**
- **Market development and sales**
- **Rehabilitation**

Governance pages 32 – 50

Business activities
Implats' strategy is centered on six focus areas where targeted actions and aspirations serve to achieve our purpose and vision.

Strategy pages 22 – 23

Performance (Group performance: page 28 and chapter 04; operational performance: chapter 05)

Outputs

Products

- Platinum 1.52Moz
- Palladium 1.12Moz
- Rhodium 1.19Moz
- Ruthenium 0.28Moz
- Iridium 68.0koz
- Gold 94.4koz
- Silver 126.4koz
- Nickel 15.4kt
- Copper 11.9kt
- Cobalt 0.1kt

Waste products[1]

- Mineral waste – accumulated tailings: 24 859k/tonnes (2020: 18 977k/tonnes)
- Non-mineral hazardous waste disposals 13 805 tonnes (2020: 31 488 tonnes)

[1] *Refer page 137 of the ESG report.*

Resource allocation

The resource allocations supporting each strategic objective in our value-focused strategy is formalised in the Group's business planning process and approved by the board. Details are included on page 26 and 27 where the Group's KPI performance targets and resource allocation for the short (FY2022) and medium term (FY2026) are set out. The business plan/target KPIs detail the actions and activities required to meet the Group strategic objectives as set out on page 26. Business plan/target KPIs for the individual operations are included in section 05 of this book and can be seen from page 96 onwards.

Value drivers

Our ability to create value is impacted by revenue, production and costs. Improved value is enabled by higher production volumes and the reduction of unit costs of production through cost containment, achieving economies of scale and realising production efficiencies.

The value chain, strategic focus, value drivers and opportunities for improvement for each operation is highlighted in section 05 of this book on the page numbers below.

Group

- Execution of the Group strategy and associated Group functional business strategies

Impala (page 96)

Leverage enhanced flexibility to deliver growth

- Progress economic extension of life-of-mine at Impala Rustenburg
- Ramp up 16 and 20 Shafts
- Advance processing capacity expansion studies (refer page 100)

Marula (page 106)

- Complete bankable feasibility study on life-of-mine extension
- Commission new tailings facility

Zimplats progress (page 112)

- Mupani and Bimha mine development and expansion
- Advance execution of a third concentrator
- Finalise studies of Zimplats processing options

Impala Canada (page 118)

- LDI underground production ramp-up
- LDI mill decoupling project execution and delivery

Business case (page 24)

Outlook (Chairperson, CEO and CFO reviews on pages 56, 81 and 89)

Strategy (Chairperson and CEO reviews on pages 55 and 77)

Outcomes

The value delivered is a result of the outcomes of the capitals employed and the impact of our business activities and outputs.

Financial capital

Sustainable financial performance enabling investment in the business and shareholder returns.

- R38.3bn free cash flow (FY2020: R14.4bn)
- EBITDA R61.4bn (FY2020: R29.4bn)
- R17.7bn dividends declared
- R8.6bn repurchase of ZAR convertible bonds

Human capital

- Occupational health and safety (fatalities, injuries and NIHL)
- Job creation, salaries and benefits
- Investment in skills development
- Investment in employee health and wellness
- Stable and constructive stakeholder relations

Intellectual capital

- Industry leader in operational safety and related practices
- Leading global and regional agency recognition on several fronts (page 4 of the ESG report)
- Industry-leading reporting in Mineral Reserve and Resource Statement (page 15)
- Business case competitive advantage (management actions on page 25)

Natural capital

- Environmental and air quality impacts of our operations
- Depletion of natural resources through our mining activities
- Development of decarbonisation strategy

Relationship and social capital

- Local to site employment and procurement spend (page 16)
- Positive uses of our PGMs (page 140)
- SLP and socio-economic investments and initiatives (page 16)
- Payment of taxes and royalties (page 15)

Manufactured capital

- Sustained investment in infrastructure
- R6.4bn capital expenditure (F2020: R4.6bn)
- Life-of-mine extensions across the portfolio

Strategic framework

OUR STRATEGY

Implats' strategy is centred on six focus areas where targeted actions and aspirations serve to create a better future, improve the lives of future generations and deliver superior economic performance through the metals produced and the way the Group conducts business. We prioritise value over volume in a zero-harm environment to deliver sustainable outcomes.

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

WHO WE ARE AND WHERE WE ELECT TO PLAY

Our purpose
To create a better future

Our vision
To be the most valued and responsible metals producer, creating a better future for our stakeholders

Our values
We respect, care and deliver

HOW WE PLAN TO CREATE CHANGE

The Group's value-focused strategy aims to increase our exposure to low-cost, shallow, mechanisable production over time, repositioning the business as a high-value, sustainable, profitable and competitive producer.

Our strategic priorities are centred on six focus areas where targeted actions and aspirations serve to achieve our purpose and vision.

Longer term, the strategy aims to evolve with the world in which we operate, incubating new high-value business opportunities and increasing exposure to additional future-facing, high-value commodities.

Implats' strategy is influenced by the external macro environment in which we operate, PGM markets, the strategies of our key competitors, as well as our internal strengths and weaknesses.

OUR POTENTIAL FOR DIFFERENTIATION

People

Sustaining livelihoods and creating a better future

We are committed to sharing value through rewarding our employees and investing in our communities

Exploring

Global footprint across diverse geographies

The diversity of our portfolio derisks our asset base

Mining

Diverse exposure to favourable ore types and mining methods

Our global asset base provides operational exposure to shallow, mechanisable orebodies with a favourable metal mix and increases the competitiveness of our portfolio

Concentrating, smelting, refining

Market leading and efficient beneficiation capabilities, allowing us to capture the full value chain

This remains a core competitive advantage, which will be leveraged for future benefit

Marketing

Diverse customer base and leadership position in market development

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

Rehabilitation

Leading practice sustainability in mining programme

We are committed to superior ESG practices, anchored by sound environmental performance

Operating / Functional / Long-term planning

Chairperson's review (page 54)

OUR VALUE FOCUSED STRATEGY

Strategic objectives

Responsible stewardship

We aspire to become an industry leader in ESG, producing metals that sustain livelihoods beyond mining and create a better future

Operational excellence

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

Organisational effectiveness

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

Optimal capital structure

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

Competitive asset portfolio

We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies

Future focus

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

OPERATIONAL STRATEGIES

- Impala
- Marula
- Two Rivers
- Zimplats
- Mimosa
- Impala Canada
- Waterberg
- Processing and refining

FUNCTIONAL STRATEGIES

- Health and safety
- People
- Community
- Stakeholder relations
- Environment
- Governance
- Technology and innovation
- Risk

LONG-TERM PLANNING

- Life-of-mine investment and divestment
- Business development, diversification and M&A
- Market development and support
- Capital structure and allocation

OUR FOCUS ON DELIVERY

Key performance indicators for FY2022

ESG excellence

- Maintain ISO 14001:2015 certification
- No Level 4 or 5 environmental incidents
- Total water recycled >48%
- Publish climate change report aligned to TCFD recommendations
- Compliance with statutory requirements

Operational excellence

- Zero fatalities
- Improve LTIFR <5.0 pmmhw
- Production – 3.24Moz – 3.51Moz 6E in concentrate and 3.30Moz – 3.56Moz 6E refined
- Cost per 6E ounce – R15 600/oz – R16 300/oz (including R1.1bn once-off employee discretionary award (+R450/6E oz))

Organisational development

- Manage labour availability to support full operational capacity
- Strengthen management succession and build leadership capacity
- Improve representation of women in management positions South African operations target: 25% women in management by 2023

Capital management

- Effective capital structure
  - appropriate liquidity to fund Group strategy including a phased increase in cash reserves to R20bn
  - allocate a further R1bn to fund environmental obligations
- Effective capital allocation strategy
  - maintain minimum guided dividends at 30% of free cash flow as defined with potential to increase based on available cash reserves and free cash flow generation
  - Fund forecast capital expenditure of R8.0bn – R9.0bn

Business development

- Ongoing optimisation of portfolio
- Maximise market development and industry participation to increase demand

Business case

Implats seeks to deliver sustained value to its key stakeholders. This is achieved by leveraging, strengthening and growing the Group's competitive mineral portfolio and collection of processing assets, and through its commitment to responsible stewardship, operational excellence and an optimal capital allocation framework.

Market

The widespread use of our products, their recyclability and our commitment to ensure we produce them in a safe, socially and environmentally sensitive and responsible manner, underpins their appeal as the world increases its focus on the environment.

Demand for our primary products has evolved over time in response to:
- Industrial production and growth rates in developed and developing nations
- Changes in legislative frameworks governing emissions
- Price elasticity and technological changes in industrial applications
- Consumer appetite for investment products and jewellery.

The emergence of the hydrogen economy will result in structural demand growth for platinum, iridium and ruthenium over the next decade, offsetting the impact of rising electrification of the light-duty vehicle fleet.

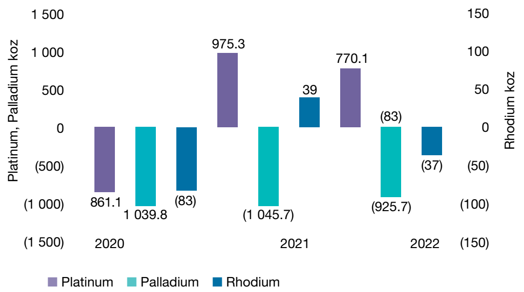
Primary supply is highly concentrated with limited expectations for medium-term expansion due to significant barriers to entry, including constrained processing capacity, rising regulatory oversight, increasing stakeholder requirements and prudent capital allocation by the producing peer group.

Implats sustains and grows value by supporting present and future demand drivers, with strong customer relationships and production aligned to evolving demand.

The Group plays a leading role in industry bodies and collaborates with industry partners and peers to leverage relationships to enhance future value creation.

See pages 57
Operating context

Supply/demand balances[1]



[1] *2020 balance includes 1.18Moz of Pt investment and 90koz of Pd disinvestment.*

[1] *2021 balance includes 123koz of Pt investment and 80koz Pd investment.*

Responsible stewardship

Implats aspires to become an industry leader in its environmental, social and governance performance, producing metals that sustain livelihoods beyond mining to create a better future.

Our commitment to superior ESG practices is recognised in several rankings by leading global and regional agencies. A low-carbon transition strategy is in development to guide decarbonisation efforts, strengthen energy security and position the Group in the new energy value chain.

Constructive and beneficial relationships with mine-host communities and sustainable socio-economic development remain priorities for the Group and its leadership.

See 2021 ESG report

Asset portfolio

Our mineral resource portfolio is geographically diverse and dominated by low-cost, mechanised ore bodies.

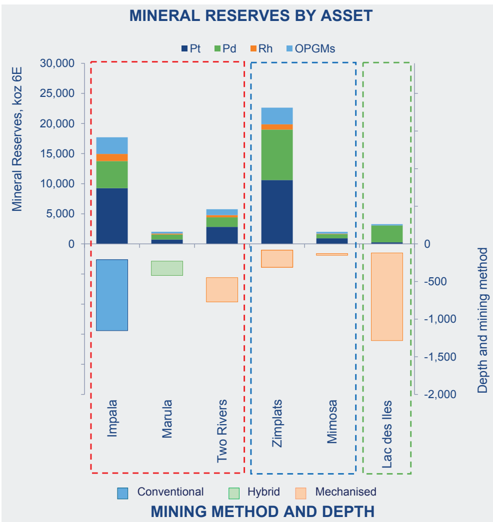
Our ore bodies are well understood and defined and life-of-mine extensions have been delivered through expanded reserve positions across the portfolio.

Implats has announced expansion projects at Zimplats and joint venture operation, Two Rivers. These capital-efficient and quick-to-market brownfields expansions at the Group's lowest-cost operations will deliver 9% or 260 000 6E ounces mine-to-market production growth by 2021
- Zimplats: 80 000 6E ounces by FY2023
- Two Rivers: 180 000 6E ounces by 2024.

Geographic split of reserves

	Pt	Pd	Rh	OPGM
South Africa	52%	37%	64%	55%
Zimbabwe	47%	48%	36%	42%
Canada	1%	15%	0%	3%

See 2021 Mineral Reserve and Mineral Resource Statement



Processing capacity

The ability to process and market Implats' expanding production base remains a core competitive advantage, which will be leveraged for additional future benefit. The changing ore mix of our growing production profile, and the aspiration to improve the energy efficiency and environmental impact of the Group's value chain, will result in a series of studies aimed at proposing the optimal route for expanding our smelting and refining assets. Implats is well positioned to extract mine-to-market margins for the Group while creating flexibility to influence future supply through the granting of tolling capacity.

Capital allocation framework and priorities

Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while retaining financial flexibility for the Group.

Implats' balance sheet is strong, with a substantial cash buffer and increased funding flexibility through upsized and refinanced facilities.

The Group is well positioned to allow a meaningful shift in capital allocation priorities to enhance shareholder returns and fund the sustainable and efficient growth of its asset base.

CASH FROM OPERATIONS OF **R56.9bn**

OTHER NET INCOME	R2.7bn inflow
INTEREST PAID	R0.5bn outflow
TAXES PAID	R14.5bn outflow
CAPEX	R6.3bn outflow

FREE CASH FLOW OF **R38.3bn**

NON-DISCRETIONARY OUTFLOWS[1]	R2.3bn outflow

ADJUSTED FREE CASH FLOW OF **R36.0bn**

FREE CASH FLOW[1] **R36.0bn**

25% → **BALANCE SHEET STRENGTH** — **R9.1bn**
- Repayment of Marula BEE loan (R0.9 billion)
- Repayment of borrowings (R3.5 billion)
- Future rehabilitation obligations (R1.0 billion)
- Retained cash (R3.7 billion)

74% → **RETURNS TO SHAREHOLDERS** — **R26.7bn**

50% → **Cash dividends** — **R17.9bn**
- Final dividend – *declared* (R9.8 billion)
- Interim dividend – *paid* (R7.9 billion)
- Dividend paid to Zimplats minorities (R0.2 billion)

24% → **Repurchase of shares/ZAR convertible bonds** — **R8.8bn**
- Repurchased of ZAR convertible bonds (R8.6 billion)
- Repurchase of shares – odd-lot offer (R0.2 billion)

1% → **GROWTH AND INVESTMENT** — **R0.2bn**
- Investment in AP Ventures (R0.2 billion)

[1] *Free cash flow adjusted for outflows/impacts relating to foreign exchange translation adjustment on cash and cost of purchasing shares for the Implats share schemes.*

Management actions

The Group's strategic repositioning over the past several years has enabled it to leverage the windfall on PGM pricing to strengthen the business, care for employees, reward investors and secure future growth and sustainability.

The operational focus in the near term is on:
- The continued optimisation of Impala Canada operations
- Leveraging the enhanced mining flexibility established at Impala Rustenburg to deliver further growth and increase operational efficiencies
- Advancing projects across mine-to-market operations where Implats has sought to capitalise on inherent mining efficiencies and flexibilities at its low-cost assets and capture quick-to-market production growth to harness the benefit of a robust PGM pricing cycle
- Advancing studies to confirm the optimal route for expansion of its downstream processing capacity
- Delivering on our commitment to shared value through rewarding our employees and investing in our communities
- Advancing decarbonisation efforts and strengthening energy security to position the Group in the new energy chain.

Operating context (page 57)
Performance review (Group performance: page 28 and chapter 04; operational performance: chapter 05)

Group business plan/target KPIs

The allocation of Group resources and the use of capitals is informed by Implats' approved business plan. A synopsis is provided below linking specific business plan/KPI targets to each

PERFORMANCE TARGETS: KPIs FOR THE SHORT AND MEDIUM TERM

Strategic performance areas	Business plan/target KPI for FY2022
ESG excellence	
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital; Natural capital; Intellectual capital	• Maintain ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total water recycled >48% • Local-to-site procurement >20% from FY2020 • Publish climate change report aligned to TCFD recommendations • Compliance with statutory requirements
Operational excellence	
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital; Intellectual capital; Manufactured capital	• Zero fatalities • Improve LTIFR <5.0 pmmhw • Production – 3.24Moz – 3.51Moz 6E in concentrate and – 3.30Moz – 3.56Moz 6E refined • Cost per 6E ounce – R15 600/oz – R16 300/oz *(including R1.1bn once-off employee discretionary award (+R450/6E oz))*
Capital management	
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Effective capital structure – appropriate liquidity to fund Group strategy including a phased increase in cash reserves to R20bn – allocate a further R1bn to fund environmental obligations • Effective capital allocation strategy – maintain minimum guided dividends at 30% of free cash flow as defined with potential to increase based on available cash reserves and free cash flow generation – Fund forecast capital expenditure of R8.0bn – R9.0bn
Business development	
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital; Social and relationship capital; Manufactured capital	• Ongoing optimisation of portfolio • Maximise market development and industry participation to increase demand
Organisational development	
We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver Human capital; Intellectual capital; Social and relationship capital	• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity • Improve representation of women in management positions South African operations target: 25% women in management by 2023

of the Group's strategic objectives to illustrate how they support strategy. Individual operations each have their own business plan as illustrated on pages 96 to 135.

Business plan/target KPI for FY2026	Key actions
• Maintain ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total water recycled >55% • Local-to-site procurement – increase year-on-year spend • Compliance with statutory requirements	• Manage environmental impacts • Promote host community employment and procurement • Strengthen stakeholder engagement • Implement occupational health and safety initiatives • Comply with statutory requirements including Mining Charter and SLPs
• Zero fatalities • Improve LTIFR – 3.7 pmmhw • Production – 3.20Moz – 3.50Moz 6E in concentrate and – 3.1Moz – 3.4Moz 6E refined • Target below mining inflation increases	• Prevent injury and ensure a safe operational culture • Improve on-reef development to increase face length • Operations to deliver in FY2022: – Impala Rustenburg – 1.25Moz – 1.35Moz 6E in concentrate – Zimplats – 580koz – 600koz 6E in concentrate – Two Rivers – 310koz – 330koz 6E in concentrate – Mimosa – 250koz – 270koz 6E in concentrate – Marula – 220koz – 260koz 6E in concentrate – Impala Canada – 270koz – 300koz 6E in concentrate – IRS (third party) – 360koz – 400koz 6E in concentrate
• Effective capital structure – appropriate liquidity to fund Group strategy • Effective capital allocation strategy – dividends at 30% payout ratio with potential to increase based on available cash reserves and free cash flow generation – fund capital expenditure of R5.5bn – R6.5bn – fund additional growth/replacement capital expenditure for projects currently under study following approval by the board	• Use improved profitability and strong free cash flow generation to: – continue to build cash reserve to R20bn – allocate R1bn to fund environmental obligations in each of the next two financial years – continue to pay dividends in excess of the minimum guided 30% of free cash pre-growth capital to shareholders • Further progress feasibility studies on key growth/replacement projects and ensure appropriate funding
• Ongoing optimisation of portfolio • Maximise market development and industry participation to increase demand	Ongoing optimisation of portfolio prioritising low cost, mechanised, cash generative assets • Leverage enhanced mining flexibility at Impala Rustenburg • Advance projects to capitalise on inherent mining efficiencies across the portfolio • Study to optimise and enhance processing capacity • Optimisation of Impala Canada operations • Maximise market development and industry participation to increase demand • Formulate hydrogen strategy
• Manage labour availability to support full operational capacity • Sustain leadership capacity and capability • Sustain desired culture • 15% women in workforce by 2025	• Implement culture transformation leadership programme • Embed high performance management system • Develop managerial and competency skills • Strengthen capacity and capability in key areas

FY2021 Group business plan/target KPIs achieved

The synopsis below illustrates the Group's performance against the business plan, which highlights the allocation of Group resources/capitals supporting strategy. Each of the Group's

Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital, Natural capital, Intellectual capital	• Maintain ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total water recycled >48% • Local-to-site procurement >20% from FY2020 • Complete projects in terms of SLP commitments • Strengthen stakeholder management capability and capacity • Compliance with statutory requirements	• Improvements in independent ESG performance ratings • Maintained ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total water recycled – 51% • Spend with local-to-site (tier 1) suppliers in South Africa increased by 23% year-on-year from R1 298 million to R1 598 million • Strengthened stakeholder management capability and capacity • Implemented an integrated and effective Covid-19 response
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital, Intellectual capital, Manufactured capital	• Zero fatalities • LTIFR <5.0 pmmhw • 6E in concentrate production -2.96 – 3.33Moz • 6E refined production 2.80Moz – 3.40Moz • Cost per 6E ounce R14 500 – R15 500/oz	• Three fatalities • LTIFR 4.92 pmmhw • 6E in concentrate production – 3.29Moz • 6E refined production – 3.27Moz • Cost per 6E ounce (stock-adjusted) R14 840/oz
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Effective capital structure • Appropriate liquidity to fund Group strategy and through Covid-19 pandemic to manage market/operational volatility • Effective capital allocation strategy • Repayment of debt • Maintain minimum guided dividends at 30% of free cash flow as defined with potential to increase based on available cash reserves and free cash flow generation • Fund forecast capital expenditure of R6.0bn – R6.8bn	• Effective capital structure • Liquidity headroom of R30.9bn • Net cash of R23.5bn • Effective capital allocation strategy • 70% of free cash flow allocated to shareholder returns through cash dividends of R17.9bn and repurchasing R8.8bn of ZAR convertible bonds • Capital R6.4bn
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital, Social and relationship capital, Manufactured capital	• Ongoing optimisation of portfolio • Maximise market development and industry participation to increase demand	• Announced expansion projects at Zimplats and JV Two Rivers to deliver circa 260 000 6E oz • Expanded reserve of 5.6Moz across the portfolio delivered life-of-mine extensions • Initiated studies to investigate efficiency improvements and expansions to processing capacity
Organisational development		
We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver Human capital, Intellectual capital, Social and relationship capital	• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity • Implement culture transformation	• Enhanced stakeholder engagement • Alignment of organisational structures with Group strategy • Strengthened technical capacity through new appointments • Advanced desired culture

strategic objectives, how they link to the business plan/targets, set in the previous year, is illustrated below. The performance of the individual operations is disclosed on pages 96 to 135.

Comments

- Updated our environmental, social and governance practices
- Proactive management of employee health, mine community and wellbeing during Covid-19 pandemic
- Improved MSCI ESG rating to BBB from BB
- Included in the FTSE4Good and the FTSE/JSE Responsible Investment Top 30 indexes
- Achieved an above industry average inaugural score of 48 on the Dow Jones Sustainability Index (DJSI) and ranked in the 65th percentile
- Achieved an A- (water) and a B-rating (climate) from the CDP
- Certified by the London Platinum and Palladium Market for responsible platinum and palladium sourcing
- A 56% reduction in Level 3 incidents
- Consumption of recycled/reused water improved to 51%
- Developing a low carbon transition strategy
- In South Africa, R3.5 billion spent with local-tiered suppliers with >25% black ownership, in Zimbabwe US$239 million with local suppliers and in Canada C$39 million with Indigenous community suppliers
- Zimplats awarded the responsible business award by the government in recognition of its social contributions
- Impala Canada awarded the Thunder Bay Chamber of Commerce 2021 business excellence award in recognition for its social contributions
- Impala Rustenburg was proud to have the first accredited, approved and functional occupational health vaccine site in South Africa.9 SLP projects at Impala Rustenburg were handed over

- Delivered continued improvements in safety performance
  - 48% and 13% in FIFR and TIFR to 0.026 pmmhw and 9.84 pmmhw
  - Regretfully, three work-related fatalities at managed operations
- A strong operational performance despite impact of Covid-19
  - 6E concentrate production volumes of 3.29Moz benefitted from:
    - An 18% gain at managed operations
    - A 10% increase at join venture operations, and
    - 9% higher 3rd party receipts
  - 6E refined production Improved 16% to 3.27Moz
- Unit costs increased 11% on a stock-adjusted basis
  - Covid-19 related expenditure amounted to R563m or R240/6E oz

- Net cash from operating activities improved to R41.8bn, yielding R38.3bn in free cash flow after capital expenditure
- Used improved profitability and strong free cash flow generation to:
  - Repay all debt and repurchase circa 50% of the ZAR bonds
  - Convert all remaining ZAR bonds to equity
  - Allocate R3.7bn to building cash reserves
  - Allocate R1bn to fund environmental obligations
  - Provide circa R26.7bn in returns to shareholders through a combination of cash dividends (R17.9bn) and repurchase of ZAR bonds and odd lot shares (R8.8bn)
- Refinanced the Group RCF into a larger multi-currency facility with more competitive pricing and on better market related terms and an according feature to increase the overall quantum of the RCF
- Progressed feasibility studies of key capital projects across the group and invested R6.4bn in capital expenditure

- The development of a Merensky mine and a new concentrator plant at Two Rivers at a capital cost of R5.7bn. Full production of 180koz 6E is expected in FY2025
- At Zimplats,the construction of a third concentrator at Ngezi at a cost of US$94m will expand milling capacity from 6.6Mt per annum to 7.6Mt, adding 80koz to production in a first phase
- The Bimha and Mupani mines expansions at a capital cost estimate of US$204m to replace Mupfuti Mine, which will be depleted by the end of FY2027

- Effective Covid-19 risk-based response
- Maintained stable and constructive labour relations and partnerships with unions
- Further strengthened leadership and technical capacity through targeted appointments
- Organisational culture was enhanced and advanced through targeted programmes

Creating a better future through **the way we do business**

Corporate governance

Bringing long-term growth and opportunity for all stakeholders

Chairperson's statement on corporate governance

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. Our ESG framework gives life to the Group's values of respect, care and deliver, by aligning the interests of all our stakeholders with our ability to unlock the power of the metals we produce and the way we conduct business to improve the quality of life for generations to come.

Accountability provides the context in which good governance can take place, where roles and responsibilities are clearly defined, performance is carefully reviewed and forums allow frank and rigorous debate. Over the next few pages, we outline our progress and describe our governance efforts.

The Implats board is committed to providing effective and ethical leadership to the Group, maintaining the highest standards of good governance to promote quality decision-making and executing decisions within a disciplined framework of policies, procedures and authorities. The board is guided by the principles of the King IV Code on Corporate Governance (King IV), the Companies Act, 71 of 2008, the JSE Listings Requirements and all other applicable laws, standards and codes. Our compliance schedule can be found at **www.implats.co.za**.

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.

Independent judgement is exercised on all issues reserved for our review and approval. The board therefore takes full responsibility for the management, direction and performance of the Group.

Thandi Orleyn
Chairperson

Committee structure

The board, assisted by its committees, steers, sets direction, approves policy and planning, and monitors ethics, regulatory compliance, remuneration strategies to align employees with the Group's strategic intent and stakeholder relations.

BOARD EVALUATION PROCESS

The board committees undergo effectiveness evaluations every two years on an alternating schedule.

During the year under review, a comprehensive and independent board evaluation was conducted. The board was found to be well functioning, diversely characterised yet cohesive. A healthy and trustworthy relationship between the board and management was identified and our new chairperson is seen to be a good and effective leader.

The necessary structures and processes remain in place to ensure that the board has adequate oversight and that the core governance processes are well taken care of.

The following focus areas were identified:
- Ensuring sustainable future growth for the Group
- Strengthening board and executive succession planning
- A focus on sustainability and ESG related matters as a strategic imperative.

The recommendations and key focus areas for the next two years have been programmed into the annual workplans.

The board also evaluated all retiring directors and resolved to recommend them for re-election by shareholders after all received unanimous support.

Independent non-executive directors: Thandi Orleyn, Peter Davey, Dawn Earp, Ralph Havenstein, Alastair Macfarlane, Sydney Mufamadi, Babalwa Ngonyama[1], Mpho Nkeli, Preston Speckmann, Bernard Swanepoel
Non-executive director: Boitumelo Koshane
Executive directors: Nico Muller, Meroonisha Kerber, Lee-Ann Samuel

THE BOARD

The board sets the direction for the realisation of the Group's purpose, vision and values through providing strategic direction and holding management accountable for implementation.

Audit and Risk Committee

Ensures the integrity of financial reporting and audit processes, and the maintenance of sound risk management and internal control systems.

For more on this committee refer page 46

Membership
Ms D Earp – chairperson
Mr P Davey
Mr R Havenstein
Mr PE Speckmann

Health, Safety and Environment Committee

Monitors the implementation of the Group's strategy as it relates to employees' health and safety, and the protection of the environment.

For more on this committee refer page 47

Membership
Mr AS Macfarlane – chairperson
Mr R Havenstein
Ms B Koshane
Ms MEK Nkeli
Mr NJ Muller
Ms LN Samuel
Mr ZB Swanepoel

Nominations, Governance and Ethics Committee

Shapes governance policies, plans for board and committee succession and drives board effectiveness through evaluations. In addition, it monitors the implementation of the Group's ethics management programme.

For more on this committee refer page 48

Membership
Adv. NDB Orleyn – chairperson
Mr PW Davey
Dr FS Mufamadi
Ms B Ngonyama

Social, Transformation and Remuneration Committee

Monitors Group activities to ensure Implats retains its social license to operate. In addition, it oversees Group employment and remuneration practices.

For more on this committee refer page 49

Membership
Ms MEK Nkeli – chairperson
Ms BT Koshane
Adv NDB Orleyn
Ms B Ngonyama
Mr AS Macfarlane
Mr PE Speckmann

Strategy and Investment Committee

Assists the board in discharging its responsibilities relating to the oversight of the Group's capital assets and financing strategy.

For more on this committee refer page 50

Membership
Mr ZB Swanepoel– chairperson
Mr P Davey
Ms D Earp
Ms B Ngonyama
Ms M Kerber
Mr NJ Muller

GROUP EXECUTIVE COMMITTEE

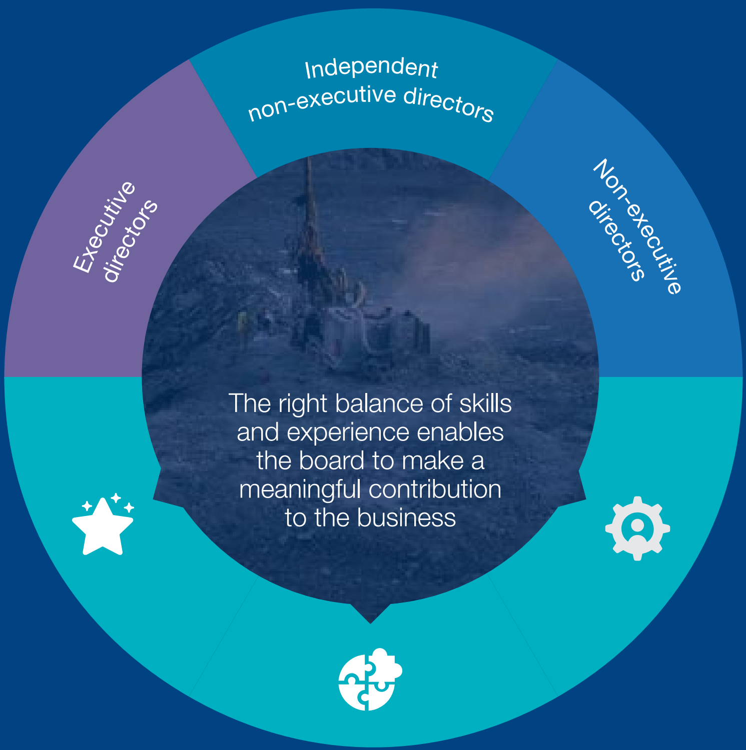
Responsible for strategy execution, supporting the board and day-to-day management of the operations.

EXCO

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

[1] *Lead independent director of Implats board.*

BOARD SKILLS, EXPERIENCE AND DIVERSITY



Experience

- Public and private sector stewardship
- Mining engineering, capital projects and operations
- Corporate finance and investment banking
- Human resources management
- Global experience
- External audit and regulatory compliance
- Mineral asset valuation

Skills

- Strategic planning and risk management
- Corporate governance
- Legal and regulatory knowledge
- Capital projects and mineral asset valuations
- Financial acumen
- Environmental management
- Organisational restructuring
- Mergers and acquisitions

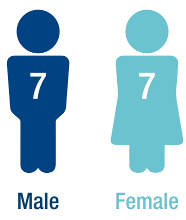
Tenure

More than nine years	**1 director**
Four to nine years	**7 directors**
Less than four years	**6 directors**

BOARD DIVERSITY

Gender

The board aims to maintain a balance between male and female board members and to ensure that female representation is at 40% or above



Independence

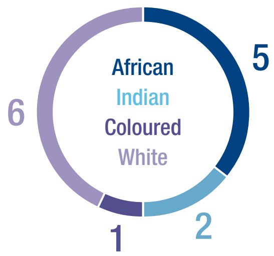
Executive

Non-executive

Independent non-executive

Race

The board promotes the appointment of directors from different races and cultures to ensure representation of many stakeholders. The board will endeavour to maintain the representation of HDP at >50%



Age

The board promotes an appropriate mix of ages to ensure that there are young voices to complement the experienced directors

4	4	6
Between 40 and 49	Between 50 and 59	Between 60 and 70

Our leadership

Independent non-executive directors

Thandi Orleyn 65
Chairperson
B Proc, B Juris, LLB, LLM

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

Board appointment
August 2020

Peter Davey 68 (British)
BSc (Hons) Mining engineering, MBA

Experience
Peter was previously a resource analyst at various investment banks in the United Kingdom and he also has extensive production experience in the South African gold and platinum mining industry.

Board appointment
July 2013

Dawn Earp 59
BCom, BAcc, CA(SA)

Experience
Dawn has formerly held positions as financial director at both Implats and Rand Refineries. She is a non-executive director of ArcelorMittal South Africa Limited, Truworths International Limited and Pan African Resources Limited.

Board appointment
August 2018

Ralph Havenstein 65
MSc Chemical Engineering, BCom

Experience
Ralph brings diverse experience to the board, having built a distinguished reputation in various leadership positions across the mining industry. He has previously served as director of Anglo Platinum, Simmer and Jack, Sasol and Northam Platinum. He currently serves as an independent non-executive director on the boards of Murray and Roberts Holdings Limited and Omnia Holdings Limited.

Board appointment
January 2021

Bernard Swanepoel 60
BSc (Mining Engineering), BCom (Hons)

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

Board appointment
March 2015

Sydney Mufamadi 62
MSc, PhD (Oriental and African Studies)

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

Board appointment
March 2015

Babalwa Ngonyama 46
BCompt (Hons), CA(SA), MBA

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

Board appointment
November 2010

Mpho Nkeli 56
BSc (Environmental Studies), MBA

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

Board appointment
April 2015

Alastair Macfarlane 70 (British)
MSc Mining Engineering

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

Board appointment
December 2012

Preston Speckmann 64
BCompt (Hons), CA(SA)

Experience
Preston has held managerial and executive positions at MMI Holdings Limited, Old Mutual SA and Pepkor. He served as the group financial director of MMI Holdings for 16 years. He is a former PwC audit partner.

He serves as a director of Santam, MiWay, Centriq Sanlam, Emerging Markets, African Rainbow Life Limited, Sanlam Investments, Safrican Insurance Company Limited.

Board appointment
August 2018

Executive directors

Nico Muller 54
BSc Mining Engineering

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

Board appointment
April 2017

Meroonisha Kerber 48
BCom, HDipAcc, CA(SA)

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

Board appointment
August 2018

Lee-Ann Samuel 43
BA Psychology, Honours Political Science, UJ

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

Board appointment
November 2017

Non-executive director

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

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

Board appointment
August 2019

Managing performance through remuneration

The full Implats remuneration report is available on the Implats website and is also included in the Notice to shareholders for the financial year ended 30 June 2021. Extracts of the report have been included in the integrated report to the extent that they aid in demonstrating how Implats' remuneration policy and practices drive strategy and enables the Group's achievement of its strategic objectives.

BACKGROUND STATEMENT AND MESSAGE FROM THE SOCIAL AND TRANSFORMATION AND REMUNERATION COMMITTEE

In line with best practice and our remuneration report, this section is presented in three parts, consisting of the background statement on our approach to remuneration and governance, our remuneration philosophy and policy and the implementation report which details how our policy has been applied in the past year.

The remuneration policy and implementation report are subject to a non-binding advisory shareholder vote at the shareholders' annual general meeting. The outcome of these shareholder votes over the past three years has been very pleasing, and we believe is indicative of the positive changes that have been made over this period in response to feedback and input from our shareholders. The table on the right reflects the voting outcomes since 2017.

VOTING OUTCOMES

	2020	2019	2018	2017
Remuneration policy	93.25%	89.36%	94.27%	56.40%
Implementation report	95.27%	90.60%	78.65%	58.96%

Significant changes to our remuneration policy have been made over the past three years which as the table above indicates, were well received by the shareholders. We continue to proactively engage with our shareholders to ensure that we are aligned with the requirements of this key constituency. We focus on ensuring that reward policies and practices are fit for purpose.

During FY2022 the introduction of an ESG measure to our bonus parameters and the implementation of a fatality modifier has been included to moderate bonus outcomes. Both of these initiatives further align our remuneration policy with our strategic intent.

In addition to the non-executive directors, the CEO, the CFO and the Group executive: people, are permanent invitees to the STR committee meetings but do not participate in discussions relating to their own remuneration. Dr Mark Bussin from 21st Century Consultants was appointed as the independent remuneration adviser and is also a permanent invitee to committee meetings. The PwC remuneration team are often consulted on remuneration policy and governance matters and, where appropriate and required, may be invited to attend committee meetings.

Committee mandate

- Assist the board in designing and maintaining a remuneration policy for executive directors and senior executives that will promote the achievement of strategic objectives and encourage individual performance
- Ensure that the mix of fixed and variable pay in cash, shares and other elements, meet the Group's strategic objectives
- Review and monitor the Group's incentive schemes to ensure continued contribution to shareholder value creation
- Determine any criteria necessary to measure the performance of the Group executive committee (Exco) in discharging their functions, duties and responsibilities
- Review the outcomes of the implementation of the remuneration policy to determine if objectives were achieved
- Oversee the preparation of the remuneration report to ensure that it is clear, concise, and transparent
- Ensure that the remuneration policy is put to a non-binding advisory vote by shareholders, and to engage with shareholders and other stakeholders on the Group's remuneration philosophy.

Tasks performed during the year

During the year under review, the committee undertook the following tasks:
- Reviewed executive management, Exco and executive director, remuneration
- Reviewed external remuneration benchmark and approved best practice
- Non-executive director (NED) remuneration review and benchmark for approval by the board and shareholders
- Reviewed the Group-wide remuneration policy, approved the policy and considered the principles of fair and responsible pay with regards to race, gender and the internal wage gap. The committee approved a circa R250 million special Covid-19 relief fund for the bargaining unit of our South African operations including contractor employees and approved a once off R1.13 billion discretionary profit share bonus award for our bargaining unit employees in FY2022
- Assessed STI outcomes and executive and senior management bonus awards relating to past performance cycle, the performance conditions for LTI awards and reviewed the CEO's individual performance against agreed targets
- Approved the bonus parameters for FY2022 for the forthcoming performance cycle and approved the performance targets for the share plan, the quarterly and annual bonus share and long-term incentives performance share awards. The committee also set the individual performance targets for the CEO for FY2022.

Tasks performed during the year (continued)

Compliance

- Reviewed and approved the remuneration report
- Reviewed and recommended the committee's terms of reference.

Future focus areas

Focus issues in FY2022 and beyond will include:

- Understanding the continued impact of Covid-19 on target setting for STI and LTI outcomes
- Analysing race and gender differentials in our pay and implementing sustainable remedial actions
- Implementing a fair pay policy
- Embarking on shareholder roadshows to ensure continued engagement and alignment
- Ensuring that target setting for our STI and LTI programmes delivers the appropriate outcomes and rewards employees fairly, giving due consideration to the impact of commodity prices on the Group's financial performance given the cyclical nature of our business and Implats' share price movement relative to its peers.

While the above functions are focused specifically on Group-wide remuneration issues, the committee also plays a key role in driving initiatives aligned with employee engagement, talent management, succession planning, transformation, gender mainstreaming, diversity and inclusion and middle and senior management development. The implementation of programmes aligned with these key employee initiatives will ensure the sustainability of the organisation into the future. Covid-19 has taught us that the only constant in life is change, and the organisations that will thrive and prosper are those who are "change-agile". We have successfully rolled out middle and senior management development programmes in partnership with Duke Corporate Education. Talent management and succession planning initiatives were implemented at executive and senior management level and are being cascaded to middle and junior management levels.

FAIRNESS IN OUR REMUNERATION PRACTICES

One of the committee's key mandates is to ensure that fair and responsible remuneration practices are applied across the Group, not only at executive level. We must ensure that all our employees receive a fair living wage and that our employment policies and practices provide dignified employment. The Implats minimum wage for permanent full-time employees remains significantly higher than the prescribed national minimum wage, and wage settlements for our bargaining unit employees exceed inflation.

PwC is engaged annually to conduct a remuneration review, which includes a race and gender pay analysis, and in its report published in January 2021 our Gini coefficient of 0.267 (2020 = 0.266) compared favourably with the Mining and National Circle specific coefficients of 0.417 and 0.437, respectively.

In addition to the Gini coefficient, PwC calculated the Palma ratio for Implats, which compares the total remuneration of the top 10% earners of the Company compared to the total remuneration of the bottom 40% earners. The Palma ratio for Impala Platinum is 1.082 (2020: 1.074), which compares favourably with the Mining Circle ratio of 1.993 and the National Circle ratio of 2.245.

Determining the Gini coefficient and Palma ratio allows us to understand the impact of proposed changes to our remuneration policy to ensure that any decisions taken do not negatively impact our internal wage gap. We are intensifying our approach to fair pay in the years ahead and these indicators should reflect improvements to our internal pay ratios.

PwC's remuneration review also reflected race and gender pay differentials, which are currently the subject of further detailed analysis. As a committee we are committed to eliminating unjustifiable pay differentials and will mandate management to address this as speedily as possible. The initial high-level view indicates that males still earn more than females, and that whites earn more than other race groups. The fair pay policy which we will introduce in this financial year will provide appropriate guidelines to address this.

Despite the headwinds created by Covid-19, our Group again posted a robust set of results. In the current year, the Impala Rustenburg operation delivered its best performance of the past five years, Zimplats had another good year and Impala Canada, the latest addition to the Group, delivered an outstanding set of results. While favourable commodity prices and rand-dollar exchange rates played a role, this performance was driven by solid leadership and operational management. These results contributed to delivering free cash flow of R38.3 billion (FY2020: R14.3 billion) which significantly exceeded the budgeted figure of R25.4 billion. We believe that the organisation is well placed to continue delivering positive results in a sustainable way.

PART 2: REMUNERATION PHILOSOPHY AND POLICY

The Implats remuneration philosophy and policy is discussed in detail in the remuneration report which is included in the Notice to shareholders.

Our remuneration policy and its alignment with company strategy

Reward element	FY2022	FY2023	FY2024	FY2025	Link to strategy	Key features
SALARY (GUARANTEED PAY (GP))	Paid monthly in arrears; based on job level, experience, performance and qualifications.				Ensures attraction and retention of skilled and talented employees. Includes retirement and medical aid benefits.	Regularly benchmarked to relevant market; reviewed annually based on Company performance; individual performance; inflation and position in earnings scale.
SHORT-TERM EXECUTIVE INCENTIVE (STI) SCHEME BONUS – PAID IN CASH	Paid annually; awarded based on short-term performance.				Performance targets aligned with strategic direction of Company; rewards short-term achievement of strategic priorities.	70% of bonus based on corporate/business unit performance; 30% linked to personal performance. Maximum bonus for CEO is 130% of package; for executive directors 100% of package and Exco 80% of package.
MEDIUM-TERM INCENTIVE (MTI) – BONUS SHARE PLAN	Awarded annually; based on short-term performance.	50% vests after 12 months	50% vests after 24 months		Linked to short-term achievement of strategic priorities, but encourages sustained performance over extended period. Closer alignment with shareholder interests.	Value of bonus share plan award is based on annual bonus. Vests after 12 and 24 months in equal parts. No further performance conditions.
LONG-TERM INCENTIVE (LTI) – PERFORMANCE SHARE PLAN (PSP)	Only applicable to Senior executives (level 23 and above); subject to vesting performance conditions.			Vests after three years subject to achievement of performance conditions.	Aligned with long-term shareholder interests and sustainability of the organisation. Focused on achieving long-term strategic objectives.	Awarded annually; based on % of package – CEO 65%; executive directors 50%; Exco 40%. Vests after 3 years subject to achievement of performance conditions. Vesting at stretch is 200% of award.

CEO – Mr Nico Muller

Balanced scorecard 1 July 2020 – 30 June 2021

KPA	KPI	Weighting
Operational sustainability	FY2021 business plans to include specific programmes that focus on ensuring long-term viability of Impala Rustenburg, Impala Canada and Marula (operational flexibility, infrastructure integrity and optimal life-of-mine plans).	25%
Strategy	Refine Group strategy in response to changes in long-term market demand and ensure the execution thereof is supported by the capital allocation framework and incorporates ESG targets and plans, to deliver the Group's long-term vision.	25%
Leadership	Strengthen leadership capacity and capability through the identification and development of potential successors for the CEO and Exco roles, which is underpinned by a culture of transformation, exposure, empowerment and accountability.	25%
Stakeholder engagement	Engage the chairperson, board of directors, investors, employees, the regulator and organised labour on the evolution of the Implats Group strategy to ensure all stakeholders understand the Implats strategy and the current state of the business in a manner that promotes a culture of participation, involvement, transparency and trust.	25%
Total		**100%**

The CEO's scorecard is cascaded down to the Exco members, who in turn cascade their goals and objectives to their direct reports. This pattern continues through the organisation and ensures that all employees are aligned with the key strategic objectives that have been set by the board. Details of the Group forward-looking KPIs in the short and medium term are included in the Group business plan/target KPIs section on pages 26 and 27. KPIs, key actions to achieve the KPI and performance graphs for material KPIs for each one of the operations are included in the operations section from page 96 to 135. The chairperson assesses the performance of the CEO bi-annually and decides on the final performance score at the end of the financial year. While the financial measures are easily quantifiable and measurable, some of the non-financial KPIs require some interpretation and understanding of the context in which we operate. Our licence to operate and culture and performance KPIs are as critical to the Company's success and sustainability as the financial and production KPIs.

The appraisal of the CEO's performance and the STI award related to his performance for FY2021 is reflected on page 56 of the remuneration report contained in the Notice to shareholders.

CEO – Mr Nico Muller

Balanced scorecard 1 July 2021 – 30 June 2022

KPA	Goal	Weighting
ESG	Integrate renewable energy sources into the business.	20%
Strategy	Optimise and grow our current PGM asset base and progress incubation of new high-value business opportunities while increasing market intelligence of future-facing high-value commodities.	50%
Leadership	Develop internal capacity, capability and culture to realise our strategic ambitions.	20%
Stakeholder engagement	Establish and maintain sound relationships with key stakeholders.	10%
Total		**100%**

STI TARGETS AND ACHIEVEMENT – FY2021/2020/2019

CEO earnings	Target earnings	FY2021	FY2020	FY2019
GP	100.0%	100.0%	100.0%	100.0%
STI (excluding personal performance)	65.0%	117.7%	58.5%	84.5%
MTI	43.3%	77.8% ■	39.0%	56.3%
LTI[1]	65.0%	65.0% ◆	65.0%	48.8%
Total	273.3%	360.5%	262.5%	289.5%

Exco earnings	Target earnings	FY2021	FY2020	FY2019
GP	100.0%	100.0%	100.0%	100.0%
STI (excluding personal performance)	50.0%	90.5%	45.0%	65.0%
MTI	33.0%	60.3% ■	30.0%	43.3%
LTI[1]	50.0%	50.0% ◆	50.0%	37.5%
Total	233.0%	300.8%	225.0%	245.8%

[1] *Refer pages 44 and 45 for LTI reward vestings.*

Corporate performance targets for MTI award vestings in FY2021/2020/2019

			FY2021 performance				FY2020 performance			
Description	Unit	Weight	Target	Achievement	Achievement %	Weighted Score	Target	Achievement	Achievement %	Weighted Score
Group		**100%**								
Safety LTIFR	per million	20%	4.95	4.92	105%	21.0%	5.03	4.54	188%	37.6%
Mine-to-market 6E ounces in concentrate	000 oz	40%	2 694	2 934	200%	80.0%	1 352	1 171	0%	0.0%
Unit costs (W/C & SIB)[1]	R/6E oz	25%	17 799	16 855	200%	50.0%	28 527	30 867	25%	6.3%
Free cash flow	Rm	15%	22 515	38 304	200%	30.0%	4 804	14 718	200%	30.0%
Total						181.0% ■				74.0%
Moderated										90.0%

[1] *Previous year Pt/oz.*

■ *The CEO earnings achievement of 77.8% (Exco: 63.3%) above is calculated by applying 181% of the MTI award vestings to the target earnings of 43.3% (Exco: 33%).*

◆ *The CEO earnings achievement of 65.0% (Exco: 50%) above is calculated by applying 100% (refer page 44) of the LTI award vestings to the target earnings of 65% (Exco: 50%).*

Senior executive earnings	Target earnings	FY2021	FY2020	FY2019
GP	100.0%	100.0%	100.0%	100.0%
STI (excluding personal performance)	40.0%	72.4%	36.0%	52.0%
MTI	26.6%	48.1%	23.9%	34.6%
LTI[1]	40.0%	40.0%	40.0%	30.0%
Total	206.6%	260.5%	199.9%	216.6%

Junior executive earnings	Target earnings	FY2021	FY2020	FY2019
GP	100.0%	100.0%	100.0%	100.0%
STI (excluding personal performance)	35.0%	63.4%	31.5%	45.5%
MTI	35.0%	63.4%	21.0%	30.3%
Total	170.0%	226.8%	152.5%	175.8%

Note: personal performance is based on individual annual performance rating and counts 30% towards STI outcomes.

	FY2019 performance			
	Target	Achievement	Achievement %	Weighted Score
	5.00	5.31	66%	13.20%
	1 299	1 306	108%	43.20%
	26 366	25 974	126%	50.40%
				107.0%
				130.0%

Strategic intent of target

- Emphasises focus on Zero Harm and Safety First approach. Everything possible must be done to ensure everyone returns home after work
- Refined ounces is the core production output of the business. We must do everything possible to maximise production safely and sustainably
- Cost management is key to ensuring the sustainability and longevity of the business. Increasing output must be managed within cost parameters
- Free cash flow is a measure of how we are managing capital and deploying it effectively to settle debt and invest in sustainability of the business.

CORPORATE PERFORMANCE TARGETS FOR LTI AWARDS VESTING IN FY2021/2020/2019

PSP VESTING IN NOVEMBER 2021

Corporate performance targets	Weight	Achieved %	Weighted achievement
Relative total shareholder return	50%	100%	50.0%
Absolute return on equity	50%	100%	50.0%
Total			100.0%◆

◆ *The CEO earnings achievement of 65.0% (Exco: 50%) (refer page 42) is calculated by applying 100% (above) of the LTI award vestings to the target earnings of 65% (Exco: 50%).*

Strategic intent of target

- Measures our performance against the performance of our key competitors
- Ensures shareholders receive a fair return on their investment in the company.

CSP 2 VESTING IN NOVEMBER 2020

Corporate performance targets	Weight	Achieved %	Weighted achievement
Return on equity	50%	100%	50.0%
Relative total shareholder return	50%	100%	50.0%
Total			100.0%

Strategic intent of target

- Ensures shareholders receive a fair return on their investment in the company
- Measures our performance against the performance of our key competitors.

SARS VESTING IN NOVEMBER 2020

Corporate performance targets	Weight	Achieved %	Weighted achievement
Absolute total shareholder return	100.0%	100.0%	100.0%

Strategic intent of target

- Measures our performance against a benchmark target.

SARS AND CSP 2 VESTING IN NOVEMBER 2019

Corporate performance targets	Weight	Achieved %	Weighted achievement
Absolute growth in total shareholder return	33.3%	100.0%	33.3%
Relative EBITDA margin	33.3%	50.0%	16.7%
Relative FFR	33.3%	75.0%	25.0%
Total			75.0%

Strategic intent of target

- Measures performance against external benchmarks to ensure return on investment for shareholders
- Ensures effective and efficient management of resources across the entire operation and value chain
- Retains focus on safe mining practices.

Corporate governance delivering value

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

Below is a depiction of how the board, through its committees, has discharged this duty. Each committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. A comprehensive list of the committee's duties is available in the report of the audit and risk committee in the annual consolidated financial statements.

AUDIT AND RISK COMMITTEE

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

Responsible stewardship | Operational excellence | Optimal capital structure

Committee

External reporting

- Review accounting policies and ensure the financial information issued to stakeholders is supported by robust internal controls and risk management processes
- Review and recommend, for adoption by the board, publicly disclosed financial information, which in FY2021 included:
  - the interim results for the six months ended 31 December 2020
  - the annual financial statements for the year ended 30 June 2021
  - quarterly production reports
  - trading updates to shareholders
  - the annual integrated report
  - the Mineral Resources and Mineral Reserves Statement
- Consider the impacts of the JSE's proactive monitoring activities reports on the Group's financial statements
- The committee reviewed the material matters to be included in the ESG report and commented on the report, which is jointly recommended to the board by the health, safety and environment, the social, ethics and transformation and the audit and risk committees.

Internal control and risk management

- Safeguard the Group's assets by monitoring the proper operation of adequate and effective internal control systems
- Monitor the reporting processes and preparation of fairly presented financial statements in compliance with the applicable laws, regulations and accounting standards
- Oversee the implementation of the Group's risk management framework, which is used to identify its top strategic risks
- Consider the effectiveness of internal audit, approving the five-year operational strategic internal audit plan and monitoring adherence thereto
- Review and assess the process implemented by management to enable the CEO and the CFO to opine on the annual financial statements and the system of internal control over financial reporting
- Monitor the effectiveness of the Group's information technology (IT) function and approving IT strategy.

External auditors

- Appoint the external auditors, monitor their activities,independence and ensure the scope of their non-audit services does not impair their independence.

Governance

- Make recommendations on dividend declarations in line with the Group's capital allocation framework, balance sheet, liquidity and dividend policies
- Review and approving the IT governance framework.

Strategic future focus areas

- The committee will continue to exercise its oversight function to ensure that the Group continues to function as a going concern
- Monitor the ever-increasing cyber security risk and the internal and mitigating controls in place
- Monitor the integration of the IT and the operational technology environment and the associated impact on cyber security risk
- Continue to monitor management's multi-year efforts to build sufficient liquidity to cover minimum working capital requirements, as determined by the board
- Monitor the Group's initiatives to further strengthen the effectiveness of its internal financial controls
- Assist the board to ensure that identified Group risks are monitored and that mitigation plans are adequate and implemented.

Risks assigned to committee

Refer pages 67 to 73

- 4 Impact of Covid-19 on Implats operations
- 5 Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar
- 8 Failure to comply with legal and regulatory requirements through the value chain
- 13 Cyber security risk

Deliberations to direct and support strategy

Deliberations

- The impact of Covid-19 and its effect on costs incurred by Group companies to ensure continued operations and to identify and effectively manage costs, which could impact Group unit cost performance
- The dual-currency environment in Zimbabwe, which created challenges regarding the currency to be used to compare and pay local taxes. The committee ensured compliance with local tax legislation and ability to access adequate foreign currency
- Dividend proposals were reviewed in terms of the Group's approved dividend policy and were recommended to the board for final approval
- Management proposals to undertake the odd-lot offer, repurchase and cancel the treasury shares held by a subsidiary, and the repurchase of ZAR convertible bonds were reviewed. The shares-related initiatives allowed for better administration of the share register and the repurchase of the ZAR bonds further strengthened the balance sheet and reduced the dilutionary impact on existing shareholders
- The process implemented by management to enable the CEO and the CFO to opine on the annual financial statements and the system of internal control for financial reporting as required by section 3.84(k) of the JSE Listings Requirements was reviewed and assessed. The attestation process outcome was communicated to the committee. The committee considered the appropriateness of management's response including remediation, reliance on compensating controls and additional review procedures
- The methodology, assumptions and judgements applied by management to the reversal of impairment was assessed and the committee concluded that the reversal of impairments was reasonable
- The methodology, assumptions and judgements applied by management to account for the Marula BEE restructuring transaction was assessed and the committee concluded that it was appropriate
- Management presented the year-on-year improvements in cyber security. The committee was satisfied with the attention given to this risk area
- Macro factors (social, economic and environmental), including macro trends, country risk, supply/demand dynamics, commodity and forex prices were considered.

Deliberations on strategic objectives

- Responsible stewardship, operational excellence, optimal capital structure
- Transparent disclosure
- Best-in-class mineral resources and mineral reserves
- Clear and predictable dividend policy
- Sustained shareholder returns through the cycle.

Trade-offs

Financial capital is the primary enabler of strategic decisions that result in the maintenance and growth of other capitals:

- Regulatory compliance with the Zimbabwe currency regime has resulted in exposure to currency risk at the Group's Zimbabwean operations, which could potentially deplete financial capital
- The refinancing of the Marula BEE loans and the establishment of the ESOT will strengthen the Group's social licence to operate
- Financial capital returned to investors in the form of dividends reduces Group financial capital, but distributes value to investors
- Covid-19 costs reduced financial capital, but strengthens the Group's social licence to operate and human capital.

Stakeholders

The material matters addressed by the committee primarily relate to macro factors, governance, ethics and transparency, employee health and safety, and balance sheet management. These matters mainly impact shareholders and regulators.

While it is fully acknowledged that the board is responsible for risk management at Implats, aspects of risk management are prevalent throughout the organisation. The oversight of the risk management system and process is the responsibility of the audit and risk committee, while each committee takes responsibility for the risks relevant to it.

HEALTH, SAFETY AND ENVIRONMENT (HSE) COMMITTEE

The committee monitors management's implementation of the HSE strategy to deliver safe production without causing harm to our employees, other stakeholders or the environment.

Responsible stewardship
Operational excellence

Committee mandate

- Approve and monitor the implementation of the Group's HSE strategy
- Monitor HSE performance in terms of the Company's policies, systems, standards, codes of practice and procedures
- Monitor the HSE management function and recommend improvements where necessary
- Review the HSE element of the Company's business plan and approve the HSE disclosures in the annual reports
- Institute investigations into matters where inadequacies in matters of health, safety and environmental regulatory compliance have been identified, or as directed by the board
- Monitor climate change and manage contribution.

Strategic future focus areas

- The committee will remain focused on monitoring management's preparedness to deal with successive waves of the Covid-19 pandemic
- Greater emphasis will be placed on developing and monitoring progress with regard to immediate and medium term ESG targets in collaboration with the STR committee as the Group works towards pronounced long-term targets.

Risks assigned to committee

Refer pages 67 to 73

- 2 Rising costs and unreliable supply of electricity resulting in business interruption
- 3 Deterioration in safety performance
- 4 Impact of Covid-19 on Implats' operations
- 11 Failure to establish water security, avoid contamination and manage water costs

Deliberations to direct and support strategy

Deliberations

- The committee continued to support management's effort in preventing the spread of Covid-19, the treatment of patients in Company facilities as well as the comprehensive vaccination programme
- The implementation of the HSE strategy to ensure zero harm to employees and the environment remained a key focus
- The committee interrogated mitigation plans put in place to eliminate fall-of-ground incidents and tramming related incidents and noted that although good progress has been made, there was still room for improvement to eliminate such incidents
- Management presented the Group tailings storage facility management strategy, which was tested against international standards and found to be adequate
- The committee undertook a deep-dive into the Canadian legislative framework to familiarise itself with the requirements of environmental regulators to enable the committee to discharge its fiduciary duties ensuring legislative compliance
- The committee adopted the ESG framework presented by management to guide target setting and monitor ESG outcomes
- Management and the committee agreed to a work-plan that will include decarbonisation and increased rainwater catchment and usage of recycled water.

Deliberations on strategic objectives

- Responsible stewardship, operational excellence
- Reduce environmental impact
- Enhance power security
- Ensure water security
- Progressively decarbonise
- Wide ranging Covid-19 response
- Improve safety performance and reduce health impacts.

Trade-offs

- Any loss of life in the workplace is unacceptable and destructive to human, social and relationship, intellectual and financial capitals.
- Initiatives resulting in the depletion of financial capital:
  - investing in initiatives to improve health and safety performances and environmental compliance/responsibility will enhance human and natural capitals and improve operational excellence resulting in a net increase in financial capital
  - tailings dams upgrades result in gains from a climate control perspective and increase our social, human and environmental capitals
  - water is shared with other stakeholders and therefore its sustainable use is imperative to maintaining operations and the Group's social licence to operate.

Stakeholders

The material matters addressed by the committee primarily relate to employee health and safety, and responsible environmental management (environmental impacts of our operations, climate change). These matters mainly impact shareholders, employees, labour unions and regulators.

NOMINATION, GOVERNANCE AND ETHICS COMMITTEE

The committee has discharged its mandate by strategically advising the board on matters related to corporate governance, board composition, leadership and performance.

Responsible stewardship
Organisational effectiveness

Committee mandate

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

Strategic future focus areas

- Implementing recommendations emanating from the board evaluation process
- Embedding an ethical culture
- Succession planning for executive directors and other senior executives, and embedding a culture of ethical leadership
- Ensuring an adequately resourced board capable of making legitimate decisions.

Deliberations to direct and support strategy

Deliberations

- The committee defined and documented the existing board culture, which was agreed to by all board members. It was noted that once a culture is clearly defined members could contribute positively to a board dynamic that reinforced the agreed-upon culture
- The committee recommended the following policies for board approval:
  - conflict of interests policy
  - nomination and appointment policy
  - anti-bribery and anti-corruption policy
  - the code of ethics
  - the board evaluation policy
- The approved policies will aid the board in embedding a culture of good corporate governance
- The outcomes of the board evaluation process were reviewed, which highlighted the need for a greater focus on sustainable future growth, board and executive succession, as well as sustainability and ESG related matters as strategic imperatives.

Trade-offs

- There is no trade-off for implementing good corporate governance practices, as all capitals benefit from legitimate and ethical leadership
- Financial capital is required to give effect to the achievement of Group strategic objectives relating to responsible stewardship, operational excellence and organisational effectiveness, which will enhance human and social and relationship capitals while safeguarding our manufactured and natural capitals.

Stakeholders

The material matters addressed by the committee primarily relate to governance and effective leadership in holding management accountable for delivery of approved strategy. These matters mainly impact shareholders, employees, labour unions and regulators.

SOCIAL, TRANSFORMATION AND REMUNERATION (STR) COMMITTEE

The Company continues to operate in a sustainable way under the guidance of the social, transformation and remuneration committee.

Responsible stewardship   Organisational effectiveness

Committee mandate

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

Strategic future focus areas

- Monitoring management activities in implementing the approved social and labour plans (SLPs)
- Deepen improved relationships with stakeholders
- Progress succession planning for key roles in the organisation
- Ensure links between responsible reward and performance
- Monitor the development of measurable ESG performance targets and the implementation thereof in collaboration with the HSE committee.

Risks assigned to committee

Refer pages 67 to 73

- 1 Maintaining an optimal and harmonious labour relations environment
- 4 Impact of Covid-19 pandemic on Implats' operations
- 6 Maintaining our social licence to operate and good stakeholder relations
- 8 Failure to comply with legal and regulatory requirements through the value chain
- 10 Challenged capacity and efficiencies of management layers at SA operations
- 12 Marula business disruption due to community unrest

Deliberations to direct and support strategy

Deliberations

- The staff Covid-19 relief fund of R250 million to assist employees due to financial difficulties experienced during the initial hard lockdown in South Africa was reviewed and recommended to the board in the interest of staff welfare
- The wellbeing of host communities was considered to ensure they were empowered through adequate SLP implementation and procurement opportunities. The committee deliberated on the board-based black economic empowerment (B-BBEE) status of Marula which led to the revision of the B-BBEE structure ensuring community ownership and extended ownership to employees of the subsidiary
- The Group and CEO scorecards were reviewed to ensure key performance areas were aligned to the approved business plan and strategic objectives. The pay gap and pay practices were reviewed to ensure fairness and non-discrimination in reward practices
- Management informed the committee that future growth and certain approved projects will require new and additional skills from the talent pool and may have to be brought into the organisation.

Deliberations on strategic objectives

- Responsible stewardship, organisational effectiveness Employees
- Positive social impact
- Robust organisational structure
- Strategic talent acquisition and retention excellence embed diversity and inclusion
- Coherent organisational culture
- Deepen stakeholder relations
- Collaborative community development.

Trade-offs

The maintenance and growth of human and social and relationship capitals, which are the primary focus of the committee, invariably come at the cost of financial capital:

- The Group's improved financial performance and position enabled the implementation of meaningful SLP and procurement initiatives to strengthen the Group's social and relationship capital and licence to operate
- There are not trade-offs for ensuring fair and transparent remuneration practices, which enhances social, relationship and human capital, by attracting and retaining talent and fostering trust among employees
- Investing in additional skills development and appointing new personnel to meet critical skills requirements will further enhance human and intellectual capitals and enable the Group to achieve its strategic objectives.

Stakeholders

The material matters addressed by the committee primarily relate to social licence to operate (strategic management of sustainability and ESG) and create thriving communities. These matters mainly impact shareholders, employees, labour unions, communities, regulators and customers.

STRATEGY AND INVESTMENT COMMITTEE

The purpose of the committee is to assist the board in discharging its responsibilities relating to the oversight of the Company's capital assets and financing strategy.

Operational excellence | Optimal capital structure | Competitive asset portfolio | Future focus

Committee mandate

- The committee mandate was amended to include:
  - assisting the board with the development of corporate strategy and monitoring implementation
  - recommending the Group investment policy in support of the capital allocation framework
- Advise the board on the allocation of capital and future investment/disinvestment after due consideration of life-of-mine plans
- Monitor the implementation of approved capital projects to ensure they are delivered on time and within budget
- Evaluate and advise the board on the performance of assets in terms of their return on investment
- Review emerging risks/opportunities relating to corporate strategy and major capital investment projects and recommend appropriate responses to the board.

Strategic future focus areas

- The committee will continue to work with management to scan the landscape for potential investment in the current asset portfolio and outside the Group
- The committee will monitor that all approved capital projects are delivered on time and within approved budget
- Assisting the board ensure the Group is ready to withstand a potential market downturn in future.

Risks assigned to committee

Refer pages 67 to 73

- 7 Impala Canada: challenges with mill grade quality due to underground delivery
- 9 Ramp-up of 16 Shaft and 20 Shaft to steady-state production in accordance with the business plan

Deliberations to direct and support strategy

Deliberations

- Efforts to catch up on postponed or delayed projects due to Covid-19 lockdowns were monitored and the committee was satisfied with management mitigation plans and allocated budgets
- A Group investment policy was reviewed and recommended to the board for approval. The committee was satisfied that it addressed the investment criteria set out by the board
- The committee undertook a deep-dive into the 20 Shaft project to ensure completion and ramp up to full production
- The committee concluded that lower risk projects should be prioritised as opposed to deep level conventional mines, the technical and financial metrics for each project should be appropriately risk adjusted and that an investment should be made in project execution capacity. All these observations will make for superior project management and delivery in the future
- The committee reviewed several brownfields and greenfields projects for recommendation to the board, for example, the capacity expansion for Mupani and Bimha mines in Zimbabwe and the Merensky project at Two Rivers Mine
- The committee recommended the investment of more than R1 billion in AP Ventures Fund to get access to an innovation hub that may lead to new markets for PGMs.

Deliberations on strategic objectives

- Responsible stewardship, operational excellence
- Optimise value chain
- Innovation and technology initiatives
- Operational initiatives
- Strong and flexible capital structure
- Prudent capital allocation framework
- Compelling value proposition
- Optimise industry-leading growth assets
- Grow and extend value delivery from asset portfolio
- Leverage and grow operational presence in Canada
- Support sustainable market development for primary products
- Focused expansion
- Invest in hydrogen technology
- Consider value-accretive downstream opportunities
- Define our evolution towards a leading high-value, future-focused metals producer.

Trade-offs

Capacity expansion projects will reduce financial capital in the short term and increase manufactured capital, which would in the long term, and upon successful completion, increase financial capital and contribute toward the Group's operational excellence strategic objective.

Stakeholders

The material matters addressed by the committee primarily relate to operational resilience (capacity constraints and capital project execution, and adherence to business plans). These matters mainly impact shareholders, employees, labour unions and regulators.

Second tailings storage facility under construction at Marula

Creating a better future through
superior economic performance

Our operating environment

Sustaining industry leading business and financial performance through the commodity cycle

Chairperson's review

Thandi Orleyn

The second year of the Covid-19 pandemic laid bare the fault lines in the global economy. Vaccine inequity highlights how global economic recovery will likely split into those, mostly developed, countries that can look forward to activity normalising during 2021, and those still facing rolling infection waves and rising Covid-related death tolls.

This challenging operating context is compounded by macro-economic volatility from ongoing social unrest, geopolitical tensions, increasing cyberthreats and the rising frequency and intensity of weather-related natural disasters due to climate change.
The July 2021 update to the International Monetary Fund's (IMF's) World Economic Outlook projected global economic growth of 6.0% in 2021 and 4.9% in 2022. Prospects for emerging market and developing economies were lower, however, with 3.4% and 4.1% forecast for sub-Saharan Africa in 2021 and 2022, respectively, and worsening pandemic developments in sub-Saharan Africa expected to weigh on the region's recovery.

The fund highlighted the bleak labour market prospects for low-skilled workers and youth, underscoring Implats' lived experience of the intense pressure and risk PGM miners face to meet challenging stakeholder expectations, complicated by the economic devastation associated with the pandemic and the social unrest which flared in South Africa during July 2021. Domestic producers in South Africa also faced major supply interruptions from power utility Eskom. Zimbabwe's economy stabilised somewhat after a two-year recession, but levels of poverty and unemployment remain unsustainably high.

All three major PGM markets – platinum, palladium and rhodium – recorded fundamental market deficits during 2020. PGMs faced unprecedented demand destruction due to Covid-related interruptions to economic activity, although this was largely balanced by supply reductions. In 2021, a moderation in investment demand will likely result in the platinum market returning to surplus, with palladium in a moderated deficit on reduced Russian supply, and a more balanced market expected for rhodium.

value creation

STRATEGY AND PERFORMANCE

Despite these headwinds, Implats delivered a sterling performance for FY2021, aided by record rand pricing for our primary products and underpinned by robustly improved operational momentum. The latter can be attributed to the Group's clear strategy journey to cement Implats as an industry leader in environmental, social and governance (ESG) performance, while producing metals that sustain livelihoods beyond mining to create a better future.

Implats' strategy has evolved over the past four years to adapt to its improving position amid a dynamic operating environment and a rapidly changing world. Where three years ago, in the face of persistently low PGM prices, the Group considered a radical restructure of the traditional mining elements of Impala Rustenburg's operations, now all the shafts in the mining complex generate free cash flows with investment in mining flexibility and several potential life-of-mine extensions under study. Marula, once marginal, is testing new technologies to improve productivity and efficiency and its new tailings storage facility ensures the mine's long-term sustainability. Our new asset, Impala Canada, expanded our footprint into North America and the ramp-up of underground production rates is continuing apace. Two brownfields expansion projects, one each at Zimplats and Two Rivers, will grow the mine-to-market production base of the Group by circa 260 000 ounces 6E. Collectively, and together with an improved safety performance, these developments are the essence of operational excellence, one of the Group's six strategic pillars aimed at generating superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery.

Value creation is also pursued through ensuring an optimal capital structure, a key aspect of Implats' strategy. In FY2021, the Group reported record headlines earnings which more than doubled to R36.4 billion, liquidity headroom at year end of R30.9 billion, and free cash flow of R38.3 billion, 70% of which were allocated through cash dividends of R17.7 billion and repurchasing R8.6 billion of ZAR convertible bonds to reduce debt and minimise shareholder dilution. The Group's balance sheet is now well positioned to allow a meaningful shift in capital allocation priorities to enhance shareholder returns and to accommodate the value-accretive expansion of the business to the benefit of all stakeholders.

Mutually beneficial relationships with our stakeholders and sustainable socioeconomic development in mine-host communities remain key objectives. Productive and collaborative engagements with key stakeholders during the period underscored our firm commitment to sustainable shared value creation, within a sound ESG framework.

RESPONSIBLE STEWARDSHIP

The objective of achieving operational excellence extends to the Group's focus on ensuring zero harm. It is gratifying to see the result of increased investment in and focus on strengthened operational safety risk-management. Implats delivered its safest year yet, positioning it favourably relative to the overall industry. Visible leadership, mining discipline and targeted safety interventions resulted in improved key safety metrics. Despite these efforts, three lives were lost during the year. This is a cause of deep regret and serious concern to the board and management. Efforts intensified to eliminate fatalities and injuries, Group wide.

Implats' proactive approach to Covid-19 prevention and treatment ensured the sustained control of infection and mortality rates at all operations. In addition, we were pleased with the acknowledgements received for our leading response to the pandemic: Impala Rustenburg was the first mining site accredited as a Covid-19 vaccination site in South Africa, Impala Canada was the first mine in Ontario, Canada, to host a vaccination clinic for healthcare staff and Zimplats received a national award for Covid-19 pandemic support in communities.

Employee mental health and indebtedness due to the impacts of Covid-19 remained a priority, and our South African employees collectively received a once-off Covid-19 relief payment of R250 million. Progress was made in addressing other employee wellness issues, including HIV, tuberculosis and noise-induced hearing loss.

Sustainable community development in mine-host communities continues to be prioritised. We invite you to read our accompanying 2021 ESG report, where the Group's sustainability initiatives are more fully explored.

We aim to ensure that we go beyond compliance in terms of responsible stewardship of our natural resources and mitigating our environmental impacts. The Implats board supports alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures, with the Group working on the first climate change report due in FY2022. All our operations, bar Impala Canada, are ISO 14001:2015 certified, with three out of the five operations also ISO 45001:2018 certified. Impala Refineries holds the London Palladium and Platinum Markets Responsible Sourcing Standard certificate.

We are honoured by the recognition our strong ESG management receives in the form of several external rankings by leading global and regional agencies. For the second consecutive year, Implats achieved an 'A' rating by the Carbon Disclosure Project (CDP) for management of water security risk, and a 'B' rating for climate change action and disclosures. Our commitment to gender equality is reflected in our inclusion in the Bloomberg 2021 Gender-Equality Index. Implats is rated "BBB" by MSCI, indicating strong resilience to long-term ESG risks. We also remain a constituent of the FTSE4Good Index Series and the FTSE/JSE Responsible Investment Top 30 Index.

ETHICS, INTEGRITY, ENGAGEMENT

Implats is committed to demonstrating socially and environmentally responsible business practices and promoting the highest standard of corporate governance through compliance with the principles of the King IV Code of Corporate Governance for South Africa. Given the significant developments in the ESG arena, Implats has reviewed its sustainability strategy to distil strategic objectives, goals and commitments to guide the Group's efforts to 2026 and beyond.

An effective stakeholder engagement strategy is in place, paying cognisance to King IV and the AA1000 Assurance Standard principles of materiality, completeness and responsiveness. Implats was pleased to see the benefit agreements being signed between Impala Canada and its host indigenous communities. In South Africa, stakeholder engagement efforts through established formal community engagement structures at Impala Rustenburg and Marula were intensified during the period, while in Zimbabwe, Zimplats continued to enjoy cordial relations with its communities. The Group complies with the requirements of South Africa's Mineral and Petroleum Resources Development Act (MPRDA) and is committed to meeting the expectations set out in the Broad-Based Black Economic Empowerment (B-BBEE) Charter for the South African Mining and Minerals Industry. At the time of writing, Mining Charter 2018 (Mining Charter III) remained under judicial review.

In Zimbabwe, while the government has repealed the 51% Indigenous equity requirement for diamond and platinum miners, Zimplats monitors policy developments regarding empowerment legislation related to the government's "Zimbabwe is Open for Business" initiative, engages with government through the industry body, and continues to play a leading role in promoting industrial linkages. Impala Canada remains committed to meeting and exceeding high performance standards in health, safety, environment and community development, and is an active member of the Ontario Mining Association to build consensus with government on industry-critical matters.

OUTLOOK

We continue to maintain open and constructive engagements with our stakeholders to advance positive and mutually beneficial relationships in South Africa, Zimbabwe and Canada. The global economic repercussions due to Covid-19, however, continue to impact PGM suppliers the world over.

While the pace of the global economic rebound has been more rapid than previously expected, growth is erratic and uneven, with a divergent recovery favouring advanced economies where vaccination programmes are advanced and monetary and fiscal policy is supportive.

Securing operational resilience, mitigating inflationary pressures through delivering planned volume growth and continuing to protect the safety and health of our employees through our planned vaccination programme are key imperatives for the year ahead, as society learns to live with the reality of the likely longevity of the Covid-19 pandemic and embed its mitigation as a longer-term reality.

Through mining future-focused metals, the Group intends to sustain and grow value for all stakeholders by supporting demand for our metals, creating and deepening strong relationships with our stakeholders and responsively aligning production to evolving demand, while progressively improving the quality, efficiency and ESG performance of our operations.

APPRECIATION

During the year we welcomed Ralph Havenstein to the board as an independent non-executive director and a member of the audit committee. We look forward to his contribution.

This is my first annual review on behalf of the Implats board since I assumed the chair on 26 October 2020. I take over from Dr Mandla Gantsho, who retired after 10 years of distinguished service to the Implats board. I thank Dr Gantsho for his wise stewardship over the years.

In conclusion, I look forward to charting the future with my fellow board members and a strong and capable management team. Implats has harnessed the benefit of improved operational performance and a buoyant price environment to develop into a sustainable and value-enhancing Group. I thank my fellow board members, the Implats management team and all Implats employees for their contribution to this outcome. I look forward to working with you all as we continue to build a stronger and more sustainable business.

Adv Thandi Orleyn
Chairperson

Our operating context

Implats' strategy considers the influence and implications of the macro-economic environment in which we operate, the changing dynamics of PGM and other commodity markets and the strategies of our peers. The Group's operating context presents strategic opportunities to take advantage of, as well as threats to mitigate, in the context of playing to our strengths while addressing our weaknesses.

The following analyses identify aspects which impact value creation:

- **Market analysis** – an analysis of the PGM supply-demand dynamics, the global trends that alter customers' needs and affect the industry, and the outlook for the future demand for PGMs and their prices
- **PESTEL analysis** – an analysis of macro-environmental factors (political, economic, social, technological, environmental and legal) that drive the global outlook for our products, as well as specific analyses for our operating jurisdictions and the implications of operating in South Africa, Zimbabwe and Canada
- **Competitor analysis** – a review of the operational and financial performance of our peer group, the strategies they pursue and the market's assessment of their success
- **SWOT analysis** – an examination and understanding of our strengths and weaknesses, and identification of opportunities and threats as a result of the market, PESTEL and competitive environment

COVID-19

As the Covid-19 pandemic continues to progress through the world, bringing with it a series of variants, the "business unusual" operating environment of 2020 has settled into a "new normal", with a focus on mass global vaccination. The pandemic's global reach and longevity still present material challenges to the Group and its key stakeholders, not least of which are associated macro-economic uncertainty and heightened social instability.

The metals and mining sector faced sharply lower prices early in the Covid-19 pandemic, followed by many commodities reaching multi-year highs more recently. Mining operations are rapidly recalibrating to the new normal to capitalise on fresh opportunities.

OUR RESPONSE

- Implats' proactive approach to Covid-19 prevention and treatment ensured the sustained control of infection and mortality rates at all operations
- Vigilance in protecting the safety and health of employees continues as the Group completes our planned employee vaccination programme
- Mining, processing and refining capabilities were de-risked to sustain the operating activities necessary to secure the vital role Implats plays in the livelihoods of our employees, host communities and the national economies in which we operate
- A risk-based approach to operations and ensuring continuous supply of finished product to our customers, resulted in strengthened relationships and improved profitability and balance sheet positioning
- Geographic and orebody diversification and the Group's strong financial position proved vital in successfully navigating the variability in the prevailing operating environment
- The Group was acknowledged in South Africa, Zimbabwe and Canada for our leading response to the pandemic in relation to employee wellness and pandemic support in communities.
- Advanced efforts to secure and distribute Covid-19 vaccines to ensure the wellbeing of our employees and communities. The Group spent R563 million on Covid-19 initiatives during the year.

Responsible stewardship | Operational excellence | Organisational effectiveness | Optimal capital structure | Future focus | Competitive asset portfolio

IMPLICATIONS FOR VALUE

- The health and safety of our employees and the welfare of our communities remain key priorities, underpinned by Implats' values to respect, care and deliver
- Internal planning to protect the health and safety of employees and secure operational resilience has required new ways of working since the emergence of the pandemic in early 2020
- Managing the financial impact of potential production losses due to critical skills and labour shortages due to Covid-19-related interruptions and absenteeism
- Forecast risk on the ability to meet contractual requirements and achieve physical delivery and generate revenue for the Group has subsided as logistical constraints have eased and new protocols have been entrenched.

MACRO-ECONOMIC FACTORS

Following unprecedented upheaval in 2020, the global economy is experiencing a stronger than expected – albeit uneven – recovery, largely reflecting the unequal progress made in vaccine delivery between developed and developing nations. For 2021, the World Bank forecasts the strongest post-recession pace of expansion in 80 years. But vaccine inequality will likely split global economic recovery into those, mostly developed, countries that can look forward to activity normalising during 2021, and those still facing rolling infections and rising Covid-19-related death tolls. The macro-economic picture is complicated by social unrest, geopolitical tensions, supply-chain challenges, increasing cyberthreats and the rising frequency and intensity of weather-related natural disasters due to climate change.

IMF growth prospects for emerging markets and developing economies are lower than global projections, which forecasts a slowing into 2022. Obstacles to vaccination activity in sub-Saharan Africa are weighing on activity. Inflation is expected to return to pre-pandemic ranges in most countries in 2022 once pandemic-related disturbances and supply-demand imbalances work their way through prices, although high levels of uncertainty remain.

Both the World Bank and the IMF warn that the global economic outlook remains highly uncertain. Major risks remain for all regions related to the path of the pandemic, financial stress amid elevated debt loads, rising unrest triggered by food inflation, the ripple effect of inequitable vaccine distribution and deeper-than-expected scarring from the pandemic. Both institutions urge policymakers to address the pandemic's lasting effects, safeguard macro-economic stability and stimulate green, resilient and inclusive growth.

OUR RESPONSE

- We focus on developing and deepening relationships with our key customers globally
- We anticipate and respond to the evolving needs of our stakeholders due to dynamic macro-economic factors in the regions in which we operate
- We sustain and grow value by tailoring our market development activities to support present and future demand drivers such as aligning with, and supporting, key institutional partners, including IPA, PGI and WPIC
- We focus on optimal capital allocation and leverage our strong balance sheet, with a targeted cash buffer of circa R20 billion, to entrench operational resilience and offset potential price pressures.

Responsible stewardship | Operational excellence | Optimal capital structure | Future focus

IMPLICATIONS FOR VALUE

- Expectations for GDP growth, industrial production and investment, and hence demand for natural resources are all impacted by an uncertain macro-economic outlook
- Precious metals as an asset class tend to outperform in a "risk off" environment. However, consumer activity – a key driver of vehicle sales, jewellery and electronics – is still muted due to the deep and continuing impact of the pandemic on employment levels and incomes.

REGULATORY ENVIRONMENT IN SOUTH AFRICA, ZIMBABWE AND CANADA

Implats' commitment to delivering superior value to all stakeholders is premised on ensuring full compliance with the legislative and policy environments in which the Group operates. While the socio-political context in both South Africa and Zimbabwe remains dynamic, in some respects, the mining regulatory and policy environments have become more predictable in recent years. The Canadian regulatory framework is stable, and a welcome benefit of Implats' geographic diversification.

OUR RESPONSE

- We actively and constructively engage with the needs of our host governments in response to social, economic and environmental factors in the regions in which we operate
- Wherever possible we challenge ourselves to anticipate changes and challenges to enable risk mitigation and appropriate reaction and consultation
- In all operating countries, the Group is fully committed to improving the competitiveness of the mining sector by ensuring its ongoing growth, transformation, and sustainability, through consistent and regular engagement between industry stakeholders and the relevant government departments
- The Group complies with the requirements of South Africa's Mineral and Petroleum Resources Development Act (MPRDA) and is committed to meeting the expectations set out in the Broad-Based Black Economic Empowerment (B-BBEE) Charter for the South African Mining and Minerals Industry
- In Zimbabwe, Zimplats has engaged proactively with the government to support its ambitions to grow and diversify the PGM industry and enable growth and commodity diversification in the mining sector – a key component of the country's economic recovery programme. The Zimbabwean government has repealed the 51% indigenous equity requirement for the diamond and platinum mining sectors and replaced the Indigenisation and Economic Empowerment Act with an Economic Empowerment Act, in line with its "Zimbabwe is Open for Business" campaign
- Impala Canada is an active member of the Ontario Mining Association which seeks to build consensus with government on industry critical matters.

Responsible stewardship | Future focus | Competitive asset portfolio

IMPLICATIONS FOR VALUE

- Changing regulation, in some instances, increases the cost of compliance – and non-compliance carries the risk of material penalties and operational disruption
- Policy uncertainty and instability can influence and ultimately limit appetite for inward investment in regions where resource nationalism is flagged as a growing risk
- Policy uncertainty regarding fiscal contributions, ownership, procurement, and beneficiation has the potential to increase host governments' share of returns relative to other key Group stakeholders, including employees, communities and shareholders

ACCESS TO ESSENTIAL SERVICES

Water and electricity are critical and major inputs for mining, mineral processing and refining operations. In South Africa, power utilities Eskom and the Zimbabwe Electricity Distribution Company (ZETDC), respectively, have significant capacity constraints which affects the continuity of supply in both countries. This results in load shedding and load curtailments.

Water access is a basic human right, a vital operational resource and an imperative for the socio-economic development of mine-host communities. Water management is a critical concern as Implats' southern African sites are in water-scarce areas – assured security of water supply in South Africa (Bojanala and Rustenburg) and for the Zimplats operations remains a risk.

OUR RESPONSE

- A low-carbon transition strategy is in development to guide decarbonisation efforts, strengthen energy security and to position the Group in the new energy value chain, including bankable feasibility studies on alternative energy sources
- The Group has power reduction agreements in place with Eskom, back-up generators for emergency situations, several ongoing power saving initiatives and power advocacy structures
- Zimplats and Impala Canada are largely supplied from hydropower schemes (approximately 100% and 50% renewable electricity, respectively), and have the lowest carbon footprints across Implats
- Zimplats is exploring a large-scale solar power project to further ensure security of supply
- In South Africa, a new energy policy will provide a similar opportunity to augment energy supply in the future and further support the Group's decarbonisation efforts
- The cost of future clean energy projects will reduce reliance on current supply, reduce our carbon footprint and ensure costs are more stable and competitive
- Monitoring and daily dashboard reporting of water usage is ongoing, as are water recycling processes, the use of alternative water sources and the construction of water storage facilities.
- Implats is finalising a revised Group water policy to guide a uniform approach to water across operations and will conduct climate-regional vulnerability and site-specific risk assessments to inform water balances and contingency plans
- The Group is developing a strategy to secure brown water sources and reduce freshwater intake by employing innovative water-saving technologies.

Responsible stewardship | Operational excellence | Optimal capital structure | Future focus | Competitive asset portfolio

IMPLICATIONS FOR VALUE

- The unreliable supply of electricity presents safety risks and results in business interruptions
- During FY2021, electricity shortages in South Africa accounted for inventory build-up of 55 000 6E ounces
- The rising cost of electricity tariffs impacts cost performance and business planning – in South Africa, Eskom's tariffs have increased more than 400% over the past decade
- Pursuing green energy alternatives will require the use of financial capital
- Climate change and the security of water supply at South African and Zimplats operations remains a business risk
- Competing demands for scarce water resources affect our social licence to operate.

CURRENCY AND COMMODITY FACTORS

Commodity pricing is vulnerable to changing market dynamics and investor sentiment, with Implats expected to experience cyclicality in revenue over the long term as a result.

The South African rand is the dominant producer currency of primary PGM supply. It is also a liquid and globally traded emerging market currency and therefore remains vulnerable to both domestic and international macro-economic factors. Economic activity in South Africa has proven relatively resilient, despite tighter restrictions in response to the country's second and third-wave surge in Covid-19. The recovery remains sluggish, however, with headwinds from energy shortages, high unemployment and fiscal deficits.

Robust commodity prices and favourable terms of trade have played an integral role in recent current account surpluses and better-than-expected tax revenues. In addition, the inflation outlook has deteriorated, creating a challenging backdrop for expansive monetary policy despite the fragility of the economic recovery. As policy rates tighten, the rand is likely to be supported by relatively attractive interest rate differentials, despite the additional fiscal medium-term headwinds created by economic scarring due to Covid-19.

OUR RESPONSE

- Implats formulates currency and commodity price forecasts which consider market fundamentals and global risk factors
- Operational excellence interventions are implemented to counteract inherent cost inflation associated with our producing assets, with supply-chain management and leveraging of our geographic diversity where possible
- Targeted and accelerated debt reduction has resulted in a strong and flexible balance sheet with refinanced and upsized banking facilities. Facilities are now denominated in both rands and dollars, allowing improved borrowing costs to counter currency and interest rate differentials.

Operational excellence | Optimal capital structure | Future focus | Competitive asset portfolio

IMPLICATIONS FOR VALUE

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

PGM MARKET FUNDAMENTALS

All three major PGM markets – platinum, palladium and rhodium – recorded fundamental market deficits during 2020. Covid-19-related market shocks were considerable with PGMs facing unprecedented demand destruction due to interrupted economic activity, which was largely balanced by simultaneous and unforeseen supply reductions. While both palladium and rhodium were in fundamental industrial deficits, physical investment demand for platinum absorbed the industrial and jewellery surplus, tightened the market and supported pricing.

In calendar year 2021, a moderation in investment demand is likely to result in the platinum market returning to surplus. The supply impact of the release of in-process inventory by South African producers will be compounded by the demand impact of the global semi-conductor chip shortage on automotive production. In the case of palladium, reduced Russian supply should result in a persistent, but moderated deficit, while in rhodium a more balanced market in 2021 is expected before demand growth in 2022 results in continued market tightness and a fundamental deficit.

Covid-19 intensified the global focus on decarbonisation. "Build back better" government policies and the increasing focus on reaching "net zero" creates both opportunities and threats to the future demand for our primary products. While this trend bodes well for large-scale support for the emergence of a hydrogen economy, in the medium term the likely impact on demand is likely to be limited despite the benefit to investor sentiment of an improving narrative for the longer-term outlook for PGMs. Conversely, policies aimed at tightening the net on emissions globally has seen increased news flow on future bans of sales of internal combustion engines, with material implications for the trajectory of PGM demand from autocatalysts. Refer annexure A for market analysis.

OUR RESPONSE

- There is a key focus on market research and development to predict, sustain and grow demand for our primary products. This includes leveraging and integrating our relationship with AP Ventures in relation to the Group's hydrogen strategy, and our partnership with BASF on a tri-metal catalyst
- We develop and maintain strong relationships with our key customer base, which reflects geographical and industrial diversification, securing demand for our key products
- We monitor and assess a range of electrification forecasts to assess the likely scope and timing of the demand impact and implications
- Portfolio optimisation has resulted in a competitive collection of high-quality, long-life and efficient assets, which have the ability to sustainably generate returns throughout the expected stages of the PGM cycle
- We are advancing projects to capitalise on inherent mining efficiencies across the portfolio and the optimisation and enhancement of processing capacity
- We are implementing capital-efficient and quick-to-market brownfield expansion projects at Zimplats and Two Rivers, which will deliver an additional circa 9% of mine-to-market production growth
- We support the IPA in their engagement with and lobbying of automotive-related policymakers and local and national governments
- We continue to support industry-sponsored bodies who advocate and promote jewellery and investment demand.

Responsible stewardship | Future focus | Competitive asset portfolio

IMPLICATIONS FOR VALUE

- Market fundamentals for our primary products have a direct impact on metal prices and hence revenue potential for the Group
- The outlook for PGMs requires prudent long-term planning and positioning of the Group's portfolio
- While the short-term supply outlook for PGMs has been impacted by several operating challenges across the peer group, there have been limited changes to the primary supply outlook over the medium-term.

ESG CONSIDERATIONS

ESG represents a significant opportunity for long-term value creation, building trust, sustainable growth and securing our social licence to operate. We aim to go "beyond compliance" in our response to the justifiably increasing global focus on ESG practices and performance.

The impact of climate change is increasingly clear and, amid the imperative to reduce our climate impacts, Implats is moving beyond risk identification and mitigation to execute on our decarbonisation strategy.

In the production of metals that play a meaningful role in mitigating environmental impacts, it is imperative that exploration, mining, processing and refining operations are conducted in an environmentally responsible way and within a strong governance framework, while ensuring and improving the wellbeing of affected stakeholders.

OUR RESPONSE

- Implats strives to continuously improve our ESG strategies, principles, practices and results, providing transparent reporting on environmental management and climate-related impacts, in line with global best practice guidelines and recommendations
- The Group achieved its eight consecutive year with no major or significant (level 4 and level 5) environmental incidents and no directives or fines were issued for non-compliance with environmental regulations
- Implats is finalising a Group water policy to guide a uniform approach to water across operations and will conduct climate regional vulnerability and site-specific risk assessments to inform water balances and contingency plans
- A low-carbon transition strategy is in development to guide decarbonisation efforts, strengthen energy security and to position the Group in the new energy value chain
- Implats supports the Global Industry Tailings Management Standard (GITMS). An assessment against the 77 requirements of the GITMS showed good overall operational compliance to the GITMS, exceeding expectations on some requirements
- The Group's strong ESG management is recognised in several rankings by leading global and regional agencies and the Group is rated "BBB" by MSCI, indicating strong resilience to long-term ESG risks
- Implats achieved an 'A' rating by the Carbon Disclosure Project (CDP) for water security risk, and a 'B' rating for its climate change action
- Implats remains a constituent of the FTSE4Good Index Series, a constituent of the FTSE/JSE Responsible Investment Top 30 Index and the Group's rating on the Dow Jones Sustainability Index is above the industry average. The refining assets hold the London Platinum and Palladium Market certificate for Responsible Platinum and Palladium Sourcing
- Mine-closure planning is integrated into life-of-mine planning with a focus on rehabilitating land in parallel with mining activities, while ensuring the protection of water and biodiversity resources

Responsible stewardship | Operational excellence | Organisational effectiveness | Competitive asset portfolio

IMPLICATIONS FOR VALUE

- Scarcity of water and insecurity of power supply at our southern African operations impacts our ability to operate effectively and consistently
- The rising cost of utilities creates inflationary pressures and impedes profitability
- Growing regulatory and societal pressures, increasing demands for limited natural resources and the changing costs of energy and water all highlight the business imperative of responsible environmental management.

STAKEHOLDER EXPECTATIONS

PGM miners face challenging and often competing stakeholder expectations. Mine-host communities — struggling with the socio-economic impacts of Covid-19 and frustrated with rising unemployment, persistent inequality and poor service delivery — turn to the private sector to meet their expectations. Governments seeks enhanced transformation, employment creation and revenue. Organised labour seeks to meet its mandate of securing improved conditions of employment and higher wages for its members. The investment communities seek attractive financial returns while holding corporates to ever-increasing ESG standards.

OUR RESPONSE

- We implement rigorous and effective stakeholder engagement strategies, seeking value-enhancing relationships with all key stakeholders
- Stakeholder engagement efforts through established formal community engagement structures at Impala Rustenburg and Marula were intensified during the period to improve relations with host communities
- Zimplats continues to cultivate cordial relations with its communities
- Impala Canada seeks to develop strong relationships with host indigenous communities and has secured a benefit agreement with two communities
- We engage on deepening our understanding of variable stakeholder expectations to better manage and deliver against these to protect and strengthen our social licence to operate
- The Group has developed supporting systems, processes, policies, targeted engagement and communication plans to enable value-enhancing relationships with all key stakeholders
- Our optimal capital allocation framework to provide sustainable and attractive returns serves to sustain investments into the development of our mine-host communities
- We have introduced the concept of "shared value" in our capital allocation framework and reporting, creating greater awareness of our intentions and commitment to our stakeholders

Responsible stewardship | Operational excellence | Optimal capital structure | Future focus

IMPLICATIONS FOR VALUE

- The sustainability of our mining activities depends ultimately on the wellbeing (such as healthcare, education and housing) and prosperity of our mine communities
- Limited economic growth and the long-term economic impact of Covid-19 on mining communities has increased unemployment levels within mining communities, resulting in increased pressure on mining companies to employ from host communities
- Stakeholder expectations and our response to these have a significant impact on our legal and social licence to operate, the ability to operate our assets at optimal capacity, the generation of sustainable value and delivery of meaningful returns.

Risks and opportunities

Implats' risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward.

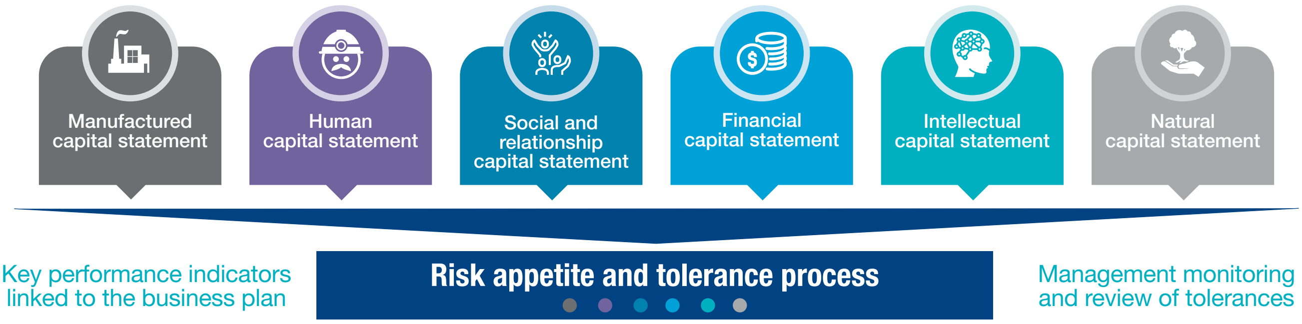
Implats identifies its strategic business objectives and material sustainability focus areas through its structured internal risk management process, and with consideration to the views and interests of its stakeholders. The Implats risk management process is based on the principles of the international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

RISK APPETITE AND TOLERANCE

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

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

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



Dynamism of Group risks

One of the principles for effective risk management in the ISO 31000:2009 global risk management standard is that the process should be "dynamic, iterative, and responsive to change". Risk management should operate at the speed of the business and be monitored continuously.

In response to our developments in our operating context, management extended the number of risks to 13 in the current year. We have historically reported on the top 10 Group risks. In the current year we have reported on the top ten risks in detail below and we have thereafter briefly reported on risks including cyber risks and water security (discussed under climate change). These risks have been included in the discussion because they are expected to remain relevant albeit outside the top ten.

2020 ranking	Top residual risks	Factors affecting movement in risk ranking
2	Ability and capacity to align and improve margins at Rustenburg operations to the current metal pricing environment.	This risk comprised several sub-categories and the following factors contributed to its reduced ranking • Successful closure of Impala Rustenburg's 9 Shaft in line with the governing framework agreement reached with unions. The Company's reskilling and retraining initiatives and redeployment policy ensured no retrenchments • Improved mining flexibility at Impala Rustenburg due to ongoing investment and strategic intervention in development, construction and equipping of workplaces. One aspect of this risk remains and is ranked 9th in the current year.
7	Impala Canada: Failure to deliver on the business case and unsuccessful integration into Implats.	The Company has integrated well into Implats and has already demonstrated visible positive contributions to the Group's performance and portfolio.

OUR RISK MANAGEMENT PROCESS

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

Implats' risk management process sets out to achieve an appropriate balance between minimising the risks associated with any business activity and maximising the potential reward.

In this context, both the upside (opportunity) and downside (consequences) of all uncertainties that could affect one or more of our objectives at different levels can be considered. Effective risk management enables management to deal with uncertainty and associated threats and opportunities, enhancing the enterprise capacity to build value.

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

1. Mandate and policy
Policy statement
- States Implats' risk management intent, procedures and guidelines
- Details the board-approved risk management processes
- Risk management plan
- Details plans embedded in Implats management processes
- Assurance plan
- Details the assurance reviews to ensure risk management is implemented at Implats.

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

Day-to-day risk management process

Implats enterprise risk management process overview
- Technology solutions
- Cura (risk data)
- IsoMetrix (risk data)
- SAP (risk data).

3. Roles and responsibilities
Process owners
- Board
- Board committees
- Exco
- CEO
- OpCo heads
- Risk and control owners
- Support function
- Risk department (ERM)
- Group internal audit and forensic investigations (IGIA)
- External assurance providers
- External audit and third (assurance providers).

4. Monitor reports and improve
Progress monitoring of risk management plan
- Annual gap analysis
- Progress monitoring of risk of assurance plan
- Group internal audit reports to audit committee
- Governance reporting
- Annual integrated report
- HSE committee
- STR committee
- SIC committee
- Audit and risk committee.

Risk determination process:

		Top residual risks	Group	2020[1] ranking	2019[2] ranking
Partially controllable	Risk increased	Maintaining optimal and harmonious labour relations	1	—	—
Partially controllable	Risk increased	Rising cost and unreliable supply of electricity resulting in business interruption	2	3	—
Controllable	Risk increased	Deterioration in safety performance	3	4	4
Partially controllable	Risk decreased	Impact of Covid-19 on Implats operations	4	1	—
Non-controllable	Risk flat	Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar	5	5	5
Partially controllable	Risk flat	Maintaining our social licence to operate and good stakeholder relations	6	6	6
Controllable	New risk	Impala Canada: challenges with mill grade quality due to underground delivery	7	—	—
Controllable	Risk flat	Failure to comply with legal and regulatory requirements through the value chain	8	8	7
Controllable	New risk	Ramp-up of 16 Shaft and 20 Shaft to steady-state production in accordance with the business plan	9	—	—
Controllable	Risk decreased	Challenged capacity and efficiencies of management layers at SA operations	10	9	9
Partially controllable	Risk decreased	Failure to establish water security, avoid contamination and manage water costs	11	10	10
Partially controllable	Risk decreased	Marula business disruption due to community unrest	12	11	—
Controllable	Risk decreased	Cyber risk	13	12	—

1 12 risks were monitored and reported on to the board by management during the period.
2 10 risks were monitored and reported on to the board by management during the period.

Residual risks

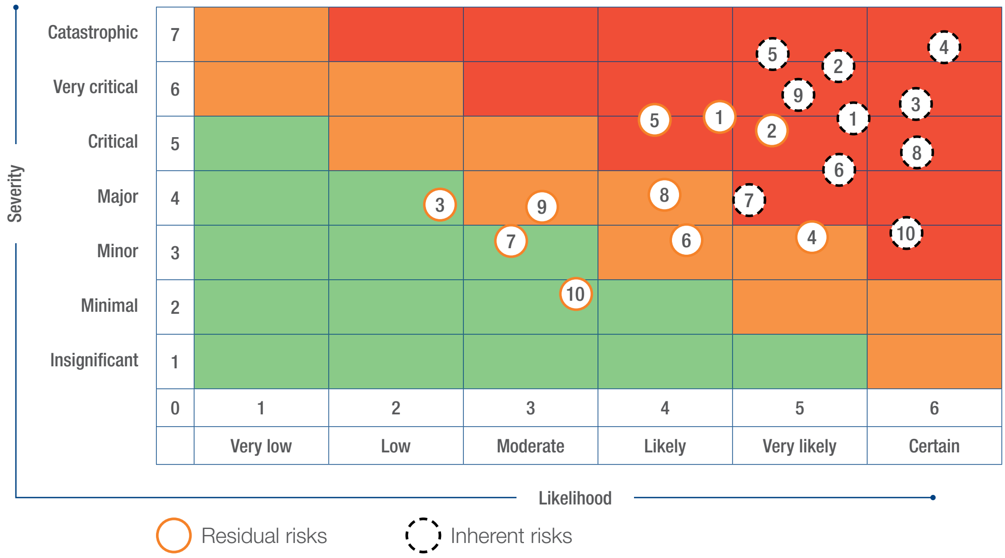
Controllability

Controllable | Partially controllable | Non-controllable

Risks

New risk | Risk increased | Risk decreased | Risk flat

Residual versus inherent risk matrix



1 Maintaining optimal and harmonious labour relations

Risk description

Context: The labour relations landscape is dynamic and vital to the Group's operations and achieving its strategic objectives. Contractors embarked on an unprotected strike affecting 1, 6, 10, 12, 14 and 20 shafts. In total these shafts contributed 62% to the production of the total Impala Rustenburg shafts.

Risk: Not maintaining an optimal and harmonious labour relations environment, currently impacted by:
- Industrial action due to friction between unions regarding representation of contractors at Impala Rustenburg
- Ongoing wage negotiations at Impala Refineries and Impala Canada.

Risk owners: Operations executives and Group executive: people.

Responses/opportunities

Impala Rustenburg mining contractor industrial action
- Impala and Group human resource guidance to mining contractor companies
- NUMSA and AMCU engagement plan established, which includes executive engagement by Implats leadership, the unions and Department of Employment and Labour.

Refineries wage negotiations
- Wage strategy and mandate developed
- Wage negotiation dates agreed
- Dispute resolution process in place.

Refer to the social chapter of our ESG report for additional information.

Impact on value and outlook

Impact on value
The industrial action was in the form of unprotected strikes at the Rustenburg operation. The strikes resulted in a 10 000 6E ounce loss of production and R440 million revenue lost.

Capitals affected:
Financial capital
Human capital

Outlook
We aim to maintain high levels of employee engagement and continuously monitor and seek to mitigate risks related to employee relations, including the successful conclusion of a three-year wage agreement at Impala Rustenburg and Marula in 2023.

Strategic objectives impacted: Responsible stewardship, Operational excellence

2 Rising cost and unreliable supply of electricity resulting in business interruption

Risk description

Context: Mining, mineral processing and refining operations are major electricity consumers and depend on power supply. Eskom and the Zimbabwe Electricity Distribution Company (ZETDC) continue to experience capacity constraints and supply challenges that have resulted in load shedding and load curtailments. This is expected to continue in the medium term. Eskom electricity tariffs have risen by 15% in April 2021 and more than 400% in the last decade, and current prices are still not cost reflective.

Risk: Rising cost and unreliable supply of electricity supply resulting in business interruption.

Risk owners: Operations and Group executives.

Responses/opportunities

South African operations
- Power reduction agreements in place with Eskom for load curtailment
- Implementation of power saving initiatives
- Back-up generators for emergency situations to ensure safe evacuations and keep critical processes energised
- Implats' membership in the Energy Intensive Users' Group (EIUG) enables electricity security advocacy.

Zimbabwe operations
- Maintain power security with ZETDC, which is expected to continue to supplement power requirements through imports from Eskom and HCB (Mozambique)
- Power-saving initiatives
- Lobby ZERA on power tariff reviews.

Mitigation plans

Conclusion of a Group energy security and decarbonisation strategy, including the finalisation of bankable feasibility studies on alternative sources of electricity.

Refer to the environment chapter of our ESG report.

Impact on value and outlook

Impact on value
- During the current year electricity shortages accounted for a 55 000 6E ounce inventory build-up.

Capitals affected:

Financial capital · Manufactured capital · Intellectual capital · Social and relationship capital

Outlook
- The overall cost of future clean energy projects will reduce reliance on current supply, reduce our carbon footprint and would ensure that the cost is more stable and competitive if the cost associated with current energy sources continue to rise significantly
- Group carbon emission intensity improved by 6% and total energy consumption increased by 17%, driven by an increase in diesel and electricity. (Refer to Implats' decarbonisation approach and plan in the ESG report on page 39).

Strategic objectives impacted: Responsible stewardship · Operational excellence · Organisational effectiveness

3 Deterioration in safety performance

Risk description

Context: Significant milestones were reached during the year. Impala Platinum achieved 10 million fatality-free shifts, 12 of the Implats operations had an all-time record of more than a million fatality-free shifts. The lost-time injury frequency rate is at 4.92, which is within the Group's safety tolerance limits, but above the safety appetite. Prior to the end of the reporting period, fatalities occurred at Marula and Impala Rustenburg in May and June respectively. Therefore, while the residual risk was considered low, management retained the relatively high risk ranking due to the critical nature of safety. Safety statistics indicate that lost time and reportable injuries result directly from employee behaviour.

Risk: Deterioration in safety performance negatively impact labour relations, attract regulator scrutiny and cause operational disruption due to:
- Failure of critical infrastructure
- Failure to achieve safety requirements.

Risk owners: Operations executives and Company CEOs.

Responses/opportunities

- Identified proactive key performance indicators that will be monitored and measured for performance bonuses in 2022 (refer to our complete remuneration report)
- Operational risk management programme to identify and manage operational risk in the workplace
- Compliance with the individual business units fatal risk control protocol implementation plans
- Improved planning processes and enhanced mine planning information
- Testing employees in the workplace on the required critical behaviours
- Sections 54 and 55 notices: Detailed analysis performed on all DMRE findings and remedial actions prioritised
- Optical characteristic recording to daily reports and technical initiatives like fire retardant belts, bar down cages and descale booms on drill rigs.

Refer to the social chapter of our ESG report for Implats' approach to employee safety.

Impact on value and outlook

Impact on value
- Implats had three fatalities (FY2020: five) and a LTIFR of 4.92 (FY2020: 4.54). These outcomes negatively impact Implats' vision of zero-harm, our ability to achieve the Implats purpose and our licence to operate
- Section 54 stoppages resulted in a production loss of 114 000 tonnes at Impala Rustenburg and 54 000 tonnes at Marula.

Capitals affected:

Intellectual capital · Social and relationship capital

Outlook

Safe production is non-negotiable. Ensuring the safety of employees and contract workers is essential to delivering on Implats' commitment to zero harm. During the current year, the fatal injury frequency rate (FIFR) improved by 47%, Impala RTB achieved a fatality free 12-month period and more than 10 million fatality free shifts worked – a record for this mining complex.

Strategic objectives impacted: Responsible stewardship · Operational excellence · Organisational effectiveness

4 Impact of Covid-19 on Implats operations

Risk description

Context: Globally, second and third wave surges of Covid-19 cases were experienced due to a combination of the easing of lockdown restrictions and the emergence of variant strains of SARS-Cov-2. Future Covid-19 infection waves are therefore likely to become cyclical and until populations are vaccinated or achieve natural herd immunity, the cycles will be associated with increasing mortality.

Risk: Impact of the Covid-19 pandemic on Implats operations due to:
- Increased risk of business interruption, costly combat measures and reduction in economic activity and unemployment potentially disrupting the employees in the surrounding Implats communities.

Risk owners: Operations executives.

Responses/opportunities

Employees
- Vaccination roll-out to employees across all Group operations (such as immune boosting including Influenza vaccination).
- Extensive communication, reinforced awareness messaging and training campaigns covering modes of transmission, testing and prevention
- Maintain medical staff capacity, including the medical staff retention plan.

Regulatory compliance
- External Covid-19 legal review at South African operations and Covid-19 compliance officers appointed and capacitated
- Compliance with government and industry requirements against Covid-19 including maintaining tracking documentation.

Communities
- Assist the South African Department of Health with the vaccination of health-care workers and vaccine rollout
- Supply educational material, protective equipment, sanitisers and thermal scanners
- Ensure public awareness by campaigning through various communication channels.

Impact on value and outlook

Impact on value

Covid-19 impacts are varied and pervasive throughout our value chain, including:
- Increases in employee absenteeism and the need to maintain/introduce costly combat measures which impact negatively on productivity and profitability respectively, while also having an adverse impact on employee and community health and wellness
- The reduction of economic activity due to lockdowns, resulting in reduced income and higher unemployment within the Implats mine-host communities with potential for associated disruptions.

Capitals affected:

Human capital | Social and relationship capital | Financial capital

Outlook

Proactive approach ensured sustained control of the disease with infection and mortality rates remaining significantly lower than the average rates in the jurisdictions in which the Group operates. Actively rolling out vaccines to employees and communities. Continue to strengthen our learnings in the areas where we operate and evolving global best practice.

Strategic objectives impacted: Responsible stewardship | Operational excellence | Organisational effectiveness

5 Currency or exchange rate risk due to continued devaluation of the Zimbabwean dollar

Risk description

Context: Availability of foreign currency is affected by uncertainty in foreign currency retention policy and the sustainability of the foreign currency auction system.

Risk: Insufficient foreign currency, possible devaluation of Zimbabwean dollar-denominated cash balances and inflation.

Risk owners: Zimplats and Implats CFOs.

Responses/opportunities

- Engage with relevant authorities to improve foreign currency retention thresholds
- Manage local supplier payments in line with foreign currency retention guidelines
- Minimise excess Zimbabwean dollar balances and use for operating and capital projects
- Develop and implement import substitution initiatives.

Mitigation plans
- Minimise excess ZWL and use for operating and capital projects
- Pre-pay capital expenditure and manage foreign retention through export incentives
- Substitute local purchase with imports where prices increase significantly in real terms.

Impact on value and outlook

Impact on value
- Currency risk translates into high inflation and possible cost escalation for the Zimbabwean operations
- During the FY2021, Zimplats realised US$ internal inflation of 1.9%.

Capitals affected:

Financial capital

Outlook

The effectiveness of specific mitigation measures rely heavily on the performance of the metal prices and the ability of Zimplats to keep increasing sales volumes. Metal prices are projected to ease over the next five years to June 2026.

Strategic objectives impacted: Responsible stewardship | Operational excellence | Optimal capital structure

6 Maintaining our social licence to operate and good stakeholder relations

Risk description

Context: Stakeholders and mine- host communities impact Implats' ability to achieve and execute on its strategic objectives. Various operations have established sound engagement mechanisms with stakeholders including labour, communities and governments. The weak economic outlook has been compounded by Covid-19 and resulted in job losses, intensifying the need for stakeholder engagement.

Risk: Maintaining our social licence to operate and good stakeholder relations, threatened by:
- Civil unrest in South Africa
- Community driven disruptions at operations
- South African local government elections: Intra and inter-party rivalry and the formation of new political parties and groupings within communities, using Impala and Marula as a platform for electioneering.

Risk owners: Operations executives and Group executive: people.

Responses/opportunities

South African civil unrest
- Inter-governmental relations (IGR) meetings with the executive mayor and security clusters forum.

Impala communities
- Joint RBN and Implats job creation strategic initiatives
- Engagements with Community representatives, the DMRE and Rustenburg municipalities to address procurement opportunities and uneconomical demands.

Local government elections
- Engagements with the legitimate Mine Community Engagement Forum (MCLEF) leadership
- Establishment of the MASEKO forum (a mayoral executive committee) to directly engage with mayoral structures
- Ensuring social labour plan development through monitoring and formal structures such as the Rustenburg local municipality and the Royal Bafokeng Strategic Committee.

Refer to the social chapter of our ESG report

Impact on value and outlook

Impact on value
Implats' social licence to operate impacts our ability to mine in the communities in which we operate. Failure to maintain our licence may threaten our operational effectiveness.

Capitals affected:
Social and relationship capital

Outlook
Implats is committed to achieving its socio-economic development and UNSDG 2030 goals around education, enterprise development and infrastructure (refer page 16)

Strategic objectives impacted: Responsible stewardship, Operational excellence, Organisational effectiveness

7 Impala Canada: Challenges with mill grade quality due to underground delivery

Risk description

Context: Impala Canada has experienced underground production challenges caused by the unavailability of underground drilling equipment and a temporary suspension of long-hole production drilling due to the lack of a drilling contractor. The resultant higher grade underground production shortfall was made up by lower grade surface tonnes.

Risk: Impala Canada: Grade quality challenges due to underground delivery.

Risk owners: Group COO and Impala Canada CEO.

Responses/opportunities

- Monitoring the availability of equipment and primary drilling performance
- Daily performance monitoring

Mitigation plans
- Appointment of an alternative drilling contractor
- Recruitment of additional mechanics to improve equipment availability.

Impact on value and outlook

Impact on value
The risk is negative for the operation's ability to meet operational and production targets, impacting its value-contribution to the Group.

Capitals affected:
Financial capital, Human capital, Manufactured capital

Outlook
- An alternative drilling contractor will be appointed following an in-depth review of its capabilities and ability ameliorate the risk
- Focused attention on the availability of mechanics, improving equipment availability where necessary
- Underground production rates have improved to 260koz 6E in concentrate during the year and it is expected that production will increase to between 270koz 6E and 300koz 6E in FY2022.

Strategic objectives impacted: Operational excellence, Organisational effectiveness, Future focus

8 Failure to comply with legal and regulatory requirements through the value chain

Risk description

Context: Various social and labour plan (SLP) compliance instructions have been issued and a health and safety legal compliance audit for Impala and Marula was concluded. Section 102 amendment applications have been issued.

The South African regulatory environment has increased the cost of compliance, particularly in respect of the approved Mining Charter and the MHSA, impacting production.

Risk: Failure to comply with key legal and regulatory requirements across the value chain.

Risk owners: Operations executives and Group Executive: Refining and Marketing.

Responses/opportunities

- Established legal and compliance management functions
- Direct, transparent engagement with line management to guide the process of compliance via established Mining Charter, B-BBEE and SLP management teams
- Submissions and ongoing engagements with DMRE on applicable regulatory matters.

Refer to the ESG report for additional disclosures on the following:
- Impala, Marula and Afplats social and SLP
- Refineries Water Use Licence (WUL) renewal (expires September 2021):
- Refineries Air Emissions Licence (AEL) conditions.

Impact on value and outlook

Impact on value

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

Our investment in community development: R126 million in South Africa, of which 48% was on SLP compliance projects.

Capitals affected:

Social and relationship capital · Financial capital · Human capital

Outlook
- The Refineries WUL will be renewed and studies are underway to ensure the successful completion thereof. The June 2023 Refineries AEL conditions ammonium sulphate optimisation and cobalt abatements projects are being tracked and monitored.
- The South African operations are well placed to comply and discharge these commitments and the Group's planned expenditure for the next financial period is R539 million.

Strategic objectives impacted:

Responsible stewardship · Operational excellence · Organisational effectiveness

9 Ramp-up of 16 Shaft and 20 Shaft to steady-state production in accordance with the business plan

Risk description

Context: Development shafts 16 and 20 have been identified as the major core shafts of the future. Measured against the August 2020 plan:
- 16 Shaft is 99% complete. The project risks relate primarily to the shaft ore pass system and services infrastructure risks due to the supply of utilities, specifically electricity (refer risk 2)
- Shaft build-up was affected by operational interruptions and the week-long contractor strike (refer risk 1)

Risk: Ability to ramp up 16 Shaft and 20 Shaft to steady state-production in accordance with the business plan.

Risk owners: CE: Rustenburg operation, Group CEO, Group executive: people.

Responses/opportunities

20 Shaft
- Reinforce the mining basics in the operation to regain normality and improve operational efficiency
- Enforce compliance with minimum required standards to improve safety performance
- Ramp-up to steady state crews
- Lift newly established crew performance through monitoring and additional training resources.

16 Shaft
- Ventilation projects and actions to increase flow rate
- Upgrades to support the steady state power demand at the fridge plant.

Impact on value and outlook

Impact on value

Failure to execute the ramp-up at 20 Shaft could negatively impact Impala's balance sheet and its ability to maintain profitability.

- Sheave wheel pinion failure at 20 Shaft impacted the ramp-up and resulted in a loss of 70 000 tonnes of production.

Capitals affected:

Financial capital · Manufactured capital

Outlook

Steady state production forecast by October 2022. It is expected that these growth shafts will produce 425koz 6E in FY2022, supporting our strategic objective for operational excellence.

Strategic objectives impacted:

Operational excellence

10 Challenged capacity and efficiencies of management layers at South African operations

Risk description	Responses/opportunities	Impact on value and outlook
Context: To achieve its organisational strategy, the Group must continuously develop its employees' occupational knowledge, skills, education, and abilities. Such initiatives include critical supervisory skills identified to upskill mining supervisors to enable effective leadership of teams and drive the required culture change. **Risk:** Challenged capacity and efficiencies of management layers at South African operations. **Risk owners:** CE: operations, Group executive: people, Group COO.	• Leadership assessments for operational committee members (identified succession potential) • Individual development plans (IDPs) to proactively address leadership gaps • Formal coaching and establishment of people management programmes to improve supervisory and management leadership development • Talent pipeline management and recruitment of key roles • Capacity building for supervisory leadership has been implemented. Refer to the social chapter of the ESG report for more on Implats' strategy for organisational effectiveness.	**Impact on value** The Group requires skilled and efficient management to achieve its strategic objectives and create sustainable value for stakeholders over the short, medium and long term. • To date, 107 employees have been enrolled in the Duke University Management Development Programme (63 middle managers and 44 senior managers) • 402 employees completing a nine-module leadership and supervisory training. **Capitals affected:** Human capital Intellectual capital **Outlook** This two-year programme and other training initiatives are expected to result in an improvement in operational performance as all middle and senior management employees complete the training.

Strategic objectives impacted: Responsible stewardship, Operational excellence, Organisational effectiveness

RISKS RANKED OUTSIDE THE TOP 10 GROUP STRATEGIC RISKS

As indicated previously, some risks which ranked just outside the top ten have been an area of specific focus for some time. To the extent that these risks are of a longer term nature and expected to remain, these risks have also been discussed below to better understand the Group's outlook on their risk management and risk mitigation.

Climate change

Implats is committed to being part of the global response and has set a target of carbon neutrality across its operations by 2050. The Group has a critical role to play in providing the materials needed for a cleaner, greener and more sustainable world.

Climate changes is one of the defining challenges of our time. Implats operations have both positive and negative impacts on climate change, respectively through the metals we produce (see the benefits of our PGM metals on page 140) and the direct and indirect emissions which are consequence of our operations (refer to the environment chapter of our ESG report).

Risks and opportunities

Our principal climate-related risk is the potential impact of physical climate change on water security for our organisation and host communities, including water supply for the hydro-power schemes that electrify some of our operations, rising energy prices and the carbon tax in South Africa and Canada. Refer to the managing performance through remuneration section on page 41 for information about the new ESG performance measure introduced to the Group's bonus parameters, creating value for stakeholders and cementing our commitment to responsible stewardship.

Our risk and opportunity assessments also consider market implications of the transition to a low-carbon economy, including regulatory and technological, and how these trends may affect demand for our different products. The expected global growth in renewable power generation is positive for the outlook for PGMs. The ongoing trend to cleaner emission vehicles under more stringent global legislation is expected to increase demand for PGMs over time.

In line with our strategic intent for responsible stewardship and ESG excellence, climate change risks and opportunities form part of the Group's investment design, including the consideration for alternative low-carbon energy sourcing and the adaptation required for extreme weather and long-term climate change.

Approach and governance

Implats is progressively integrating climate change mitigation into its core business activities, and aligning processes with climate change and GHG emission reduction policies and legislation. The board, Exco and management have identified climate change as a material theme and matter, as outlined in the materiality determination process on pages 8 and 9. Our initiatives to reduce our carbon emissions will also reduce our exposure to evolving climate-change regulatory requirements and increases in energy costs.

In delivering on our purpose of creating a better future, our commitment to climate action is underpinned by our work to reduce our greenhouse gas (GHG) emissions and our role in providing metals needed to facilitate a low-carbon world.

Our approach includes
- Building internal agility and resilience to climate change
- Understanding and responding to risks and opportunities related to the carbon lifecycle of our products
- Developing and implementing collaborative solutions with our stakeholders.

Our management systems, structures, governance, and engagement processes ensure that climate change is being progressively integrated into core business activities (refer to page 47 for the mandate and strategic focus areas of the HSE committee).

Approach and future focus

- Finalise our energy and decarbonisation policy statement
- Enhance and implement energy security and decarbonisation roadmap and define the 2030 carbon emission reduction target and carbon neutrality by 2050
- Confirm site-specific projects and targets for strengthening energy security, diversifying our energy mix and improving efficiency
- Conduct a Group-wide climate change scenario-based climate change vulnerability and site-specific risk assessments, aligned with the TCFD recommendations
- Publish TCFD inception report at the end of 2022
- Improve scope 3 emission accounting and reporting.

Improving climate change and energy use management while focusing on our decarbonisation pathway, energy security challenges and energy efficiency of the Group as a whole will also strengthen our ability to manage and reduce our future carbon tax liability.

Implats has a come a long way in improving its climate control and energy use management and has garnered several awards for good ESG disclosure (refer page 4 of the ESG report).

Implats information technology strategy and cyber security risk

Connectivity in general and the increasing reliance on internet communication, which has been accelerated by Covid-19 is a core strategic focus for information technology (IT). Remote working requirements, which include connectivity to email, browsing, third-party document exchange, online access to supplier catalogues, chat and video conferencing platforms and end point devices have all improved. Infrastructure has been refreshed and architecture focus going forward will be on the post-Covid environment.

Health and safety systems were refreshed and underground networking has progressed to proof-of-concept stage, laying the foundation for underground mobile solutions.

The application landscape is a value-adding environment and integrated systems feed to a reporting and dashboard layer. The IT strategy will leverage opportunities for smarter and faster access to data across multiple platforms, with a key component being to unlock value from analytics and digitisation initiatives. Dashboard development across multiple business domains are in development and nearing completion. Robotic process automation has proven to be successful and implementation, together with the new platforms, is being considered.

The Group's business strategy was used as the key inputs into developing the IT strategy for the next five-year horizon.

Implats recognises that increased reliance on technology also introduces cyber-related risks, particularly from third parties via the internet, with malicious intent to cause harm to IT infrastructure and reputational damage for monetary gain or competitive advantage. Management recognises the interdependence between IT and operating technology (OT) and has started collaboration with OT to provide support around governance, best practice and to manage cyber security risks across the IT and OT landscape. This will be achieved by way of formal integration focus and aligning governance rules, policies, procedures and frameworks to ensure a safe and secure working environment. The Group's focus on cyber security has expanded, with Implats increasing its investments in this area across multiple domains.

This risk is assigned to the audit and risk committee and management of the risk forms part of the mandate of the committee. For further information refer to the corporate governance delivering value section on page 46.

Creating a better future

Group performance

Chief executive officer's review

Nico Muller

The progress made in strategically repositioning Implats over the past several years, has enabled the Group to leverage the windfall on pricing to strengthen the business, care for employees, reward investors and secure the future growth and sustainability of the business.

Implats harnessed the benefit of improved operational momentum and record rand pricing for its primary products to deliver stellar results for the year ended 30 June 2021. This was achieved despite the challenges presented by Covid-19 and the erratic provision of essential services required to operate the Group's globally diverse suite of mining and processing assets.

This performance is testament to the progress made on our strategic journey over the years, which has embedded organisational resilience and allowed the Group to leverage the robust pricing for our primary products to create a strong and flexible balance sheet and position all operations for a longer-term future.

SAFETY

Safety remains a non-negotiable priority in achieving Implats' commitment to zero harm. Ensuring the safety of employees and contract workers is essential to delivering on this commitment. The year saw improved safety performances, with some record milestones achieved. Regrettably, however, three employee fatalities were recorded at managed operations. We mourn the passing of our colleagues and the board of directors and management team extended their sincere condolences to their families and friends. Thorough investigations took place in each case, with lessons learned and remedial actions shared across the Group and industry.

All safety metrics improved, other than the lost-time injury frequency rate which deteriorated 8% to 4.92 per million man hours worked. Improved performances were achieved on the back of visible leadership, mining discipline and targeted safety interventions. The fatal injury frequency rate improved 48% to 0.026 per million man hours worked. Notably, Impala Rustenburg achieved a fatality free 12-month period and worked more than 10 million fatality free shifts. By year end, 13 of the Group's 17 operations had achieved millionaire or multi-millionaire status in terms of fatality free shifts.

strategic priorities

DELIVERING TO STRATEGY

Implats' strategic priorities are centered on six key objectives where targeted actions and aspirations create a better future for our diverse range of stakeholders through the responsible way we conduct our business, through the significant benefits provided by the metals we produce and through the delivery of superior economic performance. Enormous progress was made in these six areas.

Our aspiration is to become an industry leader in ESG, producing metals that sustain livelihoods beyond mining and create a better future. The Groups' achievements in responsible stewardship were anchored by a sound environmental and social performance. Implats generates superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery. The Group delivered meaningful progress in achieving operational excellence with the improved safety performances and an industry leading recovery in underlying mined volumes following Covid-related production interruptions.

We place people at the centre of our organisation and engender a shared culture founded on our values to respect, care and deliver. Organisational effectiveness was advanced through enhanced stakeholder engagement, with organisational structures aligned to support Group strategy. The technical capacity of the Group was strengthened through new appointments.

Value creation is pursued through sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework. Significant progress was achieved in delivering an optimal capital structure through accelerated debt reduction and the refinancing and upsizing the Group's debt facilities. Targeted corporate action — including the cancellation of treasury shares, an odd-lot offer and the cumulative benefit of a tender offer and on-market purchases of the ZAR convertible bonds — delivered enhanced shareholder returns.

We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable, orebodies to boost our competitive asset portfolio. During the period, we announced capital-efficient and quick-to-market brownfield expansion projects at Zimplats and Two Rivers, which will deliver circa 260 000 6E ounces or an additional circa 9% of mine-to-market production growth. Life-of-mine extensions were delivered through expanded reserve positions across the portfolio in South Africa, Zimbabwe and Canada and the Group embarked on a series of studies aimed at delivering efficiency improvements and expansions to our processing capacity.

Implats has a firm future focus, and we sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning production to evolving demand. During the period, we announced our participation in AP Ventures, a private equity vehicle which supports Implats' market development activities into key evolving end-uses for PGMs, including hydrogen, fuel cell mobility and energy storage. We continue to support research that seeks to balance the use of our primary products in autocatalysts, and we play a leading role in industry bodies supporting the physical investment and jewellery markets. Collaboration with industry partners and peers has been deepened to leverage the relationships to enhance future value creation.

OPERATIONAL REVIEW

Implats delivered meaningful progress in achieving operational excellence, with an improved safety performance coupled with an industry leading recovery in underlying mined volumes from Covid-related production interruptions. Each operation delivered volume gains and the Group benefitted from a full annual contribution from Impala Canada, which was acquired in December 2019.

6E concentrate production from mine-to-market operations, including the joint ventures at Two Rivers and Mimosa, increased by 16% to 2.93 million ounces. In the prior year, total production losses of 248 000 ounces 6E in concentrate were directly attributed to the impact of Covid-19 on mine-to-market operations. Third-party 6E concentrate receipts increased by 9% to 358 000 ounces. In aggregate, total 6E concentrate production of 3.29 million ounces increased by 16%.

Capital expenditure in the prior year was impacted by reduced capital development and limited project progression due to national Covid-19 lockdowns. For the year under review, capital expenditure increased by 43% to R6.4 billion, reflecting the inclusion of Impala Canada for the full reporting period, and accelerated spend at Zimplats following the early approval of the expansion projects at Mupani and Bimha and the ongoing spend on the Mupani and third concentrator projects.

Impala Rustenburg embeds its operational turnaround

Delivery progressed well on entrenching Impala Rustenburg's status as a lower-cost and sustainable operation through a focus on safety, operational excellence, resilience and flexibility. The operation posted an industry leading safety performance, an improved mining performance and progressed several studies for potential life-of-mine extensions. Planned mining and development targets were achieved, with development metres increasing by 24% to 102 735 metres and an 11% improvement in mineable face length to 25.4km.

6E concentrate production increased by 16% to 1.29 million ounces on improved concentrator recoveries of mined and tailing tonnages, and Impala Rustenburg delivered R16.8 billion in free cash flow, a 99% increase from the comparable period as higher rand PGM pricing and the sales mix offset the impact of a 2% decline in 6E sales volumes to 1.23 million ounces. The unit contributed R17.3 billion to Group headline earnings (FY2020: R6.5 billion).

Projects at 11, 14 and 20 shafts reached completion, and capital expenditure increased by 41% to R2.5 billion, reflecting increased expenditure on capital development, infrastructure integrity projects, the tailings retreatment project, scheduled furnace rebuilds and tailings dam life-cycle extensions. The 16 Shaft project is on track for completion in November 2021, with steady state 6E production of 330 000 ounces targeted for October 2022.

Impala Refining Services (IRS) a key competitive differentiator

Implats' capacity to process and market Implats' expanding production base remains a core competitive advantage, which will be leveraged for additional future benefit.

6E receipts in matte and concentrate from mine-to-market operations increased by 14% to 1.38 million ounces reflecting a recovery from a series of operational constraints in the previous comparable period, including processing challenges at Mimosa and Two Rivers, a temporary increase in smelter inventory at Zimplats, and reduced operating rates at South African operations due to the declaration of force majeure during the initial Covid-19 lockdown. 6E receipts from third-party customers increased by 9% to 358 000 ounces. IRS contributes positively to the Group and generated R9.0 billion (2020: R116 million outflow) in free cash flow and added R7.1 billion (FY2020: R4.3 billion) to Group headline earnings.

Marula positioned for long-term sustainability

Marula delivered an improved operational performance, despite headwinds from Covid-related impacts to labour productivity and service delivery protests in the region. The operation is trailing new technologies and mining equipment to increase efficiencies and improve safety and productivity. The completion of the expanded tailings storage facility and future mine extensions position Marula for long-term sustainability.

BEE ownership of the operation was successfully restructured to include more sustainable financing terms and the introduction of an employee share ownership trust. Marula generated R2.9 billion in free cash flow (FY2020: R2.2 billion) and, after accounting for the impact of the non-cash BEE charge of R1.5 billion, Marula contributed R1.7 billion to Group headline earnings (FY2020: R1.1 billion).

Two Rivers progresses several expansion projects

Our Two Rivers joint venture progressed several major replacement and expansion projects under construction and reaped the benefits of more stable mineralogy and improved processing capacity, despite challenges presented by Covid-19 and intermittent power availability due to regional and national constraints at Eskom.

During the period, Implats announced the approval of a growth projects at Two Rivers — a Merensky mine will be developed alongside the existing UG2 mine, and a new concentrator plant to be constructed — at a total capital cost of R5.7 billion. The plant will be commissioned with stockpile accumulated during the establishment of the Merensky portal in FY2024, with full production of 180 000 ounces 6E expected in FY2025.

Mining rates increased during the year to build up the Covid-depleted run-of-mine stockpile ahead of commissioning the UG2 plant expansion and spend accelerated on several projects including the UG2 plant expansion, the tailings storage facility, the fleet replacement programme and early works on the Merensky expansion.

Record pricing for Two Rivers' UG2 production, together with a 16% increase in 6E sales volumes, resulted in free cash flow rising 153% to R3.3 billion (FY2020: R1.3 billion). After intercompany adjustments, Implats recorded attributable profit from Two Rivers of R1.7 billion (FY2020: R687 million) and received R1.2 billion in dividends during the period (FY2020: R566 million).

Zimplats accelerates expansion

Zimplats delivered another strong operational performance and made pleasing progress on the expansion projects under construction.

During the year, Implats announced the approval of growth projects at Zimplats. Processing capacity will be expanded through the construction of a third concentrator at a cost of US$94 million. The initial module of increased milling capacity will be commissioned in FY2023 and will add circa 80 000 ounces 6E to the operation's annual production capacity. The concentrator will be commissioned with a combination of ore stockpile and run-of-mine feed from the existing portals, including Mupani. Over a seven-year period, the existing portals at Mupani and Bimha will be expanded, to provide feed to the installed processing capacity once Ngwarati, Rukodzi and Mupfuti come to the end of their production lives.

The mining capex associated with this expansion is estimated at US$204 million and will be spent between FY2022 and FY2028. Concentrates in excess of smelting capacity will be exported for processing at IRS, and studies to increase in-country smelting capacity will be advanced in FY2022.

Zimplats generated R4.8 billion in free cash flow (FY2020: R2.5 billion) and contributed R4.5 billion (FY2020: R3.4 billion) in headline earnings to the Group.

Mimosa delivers step-change in sales

Joint-venture Mimosa delivered strong results for the year, benefiting from higher production volumes and a step-change in sales, as concentrates accumulated during the FY2020 IRS force majeure were delivered to South Africa in the period. The operation delivered higher mined and milled throughput and achieved 12 months of operation without an injury.

Strong palladium and base metal prices boosted the basket price received at Mimosa, while higher sales volumes resulted in an increase in free cash flow to US$89 million (FY2020: US$24 million) and, after intercompany adjustments, the attributable share of profit in the Implats' Group increased to R1.6 billion (FY2020: R421 million). Implats received R561 million in dividends from Mimosa (FY2020: R44 million).

Impala Canada advances integration into Group

Material progress was achieved in integrating Impala Canada into the broader Implats Group following its acquisition on 13 December 2019, with technical, financial, environmental and stakeholder management processes being advanced. Underground production rates increased by circa 20% during the period, despite Covid-19 staffing constraints, and changes were implemented to the processing flow sheet to improve the integrity and reliability of the concentrator plant. Capital expenditure of C$94 million was incurred on the development of the underground expansion project, the tailings storage facility and strengthening critical infrastructure at the Lac des Iles mine site.

Financial results from Impala Canada reflect the first full year of Implats' ownership. Free cash flow generated increased to R3.1 billion (FY2020: R1.1 billion) and the unit contributed R2.8 billion (FY2020: R168 million) in headline earnings to the Group.

FINANCIAL HIGHLIGHTS

Implats achieved record financial results for the year, driven by higher sales volumes delivered into a robust rand PGM pricing environment. The increased profitability and strong free cash flow generation enabled further proactive debt reduction while providing strong shareholder returns in line with our capital allocation framework.

Revenue increased 86% to R129.6 billion, driven by 17% improved sales volumes, higher dollar metal prices, increased rhodium, palladium and platinum prices, and changes in the sales mix which included the benefit of higher sales of ruthenium. Gross profit of R53.5 billion was 130% up on the R23.3 billion achieved in the prior comparable period. Headline earnings more than doubled to R36.4 billion or 4 635 cents per share (FY2020: R16.1 billion and 2 075 cents per share).

The Implats board approved the declaration of a final dividend of R12.00 per ordinary share, bringing the total dividend declared for FY2021 to R22.00 per ordinary share.

Accelerated debt reduction, including the repurchase of ZAR convertible bonds, resulted in the repayment of almost all outstanding debt (excluding lease liabilities) at year end. The Marula BEE debt of R885 million was repaid as scheduled and the repayment of the R3.66 billion Impala Canada term loan was expedited and settled in full during the period.

The Group successfully refinanced its existing revolving credit facility with various South African and international lenders. The dual currency facility, which comprises a R6 billion tranche and a US$125 million tranche, was undrawn at year end. Liquidity headroom increased to R30.9 billion (FY2020: R16.1 billion).

Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while retaining financial flexibility for the Group. Of the R38.3 billion free cash generated in the period, circa 70% was allocated to shareholder returns.

Balance sheet optimisation, through reduced and restructured debt and increased funding flexibility, is a key pillar of our strategy. Proactive steps to reduce debt have meaningfully reduced the interest cost we incur and mitigated the potential quantum of equity to be issued in future. We are now well positioned to allow a meaningful shift in capital allocation priorities to enhance shareholder returns and fund the value accretive expansion of our business, aligned with market requirements.

LONG-TERM MARKET FUNDAMENTALS REMAIN PROMISING

Platinum, palladium and rhodium all recorded fundamental market deficits during calendar 2020. PGMs faced extraordinary demand destruction from Covid-19-related interruptions to global economic activity. This was balanced to some degree by simultaneous and unforeseen supply reductions. Both palladium and rhodium were in fundamental industrial deficits during 2020. Physical investment demand for platinum absorbed the industrial and jewellery surplus, tightened the market and supported pricing.

The platinum market is expected to return to surplus on the back of moderating investment demand in calendar 2021. The results of softer demand, hurt by automotive production cuts due to the global chip shortage, are likely to be further compounded by the release of in-process inventory by South African producers. Palladium is expected to remain in deficit, albeit moderated, as Russian supply reduces, while a more balanced rhodium market is forecast before demand growth in 2022 results in continued market tightness and a fundamental deficit.

The global focus on decarbonisation has intensified in the face of Covid-19 and more extreme weather patterns caused by climate change. "Build back better" government policies and the increasing focus on reaching "net zero" bodes well for large-scale support for the emergence of a hydrogen economy.

While the short-term supply outlook for PGMs has been impacted by several operating challenges across the peer group, there have been limited changes to the primary supply outlook over the medium term. Where growth has been announced, it is our view that it will primarily serve to replace the eroding base of other mines reaching end-of-life. In South Africa, constrained processing capacity, the changing mix of ore and challenges associated with Eskom power supply persist, providing limited production upside from the region to meet the robust demand growth expected for primary PGMs in the medium term. High demand for palladium and rhodium and tightening markets for iridium and ruthenium highlight the critical role South Africa plays in supplying the PGMs required for the evolving end-uses in industrial applications over the next decade.

A VIGOROUS SUSTAINABILITY RESPONSE

Implats is committed to demonstrating socially and environmentally responsible business practices and we aspire to create a better future through the metals we produce and the way we conduct business, underpinned by our core values to respect, care and deliver. The Group prioritises safe, responsible, competitive and consistent operational delivery, while applying industry leading environmental, social and governance (ESG) practices. The period saw us again receive several pleasing external rankings by leading global and regional agencies in recognition of our strong ESG management.

Given the adverse conditions within many of the Group's mine-host communities due to high youth unemployment, compounded by the economic impacts of Covid-19, we gave renewed focus to constructive and beneficial relationships in mine-host communities and sustainable socioeconomic initiatives. Stakeholder engagement efforts through established formal community engagement structures at Impala Rustenburg and Marula were intensified, Zimplats continues to enjoy cordial relations with its communities and Impala Canada's journey to develop stronger relationships with host indigenous communities progressed.

During the year, our South African operations spent R126 million on community development initiatives and a further R212 million on our industry leading housing and living facilities. R3.5 billion was spent with local-tiered suppliers with >25% black ownership and US$239 million (or 56% of discretionary spend) was spent with local suppliers in Zimbabwe. In Canada, supplies to the value of C$39 million were procured from indigenous communities in the areas of the mine's operations.

The Group also spent R563 million on Covid-19 initiatives during the year. All operations continue to focus on supporting the mental wellbeing of their health care workers, employees and their dependents during this challenging time. Our proactive approach to Covid-19 prevention and treatment ensured sustained control, with Group infection and mortality rates remaining significantly below the average rates in the jurisdictions in which we operate. Regrettably however, 68 employees have succumbed to the virus since the onset of the pandemic, 48 of which were in the year under review.

Good progress was made on targeted interventions to reduce the main occupational and non-occupational health risks facing employees. Pulmonary TB and HIV levels were well controlled, with exemplary adherence to treatment.

For the eighth consecutive year, Implats recorded no major (level 5) or significant (level 4) environmental incidents. We achieved a 56% reduction in limited-impact (level 3) environmental incidents to seven (FY2020: 16) and continue to drive performance improvements through certified environmental management systems.

The Group's consumption of recycled and reused water improved to 51%, exceeding the 44% target, aided by higher rainfall levels at our water-scarce southern African operations. A Group water policy to guide a uniform approach to water across operations is being finalised and risk assessments on climate regional vulnerability and site-specific risk are on the cards to inform water balances and contingency plans.

A low-carbon transition strategy is in development to guide decarbonisation efforts, strengthen energy security and to position the Group in the new energy value chain. Zimplats is exploring a 110MW solar power project to further ensure security of supply. In South Africa, a new energy policy will provide a similar opportunity to augment energy supply in the future and further support our decarbonisation efforts.

Implats supports the Global Industry Tailings Management Standard. During the year an assessment against the 77 requirements of the standards found good overall compliance. Each operation is implementing a roadmap to ensure continuous improvement.

OUTLOOK

I am extremely pleased with the excellent progress made during the year, during often-trying circumstances. Implats' balance sheet is strong, with a substantial closing net cash balance and increased funding flexibility through upsized and refinanced facilities. This will allow the Group's capital allocation priorities to shift to increased shareholder returns and the funding of the sustainable and efficient growth potential of our asset base.

PGM miners remain under intense pressure to meet challenging and sometimes conflicting stakeholder expectations, which have been intensified by the economic devastation associated with the Covid-19 pandemic and recent social unrest in South Africa. In Zimbabwe and Canada, we continue to maintain open and constructive engagement with our stakeholders to advance positive and mutually beneficial relationships.

Internal planning to secure operational resilience during the pandemic has been ongoing since its emergence in early 2020. Covid-19 will continue to be a feature of our operating context in the near term, and we will maintain vigilance in protecting the safety and health of our employees, complete our planned vaccination programme, and support our communities where we can.

The operational focus in the near-term will be on the continued optimisation of Impala Canada, leveraging the enhanced mining flexibility established at Impala Rustenburg to deliver further growth, and advancing projects across mine-to-market operations where we have sought to capitalise on inherent mining efficiencies and flexibilities at our low-cost assets to capture quick-to-market production growth to harness the robust PGM pricing cycle.

Our processing assets are a key competitive differentiator. The changing ore mix of our growing production profile and our aspiration to improve the energy efficiency and environmental impact of our value chain will result in a series of studies aimed at proposing the optimal route for expansion.

CONCLUSION AND APPRECIATION

Implats has grown substantially stronger over the past year. The Group has no external debt, our assets are more competitive, our technical management team has been bolstered and our brownfields and other projects will deliver considerable life-of-mine extensions and absolute production growth for the Group. Implats is at the forefront of primary supply in a PGM market in which the long-term fundamentals are sound.

This outcome is testament to every employee in the Implats Group, led by a committed and motivated management team. Together, we have cemented Implats' position as a long term and sustainable producer, a position which will benefit all our stakeholders.

I thank the Implats board for its guidance during the year and welcome Chairperson Adv Thandi Orleyn, who replaced Dr Mandla Gantsho on his retirement from the board in October 2020. I look forward to working together to build on the strong foundation we have developed over the past few years.

Nico Muller
CEO

Chief financial officer's review

Meroonisha Kerber

Implats achieved record financial results for the year, driven by higher sales volumes delivered into a robust rand PGM pricing environment. The increased profitability and strong free cash flow generation enabled further proactive debt reduction, while providing strong shareholder returns in line with our capital allocation framework.

- Gross profit of R53.5 billion (+130%) and EBITDA of R61.4 billion (+109%)
- Record headline earnings of R36.4 billion (+125%) or R46.35 per share
- Free cash flow of R38.3 billion (+166%) with 70% of the free cash flow allocated to shareholder returns
- Debt-free, with R23.5 billion net cash and improved liquidity headroom of R30.9 billion
- Final dividend of R12 per share, bringing total FY2021 dividend to R22 per share

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OVERVIEW

Implats harnessed the benefit of improved operational momentum and record rand pricing for its primary products to deliver stellar results and produced record headline earnings of R36.4 billion. This was achieved despite the continued challenges presented by the Covid-19 pandemic and the erratic provision of essential services.

In line with our approved capital allocation framework, the R38.3 billion free cash flow generated was used to further strengthen the Group's balance sheet through the accelerated repayment of debt, dividend payments to shareholders and repurchases of ZAR convertible bonds.

The Group ended the year in a net cash position of R23.5 billion, a significant increase from the R5.7 billion at the prior year end.

INCOME STATEMENT

Implats generated record revenue of R129.6 billion during the year an increase of R59.7 billion (86%) from the prior year. This was due to strong prices and higher sales volumes. Sales volumes were favourably impacted by the inclusion of Impala Canada for the full period, together with higher refined production as FY2020 volumes were impacted by Covid-19 related lockdowns.

The 63% higher cost of sales was driven by the increase in rand metal prices of metals purchased, higher volumes of concentrate receipts by the IRS business, inflationary pressures, higher mined volumes, increased spend on asset integrity and mining flexibility at Impala Rustenburg, as well as the inclusion of Impala Canada for 12 months.

The significant improvement in revenue resulted in the Group generating a gross profit of R53.5 billion for the year, a 130% or R30.2 billion increase from the R23.3 billion achieved in FY2020. Consequently, the gross profit margin increased to 41% in the current year from 33% in FY2020. The Group recorded EBITDA of R61.4 billion at a EBITDA margin of 47%.

The Group's financial performance for the year was impacted by two material once-off non-cash adjustments:

- The reversal of prior impairments of R14.7 billion (pre-tax) arising from the sustained improvements and higher than expected rand PGM pricing. This comprised the partial reversal of the impairments on property, plant, and equipment of R10.4 billion and the prepayment of the Royal Bafokeng royalties of R4.3 billion, both relating to Impala Rustenburg
- The R1.5 billion Marula IFRS 2 BEE charge included in other expenses, which arose on the restructuring of the Marula BEE debt and the establishment of an employee share ownership trust.

The IFRS 2 BEE charge was non-cash, had no tax impact and was included in both EBITDA and headline earnings, whereas the R10.6 billion after tax impact on the reversal of impairments, was only included in basic earnings.

Other net expenses of R2 billion increased by R0.5 billion from R1.5 billion in FY2020 primarily due to the impact of the R1.5 billion Marula IFRS 2 BEE charge and the repurchase of ZAR convertible bond costs of R169 million.

This increase was partially offset by the net impact of transactions that did not recur in the current year, namely:

- The R509 million invitation premium on the US$ bond conversion, together with R203 million mark-to-market losses on the US$ bond conversion option and R74 million loss on the cancellation of the cross currency interest rate swap
- The fair value loss on the foreign exchange rate collars of R441 million
- Transaction costs of R147 million on the acquisition of Impala Canada
- The R113 million loss on the reclassification of the Group's investment in Waterberg
- The receipt of insurance proceeds of R353 million in final settlement of the Number 5 furnace insurance claim.

The rand strengthened to close the period at R14.32/US$ (FY2020: R17.38/US$). The revaluation of foreign currency balances resulted in a loss of R1.3 billion, compared to a gain of R786 million in the prior year.

Higher sales volumes and record dollar basket pricing resulted in robust earnings from Two Rivers and Mimosa, with income from associates increasing by R2.1 billion to R3.2 billion.

Net finance costs declined by R439 million to R178 million, due to a combination of higher interest earned on higher average cash balances and lower finance costs following the proactive repayment of debt and repurchase of ZAR convertible bonds during the year.

Rm		FY2021	FY2020
Revenue		129 575	69 851
Cost of sales		(76 120)	(46 580)
Gross profit		53 455	23 271
Reversal of impairment		14 728	—
Other income		214	471
Other expenses		(2 175)	(1 963)
Finance income		768	538
Finance cost		(946)	(1 155)
Net foreign exchange transaction (losses)/gains		(1 336)	786
Share of profit of equity-accounted entities		3 212	1 082
Profit before tax		67 920	23 030
Income tax expense		(20 065)	(6 546)
Profit for the year		47 855	16 484
Headline earnings		36 359	16 126
Gross profit margin	%	41	33
Group unit cost (stock adjusted)	R/6E oz	14 840	13 345

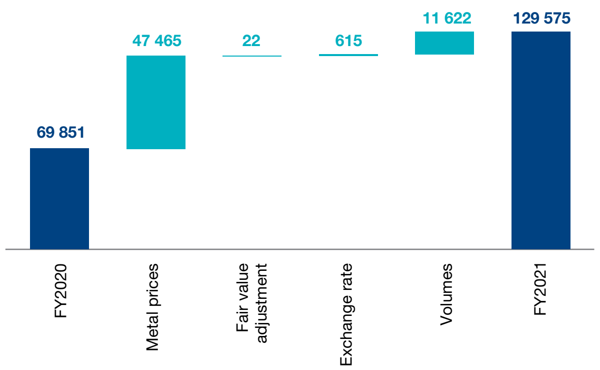
REVENUE

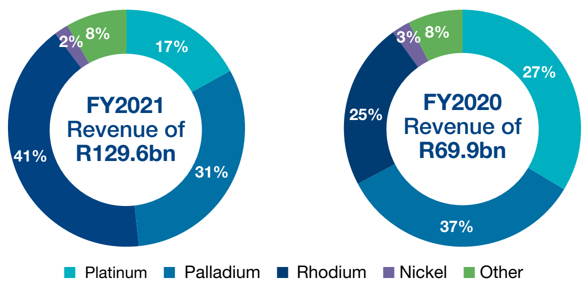
Revenue of R129.6 billion was 86%, or R59.7 billion higher than the prior year:

- Higher dollar metal prices realised a 68% or R47.5 billion benefit. Higher rhodium, palladium and platinum prices increased revenue by R32.0 billion, R8.9 billion and R3.4 billion, respectively
- Sales volumes increased by 17% to 3.27 million 6E ounces due to improved operating momentum and the inclusion of Impala Canada's results for the full reporting period. This resulted in a 17%, or R11.6 billion, gain
- The average exchange rate achieved of R15.26/US$ (FY2020: R15.31/US$) remained at similar levels to the prior year, contributing to a 1% or R0.6 billion gain in revenue.

The improvement in dollar prices, together with changes in the sales mix, which includes the benefit of higher sales of ruthenium, resulted in a 59% improvement in total dollar revenue per ounce sold to US$2 587 per 6E ounce (FY2020: US$1 624). The rand revenue per 6E ounce sold also improved by 59% to R39 478 (FY2020: R24 863).

Revenue (Rm)





COST OF SALES

Cost of sales of R76.1 billion increased by 63% or R29.5 billion for the year due to:

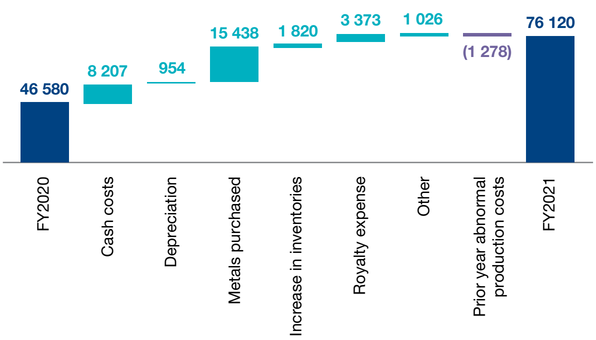
- Increased volumes of concentrate receipts and record rand metal prices resulted in an 84%, or R15.4 billion, increase in the cost of IRS metals purchased (FY2020 volumes were impacted by Covid-related lockdowns)
- An increase in cash costs of 30% or R8.2 billion, due to inflationary pressures, higher mined volumes, increased spend on asset integrity and mining flexibility at Impala Rustenburg, and the inclusion of Impala Canada throughout the reporting period. In the prior year, abnormal production costs of R1.3 billion, which were incurred during South Africa's national lockdown, were excluded from cash costs and the calculation of Group unit costs

A total of R563 million of Covid-related spend was incurred at managed operations in FY2021 (FY2020: R263 million) and was included in both cash and unit costs

- Higher production, pricing and profitability resulted in the royalty expense increasing by R3.4 billion to R4.7 billion
- The credit to cost of sales arising on the deferment of costs to metal inventories reduced by R1.8 billion.

Rm	FY2021	FY2020
Production costs		
On-mine operations	24 709	18 581
Processing operations	7 739	6 096
Refining and marketing	1 927	1 720
Depreciation of operating assets	5 475	4 521
Other costs		
Metals purchased	33 903	18 465
Corporate costs	1 368	1 139
Royalty expense	4 740	1 367
Increase in metal inventories	(5 288)	(7 108)
Covid-19 abnormal production costs	—	1 278
Other	1 547	521
	76 120	46 580

Cost of sales (Rm)



MOVEMENT OF EXCESS 6E IN-PROCESS INVENTORY

In aggregate, the Group started this financial year with approximately 170 000 excess 6E in-process inventory comprising 100 000 6E ounces at South African processing operations and 70 000 6E ounces at our Zimbabwean operations.

The expected destocking of 6E work-in-process inventory during the second half of the year was negatively impacted by higher than expected concentrate receipts from Impala Rustenburg and Two Rivers, the direct and indirect impact of load shedding on our South African processing operations and the interruption of hydrogen supply to the refineries.

As a result, the Group ended the period with circa 80 000 ounces of excess 6E in-process inventory, with circa 45 000 ounces at Zimplats and circa 35 000 ounces at the South African processing facilities. The Group expects to refine this excess stock by the end of FY2022.

At year end prices, the estimated financial impact of excess in-process inventory was circa R2.1 billion in gross profit and circa R2.3 billion in free cash flow.

STOCK ADJUSTED UNIT COSTS

Group stock adjusted unit costs increased by 11% or R1 495 per 6E ounce to R14 840 per 6E ounce:

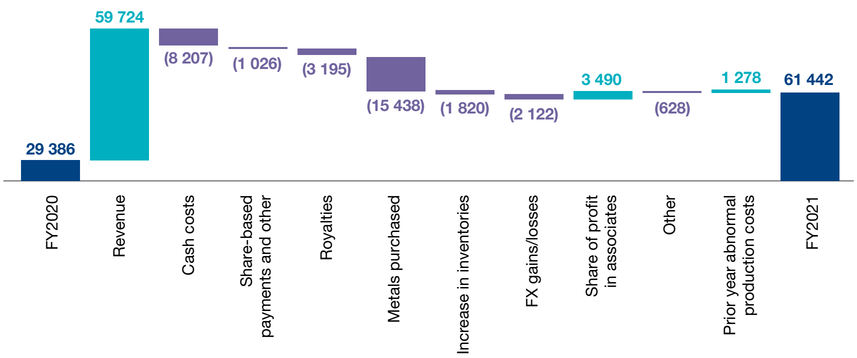
- Overall mining inflation of 5.1% contributed R669 per 6E ounce. This was due to a combination of mining inflation of 6.4% from the South African operations, 1.9% from Zimbabwe (US$) and 2.3% from Canada (C$)
- Direct Covid-related expenditure of R563 million or approximately R240 per 6E ounce was incurred at managed operations in FY2021 and is included in both cash and unit costs. This increased expenditure resulted in an additional R139 per 6E ounce compared to the prior year, when R263 million was incurred
- Discretionary safety bonuses of R218 million at the South African operations and US$2 million at Zimplats paid to employees to recognize their contributions to the Group's exceptional performance during a difficult Covid-19 environment added R103 per 6E ounce
- Approximately R1 billion of increased investment in asset integrity, improved maintenance and targeted development to improve mining flexibility at Impala Rustenburg added an additional R440 per 6E ounce.

EBITDA

Earnings before interest, tax, depreciation and amortisation (EBITDA), which includes the Group's portion of the EBITDA adjustments on associates, more than doubled to R61.4 billion from the R29.4 billion of the prior year. An EBITDA margin of 47% was achieved (FY2020: 42%).

The record improvement in revenue and improved share of profit from associates was partially offset by the increase in the costs of metal purchased, cash costs and royalty expenditure.

EBITDA (Rm)



HEADLINE EARNINGS

Headline earnings improved by R20.2 billion to R36.4 billion, while headline earnings per share rose to R46.35 from R20.75 in the prior year. Headline earnings benefited from the R30.2 billion improvement in gross profit, partially offset by higher taxes (R9.4 billion), net foreign exchange transaction losses (R2.1 billion) and the movements in other net expenses (R0.5 billion).

The difference between reported basic and headline earnings reflects the after-tax impact of the R10.6 billion reversal of impairment and R69 million profit on disposal of property plant and equipment. The IFRS 2 BEE charge of R1.5 billion was included in headline earnings for the year.

CAPITAL EXPENDITURE

Capital expenditure increased by 43% to R6.4 billion, from R4.5 billion in the prior year when capital spend was impacted by reduced capital development and limited project progression during the various national Covid-19 lockdowns. In FY2021 capital spend reflects the impact of the inclusion of Impala Canada for the full reporting period, increased operating momentum and accelerated project spend at Zimplats. During the year the Mupani and Bimha expansion projects and the third concentrator plant at Zimplats received board approval and the ongoing spend on the Mupani Mine replacement project was also accelerated.

Rm	FY2021	FY2020
Total capital expenditure		
Stay in business	4 865	4 127
Replacement	1 288	354
Expansion	284	7
	6 437	4 488

CASH FLOW AND LIQUIDITY

Free cash flow

Rm	FY2021	FY2020
Net cash from operating activities	41 834	17 122
Capital expenditure	(6 265)	(4 248)
Interest received	766	532
Net investments and other	1 969	666
Add back: Impala Canada transaction fees	–	147
Add back: Bridge financing interest	–	176
Free cash flow	38 304	14 395

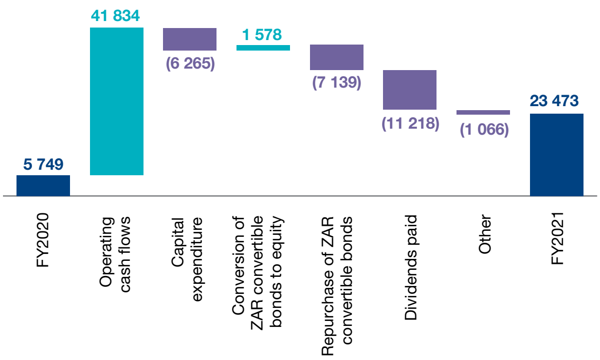
Robust PGM pricing and higher sales volumes resulted in strong cash flow generation for the Group with cash generated from operations increasing to R56.9 billion from R19.8 billion, and net cash generated from operating activities increasing to R41.8 billion (FY2020: R17.1 billion) after deducting R14.5 billion (FY2020: R1.7 billion) in taxes paid.

Notable cash flows in the period include:
- Dividend payments of R11.2 billion
- Repurchases of ZAR convertible bonds of R8.6 billion;
- Net repayment of borrowings of R4.4 billion
- The acquisition of Implats shares to settle the Group share scheme obligation of R1.6 billion.

Consequently, gross cash increased to R23.5 billion from R13.2 billion at the end of June 2020. Following the accelerated repayment of debt and a combination of the repurchase and conversion of the ZAR convertible bonds, gross debt (excluding finance leases) reduced from R7.6 billion to just under R1 million. As a result, net cash increased to R23.5 billion from R5.7 billion at the end of June 2020.

Liquidity headroom at the end of the period increased to R30.9 billion and comprised:
- An undrawn dual tranche revolving credit facility of R6 billion and US$125 million
- Gross cash, net of restricted cash, of R23.1 billion.

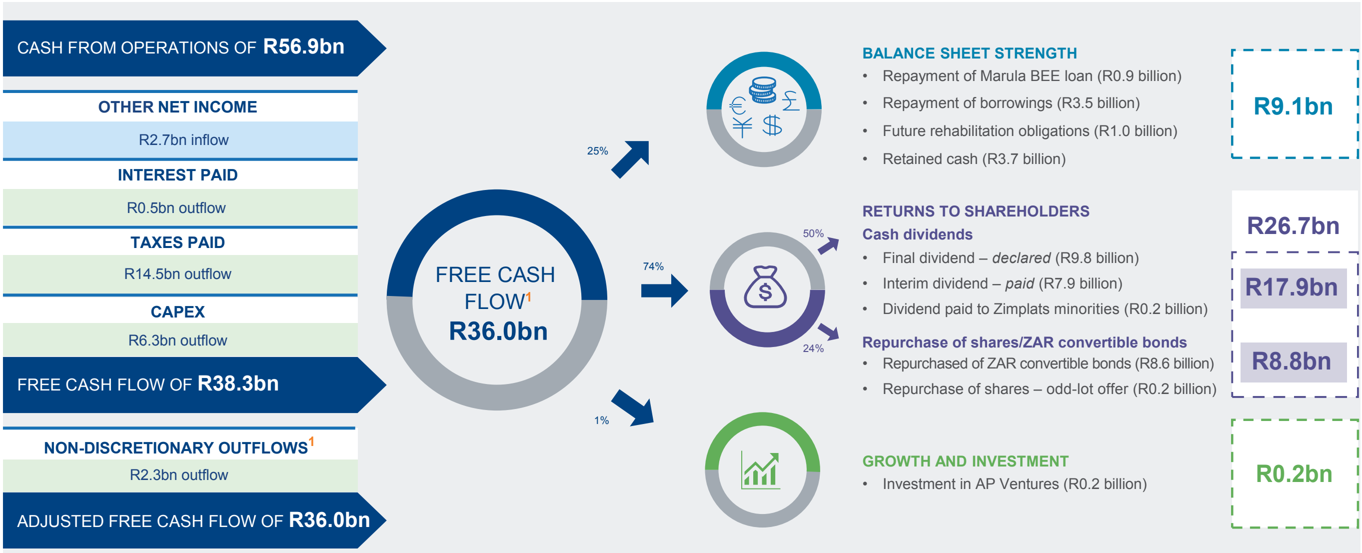
Cash net of debt (Rm)



Cash net of debt

Rm	FY2021	FY2020
South African cash	17 768	9 689
Offshore cash	5 706	3 642
Gross cash	23 474	13 331
Convertible bond	(1)	(2 914)
Impala Canada term loan	–	(3 657)
Marula BEE debt	–	(885)
Zimplats debt	–	(126)
Gross debt (excluding leases)	(1)	(7 582)
Net cash (excluding leases)	23 473	5 749
EBITDA to net finance costs (times)	345.2	47.6

FY2021 CAPITAL ALLOCATION FRAMEWORK



[1] *Free cash flow adjusted for outflows/impacts relating to foreign exchange translation adjustments on cash and cost of purchasing shares for the Implats share scheme.*

An optimal capital structure and a strong and flexible balance sheet through the cycle remain a key strategic pillar for Implats. To this end, the strong cash generation during the financial year, together with the debt reduction initiatives and successful refinancing of the Group's funding facilities resulted in Implats ending the period essentially debt free and with a substantial increase in cash balances and liquidity headroom.

Proactive steps to reduce debt have meaningfully reduced future interest costs incurred by the Group and mitigated the dilutionary impact of the ZAR convertible bonds on existing shareholders and future earnings. The Group will continue with the last phase of improving its financial flexibility by continuing to build up the desired cash reserves to R20 billion in the next financial year.

Free cash flow of R38.3 billion adjusted for R1.6 billion incurred on the purchase of Implats shares to settle the share scheme liabilities and a loss of R742 million on the translation of our offshore cash to year end closing rates, resulted in R36.0 billion being available for capital allocation by the board.

In line with the Implats capital allocation framework, the board declared a final dividend of R12 per share. This resulted in a total dividend for the year of R22 per share.

The payment of cash dividends of R17.9 billion and the benefit of repurchasing R8.6 billion of ZAR convertible bonds and R0.2 billion of Implats shares in an odd-lot offer, resulted in 74% of the available R36.0 billion being allocated to shareholder returns.

Going forward, the Group will continue to focus on funding and implementing its approved growth projects and furthering its feasibility studies to assess future processing expansion opportunities.

Implats is well positioned to continue to focus its capital allocation priorities on enhancing shareholder returns and the funding of value accretive expansion of the business, aligned with market requirements.

PERFORMANCE AGAINST STRATEGIC OBJECTIVES IN ATTAINING THE OPTIMAL CAPITAL STRUCTURE

Capital allocation

Implats' capital allocation framework aims to deliver, sustain and grow meaningful value for all stakeholders and provide attractive returns to stakeholders, while retaining financial flexibility for the Group.

Capital structure

Accelerated debt reduction resulted in the repayment of most debt (excluding lease liabilities) by year end:

- Conversion and repurchase of the ZAR convertible bonds
- Repayment of Zimplats overdraft facility and repayment of Impala Canada term loan
- Repayment of the Marula BEE debt during September 2020
- Successful refinancing of its revolving credit facility with a new dual currency facility comprising a R6 billion tranche and a US$125 million tranche with more competitive pricing and on more favourable terms and conditions.

Liquidity

- Gross cash increased from R13.3 billion to R23.5 billion
- Net cash, after deducting gross debt, increased from R5.7 billion to R23.5 billion
- Liquidity headroom increased from R16.1 billion to R30.9 billion
- Cancellation of 16.2 million treasury shares held by the Group and repurchase and cancellation of 1.03 million shares acquired in terms of the odd-lot offer at an average price of R172.72
- Declared and paid an interim dividend of R7.9 billion
- Declared a final dividend of R9.8 billion.

SIGNIFICANT POST-BALANCE SHEET EVENTS

Dividends

On 2 September 2021, the board declared a final cash dividend of R12.00 per share. This, together with the interim cash dividend of R10.00, resulted in a total dividend declared of R22.00 per share for FY2021.

Conversion of remaining 59 ZAR convertible bonds

The remaining 59 ZAR convertible bonds were converted into 12 678 ordinary shares during July 2021. These remaining ZAR convertible bonds represented less than 1% of the original bonds issued and had a par value of R0.59 million.

OUTLOOK FOR FY2022

Production volumes in FY2022 are expected to be supported by the release of accumulated inventory. Group refined production is estimated to be between 3.30 million and 3.56 million 6E ounces. Group operating costs are expected to be between R15 600 and R16 300 per 6E refined ounce on a stock-adjusted basis. Included in the unit cost guidance is a R1.1 billion once-off, discretionary employee award approved by the board for payment during FY2022, which will add R450 per 6E ounce to unit costs. Group capital expenditure is forecast to be between R8.0 billion and R9.0 billion.

This market guidance is premised on the internal view of the rand exchange rate for translation of the US dollar cost base of Zimplats and the Canadian dollar cost base of Impala Canada.

ACKNOWLEDGEMENT

I wish to express my sincere appreciation to the finance team for their ongoing commitment and support over the past year. The Covid-19 pandemic continued to add complexity to our operating environment but the finance team remained strong in supporting the business and maintaining a strong internal control environment and achieving our financial reporting deadlines.

Meroonisha Kerber
Chief financial officer

Implats Mineral Resource and Mineral Reserve Statement 2021 at a glance

This section is an extract of Implats' Mineral Resource and Mineral Reserve Statement (the report).

This report provides full details of the Group's natural capital. An improved pricing outlook for PGMs benefited Group Mineral Reserves resulting in organic growth across the portfolio during the period under review as Group Mineral Resources were maintained.

The Group Mineral Resource estimate increased marginally by 0.2Moz 6E on an attributable basis to 277.3Moz 6E while the Group Mineral Reserve estimate increased by 5.6Moz 6E on an attributable basis to 53.4Moz 6E.

Greenfields exploration activities remain dormant at the South African and Zimbabwean operations, with some activity being undertaken by Impala Canada in the Ontario province.

MINERAL RESOURCES AND MINERAL RESERVES HEADLINE NUMBERS

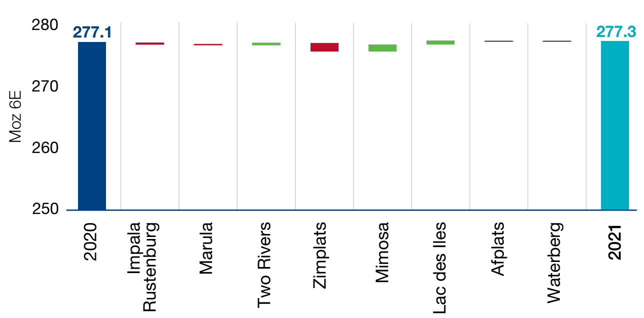
Combined estimates as at 30 June 2021 show a stable inventory.

Attributable estimates[1]		2021	2020	2019	2018	2017
Mineral Resources	Moz Pt	**132.3**	132.4	131.6	133.8	191.6
	Moz Pd	**90.2**	89.9	81.5	83.0	127.5
	Moz 3E	**234.4**	233.9	228.0	228.0	337.5
	Moz 4E	**249.7**	249.1	239.5	243.9	360.4
	Moz 6E	**277.3**	277.1	268.3	273.2	402.7
	Mt	**1 885.9**	1 818.8	1 710.1	1 740.7	2 787.0
Mineral Reserves	Moz Pt	**24.6**	21.8	21.2	21.2	22.4
	Moz Pd	**18.8**	17.3	14.7	14.4	14.1
	Moz 3E	**46.0**	41.2	38.0	37.5	38.2
	Moz 4E	**48.7**	43.6	40.3	40.0	41.0
	Moz 6E	**53.4**	47.8	44.3	44.2	45.9
	Mt	**512.4**	419.7	370.7	365.5	358.1

[1] Mineral Resources estimates are inclusive of Mineral Reserves.

At an attributable 6E ounce basis, the Group profile maintains static at 277.3Moz, with the overall production depletion being offset by additions at Two Rivers in response to a positive adjustment to the geological losses on the UG2, Mimosa which has seen the inclusion of the Anglo Claims – now called Wedza West, and Lac des Iles through model updates and cut-off grade adjustments.

Attributable Mineral Resources estimate
as at 30 June 2021 (variance Moz 6E)



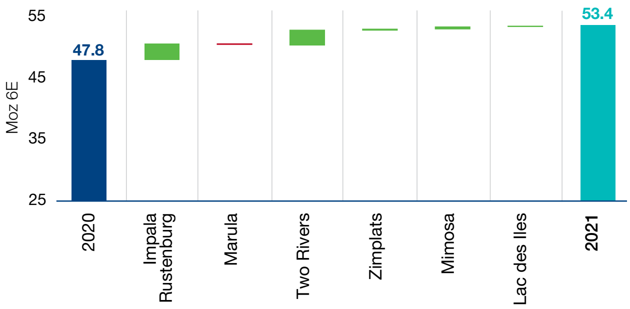
As expected, the sustained pricing environment had a positive impact on Group Mineral Reserves, with a significant reversal of previously uneconomic LoM IA Mineral Resources converting to LoM I Mineral Reserves. At an attributable 6E ounce basis, the Group profile increased by 11.7% to 53.4Moz 6E. This substantial increase is related to the following changes at each of the Group operations, including:

- Impala Rustenburg saw a significant reversal and conversion of previously downgraded LoM IA (shafts closing prematurely for economic reasons) back into LoM I (life extension due to better price environment) and the maiden inclusion of the surface TSF as Mineral Reserves, following trial mining the conclusion of a BFS study
- At Two Rivers, the increase was driven by the maiden inclusion of the Merensky Mineral Reserves, following successful trial mining and the recent completion of an update against the historical feasibility study

- Zimplats expanded their Mineral Reserves base with additional Upper Ores (UOR1) as the MSZ on the shallower dipping (9º – 14º degrees) flanks was converted based on trial mining
- Mimosa's increase relates to the inclusion of Wedza West (adjacent Mineral Resources bought from Anglo American Platinum), which offers significant relief in mining flexibility at South Hill
- Lac des Iles' increase was due to mine design and scheduling optimisation.

Attributable Mineral Reserves estimate

as at 30 June 2021 (variance Moz 6E)



MINING METHOD BY MINERAL RESERVES

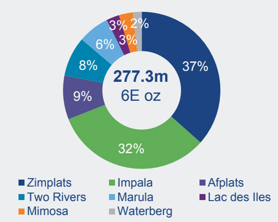
	FY2021	FY2020
Mechanised	63%	64%
Hybrid	4%	5%
Conventional	33%	31%

GEOGRAPHIC SPLIT OF MINERAL RESERVES

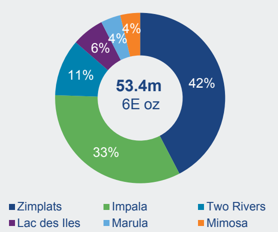
	Pt	Pd	Rh	OPGM[1]
South Africa	52%	37%	64%	55%
Zimbabwe	47%	48%	36%	42%
Canada	1%	15%	0%	3%

[1] *Other PGM.*

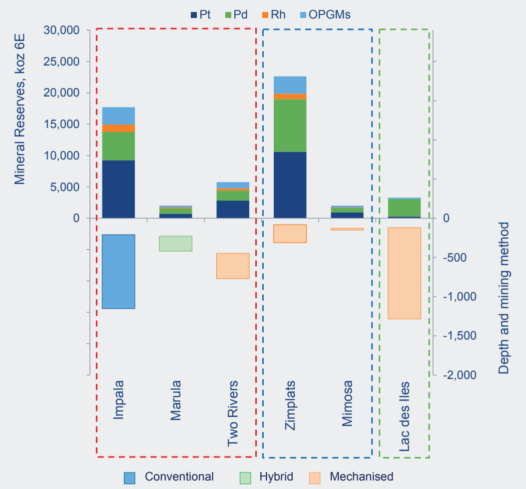
ATTRIBUTABLE MINERAL RESOURCES



ATTRIBUTABLE MINERAL RESERVES



MINERAL RESERVES BY ASSET



MINING METHOD AND DEPTH

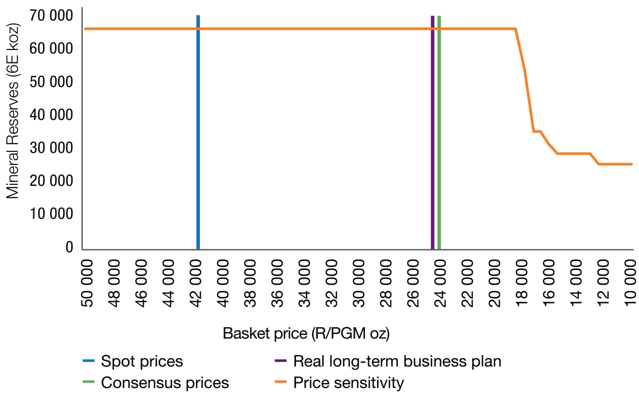
VALUATION AND SENSITIVITIES

Implats uses a discounted cash flow model that embodies economic, financial and production estimates in the valuation of mineral assets.

The outputs include net present value, the internal rate of return, annual free cash flow, project payback period and funding requirements. Metal prices and exchange rate forecasts are regularly updated and as at 30 June 2021, a real long-term forecast for 6E basket revenue per 6E ounce sold of R24 500 (US$1 688) was used by the Group.

Implats Mineral Reserves versus real basket price

as at 30 June 2021



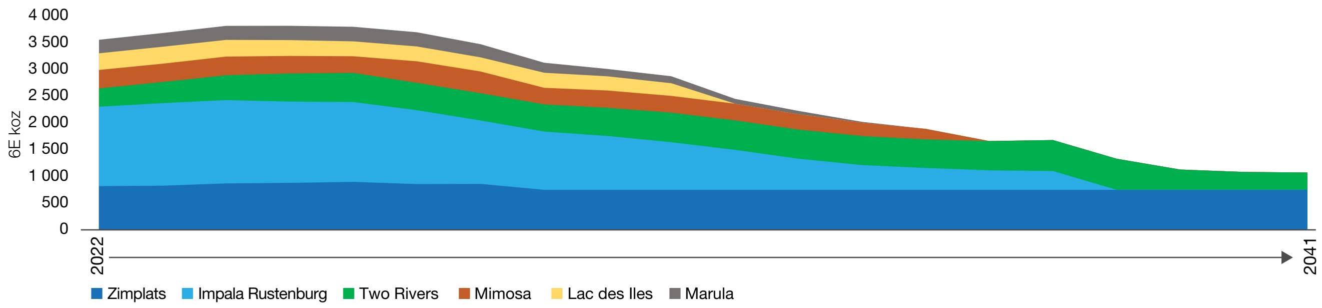
GOVERNANCE AND COMPLIANCE

The reporting of Mineral Resources and Mineral Reserves for Implats' South African, Zimbabwean and Canadian operations is undertaken in accordance with the principles and guidelines of the SAMREC Code (2016), including Appendices, and section 12.13 of the JSE Listings Requirements. For more detail see page 13 of the Mineral Resource and Mineral Reserve Statement.

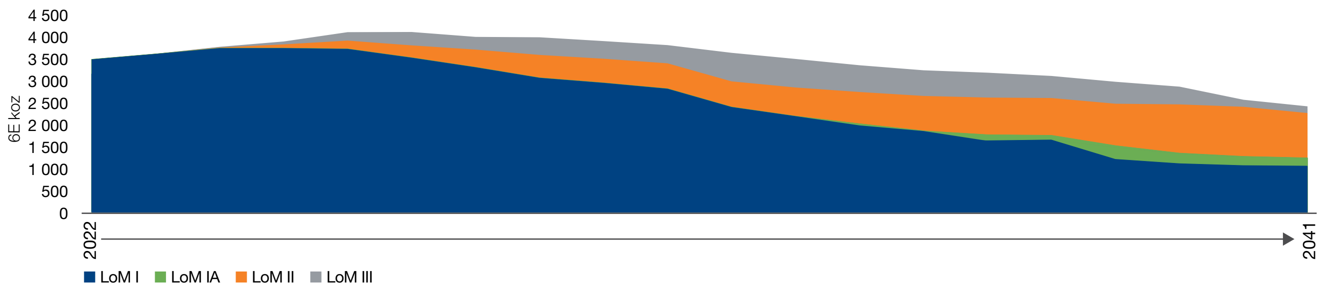
GROUP LIFE-OF-MINE OUTLOOK

From a combined Group perspective, a large proportion of the 20-year plan is still at LoM II and LoM III and would require an improved financial outlook, further studies, funding and capital investment and board approvals. Feasibility studies are continuing at Impala Rustenburg, Two Rivers, Zimplats, Marula, Mimosa and the Waterberg project to evaluate future opportunities. During the year, the LoM I profiles for Two Rivers and Mimosa were extended on the basis of feasibility studies, which were concluded. At Two Rivers, a portion of the Merensky Reef Mineral Resource was converted to Mineral Reserves. The Mimosa Mineral Reserves were expanded with the acquisition of the adjoining Anglo American Platinum claims, referred to as Wedza West.

Implats estimated 20-year 6E LoM I ounce profile
as at 30 June 2021



Implats estimated 20-year 6E LoM ounce profile
as at 30 June 2021



Platinum sponge and an ingot

Creating a better future

Operational performance

Operational performance

IMPALA

Impala, Implats' 96%-owned primary operational unit, has mining operations situated on the Western Limb of the world-renowned Bushveld Complex near Rustenburg in South Africa. This operation comprises a 9-shaft mining complex and concentrating and smelting plants. The base and precious metal refineries are situated in Springs, east of Johannesburg.

Key statistics

- FIFR **0.012 pmmhw**
- LTIFR **5.66 pmmhw**
- Number of employees **43 820**
- Capital expenditure **R2.5bn**
- Free cash flow **R16.8bn**
- Headline earnings **R17.3bn**
- Stock adjusted refined production **1.31Moz 6E**

Strategic focus

Impala remains focused on securing a lower-cost and sustainable mining operation through a focus on safety, operational excellence, resilience and flexibility and constructive and collaborative relationships with stakeholders.

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020 Rm
Revenue	51 393	30 220
Other net (expenses)/income	(583)	606
Gross value generated	50 810	30 826
Depreciation	(3 182)	(2 935)
Deferred tax	(740)	(1 204)
	46 888	26 687
Distribution of value		
Labour and other	(15 048)	(11 754)
Cost of sales – other[1]	(8 857)	(10 573)
Finance costs	(161)	(469)
State royalties	(2 331)	(360)
Direct state taxes	(5 142)	(33)
Value retained in the business	(15 349)	(3 498)

[1] *Includes R926 million (FY2020: R171 million) host-community royalty expenses.*

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

- An increase in social unrest as a result of local communities' uneconomic procurement and employment expectations
- Inter/intra union rivalry
- Constrained future water supply
- Criminal and fraudulent activities
- Load shedding/curtailment from Eskom
- Key infrastructure failure
- Inability to ramp up 16 and 20 shafts
- Continued uncertainty associated with the Covid-19 pandemic.

Value drivers

- Higher rand PGM basket price and enhanced profitability
- Improved mineable face length will set up operations for sustained delivery
- Life-of-mine extension projects
- Improved relations with key stakeholders including host communities, employees and organised labour
- Safer working environment improves productivity
- Increased capacity to process PGM matte
- Enhanced decarbonisation efforts.

Risk mitigation and opportunities for improvement

- Risk-based Covid-19 response plans in place
- Prudent investment in mining and processing assets and studies aimed at proposing the optimal route for expansion of processing facilities
- Ongoing initiatives to further improve operational safety
- Further improve stakeholder engagement processes, specifically with employees, unions and host communities
- Enhanced monitoring of furnaces and the implementation of management and engineering controls
- Implementation of initiatives to address decarbonisation efforts and energy requirements.

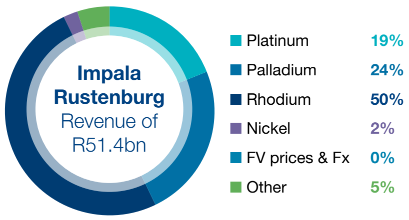
Stakeholder material matters

MATERIAL MATTERS	RESPONSE
STAKEHOLDER: EMPLOYEES	
• Impact of Covid-19 on the health and wellbeing of employees	• Effective response to Covid-19 pandemic • Intensive communication and engagement
STAKEHOLDER: UNIONS	
• Impact of Covid-19 • Internal rivalries • Intra union rivalry	• Effective response to Covid-19 pandemic • Intensive consultation and engagement
STAKEHOLDER: COMMUNITIES	
• Socio-economic impacts of Covid-19 • Employment, procurement and social investment opportunities for host communities	• Intensive consultation and engagement • Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support
STAKEHOLDER: GOVERNMENT	
• Socio-economic impacts of Covid-19	• Support for government to contain the spread of Covid-19 infections and to provide relief aid

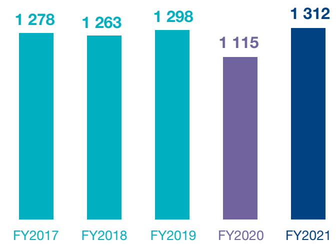
Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/ target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital · Natural capital · Intellectual capital	• Strengthen stakeholder management capability and capacity • Complete projects in line with SLP commitments • Maintain ISO 14001:2015 certification • No level 4 or 5 environmental incidents • Total direct SO_2 emissions <6 400t • Total water consumed <25 000Ml • Total water recycled >44% • Increase average spend per local supplier	• Implemented an integrated and effective Covid-19 response • Sustained good relations with employees and unions • Maintained ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total direct SO_2 emissions – 6 000t • Total water consumed – 25 681Ml • Total water recycled – 45% • Average spend per local supplier – R1.5bn
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital · Intellectual capital · Manufactured capital	• Zero fatalities • Improve LTIFR – 15% improvement on 3-year average (4.83 pmmhw) • 6E in concentrate production 1.1Moz – 1.3Moz • Cost per 6E ounce – R16 500/oz – R17 500/oz	• 1 fatality • LTIFR – 5.66 pmmhw • Operated for a 12-month period without a fatality and achieved 10 million fatality free shifts • 6E in concentrate production 1.29Moz • Cost per 6E ounce R16 729 (stock-adjusted)
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Capital allocation – capital <R2.85bn • Cost management – costs <R21.0bn	• Capital allocation – capital R2.5bn • Cost management – costs – R21.9bn negatively impacted by above inflation increases on utilities, labour and higher than expected Covid-19-related costs
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital · Social and relationship capital · Manufactured capital	• Maintain operational delivery • Growth shafts to deliver – 355oz 6E	• 6E concentrate production increased by 16% from FY2020 • 16 and 20 shafts delivered 350koz 6E • Progressed several potential life-of-mine extension studies
Organisational development		
We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver Human capital · Intellectual capital · Social and relationship capital	• Leadership capacity and capability • Management reporting systems • Culture transformation	• Effective Covid-19 risk-based response • Maintained stable and constructive labour relations • Implementing culture transformation leadership programme • Developing managerial and competency skills

Business plan/target KPI for FY2022	Key actions in FY2022
• Strengthen stakeholder management capability and capacity • Complete projects in line with SLP commitments • Maintain ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total direct SO_2 emissions <6 400t • Total water consumed <25 000Ml • Total water recycled >40% • Increase average spend per local supplier	• Develop and implement an effective stakeholder management system • Proactively manage employee health • Implement third generation SLP • Promote local recruitment and procurements • Facilitate home ownership • Maintain environmental authorisations
• Zero fatalities • Improve LTIFR – 10% improvement on 3-year average (<5.00 pmmhw) • 6E in concentrate production – 1.25Moz to 1.35Moz • Cost per 6E ounce – R18 200/oz to R19 000/oz	• Prevent injury and ensure a safe operational culture • Improve team productivity • Progress life-of-mine extension studies • Secure key infrastructure • Roll out and embed risk management system
• Capital allocation – capital – R3.2bn to R3.6bn • Cost management – costs <R25.0bn	• Capital allocation • Cost management • Move down the industry cost curve • Manage marginal operations – implement identified financial management systems • Once-off discretionary employee award will impact costs in FY2022
• Maintain operational delivery • Growth shafts to deliver >425koz 6E • Create face length • Further studies into the optimisation and growth of processing capacity	• Maintain operational delivery – address flexibility constraints at mature shafts – increase face length at long-life shafts – ramp up growth shafts • Undertake a series of studies aimed at proposing the optimal route for expansion of processing facilities
• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity	• Embed high performance culture • Develop managerial and competency skills • Strengthen capacity and capability in key areas • Once-off discretionary award paid to employees in FY2022

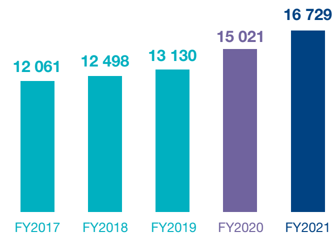
Revenue contribution by metal



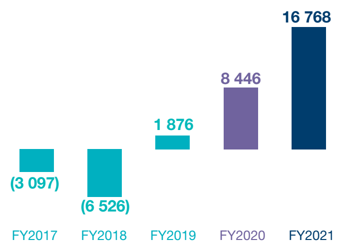
Production (koz)



Cost (R/oz)



Free cash flow (Rm)



PERFORMANCE

The business delivered well in FY2021, with an industry leading safety performance, an improved mining performance and the progression of studies for several potential life-of-mine extensions. This was achieved despite the need to navigate an increasingly complex and challenging social environment due to evolving labour dynamics in the region and the ongoing Covid-19 pandemic.

Safety improvements at the mining operation were driven by a continued focus on visible leadership, mining discipline and targeted safety interventions. Pleasingly, Impala Rustenburg achieved a fatality-free 12-month period and more than 10 million fatality-free shifts during the year, a record for the mining complex.

Constraints on operations from increased Covid-related labour absenteeism were anticipated and mitigated by adopting a strategy carrying an increased labour complement (circa 11% at year end, including contractors). This ensured the planned mining and development targets were achieved, with development metres increasing by 24% to 102 735 metres and an 11% improvement in mineable face length to 25.4km. These targets were reached despite the final closure of 9 Shaft, which reached the end of its life in the period, and reflects the success of interventions to address development, construction and equipping of workplaces across the Rustenburg operations.

Milled throughput for the period rose by 11% to 10.69 million tonnes (FY2020: 9.64 million tonnes), while the 6E milled head grade improved by 4% to 4.05g/t (FY2020: 3.91g/t) as a result of reduced off-reef mining on the Merensky horizon and the partial completion of the 16 Shaft orepass rehabilitation, which allowed for the separation of waste from reef.

Concentrator recoveries of mined and tailing tonnages improved and 6E concentrate production increased by 16% to 1.29 million ounces (FY2020: 1.11 million ounces), while stock-adjusted 6E production increased by 18% to 1.31 million ounces (FY2020: 1.12 million ounces). In FY2020, the impact of Covid-19 accounted for total production losses of 151 000 ounces 6E in concentrate. Refined volumes in the prior year benefited from a revised stock allocation policy between Impala Refining Services (IRS) and Impala Rustenburg. As a result, refined 6E volumes of 1.33 million ounces in the period under review increased by 5% (FY2020: 1.27 million ounces).

Total cash costs, including corporate and marketing spend and increased spend on asset integrity and mining flexibility, increased by 31% to R21.9 billion from R16.8 billion in the prior year when R998 million in abnormal production costs incurred during the national lockdown were included in the cost of sales, but excluded from the calculation of cash and unit costs.

Costs were negatively affected by above-CPI increases on utilities and labour. Covid-related expenditure amounted to R369 million (R282 per 6E ounce). On a stock-adjusted basis, units costs increased by 11% to R16 729 per 6E ounce (FY2020: R15 021 per 6E ounce).

Capital expenditure increased by 41% to R2.5 billion (FY2020: R1.8 billion). Replacement capital of R246 million declined by 26% (FY2020: R331 million) as projects at 11, 14 and 20 shafts reached completion. An additional R811 million was incurred on stay-in-business capital, with total spend of R2.2 billion (FY2020: R1.4 billion) rising by 57% and reflecting higher operating rates across the mining complex, increased expenditure on capital development, infrastructure integrity projects, the tailings retreatment project, scheduled furnace rebuilds and tailings dam life-cycle extensions. Of this, R224 million was invested in Group smelting and refining assets.

Impala delivered R16.8 billion in free cash flow, (FY2020: R8.4 billion) a 99% increase from the prior year as higher rand PGM pricing and the sales mix offset the impact of a 2% decline in sales volumes of 1.23 million 6E ounces (FY2020: 1.25 million 6E ounces). Impala made a gross profit of R25.2 billion (FY2020: R8.9 billion) and contributed R17.3 billion to Group headline earnings (FY2020: R6.5 billion).

TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

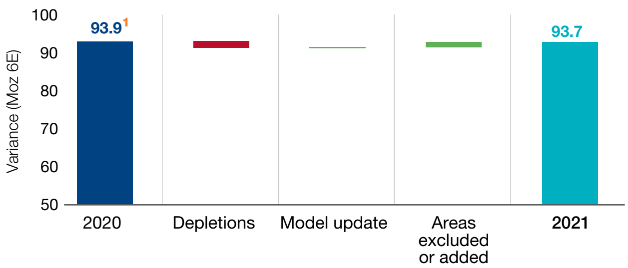
The 30 June 2021 Mineral Resource and Mineral Reserve at Impala Rustenburg saw a significant reversal in the status and subsequent conversion of previously downgraded LoM 1A (shafts closed prematurely for economic reasons) back into LoM 1. The life extensions were the result of the better price environment and the maiden inclusion of the surface TSF into Mineral Reserves following trial mining and the conclusion of a bankable feasibility study. Feasibility studies are in progress to assess the potential to exploit the UG2 Reef at 11C and 20 Shafts. Impala Rustenburg has a current LoM of 16 years.

Mineral Resource reconciliation

Year-on-year, the Impala Rustenburg Mineral Resource estimate reduced marginally by 0.2Moz 6E; this was impacted by depletion and updating of the geological and geostatistical estimation models.

The decrease was offset by the inclusion of the TSF1 and TSF2 Mineral Resource estimates in the combined total.

Total Impala Rustenburg 6E Mineral Resources
as at 30 June 2021 (variance Moz 6E)



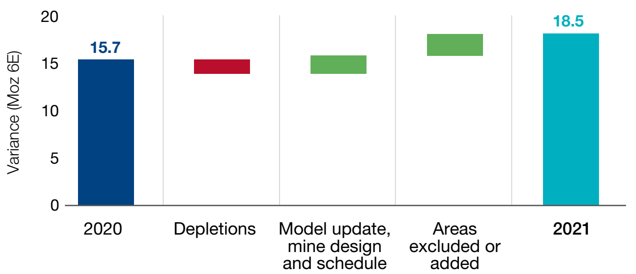
[1] *The TSF1 and TSF2 Mineral Resources are excluded from the FY2020 total.*

Mineral Reserve reconciliation

The year-on-year reconciliation of the total Impala Rustenburg Mineral Reserve is impacted by depletion. The Mineral Reserve grade and tonnage increase due to the progression of certain LoM IA areas to LoM I based on RPEEE and economic considerations. The addition of the TSF1 and TSF2 Mineral Reserves impacted positively on the reconciliation.

A significant proportion (85%) of all the Mineral Reserves is located in the mature and growth shafts.

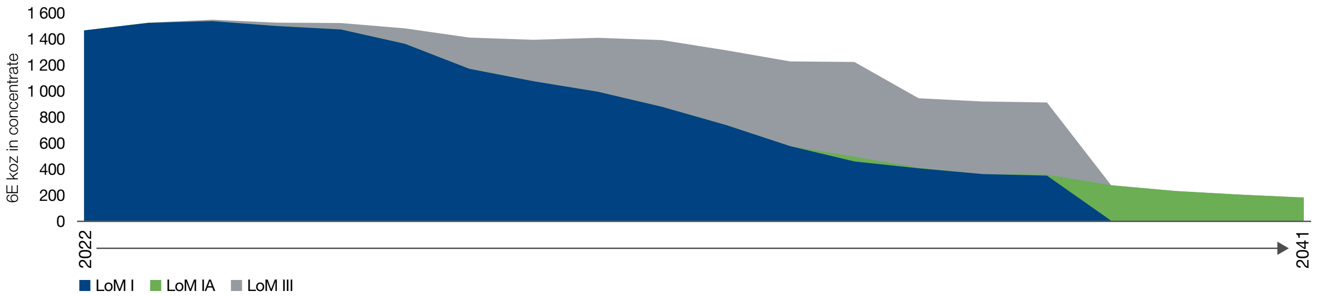
Total Impala Rustenburg 6E Mineral Reserves
as at 30 June 2021 (variance Moz 6E)



LoM, valuation and sensitivity

The economic viability of the Impala Rustenburg Mineral Reserves is tested using net present value calculations over the LoM of the Mineral Reserve, determining the lowest real rand basket price, which would still render the Mineral Reserve viable. These calculations generate basket prices based on the local PGM metal ratios and differ from the overall Group basket prices. This is then tested against the internal Impala Rustenburg estimate of the real long-term basket price and the spot price as at 30 June 2021. These tests indicate that the Impala Rustenburg operation requires a real long-term basket price of between R16 500 and R17 500 per 6E ounce to be economically viable. The real spot basket price for the Impala Rustenburg operation as at 30 June 2021 was R41 7604 (US$2 924), and the Impala Rustenburg internal long-term real basket price per 6E ounce is R22 847 (US$1 700).

Impala Rustenburg estimated 20-year 6E LoM ounce profile
as at 30 June 2021



OUTLOOK

Impala is expected to produce between 1.25 million and 1.35 million ounces of 6E concentrate in FY2022. Capital expenditure is expected to rise to circa R3.2 billion to R3.6 billion with additional spend on ore reserve development and projects at the smelters and refineries. Unit costs will remain elevated given additional spend on asset integrity and development and the once-off discretionary employee award to be paid during the year and are expected to be between R18 200 to R19 000 per 6E stock adjusted ounce.

Operational performance

IRS

Impala Refining Services (IRS), a division of Impala, is a dedicated vehicle housing 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.

Key statistics

- Headline earnings **R7.1bn**
- Free cash flow **R9.0bn**
- Refined 6E production **1.70Moz**
- Sales volumes **1.81Moz**

Strategic focus

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

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020 Rm
Revenue	68 895	36 304
Other net income/(expenses)	332	(49)
Gross value generated	69 227	36 255
Deferred tax	1	(2 588)
	69 228	33 667
Distribution of value		
Cost of sales	(59 424)	(27 013)
Direct state taxes	(2 741)	–
Value retained in the business	(7 063)	(6 654)

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

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

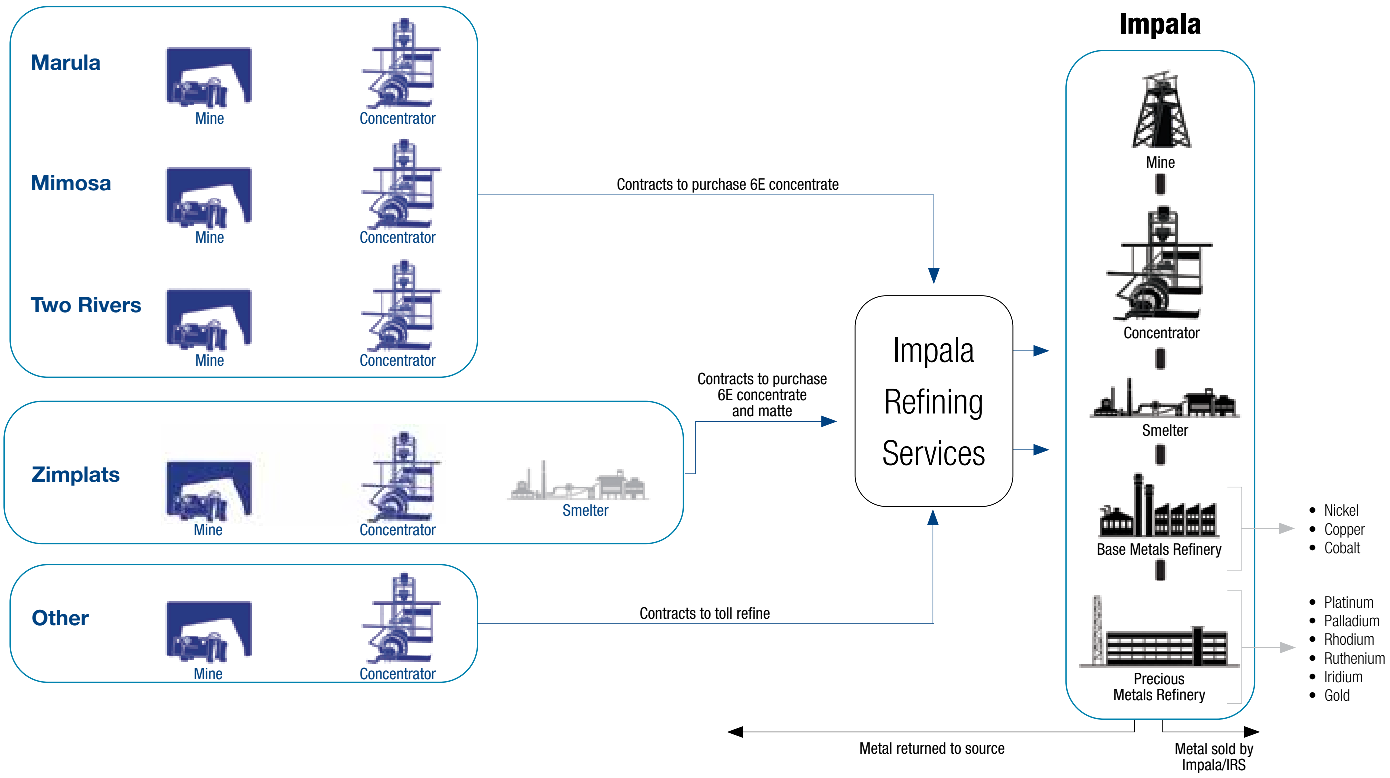
Value drivers

- Available capacities at Impala to consider suitable processing opportunities
- Remains a strategic competitive advantage for the Group.

Risk mitigation and opportunities for improvement

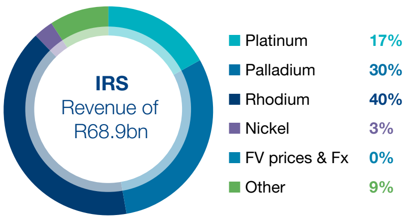
- Continue to review available processing capacities against opportunities as they present.

METAL SOURCES

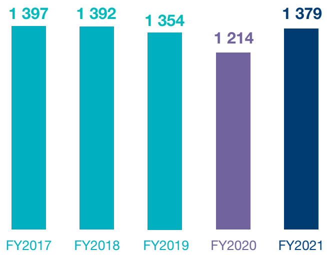


Strategic performance areas	Business plan/ target KPI for FY2021	Performance against business plan/target KPI for FY2021	Business plan/target KPI for FY2022	Key actions in FY2022
Operational excellence				
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital · Intellectual capital · Manufactured capital	• To ensure timeous adherence to all contractual obligations in accordance with supplier requirements	• Operational performance was sustained	• To ensure timeous adherence to all contractual obligations in accordance with supplier requirements	• To sustain operational performance and, as advised by existing capacity headroom, to increase production either from processing of existing customer accumulated inventories or from an expansion of the customer base
Business development				
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital · Social and relationship capital · Manufactured capital	• Reduced surface stock provides an opportunity to increase production in accordance with available capacity headroom	• Receipts from Two Rivers were above expectation • Administrative delays toward the end of the period impacted Zimplats receipts	• Prevailing surface stock provides an opportunity to increase production in accordance with available capacity headroom	• Continuously explore immediate and longer term opportunities to expand production and maximise the return from Impala's surface assets in line with current and projected capacity headroom

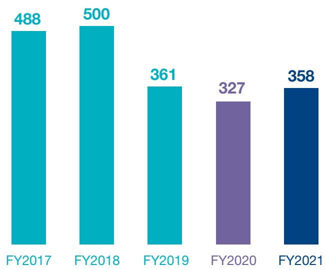
Revenue contribution by metal



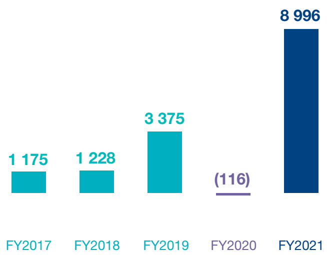
Mine-to-market receipts (koz)



Third party receipts (koz)



Free cash flow (Rm)



PERFORMANCE

6E receipts in matte and concentrate from mine-to-market operations increased by 14% to 1.38 million ounces (FY2020: 1.21 million ounces) reflecting a recovery from a series of operational constraints in the prior year including: processing challenges at Mimosa and Two Rivers, a temporary increase in smelter inventory at Zimplats, and reduced operating rates at South African operations due to the declaration of force majeure during the initial Covid-19 lockdown. 6E receipts from third-party customers increased by 9% to 358 000 ounces (FY2020: 327 000 ounces), comprising 21% of gross receipts of 1.74 million ounces (FY2020: 1.54 million ounces).

Reported operational and financial metrics for IRS in the prior year were impacted by the reallocation of stocks between IRS and Impala Rustenburg, which led to an increase in working capital. Consequently, despite being impacted by constrained Group processing capacity in H2 FY2021, refined 6E volumes increased by 17% to 1.69 million ounces (FY2020: 1.45 million ounces). Sales volumes increased by 25% to 1.81 million 6E ounces with a draw-down in rhodium, iridium and ruthenium inventory to take advantage of strong pricing for these metals.

The cash operating costs associated with smelting, refining and marketing IRS production increased by 21% to R1.8 billion (FY2020: R1.5 billion). Concentrate purchase agreements at IRS are dominated by ore feeds from Great Dyke and UG2 sources and rising minor PGM and base metal pricing, together with higher purchased volumes, resulted in the cost of metals purchased increasing by 66% to R63.3 billion (FY2020: R38.2 billion). IRS reported a gross profit of R9.5 billion (FY2020: R6.0 billion) and contributed R7.1 billion (FY2020: R4.3 billion) to Group headline earnings. Free cash flow of R9.0 billion (FY2020: R116 million cash outflow) benefited from higher pricing and sales volumes and low contractual payments processed in Q1 which resulted in a positive working capital movement for FY2021.

OUTLOOK

Receipts at IRS in FY2022 will benefit from the delivery of Zimplats concentrates which were impacted by administrative delays in FY2021 and from growth in volumes expected at other mine-to-market operations. Third party concentrate receipts are expected to be between 360 000 and 400 000 6E ounces.

Operational performance

MARULA

Marula is 73.3% owned by Implats and is one of the first operations to have been developed on the relatively under-exploited eastern limb of the Bushveld Complex in South Africa. Marula is located in the Limpopo Province, some 35 kilometres north-west of Burgersfort.

Key statistics

- FIFR **0.098 pmmhw**
- LTIFR **6.07 pmmhw**
- Number of employees **4 580**
- Capital expenditure **R342m**
- Free cash flow **R2.9bn**
- Headline earnings **R1.7bn**
- 6E in concentrate production **231koz**

Strategic focus

- Focus on initiatives to increase efficiencies and improve safety and productivity.
- Completion of the expanded tailings storage facility and future mine extensions to ensure long-term sustainability.

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020[3] Rm
Revenue	9 309	5 268
Other net income/(expenses)	17	(22)
Gross value generated	9 326	5 246
Depreciation	(224)	(192)
Deferred tax	(426)	(690)
	8 676	4 364
Distribution of value		
Labour and other	(1 594)	(1 343)
Cost of sales – other[1]	(1 599)	(1 372)
Finance costs[2]	(1 939)	(7)
State royalties	(14)	(8)
Direct state taxes	(1 274)	–
Value retained in the business	(2 256)	(1 634)

[1] *Includes R294 million (FY2020: R199 million) host community royalty expenses.*
[2] *Includes R1.5 billion IFRS2 BEE charge.*
[3] *Certain comparative figures were restated to align with segmental information.*

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

- Community unrest resulting in business interruption
- Ability to ramp up underground production
- Timeous completion of tailings dam extension
- Ability to retain critical skills.

Value drivers

- High exposure to high palladium and rhodium prices
- Provided operational continuity is maintained, upper-end production guidance could be achieved.

Risk mitigation and opportunities for improvement

- Ongoing stakeholder engagement processes
- Process improvement initiatives
- Completion of the tailings dam extension on schedule
- Implementation of skills retention initiatives and talent management processes.

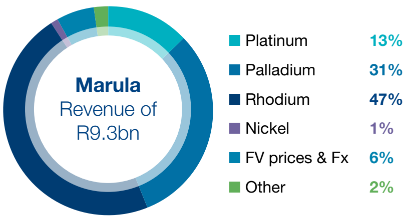
Stakeholder material matters

MATERIAL MATTERS	RESPONSE
STAKEHOLDER: EMPLOYEES	
• Impact of Covid-19 on the health and wellbeing of employees • Uncertainty of job security • Ability to retain critical skills	• Effective response to Covid-19 pandemic • Intensive communication and engagement • Implementation of skills retention initiatives and talent management processes • Introduction of an employee share ownership trust
STAKEHOLDER: COMMUNITIES	
• Socio-economic impacts of Covid-19 • Employment, procurement and social investment opportunities for host communities • Marula chrome dispute • Operational disruption due to community discontent over distribution of chrome proceeds • Marula Community Trust trustee elections • Procurement opportunities associated with construction of tailings facility • Increasing host community participation within the operational procurement landscape	• Intensive consultation and engagement • Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support • Establishment of a consultative forum and the implementation of a peace agreement • Establishment of enhanced stakeholder engagement structures • Community elections will be conducted once lockdown regulations allow • Measures aimed to grow local procurement • Ongoing engagement with communities • The Enterprise and Supplier Development centre capacitates local entrepreneurs

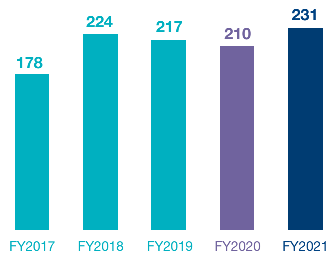
Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/ target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital; Natural capital; Intellectual capital	• Strengthen stakeholder management capability and capacity • Increase local to site procurement year-on-year • Maintain ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total water recycled >44%	• Good progress on securing a lasting resolution to community disruptions • Local-to-site procurement – R140m • 62% of workforce are from local communities • Maintained ISO certification • No Level 4 or 5 environmental incidents • Total water recycled – 43%
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital; Intellectual capital; Manufactured capital	• Zero fatalities • Improve LTIFR – 15% improvement on three-year average • 6E in concentrate production – 220koz – 260koz • Cost per 6E ounce – R10 900/oz – R11 900/oz	• One fatality • LTIFR 6.07 pmmhw • 6E in concentrate production 231koz • Cost per 6E ounce R12 157/oz
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Capital allocation – capital <R370m • Cost management – costs <R2.9bn	• Capital allocation – capital R342m • Cost management – costs R2.8bn
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital; Social and relationship capital; Manufactured capital	• Ongoing optimisation of production areas • Progress investigation into extension of the Clapham decline • Advance new tailings dam project	• Prioritised focused mining resulting in a reduction in stoping width • Revenue benefited from high palladium and rhodium content • Feasibility studies for a life-of-mine extension were advanced • Completion of new tailings dam and further extension • Trialling new technologies and mining equipment • Successful restructuring of BEE ownership to include sustainable financing terms • Introduction of an employee share ownership trust
Organisational development		
We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver Human capital; Intellectual capital; Social and relationship capital	• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity • Implement culture transformation	• Effective Covid-19 risk-based response • Maintained stable and constructive labour relations • Implementing culture transformation leadership programme • Embedding high performance management system • Developing managerial and competency skills

Business plan/target KPI for FY2022	Key actions in FY2022
• Marula operations increased local to site procurement year-on-year • Maintain ISO 14001:2015 certification • No Level 4 or 5 environmental incidents • Total water consumed <4 000Ml • Total water recycled >44%	• Develop and implement an effective stakeholder management system • Focus on stakeholder engagement to mitigate community disruptions • Proactively manage employee health • Implement third generation SLP • Promote local recruitment and procurement • Maintain environmental authorisations • Improve water management
• Zero fatalities • Improve LTIFR <6.70 pmmhw • 6E in concentrate production – 220koz – 260koz • Cost per 6E ounce – R12 700/oz – R13 500/oz	• Prevent injury and ensure a safe operational culture • Additional secondary support in identified areas • Focus on improving stoping efficiency • Increase face length in line with plan
• Capital allocation – capital – R400m to R500m • Cost management – costs <R3.1bn	• Capital allocation – completion of new tailings dam extension • Cost management – stringent cost management as mining and milling volumes increase – allowance for once-off incentive bonus
• Ongoing optimisation of production areas • Progress investigation into future mine extensions • Complete tailings dam project	• Construction of tailings dam facility • Complete bankable feasibility study on mine extension • Trial and invest in new mining technology
• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity • Implement culture transformation	• Implement culture transformation leadership programme • Embed high performance management system • Develop managerial and competency skills • Strengthen capacity and capability in key areas • Once-off discretionary award to be paid to employees in FY2022

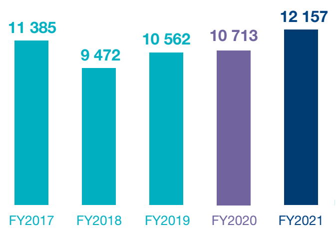
Revenue contribution by metal



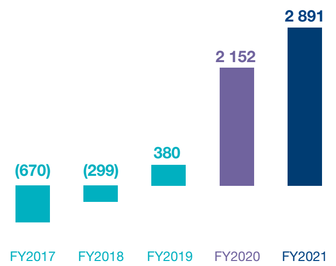
Production (koz)



Cost (R/oz)



Free cash flow (Rm)



PERFORMANCE

Marula faced several operating challenges during the period. Covid-19 constrained the availability of supervisory management and affected labour productivity due to necessary changes in shift patterns. This was compounded by community disruptions related to regional service delivery and the fatal injury to an employee in the final quarter of the period under review following a three-year fatality free period.

An improved production performance was established post year end. During the period, the BEE ownership of the operation was successfully restructured to include more sustainable financing terms and the introduction of an employee share ownership trust.

Marula has begun to trial new technologies and mining equipment to increase efficiencies and improve safety and productivity. The completion of the expanded TSF and future mine extensions will ensure the long-term sustainability of the operation.

Tonnes milled increased by 10% to 1.80 million tonnes (FY2020: 1.64 million tonnes), while a deterioration in the ratio of stoping-to-development tonnes and poor ground conditions resulted in a 7% decline in the 6E milled head grade to 4.37g/t (FY2020: 4.70g/t). This was offset by improved concentrator recoveries and additional metal recovered from concentrate sludge. 6E concentrate production increased by 10% to an annual record of 231 000 ounces (FY2020: 210 000 ounces). In FY2020, the impact of Covid-19 accounted for total production losses of 33 000 ounces 6E in concentrate.

Total cash costs were impacted by inflationary pressures and the additional spend associated with a change in shift patterns to compensate for Covid-19 protocols, increasing by 25% to R2.8 billion from R2.3 billion in the prior year when R150 million in abnormal production costs incurred during the national lockdown were included in the cost of sales, but excluded from cash costs and the calculation of unit costs. Covid-related expenditure amounted to R58 million (R252 per 6E ounce), and unit costs increased by 13% to R12 157 per 6E ounce (FY2020: R10 713 per 6E ounce).

Capital expenditure of R342 million (FY2020: R340 million) was incurred on progressing the TSF and fleet replacement, while feasibility studies for a life-of-mine extension were well advanced and will be taken to the board for approval during FY2022. This project is expected to increase life-of-mine at Marula through deepening and extending the existing production shafts.

6E sales volumes of 229 000 ounces increased by 9% (FY2020: 210 000 ounces) and record prices for palladium, rhodium, ruthenium and iridium resulted in a 71% increase in Marula's rand basket price received of R38 260 per 6E ounce (FY2020: R22 335 per 6E ounce). Gross profit of R5.9 billion rose 144% (FY2020: R2.4 billion) and Marula generated R2.9 billion in free cash flow (FY2020: R2.2 billion). After accounting for the impact of the non-cash BEE charge of R1.5 billion, Marula contributed R1.7 billion to Group headline earnings (FY2020: R1.1 billion).

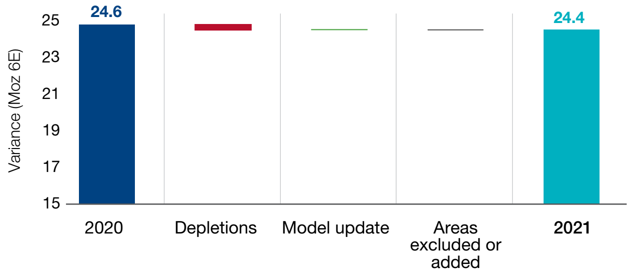
TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

The 30 June 2021 Mineral Resource and Mineral Reserve base at Marula reflected the impact of mining depletion during the period. Marula has a current life-of-mine of 12 years. A study for a life-of-mine extension will be presented to the board for approval in FY2022.

Mineral Resource reconciliation

The year-on-year reconciliation of the Mineral Resource estimate of Marula shows marginal variance to the previous year; this is primarily due to depletion, some model updates and minor areas excluded.

Total Marula 6E Mineral Resources
as at 30 June 2021 (variance Moz 6E)

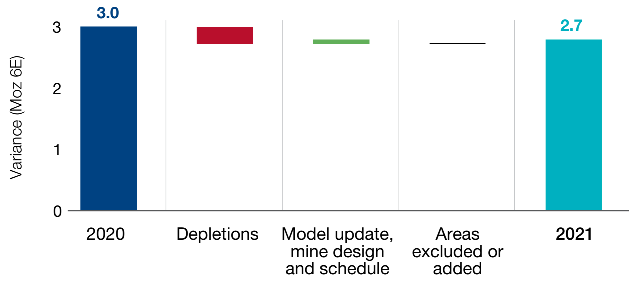


Mineral Reserve reconciliation

There is no material change in the Mineral Reserve estimate when compared with the 30 June 2020 statement. The variances can be attributed to normal mining depletions, local geological impact and updated mine design in selected areas, as well as tail-cutting. A significant proportion (66%) of the Mineral Reserves is located in the Clapham Shaft.

Total Marula 6E Mineral Reserves

as at 30 June 2021 (variance Moz 6E)

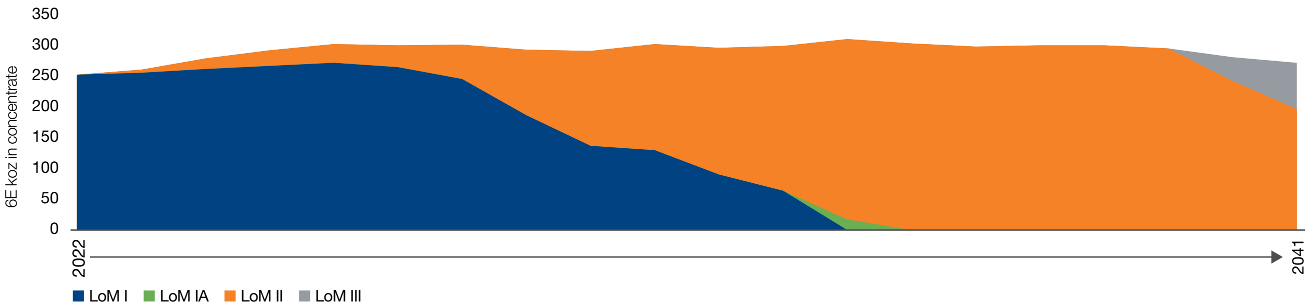


LoM, valuation and sensitivity

The economic viability of the Marula Mineral Reserves is tested using net present value calculations over the LoM of the Mineral Reserve, determining the lowest real rand basket price that would still render the Mineral Reserve viable. These calculations generate basket prices based on the local PGM metal ratios and differ from the overall Group basket prices. This is then tested against the internal Marula estimate of the real long-term basket price and the spot price as at 30 June 2021. These tests indicate that the Marula operation requires a real long-term basket price of between R16 000 and R17 000 per 6E ounce to be economically viable. The real spot basket price for the Marula operations as at 30 June 2021 was R50 043 (US$3 504) per 6E ounce, and the Marula internal long-term real basket price is R24 716 (US$1 786).

Marula estimated 20-year 6E LoM ounce profile

as at 30 June 2021



OUTLOOK

Marula is expected to produce between 220 000 and 260 000 ounces of 6E in concentrate in FY2022. Capital expenditure is expected to increase to circa R400 million to R500 million subject to approval of the LoM extension. Unit costs will be impacted by the once-off discretionary employee award to be paid during the year and are expected to be between R12 700 and R13 500 per 6E ounce in concentrate.

Operational performance

ZIMPLATS

Zimplats is 87% owned by Implats and its operations are situated on the Zimbabwean Great Dyke south-west of Harare. Zimplats operates four underground mines and a concentrator at Ngezi. The Selous Metallurgical Complex (SMC), located some 77 kilometres north of the underground operations, comprises a concentrator and a smelter.

Key statistics

FIFR
0.066 pmmhw

LTIFR
0.20 pmmhw

Number of employees
6 854

Capital expenditure
R2.5bn

Free cash flow
R4.8bn

Headline earnings (attributable)
R4.5bn

6E production in matte
579koz

Strategic focus

Deliver incremental production growth through accelerated development of Mupani Mine, the inclusion of upper ores in Mupani and Bimha mine plans, the development of a third concentrator and the expansion of Mupani and Bimha.

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020[1] Rm
Revenue	20 054	14 427
Other net expenses	(45)	(171)
Gross value generated	20 009	14 256
Depreciation	(1 388)	(1 427)
Deferred tax	319	(427)
	18 940	12 402
Distribution of value		
Labour and other	(2 566)	(1 723)
Cost of sales – other	(2 921)	(4 153)
Finance costs	(48)	(45)
State royalties	(758)	(485)
Direct state taxes	(3 975)	(1 571)
Dividends to shareholders	(1 359)	(698)
Value retained in the business	(7 312)	(3 727)

[1] *Certain comparative figures were restated to align with segmental information.*

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

- Potential impact of Covid-19
- Policy uncertainty
- Currency risk
- Security of power supply
- Ability to retain critical skills.

Value drivers

- Improved relations with key stakeholders including host communities, employees and organised labour and government
- Stronger currency will reduce costs and enhance profitability
- Security of power supply enhances ability to plan and execute.

Risk mitigation and opportunities for improvement

- Risk-based response plans to Covid-19 in place supported by codes of practice and associated procedures
- Further improve stakeholder engagement processes, specifically with employees and host communities
- Ongoing engagement with authorities to seek clarity on and cohesion on key policy issues
- Regular review of prioritisation of forex and its allocation
- Apply for export incentives
- Maintain power securitisation with Zimbabwe electricity distribution company and investigate green energy alternatives to supplement supply.

Stakeholder material matters

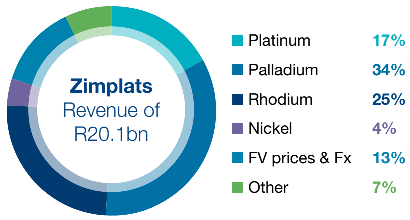
MATERIAL MATTERS	RESPONSE
STAKEHOLDER: EMPLOYEES	
• Impact of Covid-19 on the health and wellbeing of employees • Increased demand for employment opportunities	• Effective response to Covid-19 pandemic • Intensive communication and engagement • Recruitment from local communities is prioritised • Exploring opportunities for LED
STAKEHOLDER: COMMUNITIES	
• Socio-economic impacts of Covid-19 • Significant expectations around our socio-economic contribution to the broader community/country • Tailings dam risk to communities • Drought relief	• Intensive consultation and engagement • Initiatives to ease the impacts of the pandemic including the provision of food, water and medical support • Intensive consultation and engagement • LED programmes gaining traction • Land has been identified for the relocation of families currently residing in the dam's zone of influence • Assisting local communities with access to potable water • Food relief programme implemented
STAKEHOLDER: GOVERNMENT	
• Government severely challenged by economy • Cash and foreign currency shortages in Zimbabwe • Beneficiation requiring: – the development of a refinery in-country – PGM concentrate export levy	• Targeted high-level engagement is ongoing to promote value-enhancing relations • Ongoing engagement with the Reserve Bank of Zimbabwe • Zimplats continues to actively look into further beneficiation • The export levy has been further deferred until 2021 conditional on the development of beneficiation plans
STAKEHOLDER: SHAREHOLDERS	
• Concerns include: – political and economic developments in Zimbabwe – business performance – impact of regulatory compliance	• Kept informed of business performance through analyst briefings, quarterly updates and other announcements released on the ASX

Operational performance – Zimplats (continued)

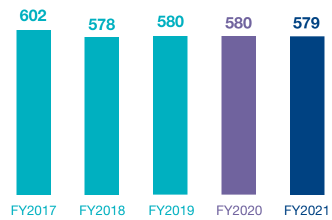
Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/ target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital · Natural capital · Intellectual capital	• Address regulatory compliance – maintain licence to operate • Nurture and retain goodwill • Implement CSR programmes • Increase year-on-year community procurement • Environmental management and rehabilitation programmes – water recycled >44% • CO_2 emissions – achieve year-on-year reductions	• Ongoing stakeholder engagement • Zimplats supports Zimbabwe's aspirations to grow and diversify its PGM industry • Local community procurement – 60% of discretionary spend • Environmental management and rehabilitation programmes – water recycled – 43.4% – CO_2 emissions – 10% year-on-year reduction
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital · Intellectual capital · Manufactured capital	• Zero fatalities • LTIFR – <0.35 ppmhw • 6E in concentrate production – 570koz – 600koz • Cost per 6E ounce – US$630/oz – US$690/oz	• One fatality • LTIFR 0.20 pmmhw • 6E in concentrate production 590koz • Cost per 6E ounce US$661/oz
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Capital allocation – capital <US$140m • Cost management – costs <US$400m	• Capital allocation – capital US$159m • Cost management – costs US$387m
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital · Social and relationship capital · Manufactured capital	• Ongoing optimisation of portfolio – acceleration of Mupani project – inclusion of upper ores in Mupani and Bimha mines	• Excellent progress on development of Mupani Mine and the project remains on schedule • Inclusion of upper ores at Mupani and Bimha mines is ongoing • Initiation of the Mupani and Bimha expansion projects and the development of a third concentrator plant
Organisational development		
We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver Human capital · Intellectual capital · Social and relationship capital	• % increase in labour count to support accelerated ramp up • Strengthen management succession and build leadership capacity • Implement culture transformation	• Enhanced focus on human resources • Development of a high-performance culture • Organisational structure and remuneration policies to support this culture

Business plan/target KPI for FY2022	Key actions in FY2022
• Compliance with regulatory requirements • Nurture and retain goodwill • Implement CSR programmes • Increase year-on-year community procurement • Environmental management and rehabilitation programmes – water recycled >44% – CO_2 emissions – achieve year-on-year reductions	• Implement CSR and local enterprise development programmes • Continue with resource conservation and environmental management programmes • Partner with government in rebuilding national economy • Further relationship with government and improve stakeholder engagement
• Zero fatalities • LTIFR – <0.35 ppmhw • 6E in concentrate production – 580koz – 600koz • Cost per 6E ounce – US\$670/oz – US\$690/oz	• Prevent injury and achieve safety goals • Optimise mining infrastructure and mass balance • Effective grade control • Progress plant expansion project
• Capital allocation – capital – US\$220m to US\$245m • Cost management – costs <US\$410m	• Capital allocation – continue with Mupani Mine development – maintain dividend payment as per policy • Cost management – develop alternative sources for South African purchases to limit exposure to ZAR – review alternatives to mitigate cost of electricity – extend lifecycle of major equipment
• Ongoing optimisation of portfolio – acceleration of Mupani project – inclusion of upper ores in Mupani and Bimha mines – expansion of Mupani and Bimha mines over a seven-year period – development of the third concentrator plant at Ngezi for commissioning in FY2023	• Deliver incremental production growth through accelerated development of Mupani Mine, the inclusion of upper ores in Mupani and Bimha mine plans, the development of a third concentrator and the expansion of Mupani and Bimha
• Manage labour availability to support full operational capacity • Strengthen management succession and build leadership capacity • Implement culture transformation	• Embed high performance management system • Develop managerial and competency skills • Strengthen capacity and capability in key areas

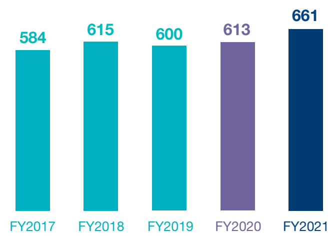
Revenue contribution by metal



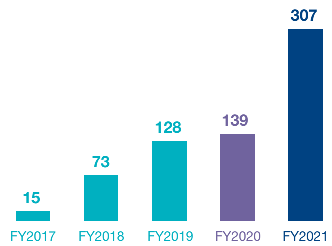
Production (koz)



Cost (US\$/oz)



Free cash flow (US\$m)



PERFORMANCE

Zimplats delivered a strong operational performance and made pleasing progress on the expansion projects under construction at the operation, despite the challenges presented by managing and mitigating the potential threat presented by Covid-19.

In February, following a period of abnormal regional rainfall, a portion of the high wall at the Ngwarati Mine box cut collapsed, fatally injuring an employee and resulting in the temporary closure of the mining portal. This necessitated the transfer of production teams to Rukodzi, Bimha and Mupani mines. Milled volumes were supplemented by stockpiled development ore from Mupani to mitigate the impact on production. The box cut was repaired and Ngwarati was recommissioned at the end of the period. All box cuts were reassessed for stability.

Milled volumes increased by 1% to 6.82 million tonnes (FY2020: 6.75 million tonnes). 6E milled head grade of 3.44g/t (FY2020: 3.48g/t) declined by 1% and was impacted by higher volumes of stockpiled development ore to mitigate the production impact of the Ngwarati high wall subsidence. Higher milling rates and lower-grade material adversely impacted process recoveries and 6E metal in concentrate production of 590 000 ounces declined by 1% (FY2020: 597 000 ounces). 6E matte volumes of 579 000 ounces were flat relative to the prior year (FY2020: 580 000 ounces), while 6E sales volumes of 543 000 ounces declined by 2% due to an export administrative delay experienced towards the end of the period. This material was subsequently delivered post the end of the period in early July 2021.

Total cash costs increased by 6% to US$387 million, with mining inflation compounded by higher mining and smelting costs. Unit costs per tonne milled increased by 6% to US$57 per tonne, while marginally lower matte volumes resulted in unit costs rising by 7% to US$668 per 6E ounce (FY2020: US$627 per 6E ounce). On a stock-adjusted basis, unit costs increased by 8% to US$661 per 6E ounce in matte (FY2020: US$613 per 6E ounce) impacted by the additional milling of low-grade stockpiles. Covid-related expenditure of US$6 million equated to spend of US$11 per 6E ounce.

Capital expenditure increased by 43% to US$159 million (FY2020: US$111 million) and was 41% higher in rand terms as the Mupani and Bimha expansion projects and the third concentrator plant received board approval and spend on the Mupani Mine replacement project accelerated. The development of Mupani Mine to replace Rukodzi and Ngwarati mines which deplete in FY2022 and FY2025, respectively, is progressing well and on schedule. The project targets to attain a design capacity of 2.2Mtpa in September 2024, at a total estimated cost of US$264 million.

Zimplats achieved gross profit of R11.6 billion (FY2020: R7.0 billion), generated R4.8 billion in free cash flow (FY2020: R2.5 billion) and contributed R4.5 billion in headline earnings (FY2020: R3.4 billion) to the Group.

KEY PROJECTS

The construction of a third concentrator at Ngezi at a cost of US$94 million will expand milling capacity from 6.6 million tonnes per annum to 7.6 million tonnes . The additional concentrator module will be commissioned in FY2023 and will add 80 000 6E ounces to the operation's annual production capacity. Further minor upgrades to the new concentrator in future will increase milling capacity to 8.6 million tonnes per annum.

Stockpile and run-of-mine ore from existing portals, including Mupani, will initially provide 80 000 ounces of feed for the new concentrator. Over the next seven years, Mupani and Bimha mines will be expanded to replace Mupfuti Mine, which is expected to be depleted by the end of FY2027. The cost of this project is US$204 million to be spent between FY2022 and FY2028. Studies are being advanced to grow mining production further to fully utilise the full potential of the additional milling circuit and realise an additional 100 000 ounces of growth over the medium term.

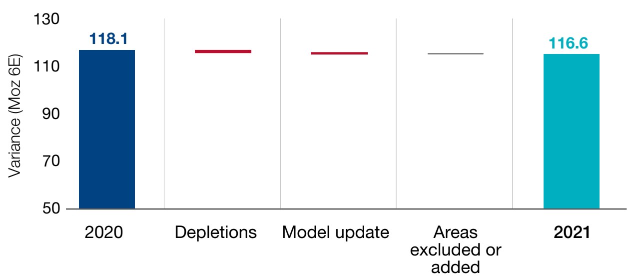
TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

The 30 June 2021 Mineral Resource and Mineral Reserve base at Zimplats benefitted from the conversion of additional Upper Ores (UOR1) on the shallower dipping (9º-14º) flanks following trial mining during the year. Zimplats has a current LoM in excess of 30 years.

Mineral Resource reconciliation

The reduction in Mineral Resource tonnage attributed to mining depletion amounted to 6.2Mt during the year. The year-on-year reconciliation of the PGE Mineral Resource estimate shows an overall decrease from 118.1Moz 6E to 116.6Moz 6E due to depletion and model updates.

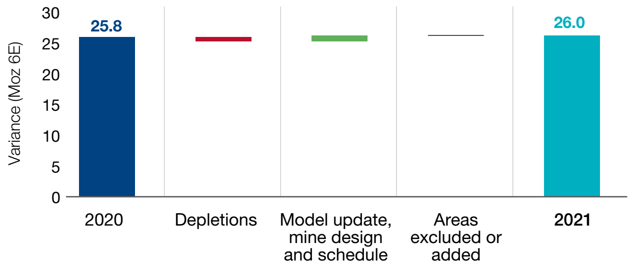
Total Zimplats 6E Mineral Resources
as at 30 June 2021 (variance Moz 6E)



Mineral Resource reconciliation

A net increase in Mineral Reserve of approximately 3Mt is reported mainly due to increase in drilling coverage and geological confidence over the UOR1 areas which allowed for their inclusion in the mining plan and conversion to Mineral Reserves. The declared Mineral Reserves subsequently increased by 0.2Moz 6E after mining depletion. More details related to this change can be found on the Zimplats website **(www.zimplats.com)**.

Total Zimplats 6E Mineral Reserves
as at 30 June 2021 (variance Moz 6E)



LoM, valuation and sensitivity

The economic viability of the Zimplats Mineral Reserves is tested by Implats using net present value calculations of the Mineral Reserve, determining the lowest real rand basket price that would still render the Mineral Reserve viable. These calculations generate basket prices based on the local PGM metal ratios and differ from the overall Group basket prices. This is then tested against the internal Zimplats estimate of the real long-term basket price and the spot price as at 30 June 2021. These tests indicate that the Zimplats operation requires a real long-term basket price of between R12 000 and R13 000 per 6E ounce to be economically viable. While the real spot basket price for Zimplats as at 30 June 2021 was R40 077 (US$2 806) per 6E ounce, the Zimplats internal long-term real basket price is R22 503 (US$1 626).

Zimplats estimated 20-year 6E LoM ounce profile
as at 30 June 2021

OUTLOOK

Zimplats is expected to produce between 580 000 and 600 000 ounces of 6E concentrate in FY2022. Capital expenditure is expected to increase to circa US$220 million to US$245 million as the expansion of the mining footprint at Mupani and Bimha is progressed and the 80 000 6E ounce third concentrator is constructed. Unit costs will reflect the increased volumes of ore mined as stockpile is accumulated ahead of commissioning of the expanded processing capacity at the operations and are expected to be between US$670 to US$690 per 6E ounce in matte.

Operational performance

IMPALA CANADA

Impala Canada, previously known as North American Palladium, is a wholly owned subsidiary of Implats following its acquisition in late 2019. The Lac des Iles Mine (LDI), Impala Canada's single operating asset, is located in the Canadian province of Ontario, north of the city of Thunder Bay. The operation comprises underground and surface mining operations and a concentrator.

Key statistics

- FIFR **0 pmmhw**
- LTIFR **3.12 pmmhw**
- Number of employees **926**
- Capital expenditure **C$94m**
- Free cash flow **R3.1bn**
- Headline earnings **R2.8bn**
- 6E in concentrate production **260koz**

Strategic focus

Continued optimisation of LDI by transitioning the mine to a more sustainable underground operation and addressing processing constraints.

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020 Rm
Revenue	8 971	3 254
Other net income/(expenses)	210	(222)
Gross value generated	9 181	3 032
Depreciation	(1 324)	(611)
Deferred tax	(482)	(121)
	7 375	2 300
Distribution of value		
Labour and other	(1 174)	(125)
Cost of sales – other	(1 988)	(1 423)
Finance costs	(318)	(395)
Non-state royalties	(401)	(142)
Direct state taxes	(724)	(23)
Value retained in the business	(2 770)	(192)

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

- Permitting requirements to maintain continual operations
- Long-term tailings storage at LDI
- Stakeholder relations with Indigenous communities
- Employee turnover.

Value drivers

- Improved stakeholder relations
- Elevated exposure to high palladium prices
- Operational continuity will ensure production targets are met.

Risk mitigation and opportunities for improvement

- Maintain government relations and ongoing regulatory compliance
- Indigenous community consultations
- Competitive remuneration structures and succession planning.

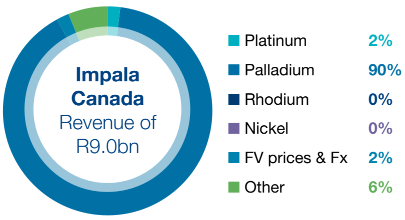
Stakeholder material matters

MATERIAL MATTERS	RESPONSE
STAKEHOLDER: EMPLOYEES	
• Impact of Covid-19 on the health and wellbeing of employees	• Effective policy and procedural response to Covid-19 pandemic • Intensive communication, education and engagement • Removed barriers and increased access to vaccination • Completed site-wide wellness survey to identify factors contributing to employee health and wellness
STAKEHOLDER: COMMUNITIES	
• Socio-economic impacts of Covid-19 • Employment, procurement and social investment opportunities for indigenous communities • Environmental stewardship	• Initiatives to ease the community-felt impacts of the pandemic including the provision of food, water and PPE • Ongoing discussions with local indigenous communities to ensure honest, transparent relationships are maintained and where possible, establishment of formalised Community Benefit Agreements

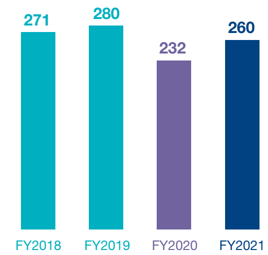
Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/ target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital; Natural capital; Intellectual capital	• Strengthen stakeholder relations • Comply with regulatory protocols • Deliver value to local communities	• Compliance with regulatory guidelines and protocols • Proactive investment in community programmes (both Covid-19 and non-Covid-19 related) • Secured benefit agreements with two host Indigenous communities • C$39m in spend with local indigenous businesses, 15% of total procurement spend
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital; Intellectual capital; Manufactured capital	• Zero fatalities • Improve LTIFR – <4.40 pmmhw • 6E in concentrate production – 250koz – 280koz • Cost per 6E ounce – C$940/oz – C$1 000/oz	• Zero fatalities • LTIFR 3.12 pmmhw • 6E in concentrate production 260koz • Cost per 6E ounce – C$1 021/oz
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Capital allocation – capital <C$95m • Cost management – costs <C$265m	• Capital allocation – capital C$94m • Cost management – costs C$266m
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital; Social and relationship capital; Manufactured capital	• Expansion of underground operations	• Underground production rates increased by 20% • Changes made to the process flow sheet to improve the integrity and reliability of the plant
Organisational development		
We place people at the centre of our organisation, and engender a shared culture founded on our values to respect, care and deliver Human capital; Intellectual capital; Social and relationship capital	• Integration into broader Implats Group • Manage labour availability to support full operational capacity • Implement culture transformation	• Development of technical, financial, environmental and stakeholder management processes • Effective Covid-19 risk-based response • Maintained constructive labour relations • Implementing culture transformation leadership programme • Embedding high performance management system

Business plan/target KPI for FY2022	Key actions in FY2022
• Protect and strengthen license to operate • Support the growth and delivery of local social and educational programmes • Invest and participate in local business opportunities	• Secure benefits agreement with a local indigenous community • Update long-term tailings storage options at LDI • Establish bursary programme for youth in local indigenous communities • Promote local recruitment and procurement
• Zero fatalities • Improve LTIFR <4.00 pmmhw • 6E in concentrate production – 270koz – 300koz • Cost per 6E ounce – C$950 – C$1 000/oz	• Manage risks to prevent injuries and ensure a safe operational environment and culture • Ramp up production volumes from underground operations
• Capital allocation – capital C$95m – C$105m • Cost management – costs <C$290m	• Capital allocation – underground expansion – tailings management facility – mobile equipment – mill decoupling project • Cost management – stringent cost management as mining and milling volumes increase
• Expansion of underground operations	• Increase underground production volumes • Optimise mill performance
• Manage labour availability to support full operational capacity • Address high employee turnover	• Embed high performance culture • Enhance managerial and competency skills • Strengthen capacity and capability in key areas • Implement initiatives to address employee retention

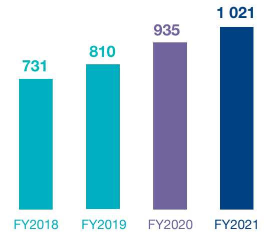
Revenue contribution by metal



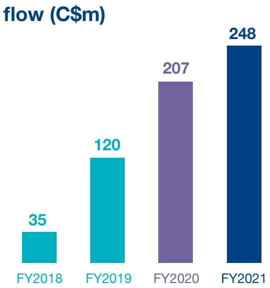
Production (koz)



Cost (C$/oz)



Free cash flow (C$m)



PERFORMANCE

The acquisition of Impala Canada concluded on 13 December 2019 and the reported operational and financial results reflect the first full year of Implats' ownership.

Despite the logistical obstacles to travel and staffing due to Covid-19 restrictions, material progress was achieved in integrating Impala Canada into the broader Implats Group, with the development and implementation of technical, financial, environmental and stakeholder management processes.

Underground production rates increased by circa 20% during the period, despite Covid-19 staffing constraints, and changes were implemented to the processing flow sheet to improve the integrity and reliability of the concentrator plant. LDI played a leading role establishing one of the first mine-based on-site vaccination programmes in the province and relationships with several neighbouring indigenous communities were formalised.

Impala Canada delivered milled throughput of 3.90 million tonnes (FY2020: 1.55 million tonnes) and the milled grade improved to 2.59g/t in the period (FY2020: 2.45g/t), yielding 260 000 ounces 6E in concentrate (FY2020: 97 000 ounces). In FY2020, the impact of Covid-19 accounted for total 6E production losses of 29 000 ounces. Gross costs of C$266 million were impacted by the start-up cost associated with the Sherriff Pit and resulted in a unit cost of C$1 021 per 6E ounce in concentrate. Covid-related expenditure of C$3 million equates to spend of C$12 per 6E ounce.

Capital expenditure of C$94 million was incurred on the development of the underground expansion project, the TSF and strengthening critical infrastructure at LDI.

6E sales volumes in concentrate increased to 260 000 ounces (FY2020: 97 000 ounces) and free cash flow generated increased to R3.1 billion (FY2020: R1.1 billion). Impala Canada achieved gross profit of R4.1 billion (FY2020: R879 million) and contributed R2.8 billion in headline earnings (FY2020: R168 million) to the Group.

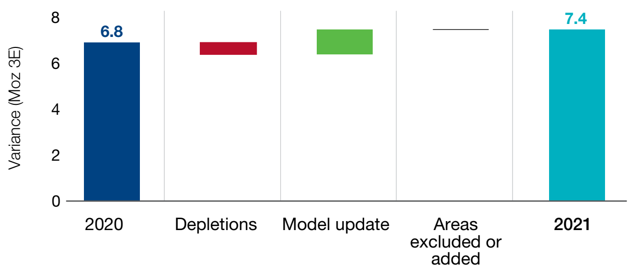
TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

The 30 June 2021 Mineral Resource and Mineral Reserve base at Impala Canada benefited from the optimisation of mine design and scheduling at Lac des Iles with the current LoM increasing to 10 years.

Mineral Resource reconciliation

The combined Measured, Indicated and Inferred Inclusive Mineral Resource estimate as at 30 June 2021 is 7.41Moz 3E and 6.34Moz Pd, net of depletion as at 30 June 2021. The waterfall graph below depicts the value add attributable mainly to the model update with the exploration data gained in 2021.

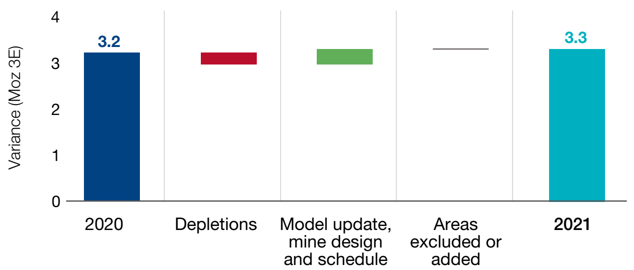
Total Lac des Iles 3E Mineral Resources
as at 30 June 2021 (variance Moz 3E)



Mineral Reserve reconciliation

The reconciliation with the Mineral Reserve estimate as at 30 June 2021 is shown below. There has been marginal increase in the 3E Mineral Reserves net of depletion, given the updates to mine design and schedules during the past year.

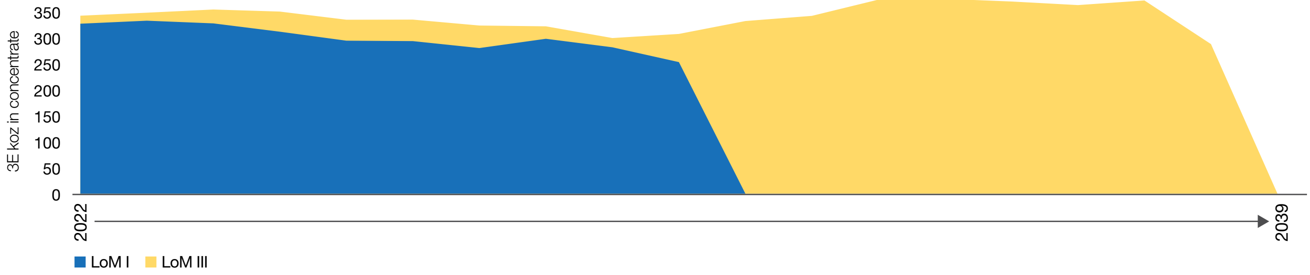
Total Lac des Iles 3E Mineral Reserves
as at 30 June 2021 (variance Moz 3E)



LoM, valuation and sensitivity

The economic viability of the Lac des Iles Mineral Reserves is tested by Implats using net present value calculations over the LoM of the Mineral Reserve, determining the lowest real rand basket price that would still render the Mineral Reserve viable. These calculations generate basket prices based on the local PGM metal ratios and differ from the overall Group basket prices. This is then tested against the internal estimate of the real long-term basket price and the spot price as at 30 June 2021. These tests by Implats indicate that the Lac des Iles operation requires a real long-term basket price of between R13 000 and R14 000 per 3E ounce to be economically viable. While the real spot basket price for Lac des Iles as at 30 June 2021 was R38 436 (US$2 691) per 3E ounce, the Lac des Iles internal long-term real basket price is R17 561 (US$1 269).

Lac des Iles estimated 18-year 3E LoM ounce profile
as at 30 June 2021



OUTLOOK

Impala Canada is expected to produce between 270 000 and 300 000 ounces of 6E in concentrate in FY2022. Capital expenditure of circa C$95 million to C$105 million is expected with spend on the mill decoupling project and continued development of the underground mine. Unit costs are expected to be C$950 to C$1 000 per 6E ounce in concentrate.

Impala Canada's Lac des Iles headframe at night

Operational performance

TWO RIVERS

Two Rivers is a joint venture between African Rainbow Minerals (54%) and Implats (46%). The operation is situated on the southern part of the Eastern Limb of the Bushveld Igneous Complex some 35 kilometres south-west of Burgersfort in the Limpopo province, South Africa.

Key statistics

- FIFR **0 pmmhw**
- LTIFR **2.10 pmmhw**
- Number of employees **3 728**
- Capital expenditure **R1.2bn**
- Headline earnings (attributable) **R1.7bn**
- 6E production in concentrate **300koz**

Strategic focus

Advance the Merensky expansion project, which includes the development of a new mine and concentrator plant.

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020 Rm
Revenue	11 992	6 173
Other net income	66	46
Gross value generated	12 058	6 219
Depreciation	(503)	(371)
Deferred tax	(692)	(334)
	10 863	5 514
Distribution of value		
Labour and other	(1 631)	(1 364)
Cost of sales – other	(1 396)	(1 358)
Finance costs	(22)	(35)
State royalties	(847)	(332)
Direct state taxes	(1 465)	(452)
Dividends to shareholders	(2 650)	(1 230)
Value retained in the business	(2 852)	(743)

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

- Delay in executing the Merensky project
- Increase in fall of ground incidents
- Delay in completion of mine deepening project
- Impact of Covid-19.

Value drivers

- Improved mining flexibility and recoveries will enhance productivity, ounces and revenues
- Improved safety performance.

Risk mitigation and opportunities for improvement

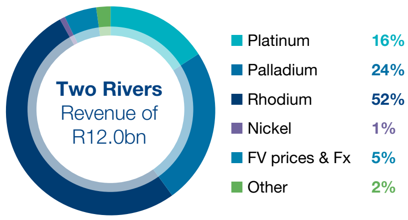
- Amend capital execution processes
- Implementation of safety management plans and processes
- Compliance to Covid-19 protocols and vaccine rollout.

New tailings storage facility at Two Rivers

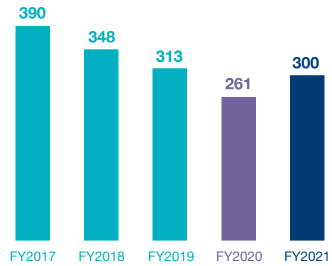
Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/ target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital · Natural capital · Intellectual capital	• Complete projects in line with SLP commitments • Ensure regulatory compliance • Maintain ISO 14001:2015 certification	• Continued to build constructive and cordial relationships with local communities • Maintained ISO14001: 2015 certification • Focus on local-to-site procurement, employment and social investment
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital · Intellectual capital · Manufactured capital	• Zero fatalities • LTIFR <2.10 ppmhw • 6E in concentrate production – 260koz – 300koz • Cost per 6E ounce – R10 000/oz – R11 000/oz	• Zero fatalities • LTIFR – 2.10 ppmhw • 6E in concentrate production – 300koz • Cost per 6E ounce – R10 376/oz
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Capital allocation – capital <R950m – returns to shareholders >R1.5bn • Cost management – costs <R3.05bn	• Capital allocation – capital – R1.2bn – dividend – R2.7bn • Cost management – costs R3.1bn
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Intellectual capital · Social and relationship capital · Manufactured capital	• Advance projects to optimise production to address orebody variability	• Projects to improve mining flexibility and processing plant enhancements to compensate for orebody variability were advanced • Initiated Merensky expansion project

Business plan/target KPI for FY2022	Key actions in FY2022
• Complete projects in line with SLP commitments • Ensure regulatory compliance • Maintain ISO 14001:2015 certification	• Continue to promote employee wellbeing • Maintain ISO 14001:2015 certification • Maintain cordial relationships with neighbouring communities
• Zero fatalities • LTIFR <2.10 ppmhw • 6E in concentrate production – 310koz – 330koz • Cost per 6E ounce – <R11 000/oz – R11 800/oz	• Prevent injury and ensure a safe operational culture • Pursue productivity and cost containment initiatives
• Capital allocation – capital – R2.7bn – R3.0bn • Cost management – costs <R3.7bn	• Capital allocation – decline extensions – new tailings dam – plant expansion – dividend payments – Merensky project • Cost management – cost containment initiatives
• Progress the UG2 plant expansion • Advance Merensky expansion project	• Improve mining flexibility • Complete the UG2 plant expansion • Advance the Merensky expansion project

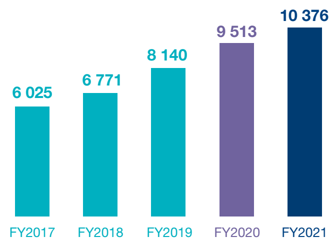
Revenue contribution by metal



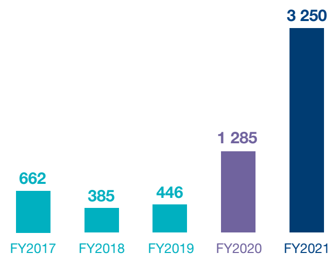
Production (koz)



Cost (R/oz)



Free cash flow (Rm)



PERFORMANCE

Two Rivers operated well during the period, successfully navigating challenges presented by Covid-19, intermittent power availability due to regional and national constraints at Eskom and progressing several major replacement and expansion projects under construction.

The delayed return of foreign employees following Covid-related national border closures impacted staffing levels at Two Rivers in the early weeks of the reporting period, while the third wave experienced late in the financial year resulted in increased absenteeism from senior management.

Milled throughput of 3.28 million tonnes increased by 9% (FY2020: 3.02 million tonnes), while 6E milled head grade of 3.43g/t (FY2020: 3.45g/t) was impacted by higher volumes of development tonnage. Production volumes benefitted from plant stability and recoveries and 6E metal in concentrate increased by 15% to 300 000 ounces (FY2020: 261 000 ounces). In FY2020, the impact of Covid-19 accounted for total production losses of 34 000 ounces 6E in concentrate.

Total cash costs increased by 25% to R3.1 billion (FY2020: R2.5 billion) as mining rates increased to build up the Covid-depleted run-of-mine stockpile ahead of commissioning the UG2 plant expansion. In total, run-of-mine production increased by 17% from the prior year. Consequently, unit costs per tonne milled increased by 15% to R949 per tonne (FY2020: R823/tonne) and a more moderate 9% to R10 376 per 6E ounce in concentrate (FY2020: R9 513 per 6E ounce). Covid-related expenditure of R19 million equated to spend of R64 per 6E ounce.

Capital expenditure increased by 52% to R1.2 billion (FY2020: R800 million) as spend accelerated on several projects including the UG2 plant expansion, the TSF, the fleet replacement programme and early works on the Merensky expansion.

Record pricing for Two Rivers' UG2 production, together with a 16% increase in 6E sales volumes to 304 000 ounces (FY2020: 261 000 ounces), resulted in record gross profit of R7.5 billion (FY2020: R2.8 billion), with free cash flow rising 153% to R3.3 billion (FY2020: R1.3 billion). After intercompany adjustments, Implats recorded attributable profit from Two Rivers of R1.7 billion (FY2020: R687 million) and received R1.2 billion in dividends during the period (FY2020: R566 million).

KEY PROJECTS

A Merensky mine will be developed alongside the existing UG2 mine and a new concentrator plant constructed at a total capital cost of R5.7 billion. The plant will be commissioned with stockpile accumulated during the establishment of the Merensky portal in FY2024, with full production of 180 000 ounces 6E expected in FY2025.

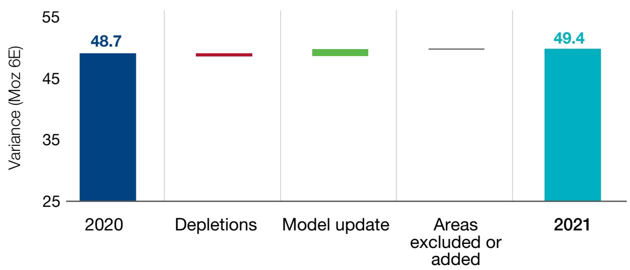
TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

The 30 June 2021 Mineral Resource and Mineral Reserve base at Two Rivers saw a material increase due to the maiden inclusion of the Merensky Reef Mineral Reserves following successful trial mining and the recent update of the historical feasibility study. Two Rivers Platinum has a current LoM of 23 years.

Mineral Resource reconciliation

The year-on-year comparisons indicate a minor change in the Two Rivers Mineral Resource estimate since the 30 June 2020 statement. The main difference can be attributed to an update of structural information and geological model with drill hole information and mining depletion.

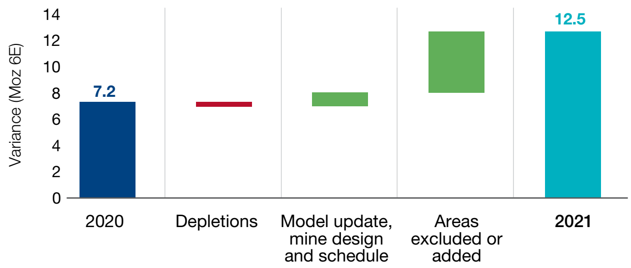
Total Two Rivers 6E Mineral Resources
as at 30 June 2021 (variance Moz 6E)



Mineral Reserve reconciliation

The year-on-year comparison indicates the material impact of the inclusion of the Merensky Reef Mineral Reserves. Production depletion and model updates related to the split reef facies associated decrease in mining width and positive change to the geological loss are further factors underpinning changes to the Mineral Reserve estimate as at 30 June 2021. In total, 37% of Two Rivers Mineral Reserves are from the Merensky Reef.

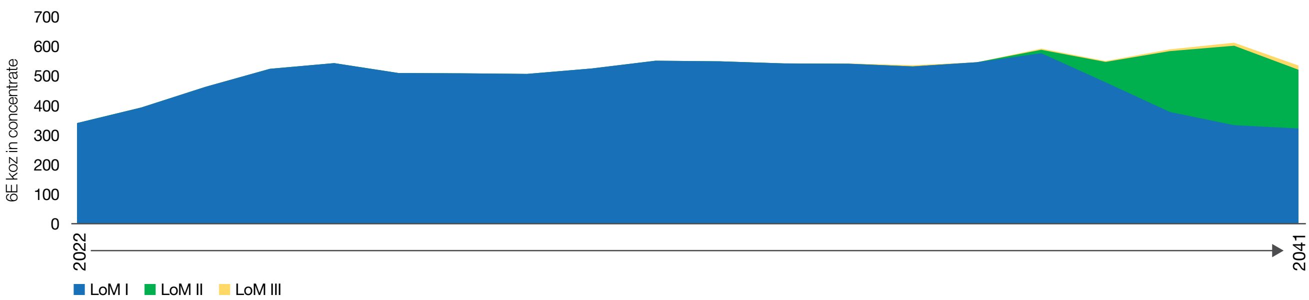
Total Two Rivers 6E Mineral Reserves
as at 30 June 2021 (variance Moz 6E)



LoM, valuation and sensitivity

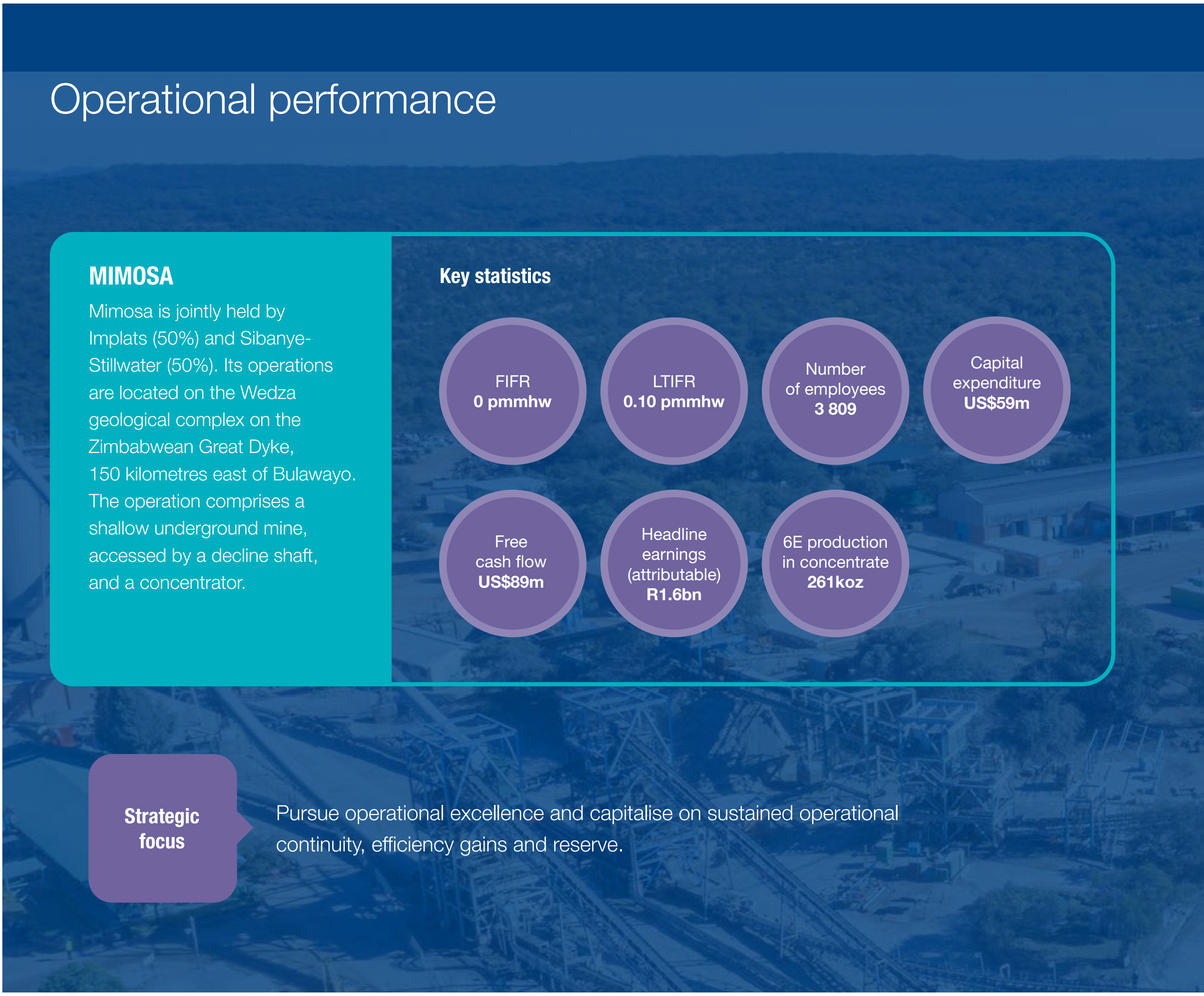
The economic viability of the Two Rivers Mineral Reserves is tested by Implats using net present value calculations over the LoM of the Mineral Reserve, determining the lowest real rand basket price that would still render the Mineral Reserve viable. These calculations generate basket prices based on the local PGM metal ratios and differ from the overall Group basket prices. This is then tested against the internal estimate of the real long-term basket price and the spot price as at 30 June 2021. These tests by Implats indicate that the Two Rivers operation requires a real long-term basket price of between R17 000 and R18 000 per 6E ounce to be economically viable. While the real spot basket price for Two Rivers as at 30 June 2021 was R44 240 (US$3 097) per 6E ounce, the Two Rivers internal long-term real basket price is R24 083 (US$1 741).

Two Rivers estimated 20-year 6E LoM ounce profile
as at 30 June 2021



OUTLOOK

Two Rivers is expected to produce between 310 000 and 330 000 ounces of 6E concentrate in FY2022. Capital expenditure is expected to rise to circa R2.7 billion to R3.0 billion as the UG2 plant expansion is completed and spend accelerates on the 180 000 6E ounce Merensky Reef project. Unit costs will reflect the impact of increased volumes of ore mined as stockpile is accumulated ahead of commissioning of the expanded processing capacity at the operation and are expected to be between R11 000 to R11 800 per 6E ounce in concentrate.



Operational performance

MIMOSA

Mimosa is jointly held by Implats (50%) and Sibanye-Stillwater (50%). 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.

Key statistics

- FIFR **0 pmmhw**
- LTIFR **0.10 pmmhw**
- Number of employees **3 809**
- Capital expenditure **US$59m**
- Free cash flow **US$89m**
- Headline earnings (attributable) **R1.6bn**
- 6E production in concentrate **261koz**

Strategic focus

Pursue operational excellence and capitalise on sustained operational continuity, efficiency gains and reserve.

Value added statement for the year ended 30 June

Prepared on headline earning basis	2021 Rm	2020 Rm
Revenue	10 771	5 079
Other net expenses	(467)	(455)
Gross value generated	10 304	4 623
Depreciation	(540)	(519)
Deferred tax	(49)	(27)
	9 715	4 077
Distribution of value		
Labour and other	(1 390)	(1 094)
Cost of sales – other	(1 753)	(1 061)
Finance costs	(12)	(39)
State royalties	(366)	(179)
Direct state taxes	(1 442)	(508)
Dividends to shareholders	(1 198)	(174)
Value retained in the business	(3 554)	(1 022)

Value chain

Purchasing	✗
Exploring	✓
Mining	✓
Concentrating	✓
Smelting	✓
Refining	✓
Marketing	✓
Rehabilitation	✓

Risks

- Impact of Covid-19
- Disruptions in exports/imports
- Regulatory uncertainty
- Forex shortages.

Value drivers

- Improved relations with key government authorities
- Reduction in operational disruptions
- Extension of life-of-mine from North Hill.

Risk mitigation and opportunities for improvement

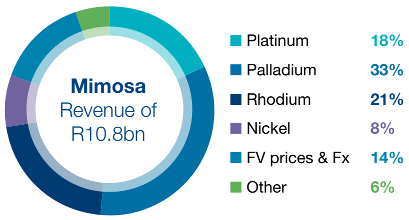
- Risk-based response plans to Covid-19 in place supported by codes of practice and associated procedures
- Engagement with Zimbabwean and South African authorities to ensure the smooth movement of materials and concentrates
- Ongoing negotiation with the RBZ at institutional level and through the Chamber of Mines to increase foreign currency retention.

Looking over the Mimosa Plant

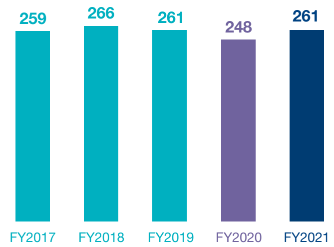
Strategic performance areas	Business plan/target KPI for FY2021	Performance against business plan/target KPI for FY2021
ESG excellence		
We aspire to become an industry leading ESG performer, producing metals that sustain livelihoods beyond mining and which create a cleaner and better future Social and relationship capital · Natural capital · Intellectual capital	• Implement social development programmes • Maintain ISO 14001:2015 certification	• Continued to build constructive and cordial relationships with local communities • Maintained ISO14001: 2015 certification • Focus on local-to-site procurement, employment and social investment
Operational excellence		
We generate superior value for all stakeholders through modern, safe, responsible, competitive and consistent operational delivery Human capital · Intellectual capital · Manufactured capital	• Zero fatalities • LTIFR <0.35 pmmhw • 6E in concentrate production – 230koz – 260koz • Cost per 6E ounce – US$730/oz – US$790/oz	• Zero fatalities • LTIFR – 0.10 pmmhw • 6E in concentrate production 261koz • Cost per 6E ounce US$832/oz
Capital management		
We pursue value creation by sustaining and leveraging a strong and flexible balance sheet within a prudent capital allocation framework Financial capital	• Capital allocation – capital <US$60m • Cost management – costs – US$ – <200m	• Capital allocation – capital US$59m • Cost management – costs – US$217m
Business development		
We seek to leverage, strengthen and grow our diverse asset base through operational exposure to shallow, mechanisable orebodies We sustain and grow value by supporting present and future demand drivers, creating strong customer relationships and aligning our production to evolving demand Human capital · Social and relationship capital · Manufactured capital	• Inclusion of additional resources to extend life-of-mine • Enhance concentrator plant	• The inclusion of Wedza West has extended life by two years and improved mining flexibility at South Hill • Plant optimisation study to improve recoveries advanced to BFS stage

Business plan/target KPI for FY2022	Key actions in FY2022
• Implement social development programmes • Maintain ISO 14001:2015 certification	• Maintain cordial relationships with neighbouring communities • Continue to promote employee wellbeing • Ongoing roll out of CSI projects • Maintain ISO 14001:2015 certification
• Zero fatalities • LTIFR <0.35 pmmhw • 6E in concentrate production – 250koz – 270koz • Cost per 6E ounce – US$800/oz – US$850/oz	• Continue to pursue zero harm • Pursue productivity and cost containment initiatives
• Capital allocation – capital – US$65m to US$100m • Cost management – costs <US$220m	• Capital allocation – concentrator project – tailings dam extension • Cost management – focus on cost containment initiatives
• Improve concentrator plant recoveries • Extend the life-of-mine through mining North Hill • Secure TSF stability and life extension	• Commence the concentrator plant enhancement project • Complete the North Hill BFS to extend life-of-mine • Commence the tailings dam extension project

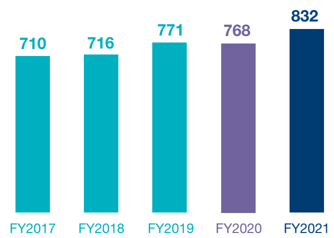
Revenue contribution by metal



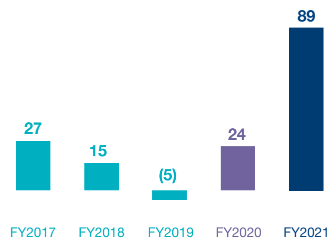
Production (koz)



Cost (US$/oz)



Free cash flow (US$m)



PERFORMANCE

The impact of rising Covid-19 infection rates in the broader Mimosa community were well controlled by the operation, which successfully applied Group protocols. The mine delivered strong results in FY2021, benefitting from higher production volumes and a step-change in sales as concentrates accumulated during the FY2020 IRS force majeure were delivered to South Africa in the period.

Milled volumes of 2.86 million tonnes increased by 6% from the prior year (FY2020: 2.70 million tonnes), during which extensive repairs were required to the milling circuit. Marginally higher 6E head grade of 3.87g/t (FY2020: 3.85g/t) was offset by weaker recoveries and 6E in concentrate production of 261 000 ounces increased by 5% (FY2020: 248 000 ounces). 6E sales volumes increased by 38% to 283 000 ounces (FY2020: 204 000 ounces).

Cash costs at Mimosa increased by 14% to US$217 million (FY2020: US$190 million) with inflationary pressures due to Covid-19 compounded by bonus payments in recognition of achieving 12 months of operation without a lost time injury, higher mined and milled throughput and the increased transport and selling expenses associated with higher sales volumes. Unit costs per tonne milled increased by 9% to US$76 per tonne (FY2020: US$70 per tonne), while unit costs of US$832 per 6E ounce were 8% higher than the prior year, which benefited from the drawdown of previously accumulated ore stockpiles during Q4 FY2020. Capital expenditure increased by 37% to US$59 million (FY2020: US$43 million) as spend on the plant optimisation project accelerated.

Strong palladium and base metal prices boosted the basket price received at Mimosa, while higher sales volumes resulted in material gains in reported gross profit, which increased by 235% to R6.2 billion (FY2020: R1.9 billion). Free cash flow increased to US$89 million (FY2020: US$24 million). After intercompany adjustments, the attributable share of profit in the Implats' Group increased to R1.6 billion (FY2020: R421 million). Implats received R561 million in dividends from Mimosa (FY2020: R44 million).

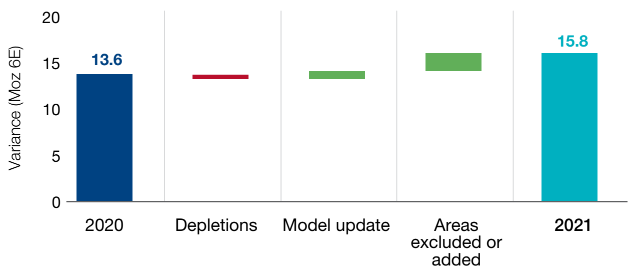
TOTAL MINERAL RESOURCE AND MINERAL RESERVE ESTIMATE

The 30 June 2021 Mineral Resource and Mineral Reserve base at Mimosa benefited from the inclusion of the Wedza West Mineral Resources which are adjacent to current mining areas and were purchased from Anglo American Platinum. These Mineral Reserves offer significant relief in mining flexibility at South Hill. The North Hill Project is now at the Bankable Feasibility Stage and is classified as LoM II. Mimosa currently has a LoM of 13 years.

Mineral Resource reconciliation

The reconciliation of the Mineral Resources is positively impacted by the recent acquisition of the adjoining Anglo American Platinum claims (Wedza West). An increase in the estimated width and review of the estimated geological losses of North Hill further contributed to the increase. Normal mining depletion offsets the growth to some extent.

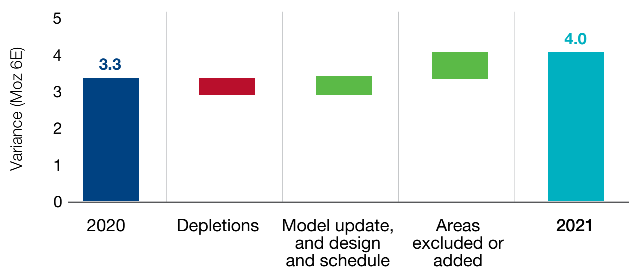
Total Mimosa 6E Mineral Resources
as at 30 June 2021 (variance Moz 6E)



Mineral Reserve reconciliation

The year-on-year reconciliation of the Mimosa Mineral Reserve estimate is positively impacted by the inclusion of the Anglo American Platinum Claims (Wedza West) and, to a lesser extent, by the mining width and other mining parameters. Normal mining depletion impacted negatively on the year-on-year reconciliation.

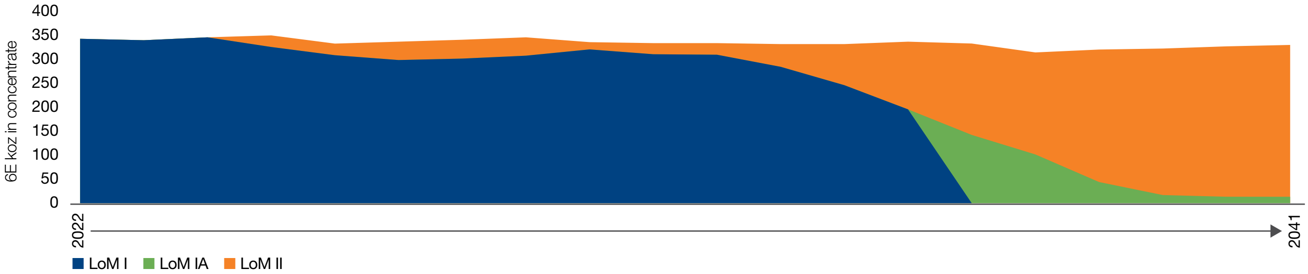
Total Mimosa 6E Mineral Reserves
as at 30 June 2021 (variance Moz 6E)



LoM, valuation and sensitivity

The economic viability of the Mimosa Mineral Reserves is tested by Implats using net present value calculations over the LoM of the Mineral Reserve, determining the lowest real rand basket price that would still render the Mineral Reserve viable. These calculations generate basket prices based on the local PGM metal ratios and differ from the overall Group basket prices. This is then tested against the internal Mimosa estimate of the real long-term basket price and the spot price as at 30 June 2021. These tests by Implats indicate that the Mimosa operation requires a real long-term basket price of between R16 000 and R17 000 per 6E ounce to be economically viable. In comparison, the real spot basket price for Mimosa as at 30 June 2021 was R40 235 (US$2 817) per 6E ounce, the Mimosa internal long-term real basket price is R23 554 (US$1 702) per 6E ounce.

Mimosa estimated 20-year 6E LoM ounce profile
as at 30 June 2021



OUTLOOK

Mimosa is expected to produce between 250 000 and 270 000 ounces of 6E concentrate in FY2022. Capital expenditure will be impacted by project approval and progression during the period and is expected to be between US$65 million and US$100 million. Unit costs are expected to be between US$800 and US$850 per 6E ounce in concentrate.

Creating a better future

Annexures

Market analysis

In the 2021 calendar year, a moderation in investment demand is likely to result in the platinum market returning to surplus. The supply impact of the release of in-process inventory by South African producers will be compounded by the demand impact of the global semi-conductor chip shortage on automotive production.

In the case of palladium, reduced Russian supply should result in a persistent, but moderated deficit while in rhodium, a more balanced market in 2021 is expected before demand growth in 2022 results in continued market tightness and a fundamental deficit.

SUPPLY AND DEMAND

PLATINUM

- Near-term industrial surpluses and a moderation in expected investment demand after elevated exchange-traded fund (ETF) inflows and bar and coin purchases in 2019 and 2020
- Medium-term tightening with limited primary and secondary supply growth, robust industrial demand and rising automotive offtake due to switching for palladium in gasoline catalysts and tightening heavy-duty emission standards, and longer-term support from the development of the hydrogen economy.

koz	CY2021	CY2020	CY2019
DEMAND			
Industrial	**4 755**	4 382	5 142
Automotive	**2 555**	2 123	2 759
Hydrogen and fuel cell	**89**	61	53
Other industrial	**2 188**	2 129	2 365
Jewellery	**1 940**	1 771	2 083
Investment	**123**	1 175	1 150
Total demand	**6 896**	7 260	8 411
SUPPLY			
Primary	**6 091**	4 852	5 997
South Africa	**4 491**	3 267	4 314
Zimbabwe	**503**	439	486
North America	**342**	339	351
Russian sales	**630**	682	721
Others	**125**	125	125
Secondary	**1 780**	1 546	1 881
Recycle – auto	**1 382**	1 218	1 392
Recycle – jewellery	**388**	319	479
Recycle – other	**10**	10	10
Total supply	**7 871**	6 399	7 878
Movement in stocks	**975**	(861)	(533)
Industrial balance	**2 651**	1 766	2 221
Industrial and jewellery	**1 098**	314	617
Industrial, jewellery and investment	**975**	(861)	(533)

PALLADIUM

- The semi-conductor chip shortage has eased demand projections in 2021, with destocking by South African producers offsetting the impact of production interruptions at a major Russian mining company. Physical markets remain tight, compounded by renewed investment activity with purchases by ETF investors
- Rising primary and secondary supply in the long term, together with metal optimisation in catalyst formulations and a rising battery-powered electric vehicle market share, will likely result in easing market tightness.

koz	CY2021	CY2020	CY2019
DEMAND			
Industrial	**11 167**	10 225	11 336
Automotive	**9 576**	8 677	9 617
Other industrial	**1 590**	1 549	1 719
Jewellery	**197**	180	218
Investment	**80**	(90)	(79)
Total demand	**11 444**	10 316	11 475
SUPPLY			
Primary	**6 779**	6 264	7 095
South Africa	**2 663**	1 932	2 510
Zimbabwe	**429**	379	402
North America	**1 015**	934	985
Russian sales	**2 460**	2 807	2 987
Others	**212**	212	212
Secondary	**3 615**	3 008	3 383
Recycle – auto	**3 161**	2 587	2 924
Recycle – jewellery	**43**	40	44
Recycle – other	**411**	381	415
Total supply	**10 394**	9 272	10 478
Movement in stocks	**1 050**	1 045	997
Industrial balance	**(816)**	(994)	(901)
Industrial and jewellery	**(970)**	(1 135)	(1 076)
Industrial, jewellery and investment	**(1 050)**	(1 045)	(997)

IMPLICATIONS FOR IMPLATS

Platinum

- **A well-diversified suite of polymetallic orebodies has buffered Implats from the impact of low platinum pricing**
- **Low-cost, quick to market growth will increase Implats' exposure to platinum in the medium term, allowing the Group to benefit from future expected market tightness.**

Palladium

- **Focus on investment to optimise assets with high palladium ore content and drive efficiency gains to offset the impact of potential softening in medium-term pricing**
- **Targeted market development to secure demand drivers for palladium in the medium to longer term.**

SUPPLY AND DEMAND

RHODIUM

- Short-term softness will result from the easing of automotive purchasing ahead of production revisions due to the chip shortage, together with funding constraints and accelerated refined supply on destocking of accumulated in-process inventory by South African producers
- Material tightening of the market in the medium term on negligible primary supply growth and benign recycling growth, together with tightening NOx standards and rising annual vehicle production.

koz	CY2021	CY2020	CY2019
DEMAND			
Industrial	**1 129**	1 039	1 137
Automotive	**1 031**	952	1 021
Other industrial	**98**	87	116
Investment	**(4)**	(7)	–
Total demand	**1 125**	1 032	1 137
SUPPLY			
Primary	**775**	616	753
South Africa	**642**	479	608
Zimbabwe	**44**	39	44
North America	**20**	21	21
Russian sales	**57**	65	68
Others	**12**	12	12
Secondary	**389**	333	356
Recycle – auto	**389**	333	356
Recycle – jewellery	**–**	–	–
Recycle – other	**–**	–	–
Total supply	**1 164**	949	1 109
Movement in stocks	**39**	(83)	(28)
Industrial balance	**36**	(90)	(28)
Industrial and jewellery	**36**	(90)	(28)
Industrial, jewellery and investment	**39**	(83)	(28)

IMPLICATIONS FOR IMPLATS

- **Record rhodium pricing and Implats' high production exposure relative to the peer group creates financial flexibility to proactively invest in asset integrity and infrastructure across the Group portfolio, ensuring the sustainability and longevity of high-rhodium content operations**
- **Targeted market development to soften market tightness and create sustainable demand patterns for all three primary metals results in increased focus on rhodium in the medium term.**

PGMs shape the world

We supply the platinum group metals (PGMs) needed to develop, sustain and improve our world. Our metals touch lives every day, and they play an important role in creating a better future through:

- **Connecting people** through hard drives, smart phones, computer screens and transportation
- **Saving lives** by their use in cancer treatments, pacemakers and airbags
- **Greening the world** through their efficacy in fuel cells, autocatalysts and clean water technologies
- **Growing wealth** via investments in bars, coins and jewellery, derivatives, ETFs and shares
- **Celebrating life** through their use in jewellery, clothing, lipstick, paint and food preservation.

FUTURE-FOCUSSED AND RECYCLABLE

PGMs will be central to our future choices – from power generation, to transport, healthcare and communication. These metals' unique catalytic, chemical and physical properties underpin the development of new uses and innovative applications of existing uses.

A major focus for current PGM innovation and development stems from the global imperative to decarbonise, reduce emissions and create a "hydrogen revolution". It is now estimated that green hydrogen could supply up to 25% of the world's energy needs and become a US$10-trillion market by 2050. Implats is proud to be at the forefront of technology developments related to the hydrogen economy via research and development of fuel cells and our investment in AP Ventures. Through fuel cells, green hydrogen enables zero-emission mobility. Using hydrogen for heat can enable the decarbonisation of industries such as steel and cement manufacturing, which currently rely on hydrocarbon fuels.

PGMs continue to be at the forefront of medical innovation too. They are used in developing artificial kidneys, for example, and in sophisticated and less invasive clot-retrieval techniques in the treatment of strokes and aneurysms. They have been actively employed during Covid-19, used in instruments that read blood gas composition, which is a vital diagnostic tool for healthcare professionals treating respiratory issues.

PGMs are uniquely durable and can be used efficiently. They are used rather than consumed – their high recyclability means they can be re-used many times, reducing their impact on the environment. When recycled, more than 96% are recovered, giving them a long lifecycle. In addition to their environment-focussed applications, this aids the role PGMs play in protecting the environment by reducing the negative impacts associated with metal waste disposal.

UNIQUE AND RARE METALS

The PGMs Implats produces include platinum, palladium, rhodium, ruthenium and iridium. PGMs are an excellent raw material, catalyst and manufacturing ingredient due to their unique chemical and physical properties.

These metals are the heartbeat of our everyday lives. One in four goods manufactured today either contain PGMs or had PGMs play a key role in their manufacture – from silicone to aircraft turbines, from anti-cancer drugs to investment jewellery and mobile phones, from catalytic converters for automobiles to electrochlorination systems and ceramic glazes.

Platinum (Pt) is one of the rarest metals, occurring at very low concentrations in the Earth's crust. It is 30 times rarer than gold and both an essential and precious metal. With iridium and osmium, it is among the densest material known – platinum is almost twice as dense as lead and 11% denser than gold. It's natural white lustre means it is best known for its use in jewellery. But this represents only about 40% of its overall platinum use, with 37% used for catalytic converters, and the remaining proportion used in other industrial applications.

Palladium (Pd) is the second most abundant of the PGMs, has the lowest melting point of all PGMs, and is the least dense. It's most remarkable quality is its ability to absorb 900 times its own volume of hydrogen at room temperature, making palladium an efficient and safe hydrogen storage medium and purifier. It is chemically stable with good electrical conductivity, making it a more effective and durable plating material in electronics relative to gold.

Rhodium (Rh), a cool-grey colour, is the third most found of the PGMs. It is extremely hard, making it an excellent alloying agent when added to platinum. Like platinum and palladium, it is a vital component in industrial catalytic systems – three-way catalysts for gasoline engines use rhodium to catalyse the reduction of nitrogen oxides to nitrogen. Rhodium is key to many industrial processes, such as glass and glass fibre production, because of it high melting point, high temperature stability and resistance to corrosion.

Iridium (Ir) is white with a faint yellow hue, and the rarest of the PGMs. Four times harder than platinum it is used in high-temperature equipment, such as the crucibles used to grow crystals for laser technology, because of its high melting point and temperature stability. It is highly biologically compatible, making it ideal for use in medical and surgical applications ranging from cancer combatting technologies, Parkinson's disease, heart conditions, deafness and blindness. This shiny metal adds brilliance to jewellery and its resistance to corrosion makes it versatile in industrial applications and chemical production.

Ruthenium (Ru) stays hard and brittle at temperatures as high as 1500°C, making it difficult to work, but useful in imparting hardness in jewellery alloys and improving resistance to abrasion on electrical contact surfaces. This cool-white metal is invaluable to the electronics and chemicals industries, due to its electrical and electrochemical profile, good catalytic properties and activity, its resistance to corrosion and its all-round stability. Ruthenium shows promise in alloys for aircraft turbine blades, which will help reduce the CO_2 impact of air travel on the environment, and in gas-to-liquids technology.

Glossary

Aids	Acquired immune deficiency syndrome
AMCU	Association of Mineworkers and Construction Union
ART	Antiretroviral therapy, provided for the treatment of HIV and Aids (excluding state and private medical aid)
B-BBEE	Broad-based black economic empowerment
BSC	Balanced scorecard
CO_2	Carbon dioxide
Covid-19	Coronavirus disease 2019
CY	Calendar year
DOH	Department of Health
DMRE	Department of Mineral Resources and Energy, South Africa
EBITDA	Earnings before interest, tax, depreciation and amortisation
EITI	Extractive Industries Transparency Initiative
ESG	Environmental, social and governance
ESOT	Employee Share Ownership Trust
Executive director	Is employed by the Company and is involved in the day-to-day running of the organisation
FFR	Fatality frequency rate
FIFR	A rate expressed per million man-hours of any Impala employee, contractor or contractor employee or visitor who is involved in an incident while performing his/her duties at work and who sustains terminal injuries shall constitute a fatal accident. Any road-related fatal incident where the Company is in full control of the vehicle, the driver and conditions related to the road injury of an employee shall constitute a fatal incident. A fatal injury may occur when an employee is incapacitated for a period of time prior to death, thus requiring a revision of injury status from LTI to a fatality
FY	Financial year (to 30 June)
GJ	Gigajoules. Unit of measure for energy
GHG	Greenhouse gases
HDP	Historically disadvantaged persons
HIV	Human immunodeficiency virus
HSE	Health, safety and environment
IBC	Inside back cover
IFC	Inside front cover
IFRS	International Financial Reporting Standards
Impala Platinum	Impala Platinum Limited, comprising Impala Rustenburg, Impala Springs and Impala Refining Services (IRS)
Implats	Impala Platinum Holdings Limited

Independent non-executive directors	Directors who apart from receiving directors' remuneration do not have any other material pecuniary relationship or transactions with the Company, its management or its subsidiaries, which in the judgement of the board may affect their independence
IPA	International Platinum Group Metals Association
ISO	International Organisation for Standardisation
JSE	Johannesburg Stock Exchange
KPI	Key performance indicator
Local/host community	Communities that are directly impacted by our mining operations and are on or near the mine lease area
LoM	Life-of-mine
Lost-time injury	A work-related injury resulting in the employee being unable to attend work at his/her place of work, performing his/her assigned duties, on the next calendar day (whether a scheduled work day or not) after the day of the injury. If the appointed medical professional advises that the injured person is unable to attend work on the next calendar day after the injury, regardless of the injured person's next roster shift, a lost-time injury is deemed to have occurred
LTI	Long-term incentive
LTIFR	Number of lost-time injuries expressed as a rate per million hours worked and includes restricted work cases
Marula	Marula Platinum (Pty) Ltd
Materiality and material issues	Issues of materiality are those aspects that may have a significant impact on the organisation's reputation and may carry a financial and/or legal cost. These aspects are identified internally through the risk process and externally through *ad hoc* or routine engagements with a range of stakeholders
MHSA	Mining, Health and Safety Act
Mimosa	Mimosa Platinum (Private) Limited
Minerals Council	Minerals Council South Africa
Mining Charter	Broad-based socio-economic empowerment charter for the South African mining industry
MPRDA	Mineral and Petroleum Resources Development Act, 28 of 2002, which came into effect in South Africa on 11 May 2004
MTI	Medium term incentive
NGE	Nomination, governance and ethics committee
NIHL	Noise-induced hearing loss
Non-executive director	A director who is not involved in the day-to-day running of the organisation but is a nominee director of a material shareholder

NO_x	Nitrous Oxide
NUMSA	National Union of Mineworkers, South Africa
ORAs	Objective-based risk assessments
PGI	Platinum Guild International
PGMs	Platinum group metals
PIC	Public Investment Corporation
PPE	Personal protective equipment
Reportable injury	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
SAMREC	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SDL	Skills development levy
SED	Socio-economic development
SET	Social, ethics and transformation
SLP	Social and labour plan
SO_2	Sulphur dioxide
STI	Short-term incentive
TB	Pulmonary tuberculosis, which in South Africa is considered an occupational illness when it is associated with the presence of dust in the workplace
TCFD	Task Force on Climate-related Disclosures
TSF	Tailings storage facilities
UIF	Unemployment insurance fund
UNSDG	United Nations Sustainable Development Goals
WPIC	World Platinum Investment Council
WUL	Water use licence

Contact details and administration

REGISTERED OFFICE
2 Fricker Road
Illovo, 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254
Email: investor@implats.co.za
Registration number: 1957/001979/06
Share codes: JSE: IMP ADRs: IMPUY
ISIN: ZAE000083648
ISIN: ZAE000247458
Website: http://www.implats.co.za

IMPALA PLATINUM LIMITED AND IMPALA REFINING SERVICES

Head office
2 Fricker Road
Illovo, 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Impala Platinum (Rustenburg)
PO Box 5683
Rustenburg, 0300
Telephone: +27 (14) 569 0000
Telefax: +27 (14) 569 6548

Marula Platinum
2 Fricker Road
Illovo, 2196
Private Bag X18
Northlands, 2116
Telephone: +27 (11) 731 9000
Telefax: +27 (11) 731 9254

Impala Platinum Refineries
PO Box 222
Springs,1560
Telephone: +27 (11) 360 3111
Telefax: +27 (11) 360 3680

Zimplats
1st Floor South Block
Borrowdale Office Park
Borrowdale Road
Harare
Zimbabwe
PO Box 6380
Harare
Zimbabwe
Telephone: +26 (34) 886 878/85/87
Fax: +26 (34) 886 876/7
Email: info@zimplats.com

Impala Canada
69 University Avenue
Suite 700
Toronto, Ontario
M5E 1K3
Telephone: +1 (416) 360 7590
Email: info@impalacanada.com

SPONSOR
Nedbank Corporate and Investment Banking
135 Rivonia Road
Sandton
Johannesburg

IMPALA PLATINUM JAPAN LIMITED
Uchisaiwaicho Daibiru, room number 702
3-3 Uchisaiwaicho
1-Chome, Chiyoda-ku
Tokyo
Japan
Telephone: +81 (3) 3504 0712
Telefax: +81 (3) 3508 9199

COMPANY SECRETARY
Tebogo Llale
Email: tebogo.llale@implats.co.za

UNITED KINGDOM SECRETARIES
St James's Corporate Services Limited
Suite 31, Second Floor
107 Cheapside
London EC2V 6DN
United Kingdom
Telephone: +44 (020) 7796 8644
Telefax: +44 (020) 7796 8645
Email: phil.dexter@corpserv.co.uk

PUBLIC OFFICER
Ben Jager
Email: ben.jager@implats.co.za

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue, Rosebank
PO Box 61051, Marshalltown, 2107
Telephone: +27 (11) 370 5000
Telefax: +27 (11) 688 5200

AUDITORS

Johannesburg office
Deloitte & Touche
Johannesburg Office
5 Magwa Crescent
Waterfall City
Johannesburg
2090
Telephone: +27 (11) 806 5000

Cape Town office
The Ridge
6 Marina Road
Portswood District
V&A Waterfront
Cape Town
8000
Telephone: +27 (21) 427 5300

CORPORATE RELATIONS
Johan Theron
Investor queries may be directed to:
Email: investor@implats.co.za

IMPLATS
EXCELLENCE IN PGMs

Impala Platinum Holdings Limited
Tel: +27 11 731-9000
Fax: +27 11 731-9254
investor@implats.co.za
2 Fricker Road, Illovo, 2196
Private Bag X18, Northlands, 2116

www.implats.co.za