

Corporate governance delivering value

The board plays a central role in the process through which value is created, preserved or eroded. The board’s decisions and actions direct the Group, shaping its prospects and viability over the short, medium and long term.


SUSTAINABLE DEVELOPMENT THROUGH CORPORATE GOVERNANCE

Governance is vital to achieving Implats’ aspiration to create a better future for all its stakeholders, to deliver value through excellence and execution and its commitment to responsible stewardship.

The board, through its committees, gives effect to the Group’s sustainability framework, which guides Implats’ approach to delivering on critical global issues, as guided by the United Nations’ Sustainable Development Goals, while being sensitive to the needs and imperatives in each host country. Implats’ sustainability framework focuses on reducing our environmental footprint, achieving our goal of zero harm, having meaningful stakeholder engagements and engaged employees, and sustaining livelihoods through and beyond mining.

RISK GOVERNANCE

While the board is responsible for risk management at Implats, aspects of risk management are prevalent throughout the organisation. Oversight of risk management systems and processes is the responsibility of the audit and risk committee, and each committee takes responsibility for the risks relevant to it.

Group top 10 risks (refer to  **page 41** and appendix A and B)

1

Lower-than-planned PGM basket pricing

2

Deterioration in safety performance

3

Successful execution of the business case articulated when Impala Bafokeng was acquired

4

Maintaining optimal and harmonious labour relations

5

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

6

Currency or exchange rate-induced inflation and instability due to devaluation of the Zimbabwe Gold (ZWG)

7

Maintaining our social licence to operate and good stakeholder relations

8

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

9

Challenged capacity and efficiencies of management layers at South African operations






10


Cyber security

BOARD COMMITTEES SUPPORTING STRATEGY

Audit and risk committee (ARC)

The committee monitors financial reporting, internal control systems, risk management processes and internal and external audits.






Activities and deliberations ¹		
Assigned risks	Capitals enhanced by committee oversight	Strategic pillars
Group risks 1 6 8 10	 	  
Special interest risks <ul style="list-style-type: none">Potential risk of weak global economic growth with slowing disinflation and tight monetary policy.		
Key committee activities and deliberations <ul style="list-style-type: none">Oversaw management’s efforts to ensure the Group’s financial stability amid the decline in PGM prices, through strategic cash conservation and effective cash managementOversaw the impairment review of key assets, including property, plant and equipment, goodwill, and equity-accounted investments, affecting Impala, Impala Canada, Two Rivers, and MimosaReviewed the accounting treatment of the Implats B-BBEE empowerment transaction and considered the calculation of the IFRS 2 B-BBEE charge. Reviewed the associated disclosures in the consolidated financial statements to its satisfactionAssessed the financial impact of the new Zimbabwe Gold (ZWG) currency on Implats’ Zimbabwean operations. Reviewed protection measures against currency depreciation and approved the reclassification of cash to a ZWG-denominated instrument, confirming satisfaction with the financial treatmentAssessed and confirmed the appropriateness of the going-concern assumption adopted in both the interim and the annual financial statementsApproved the internal audit plan and reviewed regular reports from the Group risk management and internal audit functions, and external auditors on the adequacy and effectiveness of the internal control systemMonitored the effectiveness of IT systems, with a particular focus on cyber security in both IT and operational technology (OT) functionsRecommended that no interim and final dividends be declared, in line with the Group capital allocation framework, balance sheet and liquidity, as well as dividend policiesReviewed the internal controls related to in-process metal inventories and concluded that the in-process metal was fairly valued.		
Outlook and future focus areas <p>Include, but are not limited to:</p> <ul style="list-style-type: none">Continuing to monitor market conditions and oversee the implementation of appropriate cash preservation responses to improve profitability and ensure the sustainability of the Group’s various operationsContinuing to monitor and maintain an optimal capital structure for the Group and monitoring the appropriateness of the capital allocation framework, taking cognisance of future growth options, market conditions and medium-term capital requirementsMonitoring the ever-increasing cyber security risk and the internal and mitigating controls in place and continuing to monitor the integration of the IT and OT environment and the associated impact on cyber security riskMonitoring and responding to developments in the sustainability and climate-related financial reporting landscape ensuring the Group has the appropriate resources and controls to meet stakeholder requirements.		

¹ A comprehensive list of the committee’s duties and focus areas are available in the audit and risk committee report in the annual consolidated financial statements, which are available at  www.implats.co.za.

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Social, transformation and remuneration (STR) committee

The STR committee guides and supports the Group’s sustainability practices.

Activities and deliberations		
Assigned risks	Capitals enhanced by committee oversight	Strategic pillars
Group risks 4 7 8 9	  	 
Special interest risks Refer to appendix B		
Key committee activities and deliberations <ul style="list-style-type: none">Revised the remuneration policy to include adjustments to variable pay and the integration of ESG metrics into our long-term incentive plan, ensuring alignment with sustainable performance and shareholder expectationsDue to market conditions and operational challenges, the committee approved the deferment of 2023 salary increases proposed by management. For 2024, the committee proposed a targeted, two-pronged salary adjustment approach: a standard increase aligned with inflation, and an additional adjustment addressing last year’s deferralAssessed management’s strategy to strengthen stakeholder relations in the pursuit of harmonious co-existence with host communities and the labour forceApproved a 0% LTIFR safety score adjustment for the Group and Impala Rustenburg, as proposed by management, following the increase in fatalities, including the 11 Shaft tragedyStrengthened the link between ESG performance and executive pay by incorporating ESG metrics, including safety and social impacts into the long-term incentive planOversaw labour restructuring across the Group, including the initiation of a Section 189(3) process across the South African operationsMonitored the integration of Impala Bafokeng into the Group, including alignment in performance management, rewards, retirement funds and employee housing conditionsOversaw management’s initiatives to create sustainable livelihoods in mine communities through social performance programmesReviewed and approved the ESG and remuneration reportsApproved the Group policy on harassment, bullying and victimisationMonitored the development of the Companies Amendment Bill, which was signed into law and became the Companies Amendment Act in July 2024.		
Outlook and future focus areas <ul style="list-style-type: none">Continuing to oversee the integration of Impala Bafokeng into the Implats operating model, with a particular emphasis on fostering cohesive people integration and effectively managing labour union relationsOverseeing management’s strategy to retain critical skill sets, stabilise operational leadership and strengthen leadership capacity and capabilityFocus on innovative funding strategies to sustain social performance programmes, specifically tailored to the challenges of a declining metals price environment.		

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 and the environment.

Activities and deliberations		
Assigned risks	Capitals enhanced by committee oversight	Strategic pillars
Group risks 2 5 8	    	  
Failure to establish resilience around water scarcity within the South African region (refer to the environmental chapter of the ESG report).		
Special interest risks Refer to appendix B		
Key committee activities and deliberations <ul style="list-style-type: none">Monitored the safety impact of the 11 Shaft personnel conveyance tragedy, which took place on 27 November 2023 and resulted in 13 fatalities and a further 73 injuries. The committee oversaw the progress of the rehabilitation of injured employees, reskilling programmes for those unable to return to their original positions, and ensured continued support for the families of the deceased through the Group’s We Care programmeOversaw internal investigations into the 11 Shaft incident, conducted alongside regulatory processes, ensuring full compliance with internal, industry and regulatory standards. The committee is committed to sharing key insights with relevant stakeholders to enhance industry-wide safety practicesSupervised efforts to strengthen the Group’s safety culture, including hosting safety summits and establishing robust safety performance targets, with continuous improvement initiatives planned through to 2029Approved a Group-wide mental health and wellness policy to promote the holistic wellbeing of employeesProvided strategic oversight of the Group’s environmental strategy, including the management of biodiversity and land rehabilitation initiativesOversaw environmental stewardship initiatives and supported the Group’s decarbonisation strategy, which targets a 30% reduction in carbon emissions by 2030 and a 37% increase in renewable energy consumption by FY2024Monitored the alignment of tailings management practices with the Global Industry Standard on Tailings Management (GISTM).		
Outlook and future focus areas <ul style="list-style-type: none">Monitor the Group’s safety performance to achieve the goal of ‘zero harm’ by ensuring the continuation and effectiveness of initiated interventionsOversee management’s initiatives to mitigate occupational and non-occupational health risks, ensuring effective on-site injury responses and continuous monitoring of chronic diseases and mental wellbeing. Additionally, oversee progress in targeted health interventions, with a heightened focus on mental wellbeing and the increasing prevalence of lifestyle diseasesPrioritise responsible water management by aligning with global standards to address climate change impacts, mitigate water-related risks and guide capital decisions, especially in water-scarce regions.		

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Strategy and investment committee (SIC)


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

Activities and deliberations		
Assigned risks	Capitals enhanced by committee oversight	Strategic pillars
Group risks 3		
Special interest risks <ul style="list-style-type: none">◦ Risk to Implats' ounce production profile from possible delay to commissioning Zimplats' furnace beyond October 2024◦ Executing projects against approved plans, and controlling and monitoring progress in a capital constrained environment. <p>Refer to the short, medium and long-term Group risks on  page 43.</p>		
Key committee activities and deliberations <ul style="list-style-type: none">◦ Monitored Impala Bafokeng's performance and provided strategic oversight to ensure key performance metrics are established to meet business plan targets and achieve steady-state performance◦ Due to the declining PGM pricing environment, the committee oversaw key operational strategy changes, including short-term cash preservation measures impacting the life-of-mine and Group PGM production at Impala Canada, Two Rivers and Mimosa◦ Provided strategic oversight for the finalisation of the Impala Bafokeng acquisition and recommended the board approve the Implats strategic B-BBEE transaction◦ Conducted an assessment of and recommended updates to the Group's investment policy, the primary framework governing investments made by Implats, its subsidiaries and its joint ventures. These recommendations were presented for board approval◦ Provided oversight and assessed the implementation and effectiveness of the Group's beneficiation strategy◦ Monitored progress on key capital projects. Outlook and future focus areas <ul style="list-style-type: none">◦ Overseeing and supporting the implementation of the Group's strategy, with a focus on improving mining flexibility and enhancing asset integrity across the asset portfolio. This includes effectively addressing challenges related to low PGM pricing and operational performance◦ Overseeing the delivery of synergies through the integration of Impala Bafokeng.		

Nomination, governance and ethics (NGE) committee

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

Board appointment process

The board has established a formal process of appointing board directors, which is underpinned in the board nomination and appointment policy, available on our website at  www.implats.co.za. The NGE committee assists the board to develop the succession plan and to implement it through a rigorous appointment process. The board succession plan ensures the board appoints directors who have the requisite skills and experience, and that broader diversity, including race and gender, are prioritised.

Board evaluation process

The board committees undergo effectiveness evaluations every two years on a rotating schedule.

The FY2024 board committee evaluations are in progress and the results will be presented to stakeholders in the FY2025 annual integrated report. During the year under review, the board evaluated all retiring directors and unanimously resolved to recommend them for re-election by shareholders.

Activities and deliberations	
Capitals enhanced by committee oversight	Strategic pillars
	
Key committee activities and deliberations <ul style="list-style-type: none">◦ Oversaw key leadership appointments, including selecting the lead independent director and appointing the Group chief operating officer, Group chief technical officer, and chief executive for Impala Rustenburg. Additionally, the committee nominated these leaders to serve on the boards of Implats subsidiaries and joint ventures◦ Led a comprehensive board evaluation to identify strategic priorities for the upcoming year, with critical focus areas incorporated into board committee plans for cohesive execution◦ Oversaw the revision of the code of ethics and the board diversity policy, and approved the nomination and appointment policy◦ Provided strategic oversight of the Exco succession pipeline to ensure leadership continuity. Board training and development <ul style="list-style-type: none">◦ The company secretary offers new directors an induction programme tailored to their specific requirements. In the current year, director development was conducted through external programmes and events aimed at enhancing director effectiveness and competencies. In addition, internal deep-dive sessions at committee level were undertaken, where specific subject matters were discussed through a risk-based approach. Board members can request one-on-one engagements with executives for in-depth sessions to gain a better understanding of specific topics and areas of the business. At quarterly board meetings, directors are kept abreast of all applicable legislation and regulations, changes to rules, standards and codes, as well as relevant sector developments that could impact the Group and its operations. Outlook and future focus areas <ul style="list-style-type: none">◦ Implementing recommendations emanating from the board evaluation process◦ Embedding a culture of effective, transparent and ethical leadership◦ Ensuring the board and executive management have an adequate mix of skills, experience and attributes necessary to support the Group strategy and future endeavours.	