1. OPERATING CONTEXT

- Market, SWOT, PESTEL and competitor analysis
  - Refer to page 35

2. RISK

- Governance
  - Refer to page 12

- Management
  - Refer to page 44
3. STRATEGY AND RESOURCE ALLOCATION

- Business plan
  Refer to page 72
- Reserves
  Refer to page 92

4. STAKEHOLDER OUTCOMES AND TRADE-OFFS

- Stakeholders
  Refer to page 56
- Trade-offs
  Refer to page 14

What differentiates us:
- Portfolio: favourable opportunity to optimise our ore mix
- Processing capability: IRS toll refining model
- Reduced future capital requirement

MANAGING KEY RISKS

1. Ability to return Impala Rustenburg to cash neutral/positive position
2. Weak balance sheet
3. Sustained depressed PGM basket prices
4. A significant deterioration in safety performance
5. Zimplats: availability of foreign currency
6. Maintaining our social licence to operate and stakeholder relations
7. Failure to comply with legal and regulatory requirements throughout the value stream
8. Reduced production flexibility and smelting operations at Impala Rustenburg and Zimplats
9. Challenged capacity and efficiencies of management layers at South African operations
10. Security of water supply in South Africa

OUTCOMES DELIVERING VALUE

OUTPUTS

- 1.5Moz Platinum
- 0.9Moz Palladium
- 0.2Moz Rhodium
- 0.3Moz Ruthenium
- 67.3koz Iridium
- 79.4koz Gold
- 101.2koz Silver
- 16.0kt Nickel
- 10.0kt Copper
- 0.9kt Cobalt

ENVIRONMENTAL OUTCOMES

- 29.0kt Non-mineral hazardous waste recycled
- 411kt CO₂ direct emissions
- 23 146Mℓ Water withdrawn

EMPLEYOEES

- R13.7 billion in salaries and benefits
- R485 million invested in training
- TB incidence rate reduced to below 300 per 100 000
- 5 730 employees receive ART treatment

UNIONS

- Stable and constructive relationship enables meaningful discussions on employee matters

COMMUNITIES

- Local to site employment
- Responsible procurement practices

REGULATORS

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

SHAREHOLDERS/DEBT HOLDERS

- 244% increase in share price
- Enhance and protect value through the successful restructuring of the Group to return Implats to profitability within the set timeline and the ongoing focus on cost containment and efficiency improvements

CUSTOMERS

- Sustainable and reliable delivery of high-quality products

What differentiates us:
- Portfolio: favourable opportunity to optimise our ore mix
- Processing capability: IRS toll refining model
- Reduced future capital requirement
Implats recognises the need for an effective stakeholder engagement function, aimed at building and sustaining value-enhancing relations with all key stakeholders to secure and maintain our social licence to operate.

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. Operations are very different. Applicable information has been provided on a per operation basis in the relevant operational review (refer to pages 14 to 128).

Implats’ board-approved stakeholder engagement strategy was developed with particular cognisance of King IV, and the overarching AA1000 Assurance Standard principles of materiality, completeness and responsiveness. Throughout the business planning process, the organisation has developed supporting systems, processes and targeted engagements to give practical effect to the strategy.

Our inclusive stakeholder review process is depicted as follows:

```
IDENTIFY
Identifying all stakeholders

MAP
Mapping each stakeholder against a designated champion or responsible executive

PRIORITIZE
Prioritising stakeholders according to our impacts on them and the nature of the relationship

DEFINE
Defining the method of engagement and identifying potential opportunities to grow and sustain the relationship

DETERMINE
Determining their level of influence on the business

ESTABLISH
Establishing a tool for monitoring and evaluating relations in order to take proactive measures to improve those where they are found lacking
```

Implats currently has six priority stakeholder groups (Zone 1), requiring high-level ongoing care and responsiveness to sustain mutually beneficial relations. The priority level (zoning) of the 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 Implats’ value-creation goals.

Each stakeholder is allocated an executive or champion responsible for managing the relationship with the organisation as outlined below:

```
ON-GOING ENGAGEMENT
Employees and unions: HR executive, Operations executive
Communities: Corporate relations executive, Operations executive
Local government: Operations executive
Provincial government: Corporate relations executive, Operations executive
National government: CEO (assisted by Exco), Chairman of the Implats and Zimplats boards
Shareholders/debt holders: CEO (assisted by corporate relations and the CFO), Chairman of the board
Customers: Marketing executive

REGULAR ENGAGEMENT
Media: Corporate relations executive
Suppliers: CFO
Business partners: CFO (assisted by Exco)
Industry forums: CEO (assisted by Exco)
Financial institutions: CFO
Business and financial analysts: Corporate relations executive
Board: CEO (assisted by the company secretary)

PERIODIC ENGAGEMENT
Competitors: CEO (assisted by Exco)
Emergency services: HSE executives
Civil society: Corporate relations executive
NGOs: Corporate relations executive
Universities and R&D institutions: Technical services executive
```

The identified material matters and the associated responsibility, risks, as well as consequent actions and responses, are captured in the risk management system to ensure continuous management. The accessible nature of the system enables effective oversight by the executive team.
STAKEHOLDER MATERIAL MATTERS AND THEIR EFFECT ON CAPITALS

This year, we self-assessed the quality of our relationship with the various stakeholder groups, using a spectrum ranging from weak, cordial and strong. In 2020 and beyond, we aim to build on the objective, quantifiable relationship assessment pilot project for select stakeholders, which we introduced last year.

- W – weak
- C – cordial
- S – strong

EMPLOYEES AND UNIONS

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

JOB SECURITY AMID IMPALA RUSTENBURG RESTRUCTURING

- W – matter
- R – response

Workforce reductions and job security concerns due to restructuring and potential shaft closures at Impala

A cordial industrial relations climate was maintained, including throughout the s189 process for Phase 1 of the Impala Rustenburg restructuring, concluded in January 2019. A total of 1,329 people exited the organisation and forced retrenchments were limited to 117.

Our proactive communications strategy and targeted engagement process to mitigate risk, included:

- Advancing engagements with union leadership at all levels, with focus on maintaining trust
- Job-loss avoidance measures including redeployment of employees to vacant positions at the 16 and 20 growth shafts, natural attrition, reskilling, voluntary separation, and business improvement initiatives

Effect on capitals (human; social; financial)

Reducing jobs at Impala Rustenburg will allow us to execute our strategy to restructure Impala Rustenburg, increase financial capital, and create a sustainable business which supports social and human capitals at the expense of human capital employed through job losses and social capital in the communities where we operate.

Outlook

The roll-out of phases 2 and 3 (closing 1 and 9 Shafts and associated overheads) is in progress and we continue to engage with our employees and unions, the government and community leadership.

NEGOTIATION OF WAGE AGREEMENT

Given the wage negotiations with unions at Impala Rustenburg and Marula, which started in July 2019, and recognising the potential for labour unrest, we identified the likely forms of industrial action employees may take and developed mitigating actions in each scenario.

We conducted a detailed analysis of internal and external factors that might impact the wage negotiations, to identify key risks to mitigate and monitor. The analysis involved close communication with relevant stakeholders and intensive engagements at all levels with union leadership, particularly with the Association of Mineworkers and Construction Union (AMCU).

Effect on capitals (human; financial)

Constructive negotiation of a new wage agreement will support both Impala Rustenburg and Marula’s financial capital-enhancing objective to achieve their FY2020 future operating cost of R25,500 to R26,500 per Pt oz (stock adjusted) of the operational excellence strategy on page 72.

Outlook

We remain optimistic of a constructive wage negotiation process and the implementation of a new wage agreement that benefits employees and secures the financial sustainability of the Group.

EMPLOYEE SAFETY

Despite the renewed focus on safety leadership and mining discipline driving significant improvements in our safety performance and metrics, five work-related fatalities occurred this year.

Each of the tragic incidents were subjected to rigorous independent investigation, and learnings shared across the Group, with management actions taken to improve controls and prevent recurrence.

Effect on capitals (human; financial)

Safe production and reaching our goal of zero harm will decrease the negative effects of the loss of life and lost-time injuries on human capital, supporting us in the execution of our operational excellence strategy by reducing the s54 and s55 stoppages and improving on production volumes, and therefore financial capital.

Outlook

The failure to identify hazards and a low appreciation for risk are routinely identified as contributing factors in significant and fatal incidents. Our culture change initiatives will assist in building resilient safety leadership and enforcing operational discipline.
STAKEHOLDER MATERIAL MATTERS AND THEIR EFFECT ON CAPITALS

DEFICIT IN LEADERSHIP COMPETENCIES

The Group identified deficiencies in leadership competencies, especially in middle and supervisory management, which affected their ability to function effectively in their roles.

We defined the leadership competencies we aspire to create and embed across the organisation and developed the “Leading the Implats Way” programme based on the care and growth model, which focuses on people and their development. This has been rolled out across all management.

ADDRESSING BARRIERS TO GENDER EQUALITY

Implats also voluntarily participated in a study by the Commissioner of Gender Equality, which resulted in a report that highlighted areas that posed as barriers to gender equality at Impala Rustenburg.

In response to these findings, we took steps to improve our approach to creating an environment conducive to gender equality and address obstacles to the employment, retention and advancement of women which included introducing a gender mainstreaming policy, designing campaigns on sexual harassment, revising graduate programmes for the advancement of women and improved female facilities on our mines.

Effect on capitals (human; intellectual)

Improving leadership capacity and competencies will assist us in repositioning Impala Rustenburg to the lower half of the cost curve and improve operational effectiveness.

Outlook

By empowering our people to “Leading the Implats Way”, we are supporting the transformation towards our desired organisational culture of care and performance, driving organisational success through our people.

PERFORMANCE AFFECTING RELATIONSHIP QUALITY WITH EMPLOYEES AND UNIONS

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-related fatalities (own employees and contractors)</td>
<td>Number</td>
<td>The lives and well-being of our employees are of critical importance to Implats. We have a zero tolerance objective</td>
<td>improved</td>
<td>• Eliminate fatalities and reduce levels of injuries; each operation is expected to achieve at least a 10% year-on-year improvement in their LTIFR performance</td>
</tr>
<tr>
<td>FIFR</td>
<td>Pmmhw</td>
<td></td>
<td>improved 0.047</td>
<td>• Build resilient safety leadership and enforce operational discipline</td>
</tr>
<tr>
<td>Skills development spend</td>
<td>Rm</td>
<td>Investment in development of workforce</td>
<td>reduced 465</td>
<td>• Intensifying supervision on critical activities at the work face</td>
</tr>
<tr>
<td></td>
<td>US$m</td>
<td></td>
<td>reduced 1.4</td>
<td></td>
</tr>
<tr>
<td>Women in total workforce in South Africa</td>
<td>%</td>
<td>Promotes diversity in the workplace and enhances female representation in leadership</td>
<td>unchanged</td>
<td>• Build leadership capability</td>
</tr>
<tr>
<td>Managers who are female</td>
<td>%</td>
<td></td>
<td>unchanged</td>
<td>• Roll out the “Leading the Implats Way” programme to lower levels</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Build technical capacity to create a learning organisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Focus on:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Promoting women representation especially at junior management level</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Recruiting and retaining HDSAs with critical skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Reinforcing an environment conducive to gender equality</td>
</tr>
</tbody>
</table>

STRAEGIC OBJECTIVES

- REPOSITION IMPALA TO THE LOWER HALF OF THE COST CURVE
- OPTIMISE THE VALUE CHAIN
- IMPROVE ORGANISATIONAL EFFECTIVENESS
- ENHANCE THE COMPETITIVENESS OF OUR PORTFOLIO
- OPTIMISE BALANCE SHEET AND CAPITAL ALLOCATION
- PROTECT AND STRENGTHEN OUR LICENCE TO OPERATE
GOVERNMENT
Nature of engagement
Meetings with officials from local, provincial and national government. Compliance audits, Minerals Council South Africa Parliamentary Portfolio committee, Mining Phakisa and Mining Industry Growth, Development and Employment Task Team.

South Africa

ECONOMIC AND SOCIAL IMPACTS OF IMPALA RUSTENBURG RESTRUCTURING

- There are concerns regarding the socio-economic impacts of job losses from retrenchments.
- We continue to proactively manage the engagement process with government to demonstrate our willingness to work collaboratively with all social partners to mitigate the socio-economic impacts of the restructuring process as far as possible.

Effect on capitals (social and relationship)
Job losses associated with the restructuring of Impala Rustenburg will have an adverse impact on the socio-economic environment of the communities where we operate in the short term and reduce our financial capacity to meet our SLP commitments. The successful delivery of a restructured Rustenburg operation, however, will result in sustainable jobs and SLP contributions in the longer term.

Outlook
We aspire to sustain good relations and engagement processes.

COMPLETION OF SECOND GENERATION SLP COMMITMENTS WITHIN SET TIMELINES

- Impala Rustenburg and Marula will not be able to complete all its SLP commitments within the set deadline on December 2018 due to delays in implementation of certain SLP II infrastructure projects; initially due to late approval of the SLP following community unrest related to the 2014 platinum strike, and in recent years hampered by the Company’s financial constraints.
- To counter this, a s102 application was submitted to extend the SLP implementation period by two years to December 2020.

Effect on capitals (social and relationship)
Job losses associated with the restructuring of Impala Rustenburg will have an adverse impact on the socio-economic environment of the communities where we operate in the short term and reduce our financial capacity to meet our SLP commitments. The successful delivery of a restructured Rustenburg operation, however, will result in sustainable jobs and SLP contributions in the longer term.

Outlook
We await a response to the requested time frame extension.

COMPLIANCE WITH PROVISIONS OF NEW MINING CHARTER

- The new Mining Charter 2018 contains a number of provisions that are cause for concern.
- We are confident that with the right engagement through the Minerals Council South Africa, notable uncertainties including local content and empowerment requirements and incentives for reindustrialisation will be resolved.

Effect on capitals (natural; manufactured; financial; human)
The new Mining Charter presents positive provisions for human and social capital, and secures our access to natural capital. However, the high cost of compliance with the regulation will have the effect of significantly reducing our ability to generate/acquire the financial capital required to implement our strategic objectives resulting in the long-term depletion of our other capitals.

Outlook
We await the outcomes of the judicial review process and finalisation of the charter.

Zimbabwe

ECONOMIC CHALLENGES IN ZIMBABWE

- Supporting the Zimbabwean government’s efforts to revive the economy amid increasing tensions provoked by cash and foreign currency shortages that have impacted the availability of fuel, basic commodities and pharmaceuticals.
- Following a three-day nationwide strike after the government increased fuel prices, Zimplats put measures in place to ensure the safety of its employees, the protection of assets and the continuation of uninterrupted business operations:
  - Our priority has been to address the economic and fiscal policy constraints of the country. Positive developments for the sector include the deferment of the export levy on unbeneficiated PGMs for a further two years, and the relaxation of the contentious indigenisation policy.
  - Zimplats created several opportunities to share the Company’s narrative on operations and business initiatives with key stakeholders whose support we require. This included a presentation by the chairman of Zimplats to the President of Zimbabwe on Zimplats’ growth trajectory, its contribution to the economy and the community.

Effect on capitals (social and relationship; human; financial)
The economic challenges in Zimbabwe have a direct impact on the social and financial well-being of our employees and the communities in which we operate. It strains access to financial capital and the ability to produce while also pressurising operating costs and access to state-supplied resources such as electricity.

Outlook
We will maintain ongoing targeted engagements with the leadership of the Zimbabwean government to promote value-enhancing relations.
### Performance Affecting Relationship Quality with Governments

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental incidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Level 3**</td>
<td>Number</td>
<td>Indicators of efficient use of our scarce natural resources, which are shared with the other stakeholders</td>
<td>deteriorated 23 22 32</td>
<td>Principal focus areas for 2020: Environmental management: Implement remediation plans to address environmental non-compliances, Maintain environmental authorisations with all relevant regulatory authorities</td>
</tr>
<tr>
<td>- Level 4 or 5</td>
<td>Number</td>
<td></td>
<td>unchanged 0 0 0</td>
<td></td>
</tr>
<tr>
<td>Unit water consumption</td>
<td>K/tonne milled</td>
<td></td>
<td>improved 2.05 2.10 2.30</td>
<td></td>
</tr>
<tr>
<td>Total direct SO₂ emissions</td>
<td>Tonnes</td>
<td>Increased 29 635 28 266 23 067</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total CO₂ intensity</td>
<td>tCO₂/t milled</td>
<td>Deteriorated 0.20 0.18 0.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** Levels 3, 4 and 5 represent limited, significant and major impact environmental non-compliances respectively.

---

**Strategic Objectives**

- Reposition Impala to the lower half of the cost curve
- Optimize the value chain
- Improve organizational effectiveness
- Enhance the competitiveness of our portfolio
- Optimize balance sheet and capital allocation
- Protect and strengthen our licence to operate
COMMUNITIES
Nature of engagement
Community leadership engagement meetings, community trust meetings, one-on-one meetings

EMPLOYMENT, PROCUREMENT, SOCIAL INVESTMENT AND SUPPLIER OPPORTUNITIES

A. There is an increasingly disproportionate community reliance on the organisation for employment, procurement and social investment opportunities. Restructuring at Impala Rustenburg has also impacted employment levels and recruitment (20 people recruited from local community – a 14% decrease year-on-year). This is exacerbated by the shortage of critical skills in the mine communities

B. To address this, the organisation invests in skills development initiatives that make members of local communities employable and promotes employment through local procurement practices and social projects (827 jobs created). In 2019, we increased local host community procurement (Tier 1) spend by 23% to R1.6 billion at Impala Rustenburg and by 82% to R70 million at Marula.

Effect on capitals (social and relationship; financial)

The broader economic challenges facing South Africa coupled with Implats’ immediate priority to restructure its Impala Rustenburg operations have reduced our short-term capacity to financially invest in our social and relationship capital.

Outlook

Impala has a policy of employing individuals from communities close to its operations where possible and will continuously develop community members and identify opportunities for entrepreneurs in the mine lease area.

PERFORMANCE AFFECTING RELATIONSHIP QUALITY WITH COMMUNITIES

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community development spend:</td>
<td></td>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>• South Africa</td>
<td>Rm</td>
<td>Maintaining our social licence to operate and contributing to the development of our host societies</td>
<td>reduced</td>
<td>86</td>
</tr>
<tr>
<td>• Zimbabwe</td>
<td>US$m</td>
<td></td>
<td>reduced</td>
<td>3.8</td>
</tr>
<tr>
<td>Total local procurement:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• South Africa*</td>
<td>Rbn</td>
<td></td>
<td>improved</td>
<td>1.7</td>
</tr>
<tr>
<td>• Zimbabwe</td>
<td>US$m</td>
<td></td>
<td>reduced</td>
<td>329</td>
</tr>
</tbody>
</table>

* Tier 1, local to site spend.
STAKEHOLDER MATERIAL MATTERS AND THEIR EFFECT ON CAPITALS

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

BEING A REPUTABLE AND RESPONSIBLE SUPPLIER OF HIGH-QUALITY PGM PRODUCTS THROUGH INNOVATION

Effect on capitals (financial; social; intellectual; manufactured)

Remaining a reputable and responsible supplier means that we retain the ability to deliver our products by successfully executing on the Impala Rustenburg restructure and optimising our value chain strategies.

We employ financial capital to contribute to the development of platinum demand by supporting the Platinum Guild International (PGI), World Platinum Investment Council (WPIC), Platinum Jewellery Development Association (PJDA) and International Platinum Association (IPA) through marketing spend and the development of intellectual capital needed to grow new markets and formulate a way forward for the platinum industry.

Outlook
The demand for our metal remains strong.

PERFORMANCE AFFECTING RELATIONSHIP QUALITY WITH CUSTOMERS

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implats brand image rating</td>
<td>percentage</td>
<td>The quality of our relationships with our customers is a key driver of revenue</td>
<td>unchanged</td>
<td>n/a</td>
<td>96</td>
<td>n/a</td>
<td>Continue to:</td>
</tr>
<tr>
<td>Customer complaints</td>
<td>number</td>
<td></td>
<td>unchanged</td>
<td>n/a</td>
<td>16</td>
<td>n/a</td>
<td>• Track and respond to customer feedback</td>
</tr>
<tr>
<td>ISO 9001 certification</td>
<td></td>
<td></td>
<td>unchanged</td>
<td>retained</td>
<td>retained</td>
<td>continued:</td>
<td></td>
</tr>
</tbody>
</table>

* Based on bi-annual customer satisfaction survey that was last performed in 2018.

STRATEGIC OBJECTIVES

- REPOSITION IMPALA TO THE LOWER HALF OF THE COST CURVE
- OPTIMISE THE VALUE CHAIN
- IMPROVE ORGANISATIONAL EFFECTIVENESS
- ENHANCE THE COMPETITIVENESS OF OUR PORTFOLIO
- OPTIMISE BALANCE SHEET AND CAPITAL ALLOCATION
- PROTECT AND STRENGTHEN OUR LICENCE TO OPERATE
SHAREHOLDERS AND INVESTOR COMMUNITY

Nature of engagement
Roadshows, results presentations, investor conferences one-on-one meetings

FINANCIAL PERFORMANCE AND IMPLEMENTATION OF STRATEGIC REVIEW

A. Ability to generate positive returns on investment in a sustainable manner – with specific interest in:
   - Our balance sheet strength
   - The Group’s ability to implement the Impala Rustenburg turnaround strategy
   - Cost containment to achieve operational efficiencies
   - Compliance with regulatory requirements and maintaining our social licence to operate

B. The responsive measures and consequent outcomes include:
   - Finalisation of the Implats capital allocation framework
   - Securing facilities and flexibility to manage liquidity over the short to medium term
   - Rigour and conservatism around monthly forecasting and over budgeting process
   - Ongoing monitoring of covenants and headroom to ensure availability of facilities over the strategic review implementation period
   - Ongoing review of actual and forecast cash prioritisation of spend including optimisation of Group cash balances and debt
   - Ongoing cost control

Capital impact: All capitals

The financial result and increase in financial capital for shareholders is the result of the combined use of all capital inputs in a responsible manner, resulting outcomes from our processes, applying our strategies towards managing risk, exploiting opportunities and producing outputs.

Outlook
- Despite improved market outlook, Implats remains committed to its long-term strategic intent to favour value over volume, embed operational improvements and build sustainability by consistently producing in a safe, productive, responsible and profitable way
- Focus in FY2020 will be on advancing the phased restructuring of Impala Rustenburg while taking advantage of the operational improvements realised over the past year and maintaining delivery from all other Group operations
- Project focus will be centred on 20 Shaft, ensuring that the continued commitment to invest and operate is matched with improved project delivery and accountability
- Organisational effectiveness and stakeholder engagement remains key to navigating the successful conclusion of wage agreements and the planned reduction in Implats’ workforce in a socially responsible way, while limiting the potential for operational interruptions
- In Zimbabwe, efforts to maintain open and constructive engagement with the government will continue amid a changeable economic and political environment

GOVERNANCE, DISCLOSURE AND CONTRIBUTIONS TOWARD ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RELATED MATTERS

In recent years, the sustainable development agenda has been gaining ground, with investors and other stakeholders increasing their focus on environmental, social and governance issues

Implats is highly rated among its peers in demonstrating socially and environmentally responsible practices and good governance (ESG indicators), and is committed to making lasting positive contributions to the communities around our operations by:
- Developing our understanding of how we can optimise our contribution towards the attainment of the United Nations Sustainable Development Goals (SDGs) (refer page 68)

This work builds on our ongoing commitment to the UN Global Compact and its 10 principles.

PERFORMANCE AFFECTING RELATIONSHIP QUALITY WITH SHAREHOLDERS AND INVESTOR COMMUNITY

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>Measurement</th>
<th>How it affects our ability to create value</th>
<th>Year-on-year change</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>Relationship enhancing actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders and bondholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>To enhance and protect value for our providers of financial capital we aim to:</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>(cents)</td>
<td>Returns to shareholders</td>
<td>unchanged</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>• Successfully implement the strategic restructuring of the Group to return Implats to profitability within set timelines</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>Rbn</td>
<td>Indicator of performance</td>
<td>improved</td>
<td>50</td>
<td>14</td>
<td>27</td>
<td>• Continue to implement cost containment and other operational efficiencies</td>
</tr>
<tr>
<td>Basic headline earnings/(loss)</td>
<td>(cents)</td>
<td></td>
<td>improved</td>
<td>423</td>
<td>(171)</td>
<td>(137)</td>
<td></td>
</tr>
</tbody>
</table>
OUR OUTCOMES

IMPACT ON CAPITALS

RESPONSIBLE INVESTMENT – IMPLATS HIGHLY RATED AMONG ITS PEERS

The sustainable development agenda has gained ground, with an increasing number of investors and asset managers focusing on responsible investment. Disclosure concerning environmental protection, social responsibility and corporate governance (ESG) assists investors in making a more holistic assessment of the sustainability and impact of investee companies on society and the environment. Periodically, Implats has its performance reviewed by ESG analysts and is an ongoing constituent of the FTSE/JSE Responsible Investment Index Series, designed to identify South African companies that demonstrate socially and environmentally responsible practices and good governance. In the 2018 Index, Implats scored an overall ESG rating of 4.2 out of 5, versus the platinum and precious metals subsector average of 3.3 out of 5. In striving to improve our rating beyond that of subsector peers, we remain committed to improving our safety performance and meeting targets set for a reduction in greenhouse gas emissions. The next assessment will be in December 2019.

FTSE INDEX 2018

<table>
<thead>
<tr>
<th></th>
<th>Implats</th>
<th>Platinum and precious metals subsector average</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG rating</td>
<td>4.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Environment</td>
<td>4.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Social</td>
<td>3.7</td>
<td>3.3</td>
</tr>
<tr>
<td>Governance</td>
<td>3.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Source: FTSE Responsible Investment Index.

Safety and health

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-related fatal injuries (number)</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>All injury frequency rate (Pm/mwh)</td>
<td>12.73</td>
<td>12.86</td>
<td>14.11</td>
</tr>
<tr>
<td>New noise-induced hearing loss (NIHL)</td>
<td>64</td>
<td>102</td>
<td>88</td>
</tr>
<tr>
<td>Number of HIV-positive employees known to be receiving antiretroviral treatment</td>
<td>5 730</td>
<td>5 771</td>
<td>5 002</td>
</tr>
<tr>
<td>Annualised TB incidence rate per 100 000 population</td>
<td>323</td>
<td>530</td>
<td>519</td>
</tr>
</tbody>
</table>

A zero harm environment and healthy workforce safeguards our human capital, enables us to achieve the target KPIs within our strategy for operational excellence, strengthen our social licence to operate, and contributes to the attainment of SDG 3 (see page 66).

People

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gini coefficient</td>
<td>0.25</td>
<td>0.27</td>
<td>n/a</td>
</tr>
<tr>
<td>Gender diversity: managers who are female in South Africa (%)</td>
<td>22</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Gender diversity: women in workforce in South Africa (%)</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Historically disadvantaged South Africans (HDSAs) in management (%)</td>
<td>59</td>
<td>57</td>
<td>54</td>
</tr>
</tbody>
</table>

A diverse and inclusive workforce enhances our social, human and intellectual capitals and drives our organisational effectiveness and contributes to SDG 4.

Social

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-economic development spend in South Africa (Rm)</td>
<td>86</td>
<td>137</td>
<td>106</td>
</tr>
<tr>
<td>Socio-economic development spend by Zimplats (US$000)</td>
<td>3 800</td>
<td>5 967</td>
<td>2 235</td>
</tr>
<tr>
<td>Total discretionary procurement spend in South Africa (Rbn)</td>
<td>9.2</td>
<td>9.1</td>
<td>8.7</td>
</tr>
<tr>
<td>Procurement: BEE expenditure in South Africa (Rm)</td>
<td>6.8</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Expenditure with local indigenous suppliers (51% indigenous ownership) by Zimplats (US$m)</td>
<td>124</td>
<td>112</td>
<td>80</td>
</tr>
</tbody>
</table>

Investing in our communities is critical to maintaining our social licence to operate and social and relationship capital, which serves an enabler for the effective employment of our other capitals. Current market conditions have, however, limited our capacity financially to invest in this capital in the short term.
Implats spent R41.8 billion on cost of sales and R223 million on cash taxes to stakeholders in the Company.

The impact of our operating spend on our social capital is depicted below.

**% HDSA/BEE procurement (>25%) of category’s discretionary procurement (SA operations)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Mining Charter target (%)</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>40</td>
<td>0.7</td>
</tr>
<tr>
<td>Consumables</td>
<td>50</td>
<td>3.1</td>
</tr>
<tr>
<td>Services</td>
<td>70</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>Total operations</strong></td>
<td></td>
<td>6.8</td>
</tr>
</tbody>
</table>

**Environment**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption (GJ000)*</td>
<td>16 863</td>
<td>16 201</td>
<td>17 316</td>
</tr>
<tr>
<td>Energy intensity (GJ/tonne milled)</td>
<td>0.87</td>
<td>0.84</td>
<td>0.94</td>
</tr>
<tr>
<td>GHG emissions (Mt CO₂-equivalent)*</td>
<td>3.42</td>
<td>3.06</td>
<td>3.19</td>
</tr>
<tr>
<td>Total direct CO₂ intensity (t/tonne milled)*</td>
<td>0.1966</td>
<td>0.1779</td>
<td>0.1761</td>
</tr>
<tr>
<td>Total water withdrawn (Mt)*</td>
<td>23 146</td>
<td>23 530</td>
<td>23 530</td>
</tr>
<tr>
<td>Percentage water recycled (total water recycled Mt/total water consumed Mt)</td>
<td>42</td>
<td>45</td>
<td>46</td>
</tr>
<tr>
<td>Number of level 3 to 5 environmental incidents</td>
<td>23 level 3</td>
<td>22 level 3</td>
<td>32 level 3</td>
</tr>
</tbody>
</table>

* For details on measurement, refer to pages 113 to 116 of the SD report.

Our operations have the unintended outcome of water and air pollution which have a negative impact on our natural capital, impairs our social licence to operate and compromises the sustainability of our operations and shared natural resources. Efforts to reduce these impacts will work to achieving the KPIs for ESG excellence.

**Stakeholder value creation** refers to the creation of value over the short, medium and long term for all stakeholders. Efforts relating to stakeholders on a targeted or individual basis results from stakeholder management strategies, however, delivering on Group strategy, importantly, increases the overall value of all the available outcomes measured on a value per stakeholder basis by growing the total wealth in which stakeholders share and increasing the size of the proverbial “pie” from which value is derived.

As can be seen from the Group value added statement depicted below, in the current environment, R43.4 billion value has been distributed to various stakeholders and R3.2 billion of shareholder value was retained in the business.

**Distribution of financial capital**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value distributed</td>
<td>43 444</td>
<td>32 712</td>
<td>34 726</td>
</tr>
<tr>
<td>Consumers, services and metal purchased</td>
<td>(25 015)</td>
<td>(18 146)</td>
<td>(20 258)</td>
</tr>
<tr>
<td>Labour and other*</td>
<td>(13 695)</td>
<td>(12 981)</td>
<td>(12 495)</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(1 041)</td>
<td>(1 006)</td>
<td>(713)</td>
</tr>
<tr>
<td>Value retained for shareholders/(diminution in shareholders’ value)</td>
<td>(3 222)</td>
<td>1 114</td>
<td>983</td>
</tr>
<tr>
<td>Other</td>
<td>(471)</td>
<td>(1 693)</td>
<td>(277)</td>
</tr>
</tbody>
</table>

* Including labour cost capitalised.

**Implats taxes paid directly to government by category and country**

<table>
<thead>
<tr>
<th></th>
<th>South Africa</th>
<th>Zimbabwe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate income tax</td>
<td>288</td>
<td>202</td>
</tr>
<tr>
<td>PAYE</td>
<td>1 711</td>
<td>274</td>
</tr>
<tr>
<td>Royalties</td>
<td>128</td>
<td>283</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– UIF</td>
<td>111</td>
<td>–</td>
</tr>
<tr>
<td>– SDL</td>
<td>97</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2 336</td>
<td>1 165</td>
</tr>
</tbody>
</table>

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

The outcomes of our financial capital is the result of the use of our capitals within our operating context and through our chosen strategies.