Operating context

What is changing and why it matters?

Implats operates in a dynamic and increasingly complex environment shaped by shifting PGM demand patterns, accelerating decarbonisation, technological advancement, infrastructure constraints, evolving stakeholder expectations and geopolitical uncertainty. These interconnected trends create both opportunities and risks that influence our markets, operations, stakeholders and long-term competitiveness. Understanding how these forces are expected to evolve over the short, medium and long term helps identify the strategic considerations, capital allocation implications and risk-related factors that inform the Group's approach to sustainable value creation.

The implications of these trends unfold over different time horizons. While some have an immediate impact on operational performance and financial outcomes, others influence strategic positioning, future competitiveness and long-term growth. The Group's strategic responses and trade-offs are discussed further in the strategic trade-offs and choices section on **page 50**.

PGM demand and market evolution

Context

The global PGM market is evolving as traditional demand drivers mature and new opportunities emerge through decarbonisation, changing mobility technologies, industrial innovation and evolving supply dynamics.

Why it matters to Implats

Long-term success depends on maintaining a competitive portfolio while positioning the business to benefit from emerging demand opportunities and changing market requirements.

Strategic objectives	Primary capitals
Commercial success, Future focus	Financial capital, Manufactured capital, Intellectual capital
Short term (1 – 3 years)	Commodity price volatility, changing customer demand and increasing recycling volumes influence profitability, cash generation and investment decisions.
Medium term (3 – 5 years)	Evolving automotive technologies, industrial innovation and changing supply-demand dynamics influence portfolio priorities and market positioning.
Long term (5+ years)	Future demand is increasingly linked to decarbonisation, hydrogen technologies and emerging industrial applications.

Strategic consideration

How to balance investment in established demand segments with positioning for future demand opportunities.

Opportunities	Risks	Material matters
■ Growth in hydrogen and fuel-cell technologies ■ Emerging industrial applications ■ Strategic customer partnerships ■ Expansion of recycling and circular economy opportunities.	■ Demand volatility and commodity price pressure ■ Technology substitution risks ■ Supply-side uncertainty ■ Increasing recycling volumes.	■ Market dynamics and future PGM demand ■ Technology, innovation and digital transformation.
Target outcomes	Resilient earnings and cash generation, strengthened market positioning and exposure to future PGM demand.	



Impala Refineries

Operating context continued

Decarbonisation and climate transition

Climate change, resource constraints and the transition to a lower-carbon economy are reshaping operating environments, stakeholder expectations and future demand for critical minerals and metals.

Why it matters to Implats
The climate transition influences both how we operate and the markets we serve, requiring a balance between environmental stewardship, resilience and commercial opportunity.

Strategic objectives	Primary capitals
Sustainable development, Future focus	Natural capital, Financial capital, Social and relationship capital
Short term (1 – 3 years)	Greater emphasis on emissions reduction, renewable energy adoption, climate adaptation and environmental resilience shapes investment priorities.
Medium term (3 – 5 years)	Evolving automotive technologies, industrial innovation and changing supply-demand dynamics influence portfolio priorities and market positioning.
Long term (5+ years)	The transition to a lower-carbon economy influences future demand patterns, regulatory frameworks and the long-term competitiveness of mining operations.

Strategic consideration
How to balance investment in established demand segments with positioning for future demand opportunities.

Opportunities	Risks	Material matters
■ Energy-transition demand for PGMs ■ Fuel-cell and hydrogen applications ■ Renewable energy adoption ■ Resource-efficiency improvements.	■ Physical climate impacts ■ Water scarcity and resource pressure ■ Carbon and environmental regulation ■ Evolving stakeholder expectations.	■ Climate change and environmental stewardship ■ Market dynamics and future PGM demand.
Target outcomes	Lower-carbon operations, improved resource efficiency and enhanced climate resilience.	

Technology and the future of mining

Automation, mechanisation, digitalisation and advanced analytics are transforming how mining companies operate and compete.

Why it matters to Implats
Future competitiveness depends not only on technology adoption but also on the ability to develop the leadership, skills and organisational capability required to use technology effectively.

Strategic objectives	Primary capitals
Operational excellence, Future focus	Intellectual capital, Human capital, Financial capital
Short term (1 – 3 years)	Digital technologies, automation and advanced analytics improve safety, productivity and decision making.
Medium term (3 – 5 years)	Increasing mechanisation, automation and data-driven operating models reshape workforce requirements and operational performance.
Long term (5+ years)	Technology, innovation and organisational capability become increasingly important sources of competitive advantage and future resilience.

Strategic consideration
How to align technology adoption with workforce capability development and organisational readiness.

Opportunities	Risks	Material matters
■ Improved safety performance ■ Productivity and efficiency gains ■ Enhanced decision making ■ Organisational agility and innovation.	■ Skills shortages ■ Cybersecurity threats ■ Technology implementation challenges ■ Failure to adapt to technology change.	■ Technology, innovation and digital transformation ■ People, culture and organisational capability.
Target outcomes	Safer, more productive and digitally enabled operations supported by future-fit skills.	

Operating context continued

Competitiveness, infrastructure and cost resilience

Rising input costs, infrastructure constraints and resource-security challenges continue to shape the operating environment and global competitiveness.

Why it matters to Implats
Operational excellence, infrastructure resilience and disciplined cost management remain essential to sustaining margins and long-term competitiveness.

Strategic objectives	Primary capitals
Commercial success, Operational excellence	Natural capital, Financial capital, Human capital
Short term (1 – 3 years)	Cost inflation, infrastructure constraints and resource-security challenges place pressure on margins and operational performance.
Medium term (3 – 5 years)	Operational excellence, productivity improvement, infrastructure resilience and resource efficiency become increasingly important differentiators.
Long term (5+ years)	Sustained competitiveness depends on maintaining a resilient portfolio, efficient operations and reliable access to critical infrastructure and resources.

Strategic consideration
How to preserve cost competitiveness while sustaining investment in asset integrity and future operating capability.

Opportunities	Risks	Material matters
■ Operational excellence initiatives ■ Energy security investments ■ Resource-efficiency improvements ■ Portfolio optimisation.	■ Persistent cost inflation ■ Infrastructure disruptions ■ Resource-security challenges ■ Reduced competitiveness.	■ Operational excellence and competitiveness ■ Governance, ethics and capital allocation.
Target outcomes	Sustained margins, operational continuity and disciplined cash generation through the commodity cycle.	

Geopolitical, regulatory and capital market expectations

Automation, mechanisation, digitalisation and advanced analytics are transforming how mining companies operate and compete.

Why it matters to Implats
Future competitiveness depends not only on technology adoption but also on the ability to develop the leadership, skills and organisational capability required to use technology effectively.

Strategic objectives	Primary capitals
Commercial success, Sustainable development	Financial capital, Social and relationship capital, Intellectual capital
Short term (1 – 3 years)	Evolving regulations, disclosure requirements and investor expectations continue to influence business decisions and access to capital.
Medium term (3 – 5 years)	Governance, transparency, sustainability performance and capital discipline increasingly influence investment attractiveness and strategic flexibility.
Long term (5+ years)	The ability to maintain stakeholder confidence, access capital and allocate resources effectively becomes a key determinant of long-term resilience and value creation.

Strategic consideration
How to maintain financial flexibility and stakeholder confidence while balancing shareholder returns, reinvestment to grow and create sustainable operations and future competitiveness.

Opportunities	Risks	Material matters
■ Improved investor confidence ■ Enhanced access to capital ■ Portfolio optimisation ■ Strategic partnerships.	■ Regulatory uncertainty ■ Policy changes ■ Reduced market confidence ■ Governance or ESG shortcomings.	■ Governance, ethics and capital allocation.
Target outcomes	Financial resilience, stakeholder confidence and strategic flexibility.	

Operating context continued

Evolving stakeholder expectations and societal trust

Stakeholders increasingly expect companies to create value responsibly, transparently and sustainably while contributing positively to society.

Why it matters to Implats
Maintaining trusted relationships with stakeholders is fundamental to our licence to operate, business continuity and long-term success.

Strategic objectives	Primary capitals
Sustainable development	Financial capital; Social and relationship capital; Human capital
Short term (1 – 3 years)	Expectations regarding safety, transparency, environmental performance and social contribution continue to rise.
Medium term (3 – 5 years)	Stakeholder trust increasingly influences operational stability, project development and licence to operate.
Long term (5+ years)	Sustainable value creation depends on maintaining trusted relationships and creating shared value for stakeholders and society.

Strategic consideration
How to balance diverse stakeholder expectations while supporting long-term business performance, trust and shared value creation.

Opportunities	Risks	Material matters
■ Stronger social licence to operate ■ Shared value creation ■ Improved stakeholder relationships ■ Enhanced reputation.	■ Reputational damage ■ Community disruption ■ Loss of stakeholder support ■ Reduced social licence to operate.	■ Stakeholder trust and social licence to operate.
Target outcomes	Trusted stakeholder relationships, stable operating environments and shared socioeconomic value.	



Mobile library at a local school, Impala Rustenburg