Statement of commitment to good governance

The Implats board is committed to provide effective leadership to the Group. The board fully embraces the principle of ethical leadership in setting and implementing the strategy of the Group, guided by the principles of the King III Code on Corporate Governance (King III), the Companies Act, 2008, the JSE Listings Requirements and all other applicable laws, standards and codes. A compliance schedule to King III can be found at www.implats.co.za. In addition, the board takes full responsibility for the management, direction and performance of the Group by exercising independent judgement on all issues reserved for its review and approval while taking cognisance of the needs of all stakeholders.

The report seeks to provide a concise and balanced account to providers of capital of how Implats creates value over time.

This annual integrated report, compiled for Implats and its subsidiaries, provides information relating to risks, strategies, governance practices and performance for the financial year 1 July 2015 to 30 June 2016 including prospects thereafter.

In addition, information regarding the social, economic and environmental issues that have a material impact on the long-term success of the business and that are important to key stakeholders is provided. The report is targeted at existing and prospective stakeholders who wish to make an informed assessment of the Group’s ability to create and sustain value; It focuses primarily on meeting the needs of shareholders, analysts and investors.

The notice to shareholders including the corporate governance report, abridged financials, audit committee report, social, transformation and remuneration committee report will be distributed separately to shareholders to comply with the Companies Act and the JSE Listings Requirements. The notice to shareholders should be read in due course in conjunction with this report.

In this report, production is reported in terms of platinum and platinum group metals (PGMs), which include platinum, palladium, rhodium, ruthenium and iridium as well as gold; when included these are referred to as 6E (4E excludes ruthenium and iridium). Both historical and forward looking information is provided.

Board approval

The board acknowledges its responsibility for the integrity of this report. The directors confirm they have collectively assessed the content and believe it addresses the material sustainability areas and is a fair representation of the integrated performance of the Group.

The audit committee, which has oversight responsibility for the annual integrated report, recommended the report for approval by the board of directors.

The board has therefore approved the 2016 annual integrated report for release to stakeholders.

Additional information regarding Implats is provided in the following reports, all of which are available at www.implats.co.za

**Sustainable Development 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**
- Conforms to the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC)
- Conforms to the Australian Code for the Reporting of Mineral Resources and Ore Reserves (JORC)
- Been signed off by the competent persons

**Annual Financial Statements**
- These documents were prepared according to International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Standards, the requirements of the South African Companies Act, the regulations of the JSE and recommendations of King III
- Conforms to the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC)
- Been signed off by the competent persons

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

**Overall assurance**

The audit committee oversees the internal audit function, which operates as an independent objective assurance. It coordinates among other things, the combined assurance model to map the assurance provided enterprise-wide. This model is designed to ensure optimisation of the assurance provided over the key risks (top 10 strategic risks, top 10 of the topco (operational key risks)), risk management and the internal financial controls facing the Group.

The model presents the three lines of defence as described in King III, namely:
- First line of defence – line management;
- Second line of defence – risk management;
- Third line of defence – internal audit (compliant with the International standards for professional practice of Internal Auditing), external audit and external assurance providers.

The overall assurance provided covers our strategic business objectives, material sustainability focus areas (non-financial information) and the annual financial statements (AFS) section of the integrated report.

Furthermore legal compliance risk is monitored and assurance is achieved through a combination of internal, management based and/or external assurance.
Determining materiality and the reporting boundary

In line with good reporting practice, the content of our integrated and sustainable development reports is based on a materiality assessment. For the purposes of this report, items have only been taken into account and reported on, if the effects of these items have materially impacted strategy, governance, performance and prospects of the Group and its stakeholders.

Implats, has a listing on the JSE Limited (JSE) in South Africa, and a level 1 American Depositary Receipt programme in the United States of America. The Implats reporting boundary for this report, relating to financial and other information, includes five mining operations and Impala Refining Services (IRS), a toll refining business, situated in Springs. The mining operations consist of Impala, Zimplats and Marula, all subsidiaries, respectively operating in the western limb of the Bushveld Complex, the eastern limb of the Bushveld Complex and the Great Dyke in Zimbabwe. In addition, Implats has significant investments in Mimosa (Northern Zimbabwe – Mashonaland West Province) and Two Rivers (eastern limb Bushveld Complex).

These investments are accounted for as associates in the AFS and the Annual Integrated Report, except for safety stats which, for non-financial information, includes 100% of Mimosa safety performance. This method of consolidating safety stats has been applied consistently even though for financial information. Mimosa is now an associate.

Materiality determination and subsequently the reporting boundary, is informed by key stakeholder material matters, including items beyond the financial reporting entities, if these items have a significant effect on the Group’s ability to create and sustain value over time.

Material matters relating to these stakeholders and material risks for the Group are set out on page 80 of the risk management, and on page 6 of the business model, where the relationships between stakeholders, risks, strategy, impacts, outcomes and operational objectives are depicted. These two sections of the report should be read in conjunction with the reporting boundary and materiality determination section of this report.
Group and management structure

Group structure

**IMPALA PLATINUM HOLDINGS LIMITED**

96% 100% 87% 73% 50% 74% 49%

IMPALA  IRS – Impala Refining Services  ZIMPLATS  MARULA  MIMOSA  AFPLATS  TWO RIVERS

Committee structures

**BOARD**

Audit committee  Social, transformation and remuneration committee  Health, safety, environment and risk committee  Capital allocation and investment committee  Nomination, governance and ethics committee

**EXCO**

Terence Goodlace, Brenda Berlin, Gerhard Potgieter, Johan Theron, Mathias Sithole, Jon Andrews, Nelson Ndlala, Paul Finney, Alex Mhembere, Tebogo Ljale

# Statutory committees
Board profiles

Independent non-executive directors

Mandla Gantsho 54 – Chairman
BCom (Hons), CTA, CA(SA), MSc, MPhil, PhD
Experience

Peter Davey 63 (British)
BSc (Hons) Mining Engineering
Experience
Appointed to the board in July 2013 as an independent non-executive director. He 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.

Hugh Cameron 65
BCom, BAcc, CA(SA)
Experience
Appointed to the board in November 2010 as an independent non-executive director and he was previously a partner at PricewaterhouseCoopers where he specialised in mining and headed up their global mining practice for a number of years. He is a director of Calgro M3 Holdings and a trustee of the Sishen Iron Ore Company Community Development Trust.

Babalwa Ngonyama 41
BCompt (Hons), CA(SA), MBA
Experience
Appointed in November 2010. She is the founding chairman 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 Barloworld Limited, Hollard Life Assurance Company, Clover Industries Limited, Group Five Limited and Aspen Pharmacare Holdings.

Nkosana Moyo 65 (Zimbabwean)
BSc (Hons) Physics, MBA, PhD
Experience
Appointed in March 2015. Former Vice-President and COO of the African Development Bank. He was the managing partner for Actis in Africa and he was also senior adviser and associate for the International Finance Corporation. He is currently an independent non-executive director Old Mutual PLC.

Mpho Nkeli 51
BSc Environmental Studies, MBA
Experience
Appointed in April 2015. Previously 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, she is an independent non-executive director of Life Healthcare.

Sydney Mufamadi 57
MSc and PhD Oriental and African Studies
Experience
Appointed in March 2015. Director of various subsidiary boards of Barclays Bank Africa Group in Mozambique and Tanzania, director of the School of Leadership at the University of Johannesburg. Chairman of Zimplats Holdings Ltd.

Bernard Swanepoel 55
BSc Mining Engineering and BCom (Hons)
Experience

Non-executive director

Albertinah Kekana 43
BCom, Higher Diploma in accounting, CA(SA)
Experience
Appointed in August 2013 as a non-executive director representing Royal Bafokeng Holdings (Pty) Limited (RBH). Currently CEO of RBH and serves as a non-executive director of RMB Holdings Limited and a non-executive director of Rand Merchant Insurance Holdings Limited.

Executive directors

Terence Goodlace 57
NHD Metalliferous Mining, BCom, MBA
Experience
Appointed to the board in August 2010. Former chief executive officer of Metorex Limited. Joined the board as an independent non-executive director and was appointed CEO on 1 June 2012. He is an independent non-executive director of Gold Fields Limited.

Brenda Berlin 51
BCom, BAcc CA(SA)
Experience
Appointed to the board in February 2011. Joined the Company in 2004 as commercial executive before being appointed as Group chief financial officer.

How we create value

Implats Annual Integrated Report 2016 \ PAGE 5
How we create value

Our business model

Inputs

Our Capitals

Human

- Our workforce
- Skills and training
- Social, ethics, transformation and remuneration practices

Financial

- Operating cashflow
- Equity funding
- Debt funding

Manufactured

- Mining rights, reserves infrastructure and resources
- Plant, property and equipment
- Utilities

Social and relationship

- Ethics and human rights
- Employee relations
- Organised labour
- Community relations
- Social licence to operate

Intellectual

- Knowledge and procedures
- Risk and accounting systems
- R&D and IP
- Geological models
- People, HR, governance and safety systems

Natural

- Natural resources (land, air, water and biodiversity)
- Mineral Resources and Mineral Reserves

Improve efficiencies through operational excellence and safe production

(Varioues business plans on a page)

Investment through the cycle

Impala

Minerals

Concentrators

Smelters

Base metals refinery

Platinum metals refinery

Maintain our social licence to operate

(MPRDA compliant)
HOW WE CREATE VALUE

**GROUP STRATEGIC RISKS**

- Depressed PGM basket prices
- Non-delivery of production and productivity targets at Impala Rustenburg
- Weak balance sheet and cash flows (liquidity)
- Excessive taxation and levies at Zimbabwean operations
- Revenue impact of Section 54s
- A deterioration in safety performance
- Unavailability of secure and reliable power in South Africa and Zimbabwe
- Capital constraints affecting project delivery
- Employee relations climate
- Maintaining a social licence to operate

**PROCESS**

- Strong balance sheet (cash exceeds debt)

**STRATEGIC RESPONSES**

- Cash conservation (ongoing cost reduction opportunities and capital cost controls)

**World-class refining assets and capability**

- IRS

**Ability to grow and maintain**

- Group mines

- ZIMPLATS
- MARULA
- MIMOSA
- TWO RIVERS

**Group and third-party refining through use of Impala’s spare capacity**

**Investment through the cycle**

( Impala 16 and 20 Shaft complexes)

**Maintain optionality and position for the future**

( Impala 17 Shaft complex; Alplats Shaft complex and Zimplats new portals)

For risk management, refer to page 80
**Value added statement**

<table>
<thead>
<tr>
<th></th>
<th>2016 Rm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>16 976</td>
</tr>
<tr>
<td>Net cost of products and services</td>
<td>(9 503)</td>
</tr>
<tr>
<td>Value added by operations</td>
<td>7 473</td>
</tr>
<tr>
<td>Other net (expenditure)/income</td>
<td>132</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(2 014)</td>
</tr>
<tr>
<td><strong>Total value added</strong></td>
<td>5 591</td>
</tr>
</tbody>
</table>

Applied as follows to:
- Employee benefits            | 5 009   |
- Labour and other             | 5 147   |
- Share-based payments         | (138)   |
- The state as direct taxes    | 284     |
- Deferred tax                 | (841)   |
- Royalty recipients           | 516     |
- Providers of capital         | 693     |
- Financing costs              | 620     |
- Non-controlling interest     | 27      |
- Dividends                    | 46      |
- Total value distributed      | 5 661   |
- Reinvested in the Group      | (70)    |
- **Total**                    | 5 591   |

**Positive and Negative Outcomes**

**Human**
- Injuries and fatalities
- Occupational health (NIHL)
- Skilled leaders and employees
- Economic empowerment of our people
- Equity and transformation

**Social and relationship**
- In-migration and constraints on infrastructure and social amenities
- Informal settlements
- Labour and social unrest
- Social investments
- Education, health and housing

**Financial**
- Shareholder and investor returns,
- Reinvestment of profits
- Contribution to tax revenues and economic growth for country

**Intellectual**
- Continuous improvement – safe and efficient operations
- Development of IP
- Business improvement
- R&D innovation

**Manufactured**
- Products that generate revenue and improve the environment
- Reinvestment in shafts, side stream beneficiation

**Natural**
- Generation of waste
- Pollution (air, water, land) and climate change
- Land availability and disturbance
- Conservation of natural resources through recycling, rehabilitation

- Positive  - Negative
Performance linked to stakeholder needs

Implats measures its performance by identifying its stakeholders and their legitimate material issues and what must be done to address these needs. The risks involved are assessed, a strategy is determined and objectives are set to manage the risks and achieve

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>KEY MATERIAL MATTERS</th>
<th>GROUP STRATEGIC RISKS</th>
<th>STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Conditions of employment</td>
<td>Depressed PGM basket prices</td>
<td>Improve efficiencies through operational excellence and safe production</td>
</tr>
<tr>
<td>Safety and health initiatives</td>
<td>Non-delivery of production and productivity targets at Impala Rustenburg</td>
<td>Weak balance sheet and cash flows (liquidity)</td>
<td>Cash conservation</td>
</tr>
<tr>
<td>Transformation</td>
<td>Weak balance sheet and cash flows (liquidity)</td>
<td>Revenue impact of Section 54s</td>
<td>Maintain our social licence to operate</td>
</tr>
<tr>
<td>Shareholders</td>
<td>Conditions of employment</td>
<td>A deterioration in safety performance</td>
<td>Investment through the cycle</td>
</tr>
<tr>
<td>Production and performance</td>
<td>Non-delivery of production and productivity targets at Impala Rustenburg</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Maintain optionality and position for the future</td>
</tr>
<tr>
<td>Discrimination</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Industrial relations climate</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Situation in Zimbabwe</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>PGM supply and demand dynamics</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Future metal prices</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Cost control measures</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Capex programme</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Suppliers</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
<tr>
<td>Customers</td>
<td>Excessive taxation and levies at Zimbabwean operations</td>
<td>Revenue impact of Section 54s</td>
<td></td>
</tr>
</tbody>
</table>

For more information please refer to page 18 of 2016 Sustainability Report

Summary from page 80 of 2016 Annual Integrated Report
Performance linked to stakeholder needs

the strategy: KPIs, against which performance is measured, are set taking into account the Group’s stated vision and mission to determine performance for a wide range of stakeholders.

<table>
<thead>
<tr>
<th>OPERATIONAL OBJECTIVE</th>
<th>IMPLATS PERFORMANCE TARGET FOR FY2017</th>
<th>KEY ACTIONS TO ACHIEVE THE PERFORMANCE TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relentlessly drive the safety of our people</td>
<td>Zero fatalities</td>
<td>Embed three pillars of HSE strategy: People and Behaviour, Safety Environment, Practices</td>
</tr>
<tr>
<td></td>
<td>LTIFR: 20% improvement on FY2016</td>
<td>Implement new technology and 14 Shaft fire remedial actions across Group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Embed and drive Critical Safety Behaviour programme</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Implement Critical Controls for major hazards and events</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attain OHSAS 18001 (ISO 45001) compliance at all operations in 2 years</td>
</tr>
<tr>
<td>Consistently deliver production targets</td>
<td>Platinum &gt; 1.5 million ounces</td>
<td>Rustenburg: between 700 000 and 710 000oz in 2017, building up to 850 000 platinum ounces by 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marula: 90 000 platinum ounces in concentrate by 2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zimplats: maintain 260 000 platinum ounces in matte</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Two Rivers: maintain 175 000 platinum ounces in concentrate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mimosa: maintain at 115 000 platinum ounces in concentrate</td>
</tr>
<tr>
<td>Improve efficiencies through operational excellence</td>
<td>Costs per platinum ounce &lt; R21 300</td>
<td>Optimise mining efficiencies through productivity programmes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue with cost optimisation at all operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve team performance through team mobilisation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ramp up 16, and 20 Shafts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Optimise 1, 10, 11, 12 and 14 Shafts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Close 7 and 7A Shafts</td>
</tr>
<tr>
<td>Cash conservation</td>
<td>Capital &lt; R4.4 billion</td>
<td>17 Shaft on care and maintenance in BP2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Leeuwkop project to commence in FY2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prioritise the ramp up of 16 and 20 Shafts at Rustenburg</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prioritise the re-establishment of Bimha at Zimplats</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rationalise and prioritise capital allocation across the Group</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintain strong Group balance sheet</td>
</tr>
<tr>
<td>Maintain our licence to operate</td>
<td>Rustenburg S0₂ at &lt;16 tpd</td>
<td>Increase and further improve direct engagement with employees, communities and other stakeholders</td>
</tr>
<tr>
<td></td>
<td>Build a further 300 employee houses in Rustenburg</td>
<td>Deliver on Social and Labour Plan (SLP) commitments</td>
</tr>
<tr>
<td></td>
<td>Complete high school and primary school at Platinum Village</td>
<td>Adhere to our commitments in the President’s Framework Agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reduce and manage constrained utility supplies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Align and position ourselves in terms of the National Development Plan (NDP)</td>
</tr>
</tbody>
</table>
Chairman’s report

Implats, as part of its response plan, had the foresight to conduct a successful early strategic capital raising exercise, thus supporting its balance sheet and long-term strategic value proposition.

The year in summary

For some years now, the platinum sector has been operating in a challenging environment, occasioned by, among other issues, a depressed and uncertain metals market and demanding operating, labour and social conditions. All of these factors have unavoidably impacted the Group in the year under review.

Implats has been proactive in its approach to these challenges and the response plan it put in place to mitigate the “lower-for-longer” price environment, has already yielded significant savings and improved operational resilience. This will further benefit the business in coming years.

By its very nature, the industry presents inherent safety risks and challenges. During the year, the Group experienced its lowest ever 12-month moving average fatal-injury frequency rate, and for a nine-month period in 2015 the South African operations reported zero fatal incidents. However, this was marred by the subsequent tragic loss of 11 lives. We deeply mourn all lives lost at Implats’ operations and we remain cognisant that the realisation of our safety objectives will materialise only as a result of a sustained
Chairman’s report

and ongoing effort. Health and safety remain our priorities, and involves every person in our organisation, the leadership of our representative employee bodies, and government. The board and management will not rest until every workplace is free of all serious and fatal accidents.

The 2016 financial year saw increased regulatory uncertainty – in South Africa as well as Zimbabwe – while the drought affecting both countries also impacted our employees and their families in terms of resource constraints. In Zimbabwe specifically, access to reliable power has been a major challenge as that country secures much of its electricity from hydro-electric sources.

In an environment where many balance sheets across the minerals industry remain constrained and access to capital difficult, Implats, as part of its response plan, had the foresight to conduct a successful early strategic capital raising exercise, thus supporting its balance sheet and long-term strategic value proposition. In addition, the Group also extended the quantum and tenure of its existing debt facilities, providing further balance sheet strength and flexibility in a volatile and uncertain market.

The changing PGM market
Platinum is expected to remain in deficit this year as car makers and other industrial users continue to boost demand and supply remains stagnant. This fundamental supply/demand tightness is expected to support dollar prices for platinum and palladium markets. The recent price recovery may well indicate that we have reached the bottom of the market, and in spite of the recent volatility, Implats expects the gains to extend through 2017 as growing automobile sales and stricter environmental rules around the world support the metal industry.

However, risks remain and PGM prices could continue to be affected by numerous factors, including: inventory drawdown by South African producers; surface stocks covering fundamental market deficits; a strong US dollar; uncertain and stagnant global economic growth; bearish sentiments due to a slowing Chinese economy; and further shocks to the global economic system as a result of Brexit and/or contagion to other jurisdictions.

We will continue to actively support initiatives that promote the broader use of PGMs, boosting demand for platinum bridal and non-bridal jewellery demand in China and India, developing exchange traded fund (ETF) investments in diverse geographical locations and growing investor demand and appetite to hold the physical metal. The growth in the fuel cell market, while still small, is an exciting and promising future market segment.
Chairman’s report

The regulatory context
Large scale capital investment in the mining industry require policy and regulatory certainty. As such, regulatory developments in South Africa and Zimbabwe remain worrying.

In South Africa, the promulgation of the Minerals and Petroleum Resources Development Amendment Bill (MPRDA), is much delayed – adding to investor uncertainty. The key issues yet to be resolved include the failure of the Bill to separate mining from upstream petroleum; export restrictions the Bill has placed on strategic minerals; and provisions that appear to give the Minister of Mineral Resources undue legislative powers.

In addition, we have participated in the work of the Mining Industry Growth Development and Employment Task Team, where critical issues impacting the South African mining industry over recent times are being examined. These include revisions and extension of targets contained in the new 2010 Mining Charter. Implats has paid close attention to the requirements of the 2010 Mining Charter and we believe that the Group has met and surpassed all the revised key targets. As such, Implats has empowered each mining operation through meaningful broad-based local community and employee ownership and made significant industry-leading investments in improving employee living conditions.

As a member of the Chamber of Mines (CoM), Implats will continue to actively engage the South African government on all issues that are inhibiting the growth, sustainability and transformation of the mining sector.

In Zimbabwe, the Presidential Statement issued in April 2016 sought to clarify the government’s position on the indigenisation and economic empowerment policy but caused further uncertainty. Discussions are ongoing to clarify certain aspects of this statement.

The liquidity crisis in the country remains a concern and is being actively monitored by the Zimbabwean management teams.

Engaging our people
Implats is acutely aware of the changing socio-political environment facing mining companies today. The low economic growth rate has resulted in greater hardship, increased unemployment in mining communities and the cost of living rising faster than inflation. This socio-economic reality is compounded by heightened political contestation, increasing service delivery protests and a rise in youth activism challenging traditional leadership structures in communities.

Implats has put in place targeted employee and community initiatives that build trust and foster a shared vision as well as a social compact with our stakeholders. These include employee equity ownership schemes, industry-leading housing and accommodation strategy, skills development programmes, local employment and procurement and social investment. Over the last year, we invested R300 million in our surrounding communities in South Africa, and over US$11 million in Zimbabwe, including building over 400 houses to improve the living conditions.
Chairman’s report

conditions of many of our employees. Over the last eight years, the Company has invested more than R3.7 billion in accommodation around the South African operations providing almost 3 000 houses for employee ownership.

Conclusion and appreciation

Implats continues to believe in the long-term fundamentals of the PGM market. The implementation of the response plan over the past year has resulted in a stronger, more resilient and more sustainable Group. We have continued to invest through the cycle, have a strong balance sheet and are well positioned for long-term sustainable stakeholder value creation.

I thank my fellow board members for their commitment to the Group and its stakeholders and for their support to me during my first year as Chairman.

On behalf of the board of directors of Implats, I extend our sincere appreciation to Mr Terence Goodlace, the outgoing CEO, for his outstanding contribution, dedication and commitment to all aspects of the business and his strong visible leadership in often trying circumstances. We pay tribute to Terence for the six years he has spent on the Implats board of directors, of which the initial two were as a non-executive director and the last four years as CEO and executive director.

I also extend my sincere appreciation to my predecessor, Dr Khotso Mokhele for his leadership during his tenure as Chairman, and to Ms Thandi Orleyn, Ms Almorie Maule and Mr Brett Nagle for their outstanding contribution as directors before their retirement from the board during the year under review.

Finally, I wish to thank our management and employees for their contribution to the ongoing viability of Implats.

Mandla Gantsho
Chairman