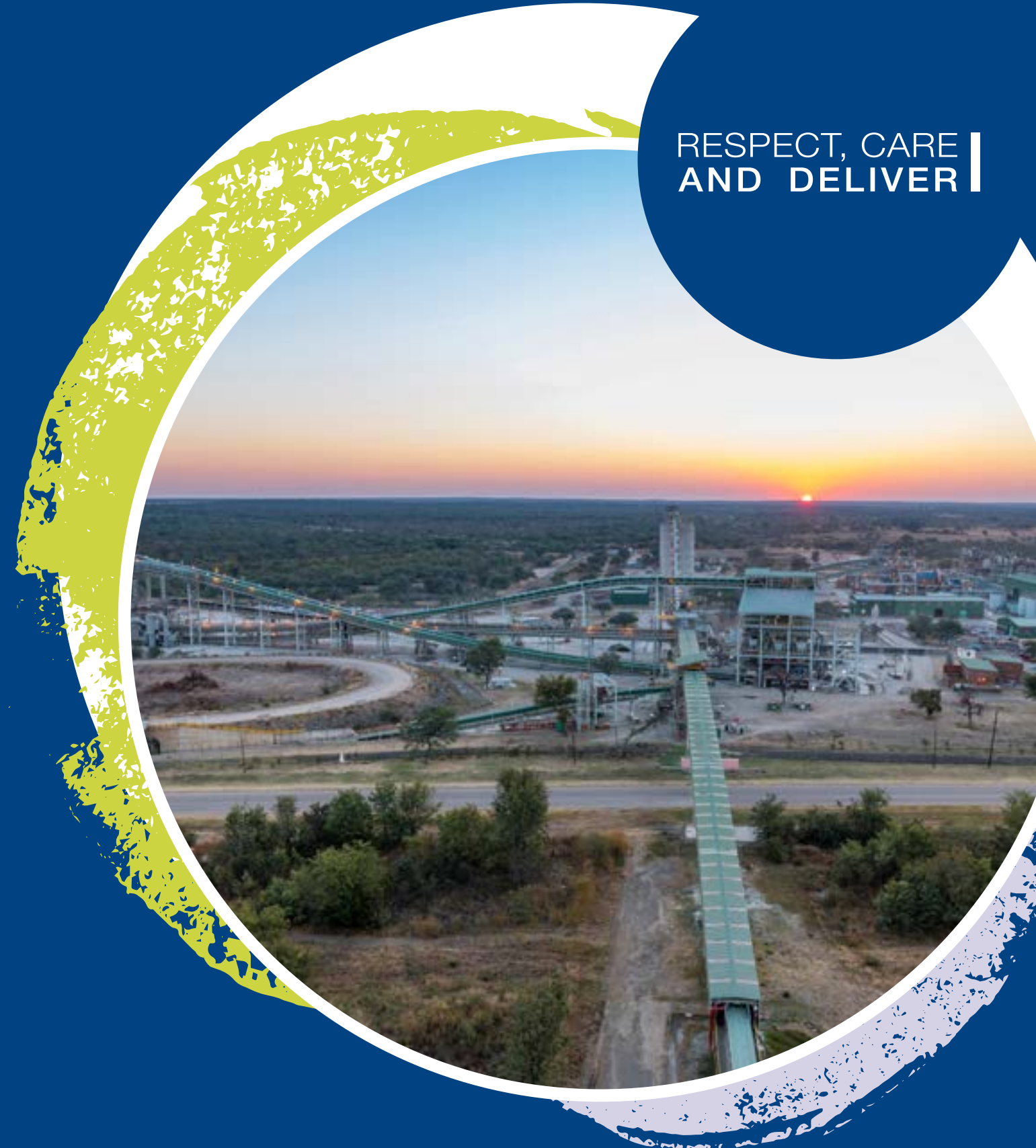


Implats Tax Transparency and Economic Contribution Report



Supplement to the Annual Integrated Report 30 June 2023

RESPECT, CARE
AND DELIVER



Impala Platinum Holdings Limited

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How to navigate this report

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

Information available on our website www.implats.co.za

Information available elsewhere in this report

Follow us online at www.implats.co.za

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

<https://twitter.com/Implats>

<https://www.linkedin.com/company/impala-platinum/>

<https://www.youtube.com/channel/UCgshehAJCYUeox7lCZw6bw/featured>

<https://www.facebook.com/implats/>

Our 2023 suite

Annual Integrated Report

- Report explains to providers of financial capital how Implats creates, preserves or erodes value over time.



Audited Annual Financial Statements

- Financial statement assurance, including the audit and risk committee report and directors' report
- Consolidated financial statements
- Company financial statements.



Mineral Resource and Mineral Reserve Statement

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



ESG Report

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



Climate Change Report

- Climate change risks and adaptations, decarbonisation plans, and adoption of renewable energy
- Prepared in accordance with the recommendations of the TCFD and the Johannesburg Stock Exchange (JSE) Climate Change Disclosure Guidance.



Remuneration Report

- Background statement
- Remuneration philosophy and policy
- Implementation report.



Notice to Shareholders

- Notice of annual general meeting
- Form of proxy.



Welcome to our inaugural tax transparency and economic contribution report

Welcome to Impala Platinum Holdings Limited's (Implats, the Company or the Group) inaugural tax transparency and economic contribution report for the financial period ended 30 June 2023. This report is aimed at explaining the Group's approach to tax, including:

- Tax policy and strategy
- Tax governance
- Tax risk management and control framework
- Compliance and how this links the business and our approach to sustainable development.

This report details the total tax and broader economic contribution in each of the countries in which Implats operates, to advance transparency concerning the Group's tax practices, tax estimates and judgements, compliance with tax laws and Implats' code of ethics, and to ensure the Group achieves sustainable and socially responsible tax practices while contributing to the United Nations Sustainable Development Goals (UN SDGs).

Implats' reporting boundary, strategic risks and responses, operating context, governance and performance are captured throughout our entire reporting suite, which should be read together with this report to understand our tax drivers and our broader economic contributions.

The tax transparency and economic contribution report builds on the information in our annual financial statements, annual integrated report and the environmental, social and governance (ESG) report, available at www.implats.co.za.

FORWARD-LOOKING STATEMENTS

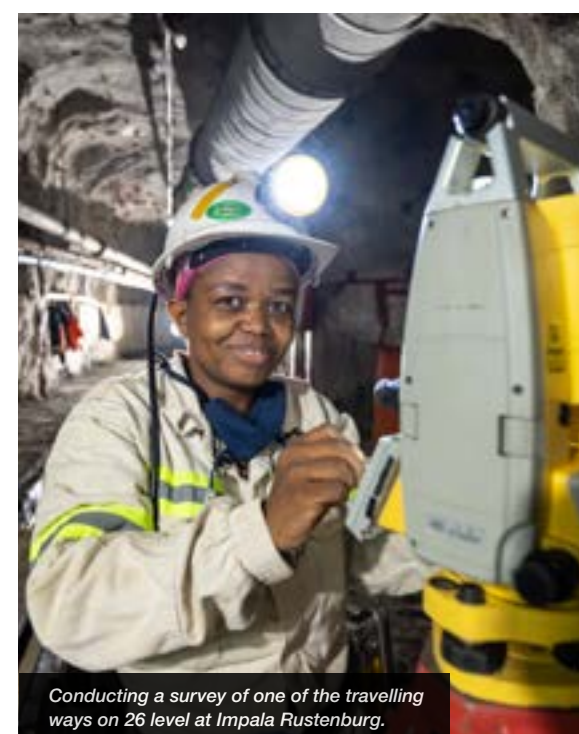
This report may contain certain forward-looking information such as projected capital expenditure, projected costs and savings related to tax incentives and levies, and the Group's view of the impact of current developments in the tax landscape, as well as future tax performance. Opinions expressed here are, by nature, subjective about known risks and uncertainties. Changing information or circumstances may cause Implats' actual results, plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

Undue reliance should not be placed on such opinions, forecasts or data. No representation is made as to the completeness or correctness of the opinions, forecasts or data contained herein. Neither Implats, nor any of its affiliates, advisers or representatives accepts any responsibility for any loss arising from the use of any opinion expressed or forecast, or the data herein.

Forward-looking statements apply only as of the date on which they are made, and Implats does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements in this report, whether to reflect new data or future events or circumstances. Any forward-looking information has not been audited, reviewed or otherwise reported on by the external auditors.

We welcome your feedback to ensure we cover all aspects

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



Conducting a survey of one of the travelling ways on 26 level at Impala Rustenburg.

Approval and basis of preparation

APPROVAL

The board acknowledges its responsibility for the integrity of this report and has considered its content. The board believes the disclosures contained herein fairly and transparently present the Group's integrated tax and economic performance.

The audit and risk committee (ARC), which has oversight responsibility for this report, has applied its mind to the preparation and presentation of the Group tax and economic contribution report, and has concluded that it is presented in accordance with the relevant reporting frameworks, and has recommended the report for approval by the board.

BASIS OF PREPARATION

Overall tax and economic transparency is achieved through the disclosures contained in our complete and integrated suite of reports. Detailed disclosures contained in other reports are not duplicated here. However, where appropriate, reference is made to the specific reports containing material aspects of tax and economic transparency disclosure.

Implats has developed a comprehensive ESG reporting framework linked to the UN SDGs to guide the development and integration of sustainability principles into its financial strategies and their alignment with corporate strategies (refer to the ESG framework and stakeholder engagement disclosures in the annual integrated report).

Our approach to transparency disclosure is guided by the Global Sustainability Standards Board (GSSB) Global Reporting Initiative's standard (GRI 207: Tax 2019) for country-by-country tax disclosures, the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV), the International Financial Reporting Standards (IFRS), and the JSE Sustainability and Climate Disclosure Guidance.

Our [tax policy](#) is aligned with our code of ethics.

As a predominantly South African-based company, listed on the JSE, we align with the JSE Listings Requirements and the South African Companies Act, 71 of 2008, as amended.

South Africa is an outreach country of the Extractive Industries Transparency Initiative (EITI), and Implats is not currently a member of the International Council on Mining and Metals (ICMM). Nonetheless, the Group has applied certain disclosure principles and guidance relating to payments to governments and economic contributions, to enhance transparency in this area.

Monetary amounts in this report are presented in South African rand, rounded to millions, unless otherwise stated.

Cash versus accruals

Unless otherwise stated, tax payments are included on a cash basis (refer to the reconciliation between taxes accrued and taxes paid on [page 20](#)). Our total tax contribution is a measure of the cash contribution made to tax authorities in the year and may include tax payments relating to previous years.

SCOPE AND REPORTING BOUNDARY

Implats' tax and economic contribution report details the taxes paid by the Group during the period 1 July 2022 to 30 June 2023.

The report includes an analysis of our total tax contribution in the three countries in which we have key business activities: South Africa, Zimbabwe and Canada. The Group also has a presence in Guernsey, Japan and the United Kingdom. Our tax policy and strategy is applicable to all taxes we pay and we therefore provide information on our total tax contribution, which includes corporate income taxes, payroll, indirect, property and environmental taxes, as well as other payments to governments (including royalties) as well as taxes collected on their behalf.

Payments to governments by our joint ventures (JVs) and associates are not included in our total tax contributions as these entities are equity accounted by Implats and Implats is neither the operator nor does it make payments on behalf of these entities. The financial reporting boundary applied is consistent with the integrated report (refer [page 6](#) of that report).

ASSURANCE

Assurance of the information contained in this report forms part of the Group's overall internal control combined assurance model, as disclosed on [page 6](#) of our integrated report.

The tax numbers contained in this report have been extracted from (and where appropriate, reconciled to) the Implats consolidated annual financial statements for the year ended 30 June 2023. An unqualified audit opinion was expressed on the consolidated annual financial statements.

Additional financial information, aside from what is contained in the consolidated annual financial statements, was compiled from internally sourced information that is supported by data management systems subject to robust internal controls to ensure accuracy and completeness. The ARC monitors the Group's system of risk management and internal control under delegation from the board.

Implats Group Internal Audit coordinates input from the various lines of defence into the combined assurance map (CAM) by collating assurance-related information from across the organisation related to the Group strategic risks. CAM verification reviews are conducted per board committee, on a quarterly rotational basis to provide assurance over the associated controls to confirm that they are in place and operating as intended.

Approval and basis of preparation (continued)

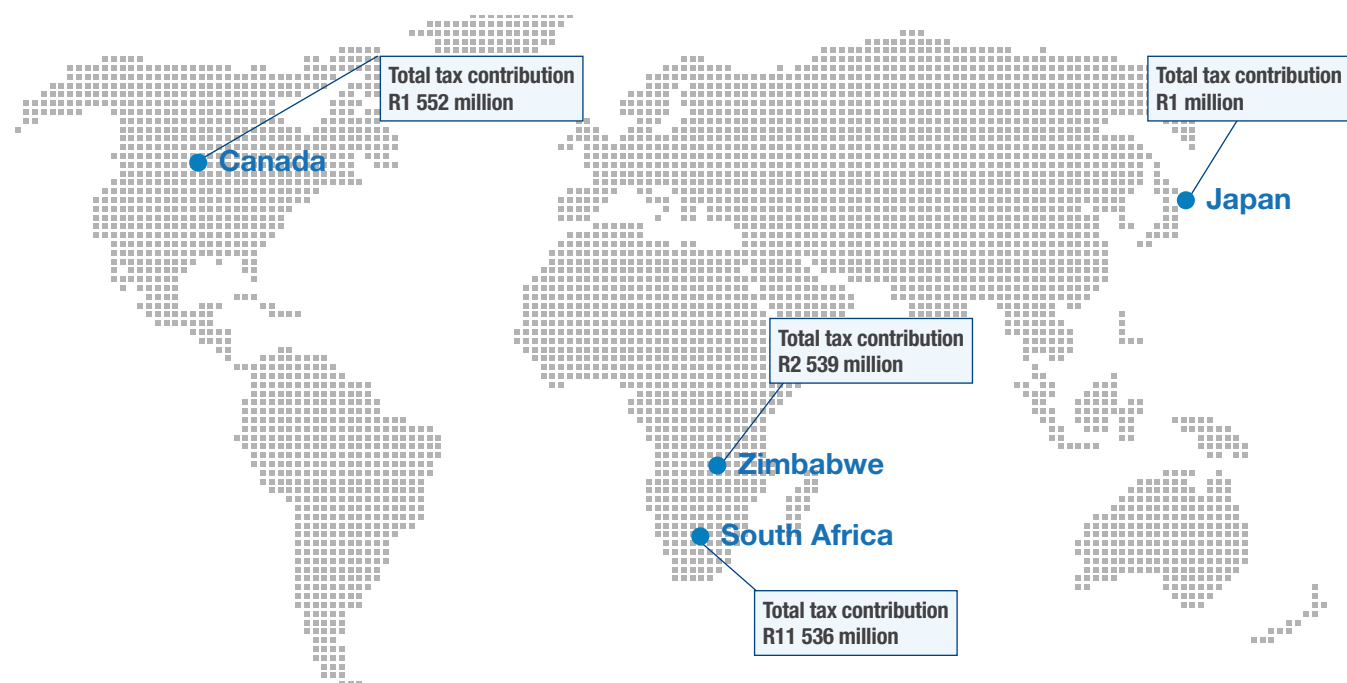


As per King IV, Implats' five lines of assurance are depicted in the graphic above, and all role players are subject to the Group's code of ethics.

A Group-wide cross-functional team, led by the Group chief financial officer (CFO) and representing various subject matter experts in Group finance and tax, produced the content included in this report. The process is governed by the Group ARC, which recommends the report for approval by the board.

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Implats at a glance



Our vision

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

Our purpose

To create a better future

Our values

RESPECT

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

CARE

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

DELIVER

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

ABOUT IMPLATS

Implats is a leading producer of platinum group metals (PGMs), structured around seven mining operations and Impala Refining Services (IRS), a refining business. The Group's mining operations are located on the Bushveld Complex in South Africa, the Great Dyke in Zimbabwe and the Canadian Shield.

Our Group structure and further operational details are contained in our integrated report on [page 3](#) and chapter 5, respectively.

Implats contributes approximately 20% to annual global primary PGM production and employs nearly 70 000 people across its operations. Implats has total attributable resources of 262.7 million 6E ounces of PGMs. Our markets are in South Africa, Japan, China, North America and Europe. The metals we produce are key to making many essential industrial, medical and electronic items and they contribute to a cleaner, greener world.

The Group maintains a primary listing on the JSE in South Africa, a secondary listing on South Africa's A2X, and a level one American Depository Receipt programme in the USA.

More information about the uses of our metals is provided in our integrated and climate change reports. Our approach to the tax risks and opportunities associated with climate change is explained in our tax landscape on [page 15](#).

Our operating framework allows each operation to establish and maintain close relationships with its stakeholders while operating within a Group-wide approach to managing the economic, social and environmental aspects of sustainability.

Group tax and economic contribution¹

Group taxes	2023 Rm	Borne %	2022 Rm	Borne %
Corporate income taxes	6 012	100	9 720	100
Withholding taxes	407	18	1 007	1
Payroll taxes	5 263	4	4 802	6
Indirect taxes ²	1 334	23	1 466	4
Environmental taxes	74	100	80	100
Property taxes	91	100	55	100
	13 181		17 130	
Other payments to governments ³	2 447	100	2 655	100
Total tax contribution	15 628		19 785	
Group effective tax rate	37%		27%	

	2023 Rm	2022 Rm
Value distributed to stakeholders⁴	102 220	115 663
Communities, suppliers and business partners	(50 500)	(49 169)
Cost of sales – other ⁵	(28 247)	(22 230)
Consumables and services	(22 253)	(26 939)
Metals purchased		
Employees and contractors	(22 933)	(19 848)
Governments	(7 154)	(13 149)
Taxes and state royalties	(5 243)	(10 940)
Direct state taxes	(1 911)	(2 209)
State royalties		
Lenders	(383)	(379)
Finance costs		
Shareholders	(97)	(696)
Value retained for non-controlling interests	(13 642)	(14 789)
Dividends ⁶	(7 511)	(17 633)
Retention of shareholders value		
Number of employees (employees and contractors)	69 931	58 001

¹ Refer to [page 21](#) and the economic contributions in each country on [pages 22 to 26](#) and the analysis of our data by country on [page 28](#).

² VAT/sales taxes, customs duty and securities transfer tax (STT).

³ Primarily comprising state royalties.

⁴ Numbers have been prepared on the accrual basis.

⁵ Includes R713 million (FY2022: R1 244 million, FY2021: R1 621 million) non-state royalties.

⁶ Includes dividends paid to non-controlling interests. A final dividend of 165 cents per share or R1 485 million was declared after period end.



Locomotive going past 16 Shaft headgear at Impala Rustenburg.

Our value creating processes and activities

VALUE CHAIN

Our economic contribution through our value chain (refer to our value chain in the integrated report)



The decline at 14 shaft is equipped with a chairlift, which dramatically reduces the time it takes for miners to get to the working place.

	Exploration	Mining	Processing	Market development and sales	Rehabilitation	Corporate activities	
Activity	<ul style="list-style-type: none"> Brownfields exploration to optimise current orebodies and secure LoM I sustainability Maintaining a watching brief on global PGM exploration Investment in greenfields exploration 	<ul style="list-style-type: none"> Prioritising zero harm Deep-level, conventional mining at Impala Rustenburg Shallow, mechanised operations at Marula, Zimplats, Impala Canada, Mimosa and Two Rivers Tailings re-mining in support of circular economy ambitions Responsible water, energy and waste management 		<ul style="list-style-type: none"> Concentrating, smelting and refining ex-mine material and third-party concentrates Reducing waste Efficient water management 	<ul style="list-style-type: none"> Responsibly supplying customers and meeting client-specific requirements in South Africa, Japan, China, the US and Europe Understanding PGM demand fundamentals and their uses Stimulating future demand for PGMs 	<ul style="list-style-type: none"> Regulatory compliance, including beyond compliance initiatives Efficient water management Pollution control Responsible energy use, and waste and emission management in response to climate change risks and opportunities Responsible land management and biodiversity practices 	<ul style="list-style-type: none"> Group strategic planning: Operational strategies, capital allocation and business development and corporate action Management services: Investor relations, stakeholder engagement, taxes, legal services, risk management and compliance; marketing, finance, human resources, and information technology
Taxes and payments to governments ¹	<ul style="list-style-type: none"> Indirect taxes (VAT) and income tax related to contractors and suppliers Permits and licence fees 	<ul style="list-style-type: none"> Corporate income tax Indirect taxes (VAT, customs duties) State and other royalties Permits and licence fees 		<ul style="list-style-type: none"> Corporate income tax Indirect taxes (VAT, customs duties) 	<ul style="list-style-type: none"> Corporate income tax Indirect taxes (VAT, customs duties) State royalties 	<ul style="list-style-type: none"> Corporate income tax Indirect taxes (VAT) Withholding tax on dividends Taxes borne or withheld on corporate action (securities transfer tax) 	

ECONOMIC CONTRIBUTIONS

Related SDGs	<ul style="list-style-type: none"> Significant local capital investment Payments to contractors and suppliers 	<ul style="list-style-type: none"> Payments to contractors and suppliers Contributions to host communities including infrastructure, education, employment and upskilling Non-state royalties 		<ul style="list-style-type: none"> Contributions to host communities, including infrastructure, education, employment and upskilling Payments to contractors and suppliers 	<ul style="list-style-type: none"> Payments to suppliers and contractors generating goods and services taxes and export duties Employment opportunities 	<ul style="list-style-type: none"> Payments to suppliers and contractors, generating goods and services taxes Employment opportunities 	<ul style="list-style-type: none"> Payments to shareholders and lenders Additions or changes to asset portfolio Capital investment in operating assets and employment opportunities

¹ Employment taxes on salaries, wages and other employee benefits are applicable across entire value chain.

Our value creating processes and activities (continued)

Message from the chief financial officer

This year, Implats paid R6 012 million in corporate income taxes after recording a profit before tax of R9 787 million.

Impala Canada pit at sunset.

Message from the chief financial officer (continued)



At Implats, we believe in making a meaningful financial contribution to the countries in which we operate.

Welcome to Implats' first tax and economic contribution report. As I present this report, I wish to emphasise Implats' continued commitment to increased transparency.

This year, Implats paid R6 012 million in corporate income taxes after recording a profit before tax of R9 787 million. The year was challenging, characterised by high inflation and interest rates, increased geopolitical tension, continuing supply chain constraints, persistently high unemployment and inequality and rising calls for a transition to carbon neutrality.

During the current year, the final tax computations were impacted by a significant and unexpected reduction in rhodium prices, which materially affected stock valuations and resulted in an overpayment of taxes (refer to the tax cash rate reconciliation on [page 20](#)). Implats will engage proactively with the tax authorities to recover these amounts.

Tax and sustainability

We recognise the link between tax and sustainability and acknowledge that an increasing number of stakeholders view our tax contributions as a key measure of the Group's licence to operate. The purpose of this report is to provide an overview of the tax and economic contribution made by the Implats Group, and facilitate further transparency on how tax is managed as part of our commercial activities.

At Implats, we believe in making a meaningful financial contribution to the countries in which we operate. The taxes we pay generate revenues for governments, which allows for investment in the development of their respective countries. In addition, we invest in the wellbeing of our employees, host communities and environments (refer to our annual integrated and ESG reports for more).

Together with the leadership team and the board, and as the steward of data and analytical resources, the finance function is integral to the development of a sustainable business model. The team is central to ensuring that sufficient internal controls exist over financial and non-financial data utilised by the Group to achieve its strategic goals, manage its associated risks and opportunities, execute on resource and capital allocation, as well as to measure the long- and short-term performance of the Group.

This report, alongside our annual integrated, ESG and climate change reports, enables our stakeholders to understand and evaluate the lasting, positive impact Implats strives to make in pursuing its purpose to create a better future.

Your feedback is valuable as we look to provide meaningful and insightful information on the taxes we pay.

Meroonisha Kerber
Chief financial officer

Governance and approach

Our approach to tax and transparency is informed by our purpose, vision and values, and is integral to the Group's ESG framework and our aspiration to play our part in contributing to the global UN SDGs.

STRATEGY

At Implats, tax is not merely "the cost of doing business." As a responsible corporate citizen, we contribute to the social and economic growth of the countries in which we operate.

- We pay the right and proper amount of tax in each of our host countries;
- We conduct the appropriate level of tax planning to ensure our tax policy is aligned with our strategic rationale;
- We comply with the governing laws, rules, regulations and disclosure requirements.

POLICY

The Implats board retains overall responsibility of the Company's tax affairs and reviews and approves the Implats Group tax policy annually.

- The Implats board has zero tolerance for:
- Deliberate tax evasion;
 - Bribery of tax officials;
 - Engaging in illegal, fraudulent or any other activity that compromises the Group's integrity or reputation.



Governance and approach (continued)

The board has set the following tax principles for regulatory compliance



The risk management processes applied towards identifying tax risks are consistent with the Group risk management process, which is applied to identify and manage enterprise risk operationally throughout the Group and allows for the areas of risk to follow the management structure of the relevant business unit.

Refer the integrated report at www.implats.co.za for more on this process.

Tax governance and risk management

GOVERNANCE

Tax risk is proactively managed by preventing unnecessary disputes, adhering to internal reviews, procuring third-party assurance, engaging advisers and technical support where needed and engaging with the regulator.

Avoiding all tax disputes suggests an overly prudent position relative to our objective to enhance shareholder value, where commercial needs are paramount. We will always seek a tax-efficient approach and, in doing so, give due consideration to reputation, brand and our corporate and social responsibilities.

As delegated to by the Implats board, the ARC sets and annually reviews the tax policy, which includes the Group tax strategy, and is ultimately accountable for policy compliance. Further, the ARC sets the key tax principles related to managing tax risks and tax-related issues, as indicated below and on [page 13](#), in support of the Group ethics policy.

While the equity-accounted entities are excluded from our reporting boundary in this report, the ARC is regularly apprised of their tax position and governance. Implats management representatives are appointed to the audit and risk committees of these entities and provide the ARC with minutes of audit committee meetings, including tax reports and any other relevant information required to satisfy the ARC of the internal financial control environment of the equity-accounted investments.

Tax data is assured externally and the Group has assisted in developing a bespoke electronic tax system to strengthen the integrity over tax data, and facilitate various levels of internal review, reconciliation to financial information, and accurate calculation and reporting on all tax matters.

The Group tax department and the tax functions of our subsidiary companies are responsible for implementing tax risk policy and, to this end, use the tax system extensively.

On a quarterly basis the Group tax department prepares a Group tax report which is presented to the ARC, and includes:

- Material tax matters
- Tax risks
- Material tax legislative changes impacting the Group
- The tax compliance status of the Company and its subsidiaries, highlighting instances of non-compliance.

Whistleblowing and stakeholder concerns

In order to realise its purpose and safeguard against risks of fraud, corruption, bribery and other unlawful behaviour, Implats has various policies (www.implats.co.za) and reporting mechanisms in place, that include a toll-free Whistle Blower Hotline (number: 0800 005 314) which is available 24 hours a day on all weekdays, to facilitate reports in all the official languages of South Africa.

The ARC and board chairperson oversee whistleblowing reports and remedial actions. All reported allegations are investigated. The Group internal audit function assesses and tracks management actions in response to confirmed findings as recorded in forensic audit reports.

In addition to the whistleblower hotline, which allows stakeholders to raise concern over unethical or unlawful behaviour relating to tax, the Group code of ethics prohibits conflicts of interests and requires employees to conduct Implats' business with integrity. The code further requires all taxes, fees and royalties related to mineral extraction and general trade to be duly paid to governments. The code requires employees to report any concerns (from any source) regarding illegal or unethical behaviour, including those relating to tax, to their line manager, the head of forensics or the ethics officer and the hotline without fear of retribution.

Stakeholders can therefore raise concerns with all employees within the tax or finance function irrespective of the level or role of the employee, which will be reported internally, in line with the ethics policy requirements.

TAX RISKS

The Group is exposed to various categories of tax risks:

Specific risk areas	Description	Mitigation

Specific risk areas	Description	Mitigation

Tax governance and risk management (continued)

General risk areas	Description	Mitigation	
			<p>Portfolio risks</p> <p>The aggregate/cumulative level of risk for transactional, operational and compliance</p> <ul style="list-style-type: none"> • Consider the cumulative risk profile if all areas of tax risk were negatively impacted at the same time • Determine a probability of occurrence and aggregate the impact of each tax risk • Implement necessary and relevant controls
			<p>Management risks</p> <p>Managing the various tax risks</p> <ul style="list-style-type: none"> • Provide/maintain the necessary resources, time and skills to address and manage the various tax risks • Ensure robust succession planning • Training and continuous professional development
<p>Reputational risks</p> <p>Concerns the wider Group impact, which could arise from a company's actions becoming known to the public, eg through legal action</p> <ul style="list-style-type: none"> • Ensure compliance with all tax laws, rules and regulations • Maintain strong technical positions and obtain legal advice on complex matters • Cooperation with revenue authorities for investigations and audits, ensuring a transparent and proactive interaction 			

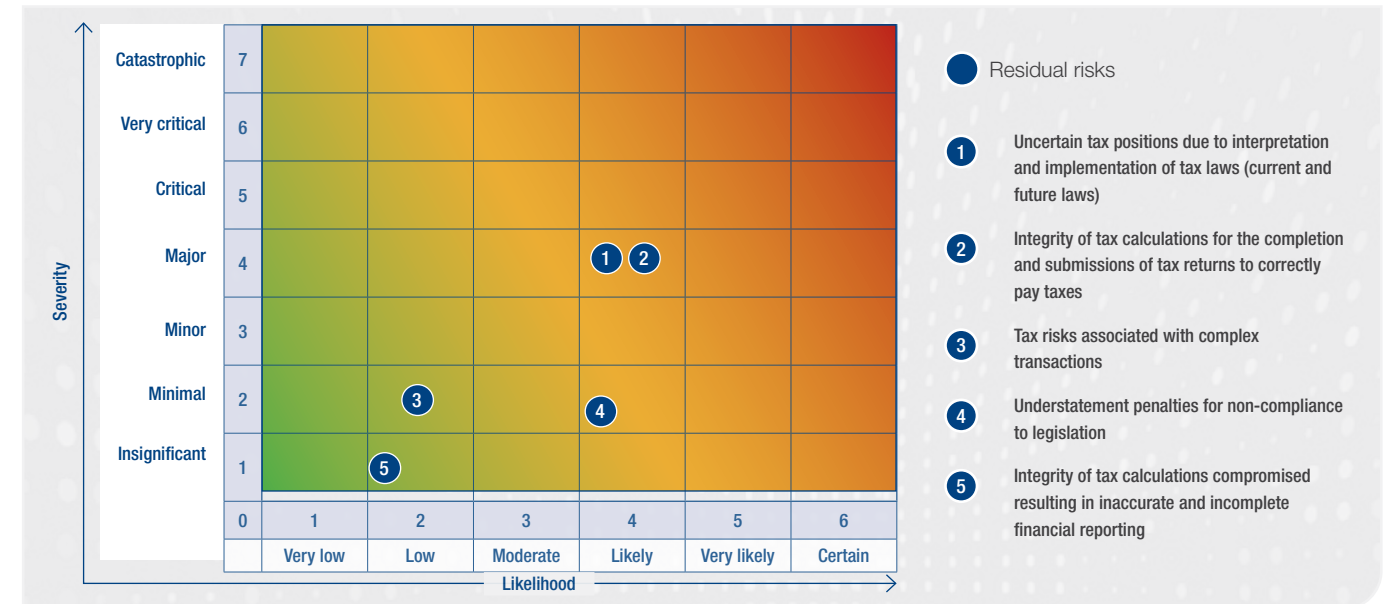
Operational accountability for ensuring compliance with the tax policy and risk management framework is delegated to the CFO, who – supported by the Group tax manager and a global team of experienced tax practitioners – is responsible for managing the Group's tax affairs.

The CFO provides quarterly reports to the ARC on significant tax matters and/or risks and the adequacy of the management actions taken to address such risks, as well as updates to tax legislation.

Group tax risks

The residual risks relating to tax governance are lower than the Group strategic risks and are therefore not discussed in the integrated report. The specific and general tax risks and the associated mitigating measures disclosed in this report form the basis of the residual risk heat map below. Tax risk management, including the responsibility to identify, measure and monitor risks and their mitigating actions adhere to a defined management structure and tax risk approval and governance framework.

Residual risks have been reduced to acceptable levels and are within the risk appetite and tolerance limits for the Group.



UNCERTAIN TAX MATTERS

Implats is subject to income taxes under the various income tax regimes in the countries in which it operates. Significant judgement is required in determining the Group's liabilities for income taxes due to the complexity of legislation, which is often subject to interpretation.

Consequently, disputes may arise with tax authorities over the interpretation or application of certain rules in respect of the Group's tax affairs within a particular country, and the outcome of these claims and disputes cannot be predicted with certainty. Management obtains independent legal and/or tax practitioner opinions, which inform and support the tax positions the Group adopts on complex tax matters that require significant judgement.

Implats Group companies are involved in tax queries, litigation and disputes with various tax authorities in the normal course of business. A detailed review is performed regularly on each matter and a provision is recognised, where appropriate.

Regardless of whether potential economic outflows have been assessed as probable or possible, individually significant matters are disclosed in the annual financial statements (refer to [notes 20](#) and [33](#) of the consolidated annual financial statements).

The total income tax expense across all the Group's jurisdictions amounted to R3.6 billion for the year. Tax legislation is complex and results in uncertain tax positions during the ordinary course of business.

In addition to material provisions in the annual financial statements, the Group dealt with the following matters during the year, largely emanating from several requests for information issued by the revenue authorities. All requests were complied with by Implats.

Income tax

The 2019 and 2020 returns of Impala were audited, in which South African Revenue Service (SARS) required adjustments to the 2020 tax year resulting in an additional R17.8 million tax charge and penalty of R4.9 million. Implats disagrees with the additional assessment and intends to declare a dispute in this regard. The 2020 tax return of Marula was audited and concluded without any adjustments.

An audit was concluded at Impala Canada during the year, which resulted in historical exploration and development costs of approximately R1.6 million incurred by the previous owners of the company being added back.

Zimplats has contested the Zimbabwe Revenue Authority (ZIMRA) prescribed computation methodology for calculating taxable income that requires all deductible operating and capital expenditures to be split based on the prevailing regulated foreign currency retention and surrender splits.

Zimplats filed a declarator, wherein it sought confirmation of its methodology by the High Court of Zimbabwe. The High Court ruled in favour of ZIMRA, and Zimplats immediately appealed the matter to the Supreme Court, which is pending. Notwithstanding the difference in methodology, Zimplats has, on a without prejudice basis, been paying taxes in accordance with the ZIMRA methodology. Accordingly, irrespective of the outcome of the appeal, the Company will not incur new liability.

Other matters

Supported by expert council opinion, royalties are paid based on the gross fair market value of the minerals produced, however, ZIMRA contends that royalties should be paid based on the final gross fair market value without deducting further refining fees. Zimplats disputed the ZIMRA interpretation which resulted in their computed shortfall of US\$7.1 million. The matter is still to be heard in court.

The SARS Customs Audit division conducted an audit on import documentation related to International Trade Administration Commission (ITAC) permits processed over a two-year period that ended in FY2022. The audit was concluded without adjustments.

SARS detained trucks delivering concentrate to South Africa which were subsequently released on condition that a penalty of R9 million was paid. A letter of appeal was submitted and the Group is in the process of submitting additional information requested by SARS.

SARS conducted VAT audits on two Group companies, which resulted in minor/immaterial findings and additional VAT assessments and related penalties that would have been costly for Implats to dispute through legal proceedings. Implats disagreed with the SARS findings and accepted SARS's recommendation to refer the matters to alternative dispute resolution proceedings. Two settlement offers relating to the penalties were submitted to SARS, with an aggregate value of less than R1 million. One offer has been accepted and another remained outstanding at 30 June 2023.

The Impala Share Ownership Trust was levied penalties and interest for the late payment of its first provisional payment in FY2023 due to administrative differences in the fiscal year end

of the trust. Management disagrees with SARS and the trust is awaiting the correction and the reversal of the penalty.

Diesel rebate claims of R9.5 million submitted for the 2023 financial year are subject to an audit and no feedback has been received to date.

SARS audited and issued a revised 2018 assessment to Royal Bafokeng Resources (Pty) Ltd relating to the acquisition by the company of the remaining interest in the Bafokeng Rasimone Platinum Mine Joint Venture and the associated capital expenditure that the company may claim on the acquisition. The company was however not in a tax paying position in 2018 and the adjustment proposed by SARS did not result in additional taxes. The adjustment reduced the balance of unredeemed capital expenditure carried forward on which SARS levied an understatement penalty of R165.8 million and a provision was raised for this amount.

The matter above did not impact the royalty taxes for the 2018, 2019 and 2021 years of assessment. The company however paid an additional royalty tax for FY2020 due to the redemption of unredeemed capital expenditure at a faster rate than the normal tax balance, which gave rise to a penalty of R11 million. Management has disputed the levying of the understatement penalties.

TRANSFER PRICING AND PROFIT SHIFTING

The Group aims to pay the right and proper amount of tax in each country in which we operate and the Group supports the international transfer pricing standards and guidelines issued by the Organisation for Economic Co-operation and Development (OECD).

In line with its commitment to ethical and transparent business practices, and in addition to the Group tax policy, the Implats transfer pricing policy requires entities in the Group to be treated individually as independent entities and for intra-group transactions to be conducted on an arm's-length basis.

Implats' policy and guidelines prescribe the application of the arm's-length standard and the methods used as the basis for price determination. These are applicable to all cross-border transactions within the Group including supplying services, procuring semi-refined products, developing processes and intellectual property, providing financial assistance and foreign currency transactions. This ensures a consistent Group-wide approach aimed at reflecting the commercial and economic substance of related-party transactions.

TAX INCENTIVES AND TAX HAVENS

We do not accept tax incentives that are not specified in law or not generally available to other industry participants. We only make use of incentives or government initiatives designed to incentivise particular economic activity by reducing tax payments, which are aligned with our business and operational objectives and where we have a qualifying business activity.

We seek to implement tax incentives in the way intended by relevant legislation. If there is uncertainty, we seek to engage the relevant authorities to align implementation to the intended policy objectives. See [pages 23 and 26](#) for detail of the R93 million (2022: R69.1 million) tax incentives utilised at our operational jurisdictions.

Implats does not invest in, or through, countries considered to be tax havens for the sole purpose of reducing a tax burden. Such investments will only be considered if they are supported by sound economic and strategic reasons and aim to develop the activities included in the Group's corporate purpose.

Tax landscape

The global tax landscape has been changing at an unprecedented pace. The changes are having a major impact on how multinational enterprises (MNEs) such as Implats conduct their business activities. The Covid-19 pandemic and current geopolitical events have also affected many economies, with authorities seeking more avenues to broaden their tax base, which has a great influence on the future of tax collection and reporting.

Some notable developments that have a potential to impact the Group and its operations are highlighted below.

ANTI-BASE EROSION RULES (PILLAR TWO)

The OECD's base erosion and profit shifting (BEPS) 2.0 project will impact the effective tax rate of MNEs in the future. In South Africa's annual National Budget speech on 22 February 2023, the finance minister announced that during the 2023 legislative cycle, the government will publish for public comment a draft position paper on the implementation of the OECD's Pillar Two proposal to implement a 15% global minimum tax. Draft legislation will be prepared for inclusion in the 2024 Taxation Laws Amendment Bill.

Implats supports the OECD framework, which dovetails with the Group's purpose to create a better future – through transparency, playing our role in improving the global tax system and ensuring that all governments receive a fair share of tax revenues.



While Guernsey has a zero percent corporate income tax rate (refer to [page 28](#)), the income derived by Zimplats Holdings is already subject to taxation in Zimbabwe at a rate much higher than 15%. Consequently, should the framework be implemented, we do not expect to pay higher taxes in any of the countries in which we operate because their effective corporate income tax rates are well above 15%.

CLIMATE CHANGE AND SUSTAINABILITY

Climate change is a global environmental risk faced by all countries. Collective action based on comparable domestic standards, market-based mechanisms, regulations, and financing is intended to lower global risks, and in turn, lower competitiveness and leakage issues.

As the world unites behind the urgent goal of net zero, Implats and the metals it produces has a critical role to play in realising global net zero targets (refer to the uses of our PGMs and Group's medium- to long-term business operational strategies in the annual integrated report).

The tax landscape is also evolving to address the risk of climate change and presents both risks and opportunities to entities committed to contributing to global decarbonisation efforts.

Our decarbonisation journey to 2050

Implats has committed to achieving carbon neutrality by 2050, with a short-term target of a 30% reduction in scope 1 and 2 carbon emissions from the FY2019 base year by FY2030. To meet our targets, we are transforming the way our operations source and use energy, through several Group-wide initiatives including wheeling arrangements and other renewable energy projects, which are at various stages of investigation and construction.

Our direct emissions are from fuel use at our operations: 70% are from burning coal and 21% from diesel consumption. Our indirect emissions are related to energy purchased from external sources (indirect energy), specifically electricity. The Group's indirect energy consumption is from grid-supplied electricity.

In South Africa, this energy is sourced from the national energy utility, Eskom, the majority of which is generated from its fleet of coal-powered stations. Approximately 73% of the electricity at our Zimbabwe operations is from renewable electricity (hydropower scheme) and the other 27% of electricity is derived predominantly

from thermal coal from Zimbabwe. Impala Canada derives all its energy from renewable electricity supplied by a hydropower scheme.

More information on the Group's energy mix and decarbonisation roadmap is contained in our climate change report.

Risks and opportunities

In the 2023 National Budget speech, South Africa's finance minister announced a renewable energy incentive allowance for businesses: for a limited period, businesses can claim a once-off capital allowance of 125% of the cost of items used to generate electricity from renewable sources. The allowance only applies to plant and equipment brought into use for the first time between 1 March 2023 and 28 February 2025 and will be fully claimable in the year in which the plant and equipment is brought into use.

The draft documentation to inform the parameters to qualify for the incentive is currently out for public comment. In the meanwhile, Implats continues to monitor any developments in this regard to better model and understand the impact of the incentive.

Carbon taxes

While Implats is not currently exposed to significant physical risk related to climate change, transition risks are closely monitored (more information on climate risk is contained in the integrated, ESG and climate change reports). The impact of electrification on the automotive industry and commodity prices is included in Implats' price assumptions for accounting valuations and impairment testing, and related deferred tax calculations.

Our South African and Canadian operations are subject to carbon taxes and paid an aggregate carbon tax of R15 million in the current year (2022: R17 million). Refer to [page 21](#).

The Group also set an internal carbon price to stress-test its investment, which is now part of the capital approval process. The carbon tax impact on the Group is currently not projected to exceed R250 million in the next five years.

Fuel switching, zero-carbon fuels and offsets

To assist industries transition their activities and shift to sustainable and low-carbon practices in a cost-effective way, a carbon offset tax-free allowance is provided to companies. The South African Carbon Tax Act (No 15 of 2019) aims to stimulate reduced carbon tax liabilities and encourage additional investments in eligible low-carbon offset projects.

Although zero-carbon fuels and offsets are not part of our short-term decarbonisation plans to 2030, they will play a future role in the Group meeting its carbon neutrality target by 2050.

Developments in unilateral Border Carbon Adjustments (BCAs)

BCAs which, in broad terms, adjust the price of certain carbon-intensive goods to reflect the carbon output of their production processes are one of several policy solutions being implemented to minimise such risks. As our export regions such as the EU countries, the USA and other key economies explore and adopt BCAs, Implats and its customers may be impacted by these and other carbon taxes in their operational jurisdictions.

Implats will therefore continue to survey the evolving regulatory landscape to ensure that we address emerging risks and exploit any opportunities that are aligned with our purpose, strategic objectives and sustainability framework.

Advocacy and relationships with stakeholders

As part of our commitment to responsible corporate citizenship, we maintain positive and sustainable relationships with revenue authorities.

ADVOCACY

Implats participates in several industry associations to develop best practice and shape host country policies.

We support effective tax systems and provide tax authorities with our view on proposed legislative amendments through our legal advisers and membership of and association with industry bodies.

From a broader ESG perspective:

- In South Africa and Zimbabwe, Implats is an active member of the Minerals Council South Africa and the Zimbabwe Chamber of Mines respectively. These industry bodies advance safety, health and good corporate governance within the mining industry, as well as help shape legislation governing the mining industry
- Implats is also a member of the Energy Intensive Users Group of Southern Africa (EIUG), a consumer-led organisation committed to working with government and other stakeholders to develop effective solutions to South Africa's energy crisis and ensure that it transitions to a lower-carbon future within appropriate time-frames
- Beyond Southern Africa, Implats is a member of the International Platinum Group Metals Association (IPA), a non-profit association representing the interests of leading mining, production and fabrication companies of the global PGMs industry, that provides a platform to address issues of common concern and to jointly engage with stakeholders, including policy-makers in the European Union
- Implats is also a member of the marketing organisation, Platinum Guild International (PGI), which was created to develop global platinum jewellery demand. PGI works collaboratively with partners, conducting extensive marketing programmes in the four main platinum jewellery markets of China, Japan, USA and India

- Lastly, Implats participates in market development activities with its industry peers and continues to support the development of the hydrogen economy through several partnerships and its investment in AP Ventures, a private equity vehicle supporting activities into key evolving end-uses for PGMs, including fuel cells and energy storage.

STAKEHOLDER ENGAGEMENT

Our stakeholders are those groups who can affect or are affected by the achievement of our purpose. These stakeholders have a vested interest in our tax transparency and the economic contributions we make and our approach to long-term sustainability and profitability.

Implats supports responsible business practices and is committed to comply with the highest standard of corporate governance and the principles of the King IV Code™ of Corporate Governance for South Africa (King IV).





The Group recognises the legitimate information and sustainability needs of our stakeholders. We therefore endeavour to provide transparent disclosure of our approach to tax, governance, strategy and economic contributions to allow stakeholders across our value chain, including from an up-stream (suppliers), downstream (clients) and investor perspective, to determine the effects of the business relationships with Implats on their ESG initiatives.

This includes effective, responsive and evolving stakeholder relations, the strategy for which considers King IV and the AA1000 Assurance Standard principles of materiality, completeness and responsiveness.

Stakeholders	Interests, expectations and priorities	Implats approach and responses	Associated SDGs
Investors	<ul style="list-style-type: none"> • Tax information is increasingly incorporated in investment risk analysis processes, and used more frequently in the compilation of ESG rankings • The sustainability of our tax practices and responsible management of tax related risks • Demonstrating high quality tax and economic contribution disclosures in the industry and in comparison to our peers • ESG impacts on investor returns (eg carbon taxes). 	<ul style="list-style-type: none"> • Our sustainability approach to tax is embodied by our commitment to remain a responsible citizen, pay our taxes fairly, comply timely with laws, and ensure that our tax planning is based on commercial business activity, which is aligned with our shareholders' long-term interests • We support our investors by ensuring relevant, high-quality and transparent tax disclosures that are fully compliant with the relevant laws, frameworks and guidelines as set out in the basis of preparation on page 2. 	

Advocacy and relationships with stakeholders (continued)

Stakeholders	Interests, expectations and priorities	Implats approach and responses	Associated SDGs
Employees	<ul style="list-style-type: none"> • Ethics and transparency • Workforce composition and diversity • Accurate and responsible tax practices regarding taxes collected safeguard our employees • Compliance with privacy laws. 	<ul style="list-style-type: none"> • Implats' people are key to the Group achieving its purpose and vision • Implats aspires to be an employer of choice by supporting diversity initiatives, fair pay principles and investing in its employees through wellness, personal growth and professional development programmes. Implats adheres to its codes of conduct and ethics frameworks – consequently creating a supportive environment for its employees. 	
Communities	<ul style="list-style-type: none"> • Social and economic contribution to communities in the form of salaries and other benefits • Local enterprise development • Employment and skills development opportunities • Property taxes, licensing fees, certain indirect taxes and preferential procurement in the areas in which we operate • Responsible rehabilitation practices ensuring that we are fully funded to restore future liabilities. 	<ul style="list-style-type: none"> • Constructive and beneficial relationships with mine-host communities and sustainable socio-economic development are priorities for the Group and its leadership • More information about Implats' approach to rehabilitation, and the funding of environmental rehabilitation liabilities for its South African operations are disclosed in the integrated and ESG reports. 	
Governments	<ul style="list-style-type: none"> • Revenue collection • Regulatory compliance • Accurate and compliant tax payments • Transparency • ESG performance and reporting (refer to our tax landscape on page 15 for discussion on the effects of carbon taxes) • Approach to our relationship with the DMRE and compliance. 	<ul style="list-style-type: none"> • Delivering superior value to all stakeholders is dependent on ensuring full or beyond compliance with legislative and policy requirements in the areas in which we operate • Implats is committed to comply with the laws of the areas in which we operate, pay our taxes timeously, disclose accurately and transparently information requested and engage openly and honestly through dialogue with revenue authorities • We aspire for open and transparent relationships with relevant tax authorities through regular dialogue and proper disclosure • Governments benefit from Implats' contribution to the overall gross domestic product and revenue collection authorities. 	
Customers	<ul style="list-style-type: none"> • Security of supply of products • Scope 2 and 3 carbon emission impacts on customers' value chains • Our products support global sustainability efforts with widespread green uses for PGMs, which curtail vehicle emissions and are important for clean future power generation initiatives in a potentially circular economy. 	<ul style="list-style-type: none"> • Our operational strategies ensure a stable output and supply of PGMs. The Implats capital allocation framework and the business development strategies ensures a long-term sustainable business • Implats' commitment to responsible sourcing and production processes to limit adverse scope 2 and 3 carbon emission effects in our clients' value chains • Refer to our annual integrated report for more information. 	

Stakeholders	Interests, expectations and priorities	Implats approach and responses	Associated SDGs
Suppliers	<ul style="list-style-type: none"> Effective and ethical procurement practices ensuring fair tender procedures that prevent unlawful behaviour such as fronting Reasonable payment conditions and adherence thereto Effective supplier engagement and retention of supplier information Compliance with the Protection of Personal Information Act and other legislative requirements. 	<ul style="list-style-type: none"> Creating a sustainable supply chain drives value creation and operational effectiveness. The principles of good corporate governance and sustainability play a leading role in the long-term risk management of a company and Implats is committed to responsible business practices for the group and our supply chain partners Installation and the maintenance of electronic systems with capabilities that facilitate easy engagement allowing suppliers to digitally maintain their tax compliance documentation, etc. 	 
Industry bodies and partners	<ul style="list-style-type: none"> Participation in multiple industry bodies and collaboration with peers Leverage relationships to enhance future value creation globally and in the industry. 	<ul style="list-style-type: none"> Our ESG-related partnerships include membership of various industry bodies, including the Mineral Council South Africa and the Zimbabwe Chamber of Mines, the IPA, PGI as well as the Group's investment in AP ventures (refer to page 16). 	 



Marula Platinum Mine.

Group tax performance

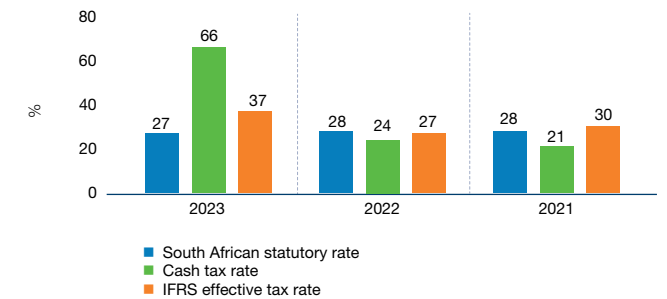
GROUP EFFECTIVE CORPORATE INCOME TAX RATE ON UNDERLYING EARNINGS

The statutory tax rate is the rate imposed by law on taxable income. We define the effective tax rate as an average rate of tax payable by a Group company, calculated as a ratio of the tax expense compared with the profits in the financial statements.

Commentary

- The increase in the cash tax rate is due to the settlement of the 2022 taxes in the current year, as well as overpayments for the current year of approximately R1 241 million. The overpayments were largely due to the unexpected and significant reduction in rhodium pricing at year end and its resultant impact on stock valuations, which have a material impact on the final tax computations.
- The increase in the IFRS effective tax rate is mainly due to the impairment/revaluation of assets on which deferred tax was not recognised. Refer to note 8 of the consolidated annual financial statements 2023.

Three-year tax trend (%)



DETAILED EFFECTIVE TAX RATE RECONCILIATION

For a detailed breakdown of the reconciliation, refer to note 9 in the Implats Group consolidated annual financial statements.

The effective tax rate reconciles the Group tax expense, calculated on the statutory tax rates of the jurisdictions of our operations, to the total current taxes and cash taxes paid through various IFRS adjustments.

	2023 Rm	2022 Rm
Profit before tax	9 787	45 239
Normal tax at SA tax rate of 27% (2022: 28%)	2 643	12 667
Adjusted for:		
Impairments		
• Loss on the deemed disposal of the equity investment in Royal Bafokeng Platinum (RBPlat) when it became a subsidiary of the Group; and the impairment of goodwill arising on the acquisition of RBPlat	1 624	—
• Impairment of assets at Impala Canada on which no deferred tax was raised	348	—
Dividends		
• Dividends distributed to the beneficiaries of the employee share incentive trusts	295	118
• Dividends tax on the dividends received by the Group employee share incentive trusts	75	—
Legislation		
• Reversal of deferred tax at subsidiary due to change in legislation	(160)	3
• Change in tax rate	—	(218)
Tax rates of foreign subsidiaries		
• Effect of different tax rates of foreign subsidiaries	(580)	745
• Impala Canada Ontario mining tax deducted at the corporate tax rate	211	(48)
Effect of after-tax share of profit from associates	(913)	(1 207)
Non-deductible – other	66	40
Tax expense	3 609	12 100
Effective tax rate	37%	27%

The Group weighted average statutory tax rate is 23.6% and represents the profits of the Group, multiplied by each jurisdiction's statutory tax rate, ignoring the impact of any tax adjustments.

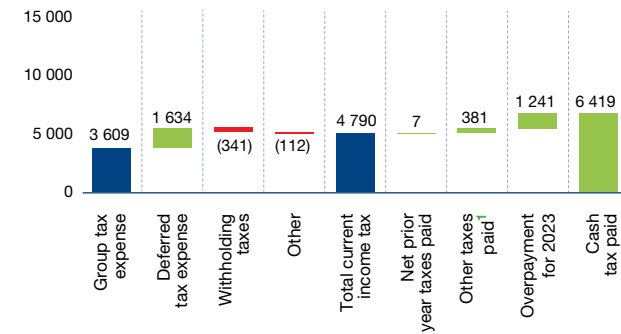
Outlook

The prior year adjustment from the change in legislation and the current year effect of the Impala Canada and RBPlat impairments and remeasurement are currently not anticipated to recur. Other reconciling items relate to ordinary operating activities of the Group's operations and the value of future reconciling items of this nature will depend on the earnings in each jurisdiction and dividends declared.

Reconciliation of Group income tax expense to cash tax paid

The overpayment of provisional taxes in the reconciliation between the tax accrual and actual cash tax paid in the graph to the right is largely due to the significant decline in PGM prices and rhodium prices, in particular, at period end, as well as weaker exchange rates between the date of the provisional payment and the year-end tax accrual. Refer to the current tax disclosure in [note 20 of the annual financial statements](#).

Group income tax expense to cash taxes paid (Rm)



¹ Relates to withholding taxes paid.



Surface at the waiting place to Driekop shaft – Marula Platinum Mine.

Performance per country

The Group's ongoing contribution to the social, economic and institutional development of our communities and meaningful engagement with our community stakeholders is based on the legitimate needs identified in this two-way process.

	Total tax contribution		South Africa	Canada	Zimbabwe	Japan
	Rm 2022	Rm 2023	Rm 2023	Rm 2023	Rm 2023	Rm 2023
Corporate taxes¹	9 720	6 012	5 437	311	263	1
Withholding taxes¹	1 007	407	77	23	307	—
Dividends	905	305	77	—	228	—
Interest	12	23	—	23	—	—
Contractors	90	79	—	—	79	—
Payroll taxes	4 802	5 263	3 468	1 069	726	—
PAYE	4 431	4 857	3 170	1 037	650	—
UIF	147	143	143	—	—	—
SDL	154	155	155	—	—	—
Other	70	108	—	32	76	—
Indirect taxes	1 466	1 334	920	141	273	—
VAT/sales tax	1 209	1 033	892	141	—	—
Excise and customs	212	292	19	—	273	—
Securities transfer tax	45	9	9	—	—	—
Property taxes	55	91	52	—	39	—
Environmental taxes	80	74	63	8	3	—
Carbon tax	17	15	15	—	—	—
Fuel levy/duty	60	56	48	8	—	—
Other	3	3	—	—	3	—
Other payments to government	2 655	2 447	1 519	—	928	—
Royalties	2 114	2 133	1 508	—	625	—
Zimbabwean commissions	420	143	—	—	143	—
Intermediated money tax (Zimbabwe)	66	92	—	—	92	—
Other	55	79	11	—	68	—
Total	19 785	15 628	11 536	1 552	2 539	1

¹ The total cash tax paid in the reconciliation on page 20 is comprised of total corporate and withholding taxes paid.

Analysis of the social, financial and economic contributions at the Group's material operational jurisdictions is provided on [pages 22 to 26](#). Japan was omitted due to materiality considerations.



The portal to the decline of the new Merensky shaft at Two Rivers Platinum Mine. The shaft is separated from the UG2 workings by 30 metres above.

Performance per country (continued)



South Africa is home to the majority of our assets and more than 59 900 of our employees. In 2023, we contributed R11 536 million in taxes and royalties to the South African economy.

Our South African footprint includes our subsidiaries Impala Platinum Limited, comprising Impala, which consists of the Rustenburg and Impala Refineries operations, as well as its toll refining division, Impala Refining Services (IRS); Marula and Royal Bafokeng Platinum (RBPlat), which was consolidated for the first time on 30 May 2023. Our equity-accounted joint venture associate, Two Rivers, has been excluded from the consolidated numbers below.

Implats' social licence to operate is linked to the wellbeing of our host communities and its intention to create self-sustaining and inclusive mine communities through positive social and economic contributions.

In South Africa, our social projects consist of social and labour plan (SLP) initiatives as well as beyond-compliance programmes and donations. All our community social projects are demand-driven and aligned to communities and the Group's business needs.

We spent R343 million (2022: R228 million) on social programmes, including school support programmes, clinics and community infrastructure. Our procurement activities provided much-needed support to our community based small business. We spent R1.8 billion (2022: R1.7 billion) at Impala and R388 million (2022: R188 million) at Marula on our mine-host community entrepreneurs and opened an economic inclusion centre at Impala Rustenburg, aimed at offering basic business development infrastructure support to assist small businesses access markets beyond our operations.

To meet its environmental obligations, the Group has invested sufficient funds into short-term insurance policies within a cell captive to fund rehabilitation liability provisions for all South African operations, which are, over time, expected to result in fully funded guarantees at the end of life-of-mine (refer to note 15 of the consolidated annual financial statements).

ECONOMIC VALUE DISTRIBUTION¹

	2023 Rm	2022 Rm
Revenue	98 383	111 059
Other net income	2 153	175
Gross value generated	100 536	111 234
Depreciation	(3 671)	(3 209)
Deferred tax	672	(74)
Value distributed to stakeholders	97 537	107 951
Employees and contractors Labour and other	(18 240)	(16 320)
Communities, suppliers and business partners Cost of sales – other ²	(64 395)	(62 126)
Governments State royalties	(1 194)	(1 523)
Direct state taxes	(4 419)	(7 721)
Lenders Finance costs	(117)	(130)
Shareholders Dividends paid to shareholders	(25 014)	(8 213)
Diminution of shareholder value/(value retained in the business)	15 842	(11 918)
Employees and contractors (number)	59 958	48 042

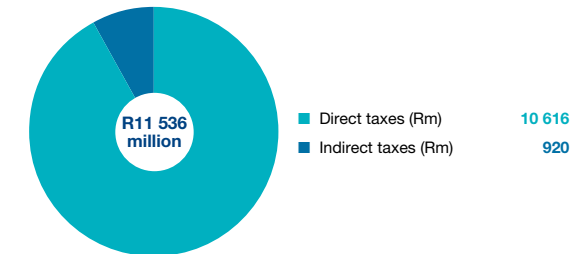
¹ Numbers were prepared on the accrual and headline earnings basis and in the same manner as those of the operating segments disclosed in note 1 of the consolidated Group annual financial statements. Immaterial companies have been excluded.

² Includes non-state royalties of R404 million (2022: R935 million) and carbon taxes of R16 million (2022: R12 million).

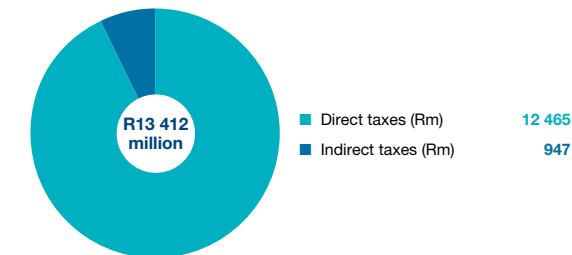
Performance per country (continued)

Taxes borne and taxes collected on behalf of governments

Taxes borne and collected FY2023



Taxes borne and collected FY2022



Total tax incentives: R25 million (2022: R9.7 million)

Learnership agreements tax incentive: R9 million (2022: R2.3 million)

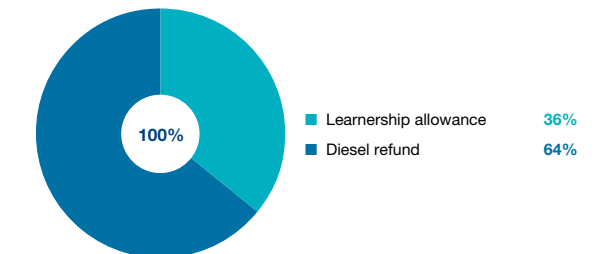
The incentive on registered learnerships agreements consists of an allowance deducted from the employer's income from trade, and supports job creation and promotes skills or human capacity development. The Group claimed R34 million and received a tax benefit of R9 million (2022: R8.1 million and R2.3 million respectively).

Diesel refund system: R16 million (2022: R7.4 million)

This cash rebate on diesel fuel used is available to registered VAT vendors operating in the agriculture, forestry, fishing and mining sectors.

The incentive strengthens the competitiveness of local industries internationally and reduces the road-related tax burden of the Road Accident Fund levy for particular non-road users participating in defined industries or activities.

Tax incentives by tax type FY2023 (%)





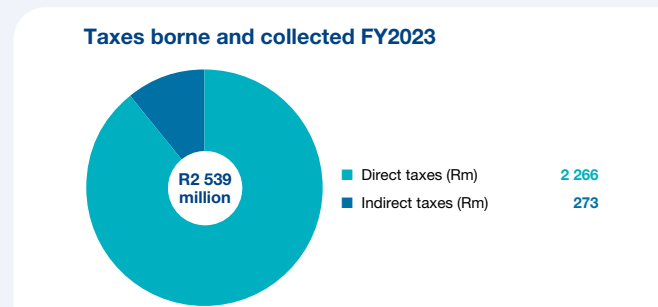
Our footprint in Zimbabwe comprises Zimplats and our joint venture, Mimosa.

Zimplats is 87% owned by Implats. Its Ngezi operation is located on the Hartley Geological Complex on the Zimbabwean Great Dyke, approximately 150 kilometres southwest of Harare. The Hartley Geological Complex contains 80% of the known PGM resources in Zimbabwe. Mimosa, an equity-accounted joint venture, is excluded from the consolidated numbers in the Group AFS used to compile the economic value distributed alongside.

Zimplats is committed to making a meaningful contribution to Zimbabwe's economy. The operation works with local communities to build an inclusive economy that provides opportunities for social mobility, facilitated by equitable access to jobs, education and health. Notable achievements for the year include the construction of a US\$37 million solar PV plant, which began during the current period, delivery of schools infrastructure, supporting social awareness programmes on albinism, and upgrades to state-owned health facilities that will benefit over 9 000 Zimbabweans.

Included in the value distribution below is Zimplats' procurement spend of US\$742 million for the year (2022: US\$553 million), 47% of which was local in-country spend of US\$350 million (2022: US\$320 million).

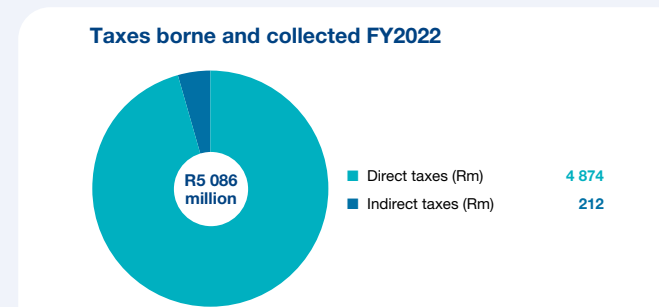
Taxes borne and taxes collected on behalf of governments



ECONOMIC VALUE DISTRIBUTION¹

	2023 Rm	2022 Rm
Revenue	18 047	19 311
Other net income	(279)	(696)
Gross value generated	17 768	18 615
Depreciation	(1 940)	(1 492)
Deferred tax	(1 077)	(555)
Value distributed to stakeholders	14 751	16 568
Employees and contractors	(2 928)	(2 125)
Communities, suppliers and business partners	(6 149)	(4 871)
Governments	(674)	(670)
State royalties	(674)	(670)
Direct state taxes ²	(369)	(2 559)
Lenders	(11)	(7)
Finance costs	(11)	(7)
Shareholders	(3 933)	(3 031)
Dividends paid to shareholders	(3 933)	(3 031)
Value retained in the business	(687)	(3 305)
Employees and contractors (number)	9 021	8 980

¹ Numbers were prepared on an accrual and headline earnings basis and in the same manner as those of the operating segments disclosed in note 1 of the consolidated Group annual financial statements.
² Includes withholding taxes.

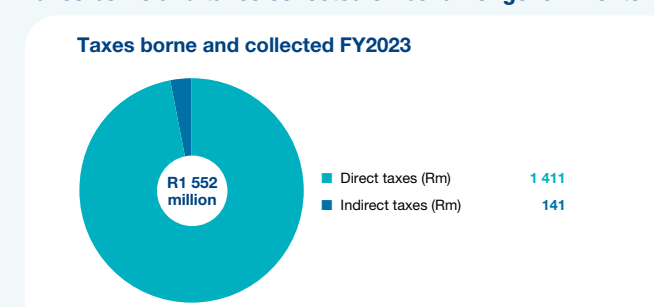


Impala Canada is 100% owned by Implats following its acquisition in late 2019. The Lac des Iles mine, Impala Canada's single operating asset, is located in the province of Ontario, north of the city of Thunder Bay. Lac des Iles conducts underground and surface mining, and concentrating.

Impala Canada's community investment programmes are focused on the local Thunder Bay community, situated 90km from the mine. Approximately half of the company's workforce is from this area and Impala Canada is committed to the long-term sustainability of the city and wellbeing of its community.

In the current period, the operation spent R9 million on social programmes. Impala Canada is committed to finding and working with the best suppliers and service providers in the local Northwestern Ontario region and spent approximately R1.8 billion (2022: R1.2 billion) on goods and services from the Thunder Bay area. The spend with indigenous-owned businesses and joint ventures was R637 million (2022: R481 million) or 15% of total procurement (2022: 13%).

Taxes borne and taxes collected on behalf of governments



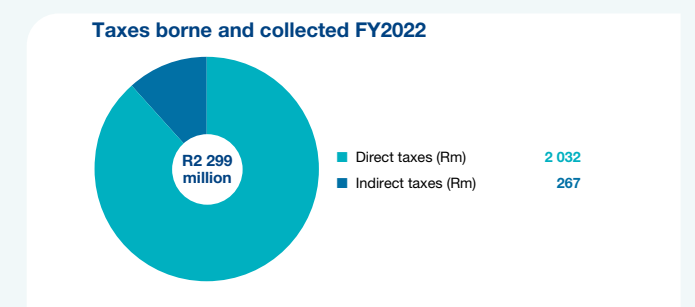
ECONOMIC VALUE DISTRIBUTION¹

	2023 Rm	2022 Rm
Revenue	7 502	6 946
Other net income	(555)	(170)
Gross value generated	6 947	6 776
Depreciation	(2 114)	(1 107)
Deferred tax	442	32
Value distributed to stakeholders	5 275	5 701
Employees and contractors	(1 803)	(1 336)
Communities, suppliers and business partners	(2 611)	(2 774)
Cost of sales – other ²	(2 611)	(2 774)
Communities	(332)	(309)
Non-state royalties	(332)	(309)
Governments	(348)	(498)
Direct state taxes	(348)	(498)
Lenders	(242)	(128)
Finance costs ³	(242)	(128)
Shareholders	(271)	(965)
Value retained in the business	(271)	(965)
Employees and contractors (number)	948	975

¹ Numbers were prepared on an accrual and headline earnings basis and in the same manner as those of the operating segments disclosed in note 1 of the consolidated Group annual financial statements.

² Includes non-state royalties of R331 million (2022: R309 million) and carbon taxes of R8 million (2022: R6 million).

³ Includes R231 million (2022: R118 million) interest on intercompany loan with Implats.



**TOTAL TAX INCENTIVES: R59.3 MILLION
(2022: R59.4 MILLION)**

**Manufacturing and processing credit: R17.1 million
(2022: R19.6 million)**

A reduced corporate tax rate on Canadian manufacturing and processing profits is applied to corporations that manufacture or process goods for sale or lease in Canada.

The manufacturing and processing credit reduces Impala Canada's provincial tax rate from 11.5% to 10.0% and the total corporate tax rate from 26.5% to 25.0%.

**Deduction for Ontario mining taxes paid: R42.1 million
(2022: R39.3 million)**

The Canadian tax system provides for both the federal and provincial governments to levy corporate income taxes. The Canada Income Tax Act allows for a full deduction of provincial royalties and mining taxes of 10% payable on the extraction of minerals in the Ontario Province when calculating the federal income tax liability.

Cooperative education tax credit: R0.1 million (2022: R0.5 million)

A refundable tax credit is available to employers who hire students enrolled in a cooperative education programme at an Ontario university or college.

The tax credit is based on salaries and wages paid to students in a co-operative education work placement. Corporations claim 25% of eligible expenditures limited to a maximum of C\$3 000 for each work placement.



Operations monitoring, Impala Canada.

Appendices

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Through the way we do business

We are committed to maintaining the highest standards of good governance to ensure responsible stewardship and long-term value creation.

Analysis of data by country

BASIS OF PREPARATION

In this report, we disclose our analysis of data by country for the jurisdictions in which we have a taxable presence and where we report financial data.

The information included in this section is based on the country-by-country reporting requirements of the Global Reporting Initiative's Sustainability Reporting Standard on Tax (GRI 207). Additionally, Implats, as the ultimate parent entity, submits annual country-by-country reporting documentation, prepared in accordance with the OECD guidelines, to the South African Revenue Services (SARS).

Implats has used the International Financial Reporting Standards (IFRS) data and the South African rand as the reporting currency. The main data source is the consolidated Group reporting

system, as well as the audited consolidated annual financial statements. Reliance is also placed on data from individual subsidiaries for specific items. The financial information taken from our consolidated Group reporting system is assured internally by the Implats combined assurance map and Implats' internal financial controls.

Revenue

The revenue reported in our audited consolidated financial statements does not include dividends, interest and other non-sector specific sources of income that is disclosed separately in the consolidated income statement.

Revenue from intra-group transactions refers to revenue from transactions with fellow Implats' subsidiaries.

Analysis for Implats Group at 30 June 2023

Jurisdiction ¹	Revenue							Employees	Tax rates	
	Third-party revenues ²	Revenues from intra-group transactions with other tax jurisdictions	Profit/(loss) before tax ²	Income tax paid (on cash basis)	Income tax accrued – current year	Tangible assets (excluding cash and cash equivalents) ³	Balance of intra-company debt held by entities in jurisdiction ⁴		Statutory	Effective
	Rm	Rm	Rm	Rm	Rm	Rm	Rm			
South Africa	99 092	—	12 276	5 616	4 526	55 187	(3 410)	59 958	27	40
Zimbabwe	—	18 047	6 010	491	369	31 736	(135)	9 021	24.72	24
Guernsey	—	—	1 554 ⁵	—	—	89	—	—	0	0
United Kingdom	—	—	(1)	—	—	—	20	—	19	0
Canada	7 502	—	(10 052)	311	348	2 547	3 525	948	25 ⁶	28
Japan	—	—	—	1	—	—	—	4	34	17
	106 594	18 047	9 787	6 419	5 243	89 559	—	69 931		

¹ Refer to pages 21 to 26 of this report for additional information on the primary operations and pages 29 and 30 legal entities in these jurisdictions.

² Total reconciles to the consolidated annual financial statements. Refer to note 1 for additional segment information.

³ Tangible assets are comprised of property, plant and equipment, investment property and inventory.

⁴ The interest rate paid on the debt is calculated on market-related terms depending on the nature of the debt.

⁵ Relates to dividends that are subject to 15% withholding taxes in Zimbabwe.

⁶ In addition to the 25% corporate tax paid in Canada an additional 10% Ontario Mining tax is payable. The effective tax rate reconciliation in the consolidated annual financial statements was performed by disclosing the special mining tax as a reconciling item.

Analysis of data by country (continued)

COMMENTARY

Group subsidiaries, Zimplats and Marula, sell inventory concentrate and or matte to IRS for further refining. The revenue from sales to third parties is therefore earned in South Africa. Intra-group revenue to IRS by the South African operations has been excluded from intra-group revenue from other jurisdictions.

The Group provisional tax payments are made as accurately as possible prior to each year end. Movements in metal prices, exchange rates and stock levels after year end can however significantly influence the valuation of financial liabilities and inventory. This gives rise to differences between the tax paid and the tax accrued in the annual financial statements, which is recalculated based on information available at the end of the financial year (refer to the Group income tax expense to cash taxes paid reconciliation on page 20).

Tangible assets exclude financial assets and certain items included in property plant and equipment, namely, right-of-use assets, mining rights and rehabilitation assets.

South Africa

The effective tax rate of 40% (2022: 29.45%) compared to the legislative rate of 27% (2022: 28%) was largely due to the loss on remeasurement of the previously held equity investment in RBPlat at the date that RBPlat became a subsidiary of the Group and the impairment of goodwill arising from the acquisition of RBPlat, which are not tax deductible.

The taxes paid mainly relate to mining, refining and selling PGMs and base metals.

Zimbabwe

The effective tax rate of 24% (2022: 20.93%) compared to the legislative rate of 24.72% was mainly due to a reversal of deferred tax following a change in the interpretation of the tax legislation, as well as the offsetting effect of the withholding taxes on dividends.

The taxes paid mainly relate to mining operations.

Guernsey

Both the corporate and effective tax rates in Guernsey are 0%, however, dividend taxes borne are withheld and paid in Zimbabwe.

Canada

The effective tax rate in Canada is 28% (2022: 32.43%), due to the impairment/revaluation of assets.

The taxes paid mainly relate to mining operations.

Japan

The aggregate tax rate in Japan is 34% with an effective tax rate of 17% due to disallowable expenditure. The total tax contribution mainly consists of corporate income tax.



Women in mining – on surface at the waiting place to Driekop shaft, Marula Platinum Mine.

Our legal entities

TAX JURISDICTION AND NATURE OF BUSINESS South Africa

Name of entity	Main business activity
Afplats (Pty) Ltd	Mining activities
Bafokeng Rasimone Management Services (Pty) Ltd	Employee-related and management services
Bafokeng Rasimone Platinum JV Environmental Rehabilitation Trust	Environmental rehabilitation services
Biz Afrika 1866 (Pty) Ltd	Dormant
Gazelle (Pty) Ltd	Investment holding activities
Imbasa Platinum (Pty) Ltd	Exploration activities
Impala Chrome (Pty) Ltd	Chrome processing activities
Impala Employee Share Ownership Trust	Investment holding activities for employees
Impala Community Development Trust (Education)	Dormant
Impala Community Development Trust (Community Development)	Dormant
Impala Holdings Limited	Investment holding activities
Impala Platinum BV	Investment holding activities
Impala Platinum Holdings Limited	Investment holding activities
Impala Platinum Holdings Share Trust	Dormant
Impala Platinum Investments (Pty) Ltd	Investment holding activities
Impala Platinum Limited	Mining activities
Impala Platinum Properties North West (Pty) Ltd	Holding and management of properties
Impala Platinum Properties Rustenburg (Pty) Ltd	Holding and management of properties
Impala Pollution, Rehabilitation and Closure Trust Fund	Dormant
Impala Platinum Zimbabwe (Pty) Ltd	Investment holding activities
Impala Refining Services Limited	Management services
Implats Share Incentive Trust	Dormant
Inkosi Platinum (Pty) Ltd	Exploration activities
Marula Platinum (Pty) Ltd	Mining activities
Micawber 399 (Pty) Ltd	Dormant
Marula CT Company (Pty) Ltd	Investment holding activities for community empowerment
Marula Employee Share Ownership Trust	Investment holding activities for employees
Marula ESOT Company (RF) (Pty) Ltd	Investment holding activities
Maseve Investment 11 (Pty) Ltd	Dormant
Royal Bafokeng Platinum Limited	Investment holding activities
Royal Bafokeng Platinum Management Services (Pty) Ltd	Management services
Royal Bafokeng Resources (Pty) Ltd	Mining activities
Royal Bafokeng Resources Properties (RF) (Pty) Ltd	Holding and management of properties
The Morokotso Trust	Dormant

Zimbabwe

Name of entity	Main business activity
Always Investments (Private) Ltd	Dormant
Duckbrooke Mine (Private) Ltd	Dormant
Hartley Minerals Zimbabwe (Pty) Ltd	Leasing activities
Hartley Platinum Mines (Private) Ltd	Dormant
Jalta Investments (Private) Ltd	Dormant
Matrep Investments (Private) Ltd	Dormant
Ngezi Platinum Limited	Dormant
Zimplats Corporate Services (Private) Ltd	Dormant
Zimplats Enterprises (Private) Ltd	Investment holding activities
Zimbabwe Platinum Mines (Private) Ltd	Mining activities

Guernsey

Name of entity	Main business activity
Zimplats Holdings Limited	Investment holding activities

Zimplats Holdings Limited is the holding company of the Zimplats Group. It is a public company domiciled in Guernsey and listed on the Australian Stock Exchange.

United Kingdom

Name of entity	Main business activity
Mhondoro Holdings Limited	Investment holding activities

Mhondoro Holdings Limited is a subsidiary of Zimplats and is registered in the United Kingdom. The principal activity of the company is that of an intermediate holding company for mining interests in the Zimplats Group.

Canada

Name of entity	Main business activity
Impala Canada Limited	Mining activities
8616868 Canada Ltd	Dormant
Sunday Lake JV	Exploration
Shebandowan Joint Venture	Dormant

Japan

Name of entity	Main business activity
Impala Platinum Japan Limited	Marketing activities

Impala Platinum Japan is a Japan-registered company that provides marketing and client liaison services to the Group.

Effective tax rate	The effective tax rate is the amount of tax expense attributable to a year as a proportion of profit before tax.
Indirect taxes	Include value added/sales taxes, customs and excise duties, securities transfer tax (STT).
Other payments to government	Include royalties, licence fees and permits fees.
Property taxes	Include taxes levied on the acquisition, disposal, ownership or use of tangible property.
Environmental taxes	Include taxes and duties levied on the supply, use or consumption of goods or services that are potentially harmful to the environment.
Taxes accrued	This is the amount of corporate tax accruing in our financial reporting period. It comprises normal tax, withholding taxes and foreign taxes. This amount reconciles with the tax paid in the Implats Group consolidated financial results.
Taxes borne	All the taxes levied on a company, which are a cost to it and affect its results. These include corporate income tax, employer contributions and taxes on occupation of property. Taxes borne are a company's direct contribution to tax revenues.
Taxes collected	Taxes that are administered and collected on behalf of government and include employee income tax, and other deductions administered through the payroll, as well as value added tax charged to customers. Taxes collected are generated by a company's business activity and are part of its indirect contribution to tax revenues.
Taxes paid	Taxes paid (on a cash basis) include taxes and refunds paid and received respectively for prior, current and future years, withholding taxes and taxes on dividends. It does not include withholding taxes on dividends paid to shareholders. This amount reconciles with the taxes paid in the Implats Group consolidated financial results.
Total tax contribution	The total tax contribution is the sum of a company's corporate income tax and other relevant business taxes. It draws a distinction between business taxes borne by the company itself and business taxes collected on behalf of governments.

Contact details and administration

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