



This position statement sets out Sibanye-Stillwater's approach to Water Conservation and Water Demand Management (WCWDM).

WCWDM/WATER STEWARDSHIP

Position statement



INNOVATION



COMMITMENT



ACCOUNTABILITY



RESPECT



ENABLING



SAFETY

Sustainability Position statement

Water conservation & water demand management (WCWDM)/Water stewardship

This position statement sets out Sibanye-Stillwater's approach towards promoting our natural water resources and improving life through responsible water conservation and water demand management, optimising our dependence and minimising our impact on water resources for the sustainable benefit of the environment, surrounding local communities and ecosystems.

Our Vision statement

Superior value creation for all our stakeholders through the responsible mining of our mineral resources.

Our Environmental vision statement

Promoting natural resources and improving life – sustainable through increased environmental consciousness and continual improvement, minimising environmental impacts with a measured transition to a low carbon future enabled by digital and adopting technologically innovative approaches.

Sustainability Policy reference

Sibanye-Stillwater conducts its business in an ethical and responsible manner for the benefit of all stakeholders in accordance with the Group's Integrated Governance Framework.

The Group seeks to build a sustainable post-mining economy, within its geographical footprint, through the development of programmes that contribute and support our sustainability strategy.

Sibanye-Stillwater commits to sustainably use and source water resources through the following programmes and initiatives:

- responsible use of water resources to maintain our environmental licence to operate
- encourage sound management of water systems and efficient water use
- reduction in impact on water resources
- drive environmental consciousness through awareness, stewardship and communication on environmental issues

Water Conservation and Water Demand Management (WCWDM)

Water conservation is the minimisation of water loss or waste, the care and protection of water resources and the efficient and effective use of water.¹

Water demand management is the development, adaption and implementation of a strategy, programme or plan to influence the water demand and the usage of water in order to meet any of the

¹ Adapted from the Guideline for the Development and implementation of Water Conservation/Water Demand Management Plans for the mining sector.

following objectives: economic efficiency, social development, social equity, environmental protection, sustainability of water supply and services and political acceptability.²

Recognition statements

Sibanye-Stillwater recognise that:

- water challenges are increasing around the world. Earth's freshwater resources are finite and under pressure from industrialisation, urbanisation, climate change and the needs of a growing global population
- through the Sustainable Development Goals, world leaders have publicly acknowledged the urgency of using and managing water sustainably. Our mining can play a significant role in supporting this approach including through ensuring access to clean water, sanitation and hygiene (WASH) for employees in the workplace
- there is significant opportunity to reduce the impact of our mines on water resources through minimising leakage from our reticulation systems and improving water use efficiency
- water is a vital input for our mining operations. The dependency and impact on this shared resource creates material risk for our mining operations and processing facilities and therefore requires effective management
- our SA PGM operations are located in an area which is recognised to be water stressed. These operations rely on external suppliers (Rand Water Board, the local municipality and Rustenburg Water Service Trust) for more than 65% of the total water demand. A large portion of this water is sourced from the Integrated Vaal River System (IVRS), a system which is under pressure and located in a different catchment area to which the SA PGM operations are located. As all our operational mines in SA relies on the IVRS, the SA PGM and Gold Segments are under increasing pressure to proactively reduce our dependence on the resource and optimally use water available from sources within the local catchment
 - Rand Water Board has imposed restriction of 20% of supply in the region (2020)
- in order to meet demand, a major step-change is needed in the way water is used, accounted for, managed and shared. This will require collaboration and concerted action from all parties, including government, civil society, business, neighbouring mines and local communities
 - our US operations are located in water rich catchments with pristine water resources. The high standard of impact management maintained at the US operations through the Good Neighbour Agreement sets a benchmark for the management of all our operations
- there is opportunity for Sibanye-Stillwater to support government initiatives through leveraging capital or expertise to improve community WASH and other water related outcomes through reducing our dependence on surrounding resources and implementing sound closure strategies to ensure improved water security and quality over the long term for communities in which we operate
- Sibanye-Stillwater has an important role to play in the sustainable management of water resources in areas where we actively operate. Proactive and holistic water management strategies can create

² Adapted from the Guideline for the Development and implementation of Water Conservation/Water Demand Management Plans for the mining sector.

substantial competitive advantage through reducing water-related risk, identifying opportunities, attracting investment and building trust through improved transparency

- o our SA Gold operations are located in areas where excessive ground water resources intersect our mining operations. These mines need to pump approximately 280 MI/day water to ensure no flooding of our mining areas. A large portion of the water is discharged into the surrounding water streams and rivers, most forming part of the IVRS. The excess water presents the Gold operations with an opportunity to become largely independent from external suppliers that also feed and extract from the IVRS. It further provides the opportunity for government to supply surrounding communities and industry with the available excess water

Scope

This position statement sets out Sibanye-Stillwater's approach to WCWDM and outlines the recognition statements, intent, governance and management structures, strategic objectives and commitments of the Group towards WCWDM. This scope is applicable group wide, across all segments and managed activities (including joint ventures and other partnerships), in different jurisdictions where the Group operates.

Intent

The intent of Sibanye-Stillwater towards WCWDM is to drive responsible behaviour that drives efficient and effective utilisation of water resources with minimum impact on surrounding water resources to ensure availability of water resources for affected ecosystems, surrounding communities and our operations. This will be achieved through committing to and delivering on strategic initiatives to achieve our strategic objectives, which includes, amongst others, reducing water risks and costs, and enhance water security and water quality.

Sibanye-Stillwater is committed to:

- drive water security, independence and responsible water management including compliance to regulatory requirements
- optimising water use
- predictive water balance models that drive a water conservation and water demand management (WCWDM) plans

Governance

Management Structure

Water, and water-related issues, are considered strategic, due to the potential financial, operational and reputational impact on our business. It therefore falls indirectly within the mandate of the Executive Committee (EXCO) and the Chief Executive Officer (CEO), with oversight from the Board.

The Social, Ethics and Sustainability Committee and the Risk Committee, both Board-level committees, are responsible for addressing water-related risks and opportunities associated with strategic sourcing of water, consumptive patterns, water security, and water independence, amongst others. The Committees provide strategic direction and oversight and will ensure the effective implementation of the water strategy and policy across the business.

The Chief Technical Officer (CTO) reporting into the CEO, supports the CEO in key decision-making by ensuring that strategic WCWDM objectives translate into operational targets. This takes place in



conjunction with the Senior Vice President (SVP): Sustainability and the SVP: Environment, who oversees the integration of sustainability and environmental considerations, respectively, across the business.

The SVP: Sustainability is in charge of overall sustainability within the Group, and therefore any strategic issues on water, including WCWDM that could threaten overall business sustainability falls within his/her mandate.

The SVP: Environment, reporting into the CTO is responsible for setting and driving the strategic direction on a range of environmental issues, including water. The SVP will assist, guide and support the operational Executive Vice-Presidents (EVPs), SVPs and Vice Presidents (VPs) in terms of our strategic objectives on WCWDM, and how best to deliver on the Sustainability Strategy and long-term environmental incentives.

The management, budgeting and operational compliance activities reside with each of the EVPs for the SA gold, SA PGM and US PGM operations respectively. The EVP and their respective management teams will take accountability for the use of water and the costs thereof at their respective operations as well as for the budgeting and implementation of any WCWDM initiative.

The EVPs are ably supported by the relevant operational SVPs (e.g. SVP: Technical Service) and VPs (e.g. VP: Engineering), who take operational responsibility for on-site water management and WCWDM issues. The Water Conservation and Demand Management specialist, reporting into the Group Environmental Manager, drives the WCWDM strategy and provides technical support to the operational teams for its implementation.

As an integral part of governance and under custodianship of the Group Risk Department, a comprehensive enterprise-wide risk management process used to assess and rank, amongst others, any water-related risk in the Group, and to implement strategies to eliminate, mitigate or control these risks. The key categories of risks insofar water is concerned are:

- o security of water for safe production,
- o current and residual impact of our mining on the availability and quality of water in the regions in which we operate and
- o cost of water to our business

In addition to the above, at Sibanye-Stillwater we apply strong and transparent corporate governance by:

- o publicly disclosing the Group's approach to WCWDM
- o publicly presenting water compliance findings at water catchment management forums
- o allocating clear responsibilities and accountabilities for WCWDM plans across all corporate, management and site levels
- o integrating water considerations into business planning
- o publicly reporting the Group water use performance, material water risks, opportunities and management response using consistent industry metrics and recognised approaches

Strategic objectives

Sibanye-Stillwater lists the following strategic objectives as WCWDM focus areas:

Objective 1: Demonstrate thought leadership in WCWDM practices.



Objective 2: Drive business sustainability through ensuring availability of water to support safe and productive operations – water security and water independence.

Objective 3: Minimise the impact of our operations on water resources.

Objective 4: Drive business sustainability through continuous improvement, effective governance and meaningful stakeholder engagement to promote WCWDM.

Objective 5: Drive sustainable mine closure strategies.

Strategic initiatives

In order for us to meet the strategic objectives and targets on WCWDM, and to demonstrate commitment, the following strategic initiatives are pursued:

| Strategic objectives | Strategic initiatives |
|---|--|
| Demonstrate thought Leadership in WCWDM. | <ul style="list-style-type: none"> Pioneering best practice and raising the profile of Sibanye-Stillwater by participating in research and development initiatives, leading and participating in industry working groups |
| Drive business sustainability through ensuring availability of water to support safe and productive operations – water security and water independence. | <ul style="list-style-type: none"> Water Security to sustain operations Water independence to reduce reliance on municipal water supply Establish clearly defined risks and opportunities related to the security of water supply to each operation Compile and implement action plans to improve the security of water supply to operations where the risk status demand such Develop predictive Water Balance Models to evaluate different scenarios and interventions to support decision making regarding benchmark and target setting, water independence strategy and closure strategy and to inform WCWDM plans |
| Minimise the impact of our operations on water resources. | <ul style="list-style-type: none"> Water conservation and water use efficiency Research and development Water recycling (tailings management) Water use optimization (density management) Water quality management programs |
| Drive business sustainability through continuous improvement, effective governance and meaningful stakeholder engagement to promote WCWDM. | <ul style="list-style-type: none"> Support assurance against membership frameworks: <ul style="list-style-type: none"> map the gaps, implement action to closure to align to best practice standards and benchmarks from within Sibanye-Stillwater and compared to peers, the International Council of Metals and Mining (ICMM) requirements, SDGs and the World Gold Council (WGC) identify and map any potential gaps in terms of formalised reporting standard and guidelines on water KPI's, as well as any gaps in water flow and quality monitoring, amongst others and implement plans and programmes to close the gaps and elevate reporting practices to exceed best practice delivery Effective Management of contracts and accounts related to WCWDM Effective stakeholder engagement to promote responsible water management Report Water CDP |



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| Drive sustainable mine closure strategies. | <ul style="list-style-type: none"> • Water resource classification • Regional closure following determination of latent and residual liabilities • Clearly define the required state of water resources post closure of our operations • Compile and implement action plans to ensure that the desired state and management of water resources post closure is achieved |
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Policy and other Sustainability references:

- Sibanye-Stillwater Water management policy statement, August 2017
- Sibanye-Stillwater Water usage and quality vision, <https://www.sibanyestillwater.com/sustainability/environment/>
- ICMM Water stewardship position statement, January 2017
- Department of Water and Sanitation's National Water Resource Strategy, June 2013
- Sustainable Development Goals No. 6, 12 and 14
- All ICMM Principles but in particular Principles 3, 4, 6, 7 and 10
- Global Reporting Initiative (GRI) 303
- World Gold Council Principle No. 2, 8.1, 9.1, 9.4, 10.1 and 10.2
- Relevant laws including the National Water Act, Act # 36 of 1998 and the National Environmental Management Act, Act # 107 of 1998.
- UNGC Criteria for the GC Advanced Level criterion 13-16

The development and implementation of this position statement is guided by:



/s/ Neal Froneman
Chief Executive Officer

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