



WATER HEALTH MANAGEMENT

Position statement

This position statement sets out Sibanye-Stillwater's approach to Water Health



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ESG Position statement

Water health

This position statement outlines Sibanye-Stillwater’s approach to the management of natural water resources as influenced both directly and indirectly by the activities undertaken at Sibanye-Stillwater operations. Through effective management of water resources and the surrounding catchments within which Sibanye-Stillwater operates we aim to achieve the responsible stewardship of water to ensure these systems continue to provide the ecological, economic and basic human services in the catchment area.

Our Vision for water health is driving responsible water stewardship for the enhancement of water system quality, ecosystem functionality and flow management to ensure the protection and enhancement of benefits to downstream water users.

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 use 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.

ESG Policy reference

Sibanye-Stillwater conducts its business in an ethical and responsible manner for the benefit of all stakeholders in accordance with the Company’s integrated governance framework.

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

Sibanye-Stillwater commits to:

- sustainably use and source water resources through conservation and effective and efficient management programmes and initiatives
- responsible use of environmental resources to maintain our environmental licence to operate
- encourage sound management of water systems
- reduce water resources impacts
- drive environmental consciousness through awareness, stewardship and communication on environmental issues

Recognition statements

Sibanye-Stillwater recognises that water is a precious shared resource with high social, cultural, environmental and economic value. It furthermore recognises that:



- access to water is a right¹, integral to wellbeing and livelihoods and the spiritual and cultural practices of many communities. It is also essential to the healthy functioning of ecosystems and its services
- there is a need to balance environmental, economic and social values to achieve:
 - fit-for-purpose surface and groundwater - suitable for **continued** productive and recreational uses
 - the protection and enhancement of diverse and resilient ecosystems
 - cultural heritage values that are acknowledged, respected, maintained and enhanced
 - protection of ecosystem functionality and preservation of natural systems for the health and well-being of all who depend thereon
- people and ecosystems at the local/catchment level predominantly experience water-related risks and impacts. Sibanye-Stillwater must look beyond traditional operations-based water management to the dynamics and interactions of various water users in the wider catchment in order to have a meaning positive impact
- effective water management requires a holistic understanding of hydrology and land use, as well as a broader political, economic, social and ecological view. These integrated dynamics influence water availability and quality. A holistic solution must be considered during the operational phase of our mining operations as well as part of a broader regional closure solution
- water is core to any development and to sustaining life; the management thereof is critical to ensure that Sibanye-Stillwater's goal of superior value creation for all stakeholders is realised;
- water health is a complex interplay of quality, habitat, flow and use metrics that must be managed coherently in order to provide for present and future water needs. The need for proper water stewardship is further endorsed by the water scarce nature of South Africa where Sibanye-Stillwater owns and operates gold and PGM operations
- water health cannot be managed in isolation from other environmental aspects such as rehabilitation and closure, water conservation and water demand management, land and waste management as well as biodiversity and climate change
- in order to achieve a reliable framework to effectively manage water health the following is needed:
 - in-depth understanding of our watercourses and the catchment activities that influence them
 - integration with development strategies and business plans
 - innovative and scientifically defensible monitoring, mitigation and rehabilitation strategies
 - a move beyond compliance to ensure management of water resources remains informed by the latest scientific data and developing best practices
 - a commitment to applying the mitigation and water use hierarchy and continuously seeking improvement in monitoring and management practices

¹ Sibanye-Stillwater as a member of ICMM has committed to respect the rights, interest, special connections to lands and waters, and perspectives of Indigenous Peoples. In addition, the UN General Assembly recognised access to safe and clean water and sanitation as a human right in July 2010.



Scope

This Position Statement covers the responsible stewardship of water health² at all Sibanye-Stillwater operations in the different jurisdictions we operate, and covers both point and non-point³ surface and groundwater sources at our operations, as well as our impacts and influence that we as well as other upstream and downstream users have on the catchments we operate in.

Intent

This position statement encapsulates Sibanye-Stillwater's approach to water quality and water-related ecosystem management. It outlines our commitment to the continual improvement of water health in order to promote:

- improved ecological functioning as defined by the Ecological Status of the water resource
- maintenance of acceptable water quality standards to ensure fit-for-purpose water is released into the receiving environment
- appropriate stewardship of water resources to ensure sustainable water use during operations
- implementation of rehabilitation during - and post-mining to ensure water resources as well as the catchments influencing them are supportive of sustainable post-mining economic activities as well as support of ecological functioning
- integration of national and international standards and guidelines as well as planning and management that takes cognizance of other catchment users

Governance

Management structure

Water, and water-related issues, are important strategic considerations due to the potential financial, operational and reputational impact on our business. It therefore falls within the mandate of the Sibanye-Stillwater Executive Committee 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 responsible water management. The Committees provide strategic direction and oversight to management and will ensure the effective implementation of the water strategy and policy across the business.

The Chief Technical Officer (CTO) who report to the CEO, supports the CEO in key decision-making by ensuring that strategic water health 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 oversees and drives overall sustainability within the Group, and therefore any strategic issues on water, including water health matters that could threaten overall business sustainability, also fall within his/her mandate.

² The ability of the aquatic ecosystem to support and maintain key ecological processes and a community of organisms with a species composition, diversity, and functional organization as comparable as possible to that of undisturbed habitats within the region' [Schofield and Davies 1996 after Karr and Dudley 1981:55-68].

³ Point source pollution is any contaminant that enters the environment from an easily identified and confined place. Nonpoint-source pollution is the opposite of point-source pollution, with pollutants released from diffuse sources.



The SVP: Environment, reporting into the CTO is responsible for setting and driving the strategic direction on a range of environmental issues, including water health management. 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 water conservation and water demand, and how best to deliver on the ESG strategic objectives 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 EVPs and their respective management teams will take accountability for all water health matters and the costs thereof at their respective operations as well as for the budgeting and implementation of any water health management initiative.

The Segment EVP is ably supported by the relevant operational SVPs (e.g. Segment EVP: Technical Service) and VPs (e.g. VP: Engineering), who take operational responsibility for on-site water management and associated regulatory compliance. The water health and biodiversity specialist, reporting into the Environmental Group Manager, drives the water health 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 is 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 as water health is concerned are:

- decant of untreated or partially treated impacted water
- high seasonal rain, disturbance and mobilisation of heavy metals
- unauthorised discharge into catchments due to seepage, decant or unplanned overflows
- unplanned and unlicensed discharges (incl. increased volumes)
- poorly managed licenced discharges
- ground water and surface water interactions
- post closure water management
- upstream and downstream catchment management influences

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

- publicly disclosing the company’s approach to water and water health
- publicly presenting water compliance findings at water catchment management forums;
- allocating clear responsibilities and accountabilities for water management including water health, across all corporate, management and site levels
- integrating water health considerations into business planning
- publicly reporting the company water health performance, material water risks, opportunities and management response using consistent industry metrics, where applicable, and recognised approaches and best practices

Strategic objectives

Water health management key performance indicators (KPIs) drive sound water management in accordance with national and international industry best practice. Effective and responsible water health management will deliver on the objectives below.

Objective 1: Demonstrate thought leadership in water health management practices to integrate and enhance national and international best practice to support responsible water management.

Objective 2: Ensure proactive management of water systems to drive sustainable ecosystems and ecosystem functionality.



Objective 3: Pro-active water management towards mine-closure that supports sustainable post-mining environments, communities and economies.

Objective 4: Reduce risk to water resources through integrated risk assessment and evaluation

Objective 5: Enhance water management by creating capacity and knowledge.

Strategic initiatives

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

Strategic objectives	Strategic initiatives
<p>Objective 1: Demonstrate thought leadership in water health management practices to support responsible water management.</p>	<ul style="list-style-type: none"> Active participation and engagement in external forums and conferences, including the writing of papers and presentations with a view to shape and influence legislation, policy and industry approaches on sustainable national and international water health management practices Enhance water management by creating capacity and knowledge
<p>Objective 2: Ensure proactive management of water systems to drive sustainable ecosystems and ecosystem functionality.</p>	<ul style="list-style-type: none"> Ensure integrated water management throughout the business' activities Promote continual improvement through regular reviews of water management practices, mitigation measures and performance indicators Drive systems, procedures and programs to support decision making in responsible water stewardship Integrate the reporting and management requirements of other environmental work streams to ensure holistic management
<p>Objective 3: Pro-active water management towards mine-closure that supports sustainable post-mining environments, communities and economies.</p>	<ul style="list-style-type: none"> Ensure that planning, operational and closure activities incorporate specialist evaluation to ensure sustainable water resource management Drive and participate in integrated strategies and collaborative initiatives within the company and with surrounding water users and communities
<p>Objective 4: Reducing risk to water resources through integrated risk assessment and evaluation.</p>	<ul style="list-style-type: none"> Develop and set clear risk assessment criteria and manage water health accordingly Publicly disclose performance, material risks, opportunities and management response to water health metrics
<p>Objective 5: Integration and enhancement of national and international best practice to support responsible water management.</p>	<ul style="list-style-type: none"> Incorporate national and international best practice in water health management practices and do regular and appropriate benchmarking to further enhance and achieve responsible water stewardship Participate in research and development endeavors to improve the understanding of water health requirements



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Policy and other ESG References

- Sibanye-Stillwater Water management policy statement, August 2017
- Sibanye-Stillwater Water usage and quality vision, <https://www.sibanyestillwater.com/sustainability/environment/>
- International Council for Mining and Metals (ICMM) Water stewardship position statement, January 2017
- Department of Water and Sanitation's National Water Resource Strategy, 2012 (or as updates occur)
- Sustainable Development Goals (SDGs) No. 6 and 14
- All ICMM Principles, although all have relevance, specifically Principles 6 and 7 are applicable.
- Relevant laws including: the National Water Act, Act No. 36 of 1998 and the National Environmental Management Act, Act No. 107 of 1998.
- World Gold Council Responsible Mining Principles, although most have some relevance to the execution of this Position Statement, specifically the following principles are key: Principles 8 (8.1, 8.2 and 8.3), 9 (9.1, 9.2 and 9.4 (note no gold mining currently in areas associated with forests)), and 10 (10.1, 10.2 and 10.3).
- The United Nations Global Compact (UNGC), namely Principles 7, 8 and 9.
- International Finance Corporation (IFC) Performance standards, specifically Standard 1, 3 and 6.
- The Initiative for Responsible Mining Assurance (IRMA), with specific reference to the IRMA Standard for Responsible Mining (IRMA-STD-001) Chapters 1.1, 2.1, 2.6 and 4.6 though Chapters 4.1 to 4.8 all have some relevance.
- Global Reporting Index (GRI) Standards, with the most relevant being the GRI 303, GRI 304, GRI 306 and GRI 307.
- Guiding principles as inferred by the audit requirements in terms of the Together for Sustainability (TfS) and the FTSE4Good Index Series requirements, in line with the commitments required to be made by its members.
- International Cyanide Management Code.
- The ISO 14001 and King Code IV requirements should be taken into consideration.
- All our position statements are generally also guided by:



/s/ Neal Froneman
Chief Executive Officer

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