

# SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE: CHAIRMAN'S REPORT



**JERRY VILAKAZI** – Chairman: Social, Ethics and Sustainability Committee

The Social, Ethics and Sustainability Committee has an important role to play in helping the Group achieve its purpose: To safeguard global sustainability through our metals. Being a leader in superior shared value for all stakeholders (our vision) demands a careful balancing of the expectations of different groups. However, in general terms, from government, through to investors and host communities, stakeholders expect mining to address broader socioeconomic challenges facing the world. We agree. Sibanye-Stillwater is part of the social and environmental ecosystem surrounding our operational areas, therefore we must play our role as a socioeconomic partner within the communities where we operate. This is what we mean by our strategic differentiator, as demonstrated in our comprehensive and all-inclusive response to COVID-19 in 2020, building pandemic-resilient ecosystems.

Our SA operations face the greatest socioeconomic challenges, where we encounter rising expectations in areas such as job creation, social infrastructure, and provision of basic services (areas which are normally within the ambit of government). It is, therefore, critical that our sustainability strategy takes short-term impacts into account, while anchoring our work in long-term value creation.

Our four sustainability themes involve embedding human rights, climate resilience, promoting long-term economic sustainability and post-mining economies, and good decision-making based on objectivity and data. How exactly we plan to achieve this relates to our Group priorities, which provide clear organisational goals, linked to ESG-related long-term incentives (LTI) performance conditions. In short, our sustainability themes have been prioritised, at Group level, as: responsible sourcing, the circular economy, Task Force on Climate-related Financial Disclosures (TCFD) for

financial reporting, embedded governance framework, global standards on tailings, and implementing the Initiative for Responsible Mining Assurance (IRMA).

To allow for diversity in operating environments, the Group has pivoted toward a regionalised business leadership. Each region enjoys some latitude in responding appropriately to its unique context. This also applies to sustainability and ESG, whereby the needs and expectations of stakeholders differ from one region to the next. As per the strategic essential, Prospering in every region in which we operate, it is incumbent on us to uphold the global standards and principles of Sibanye-Stillwater, while showing sensitivity to the unique conditions on the ground. In the sustainability and ESG domain, this requires each region to pursue a strategy designed to optimise impact on priority issues within the aforementioned themes.

Group strategic oversight falls under the Chief Sustainability Officer, who guides and supports the regions to meet the global standards and codes to which we – as a leading global mining Group – subscribe.

We are a values-based organisation. This means that leadership derives its governance credibility not from force of character, but from their willingness to apply our values, even in the most testing of circumstances. Our Chief Sustainability Officer, and the Group as a whole, is guided by our Group sustainability strategy, which falls under the auspices of our Social, Ethics and Sustainability Committee. This strategy is modified over time in response to emerging trends.

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## HUMAN RIGHTS AND ETHICS INSIDE AND OUT

### Health, safety and employee wellbeing

For 2022 our health and safety strategy centred around eliminating fatalities by implementing our fatal elimination plan across all regions. This involves extra attention on preventing high-potential incidents. Our systems of reporting now put more emphasis on including those incidents whereby there was a potential for loss of life. The Fatal elimination strategy has been designed for maximum short-term impact, taking into consideration the level of safety maturity at our operations, while ensuring our teams are empowered and held accountable for driving a sustainable safety culture. ■ See *Continuous safe production*, page 126.

### Responsible sourcing

Responsible sourcing across all areas of operations is a priority. The mandate of our Responsible sourcing committee has been updated to include a wider range of commodities, which entails adopting new standards. The committee has the policies, due diligence philosophies, and the monitoring process to track the integrity of the counterparties from which the material is received. Our precious metals refinery at our SA PGM operations has the Responsible Sourcing accreditation of the London Platinum and Palladium Market (LPPM). This year has also seen further engagements with our suppliers – 367 suppliers completed our online ethics training on our anti-bribery and anti-corruption practices.

### Diversity, equity, and inclusion

Through job creation, social and labour plans (SLPs), and various other initiatives (as mentioned in the workforce section of this report), our mining contributes to reducing inequality and promoting inclusion for diverse peoples. The Group embraces diversity and is dedicated to improving representation beyond the numbers, while creating opportunities for a culture of inclusivity. Therefore, we have launched a series of transformative workshops at our SA operations to bed down this approach.

Broader society is placing increased emphasis on protecting the vulnerable, particularly women and children, from abuse and degradation. We fully subscribe to this attitude and remain deeply committed to protecting women (as well as vulnerable men) from violence, sexual abuse, and sexual harassment. We will continue to roll out anti-sexual harassment campaigns and training. We established gender-based violence (GBV) reporting and referral centres at our SA PGM and SA gold operations. In 2022 we constituted a Diversity Equity and Inclusion Council (DEIC), chaired by the Chief Organisational Growth Officer, to accelerate the cause of building an inclusive business.

### Community engagement

Given South Africa's legacy of socioeconomic challenges, it is incumbent on the Group to not only comply with government regulation, but also to go beyond compliance in supporting host communities in becoming self-sustaining. We are committed to hearing complaints and grievances from local communities. (■ See *Engaging with our stakeholders*, page 82 for more on our grievance processes mechanisms.) We maintain cordial and constructive relationships with our stakeholders in local communities, and we will continue to build on these relationships through fact-based social dialogue.

## Social impacts

In 2022, we launched a Social impact report, which communicates the flows of value and socioeconomic impacts from our SA operations. We are pleased that the Sibanye Foundation, which houses the Social Impact Fund, was established and registered in February 2023. The fund is endowed through donations equivalent to 1.5% of our dividend flows. The Fund will contribute towards our strategic impact of making a difference in the ecosystems in which we operate, and embed our shared value ethos.

## DEVELOPING A CLIMATE CHANGE RESILIENT BUSINESS

One of our strategic differentiators is to build a *of green metals and energy solutions that reverse climate change*. It is common cause that the green transition away from fossil fuels and toward cleaner alternatives, requires technology that is reliant on green metals. The Group is well-placed to benefit from rising demand for certain metals that underpin the green transition. Further, we are committed to meeting the challenge of promoting climate resilience in the ecosystems in which we operate.

In 2022, we saw the impact of an extreme weather event at our US operations, alerting us of the risks of climate change. We are all dependent on the natural environment in terms of the resources we draw down from it and the impacts that human activity has on it.

In terms of external factors impacting our natural capital, are the burning of diesel, the use of electricity (powered mainly by Eskom coal in South Africa), reliance on third-party water suppliers, and deposits in the form of tailings. Therefore, reducing our reliance on Eskom, and reducing our reliance on third-party water suppliers, remains critical. We recycled 64% of our water and we have achieved our target for a 15% reduction (against 2020 base) of purchased potable water usage at our SA operations. By 2025, we aim to be fully I compliant with the standards of the Global Industry Standard on Tailings Management (GISTM) which sets the precedent for safe design and management.

Our goal is to be carbon neutral by 2040 and carbon zero by 2050. We are investing some R12 billion in renewable energy for our own operations, funded through third-party Power purchase agreements (PPAs). At the regional level, there is work to be done in ascertaining the impact of the just energy transition, by which socioeconomic needs for electricity are balanced with environmental needs for carbon reduction.

We are part of the mitigation solution to climate change as we respond to growing green metal supply by building our green metals presence in North America and Europe. With Keliber, work is progressing on our ambition to become the first integrated European lithium producer with direct access to the European battery electric vehicle (BEV) market. Keliber is expected to have one of the lowest GHG emission intensities of seven existing, or planned, lithium production facilities, in Europe.

We are advancing the role we play in the circular economy through the recycling of autocatalytic converters for the extraction of PGMs (platinum, palladium and rhodium), critical precious metals designed to clean vehicle emissions by converting harmful toxins and pollutants into less harmful carbon dioxide (CO<sub>2</sub>) and water vapour. The reclamation of historic tailings is also central to our green metals strategy. Historical tailings are reprocessed for the recovery of PGMs, gold (DRDGOLD) and zinc.

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We recently increased our stake in New Century, a top-15 global (and top-five domestic) zinc producer. It is Australia's largest hydraulic mine, based at Century Mine in Queensland, where zinc is recovered from historical tailings.

Following the success of recycling autocatalysts in the Americas, we are completing studies in Europe to expand our Sandouville footprint to include the recycling of European sourced autocatalytic converters in alignment with the EU Critical Raw Materials Act, to secure the critical and strategic raw materials essential for an effective green transition.

## ENTRENCHING LONG-TERM ECONOMIC SUSTAINABILITY: INTEGRATED POST-MINING ECONOMY

In terms of biodiversity, we are proud to be the first mine globally to adhere to the Biological Diversity Protocol (BD Protocol), a standardised accounting framework for disclosing our impact on biodiversity.

📄 See *Biodiversity management fact sheet*

🌐 [www.sibanyestillwater.com/news-investors/reports/annual/](http://www.sibanyestillwater.com/news-investors/reports/annual/)

Our performance target for reducing closure liabilities across all SA operations is a 4% reduction. This was achieved for 2022. Mine closure, particularly in South Africa, is a complex issue. We have a detailed social closure strategy to address this complexity and the multi-disciplinary nature of planning for post-mining. Given that the economic conditions of the operations change during the life of the mine, returning the land to its pre-mining state is neither viable nor advisable. We will continue to partner with like-minded institutions to invest in alternative economies (other than mining) and use our assets for sustainable impact that endures postmining.

## DATA DRIVEN AND CONSIDERED DECISION-MAKING

We remain ISO 14001 and ISO 45001 certified across our business. We already align with the disclosure requirements of GRI reporting, the UNGC communication on progress, and of the ICMM; we are working towards alignment to SASB standard on Metals and Mining and Coal operations (which fall under the Value Reporting Foundation). It must be noted that as of August 2022, the Value Reporting Foundation (VRF), and the Climate Disclosure Standards Board (CDSB) were consolidated into the IFRS Foundation, which established the International Sustainability Standards Board (ISSB) to consolidate ESG standards. The IFRS Foundation advises that until the ISSB implements its standards, we should align with the SASB. Further, we are aligning to the recently-released JSE Sustainability Disclosure Guidance and the JSE Climate Disclosure Guidance (noting that these are mostly aligned to the global standards mentioned above). For our European operations, where applicable, we will follow the Corporate Sustainability Reporting Directive (CSRD). 📄 See *supplementary information, Sustainability content index*.

The level of our disclosure requirements are significant and grow every year. We welcome efforts by third parties to promote global consolidated disclosures and to reduce red tape and duplication in the standards environment.

## IN CLOSING AND APPRECIATION

The Committee is pleased to report to all stakeholders of the Group that it has fulfilled its mandate as prescribed by the South African Companies Act and that there are no instances of material non-compliance to disclose. I would like to thank the members of the Committee and the Board for their input and support throughout the year.

*Jerry Vilakazi*

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Chairman: Social, Ethics and Sustainability Committee

24 April 2023

