

SOCIAL, ETHICS AND SUSTAINABILITY COMMITTEE: CHAIRMAN'S 2023 REPORT

“It is incumbent on us to demonstrate how we are minimising harm to ecosystems.”



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

My tenure as the Chairman of the Social, Ethics, and Sustainability Committee concluded on 31 December 2023. This is my final review for this committee; I have passed the baton to the new Chair, Dr Elaine Dorward-King, who assumed office on 1 January 2024. I wish her all the best in her new role.

The past year was marked by global economic uncertainty, geopolitical volatility in the Middle East, and adverse impacts of climate change. The inequitable impact of this volatility highlights the role of governments and corporations in supporting sustainability. The year also heralded the tightening of ESG reporting requirements and the inaugural global stocktake for the Paris Agreement, which happened at COP 28 in late 2023 and assesses progress toward meeting climate emissions targets.

Sibanye-Stillwater's grey elephants (high impact and highly probable megatrends) manifest in the sustainability context as, among other things, *angry people and angry planet*. Our response to the grey elephants, as per our strategic differentiator, is *Building pandemic-resilient ecosystems*. (By "pandemic" we include high impact global trends, e.g., geopolitical conflict or adverse weather patterns.)

Achieving sustainability (both for the Group and our stakeholders) in such a context requires the Social, Ethics and Sustainability Committee to inform the Board and guide it in discharging its oversight responsibilities. In turn, the Social, Ethics and Sustainability Committee is informed through detailed quarterly feedback from the Chief Sustainability Officer (CSO) and from operational teams. All parties are guided by our strategic essential: *ESG embedded as the way we do business*.

This imperative can be considered in terms of our four ESG themes:

- Human rights and ethics inside and out
- Developing a climate change resilient business
- Entrenched long-term economic sustainability: Integrated post-mining economy
- Data driven and considered decision-making

EMBEDDING HUMAN RIGHTS AND ETHICS: INSIDE AND OUT

Safety and health

The Social, Ethics and Sustainability Committee considers safety and health in the context of human rights. As a values based organisation that recognises that it is a human right for people to work in safe and healthy conditions, this theme is a key component of our ESG strategy and is included in our scorecard for the long-term incentive plan (LTIP). In this regard, we are delighted with the Group's Ending Workplace TB Exemplar Award, which recognises us for outstanding work by our medical teams to keep workers, their families, and communities safe from the threat of TB.

Safety lapses at our operations are most regrettable, indeed tragic for those who have lost loved ones. Every fatal accident has a profound impact on the families and friends of those lost. Each serious incident is being investigated and analysed at the highest level. We are supportive of and encouraged by the efforts of our safety champions as they drive the campaign of Zero harm and the Fatal elimination strategy. The Social, Ethics and Sustainability Committee is playing its supportive part in embedding the Group minimum standards, and a culture of personal responsibility and empowerment, especially for frontline teams, when it comes to stopping work in unsafe conditions. See *Continuous safe production*, page 125.

Diversity and inclusion

Sibanye-Stillwater's vision for diversity, equity, inclusion and belonging (DEIB) is "to cultivate a workplace where diversity is celebrated, equity is unwavering, inclusion is the norm, and belonging is at the heart of the Group." We are proud to have won Standard Bank's Top Women Business in Resources, Construction and Infrastructure Development 2023 Award; this is in recognition for propelling women to prominent leadership positions and uplifting the women of Sibanye-Stillwater.

Not only has diversity and inclusion been identified as a material matter for this report, but it is also seen as a differentiating opportunity especially if it is tied to effective innovation management, as per our three-dimensional strategy. The immediate commitment remains to increase women's representation across the Group at a management-level.

We have clear policy commitments, an oversight DEI council, women of Sibanye-Stillwater structures to support our women in the workplace, and we invest in training partnerships (see *Empowering our workforce*, page 161). In these ways, our mining seeks to contribute to reducing inequality and promoting inclusion.

Our anti-sexual harassment campaigns are ongoing, and our gender-based violence (GBV) reporting and referral centres at our SA PGM and SA gold operations provide a sanctuary for women in the workplace who may be threatened. At our US region, the Women and Allies Business Resource Group initiated a project to update or create job safety analyses for all positions that identify physical requirements and working conditions for each position.

Human rights due diligence

The US and SA regions completed independent human rights due diligence (HRDD) assessments during the year under review. The reports highlight the need for vulnerable parties (and particularly women) to be valued, empowered, respected, and safe. The independent HRDD assessments (to be considered in tandem with our own internal assessments) suggest the need to modify our policies and practices in terms of how we can better protect our employees from harassment and discrimination in the workplace, and how we can confront the challenges posed by illegal mining while keeping to the highest standards of human rights.

Sociopolitical instability

Building trust with stakeholders, especially the communities where we operate, is key to our sustainability. We understand that a "licence to operate" (in the broader sense of the term) needs to be earned. It is our vision to do so: *To be a leader in superior shared value for all stakeholders.*

In the US region the Good Neighbor Agreement (GNA) is in place, with three local organisations binding Sibanye-Stillwater to certain responsible mining commitments. It also serves as a platform to build trust.

Our commitment to respect indigenous rights is underpinned through regular engagements with the Aboriginal community. The aboriginal community impacted by the operations at our Century site in northern Queensland, Australia, have the opportunity to voice their concerns through formal engagement forums.

In the SA region, sociopolitical instability manifests are exacerbated by constrained economic opportunity and by weak governance from state structures. The Group strives to play a constructive and enabling role (e.g., sharing skills and resources) to bring socioeconomic relief to struggling communities in which we

operate. Invariably, this involves respectful and informed dialogue with social partners.

The backdrop of the history of the Marikana tragedy and the many cross-cutting sociopolitical issues in South Africa is complex and is routinely studied by international based non-governmental organisations. We will continue to engage through our formal platforms and invite all stakeholders to seek solutions, visit our programmes and help co-create a shared vision and a new legacy.

We note that the SA region suffers high levels of illegal mining and theft of copper (as evidenced in the quarterly updates we receive on security related initiatives). In mid-2023, we co-established a security advisory forum in the SA region that includes the Directorate of Priority Crime Investigations and the Asset Forfeiture Unit. While at a national scale, our CEO, together with the CEO of Remgro Limited, is leading a business-government initiative against crime and corruption in South Africa.

(See *Engaging with our stakeholders*, page 78 for more on our grievance processes.)

Social impact

In early 2023, the Sibanye Foundation, a non-profit company, which houses our social impact fund, was registered. The fund is endowed through donations equivalent to 1.5% of our declared dividend flows. It has received its first donations and which will be allocated to making a difference in the communities in which we operate.

Other investment to create a societal benefit include:

- SA region: Social and labour plans and corporate social initiatives (2023: R2,201.9m)
- AUS region: Gulf communities agreement (2023: A\$4.6m)
- US region: Community Giving initiative (2023: US\$400,000)

Furthermore, to promote inclusivity in mineral benefit sharing we also have our ESOP schemes, our Thusano Trust beneficiaries have received a pay out of R27 million and through the Rustenburg Mines Employee Trust R163 million in total dividends were paid out. The Lonplats ESOP paid out a total of R121 million.

Our second socioeconomic impact report (following from 2022) was published in 2023 communicating flows of value and socioeconomic impacts from all our operations. The third publication of the impact report supplement is being issued as part of this reporting suite.

DEVELOPING A CLIMATE CHANGE-RESILIENT BUSINESS

In March 2023, we saw the impact of an extreme weather event at our Century operations, highlighting again the risks of climate change. We also completed our first climate change analysis based on guidance published by TCFD, providing extensive detail for all of our operations. The results indicate the impact of physical and transitional risks, modelled against specific climate warming scenarios. Damage to property and business interruption were used as proxies for the quantification of the financial impacts of the physical risks associated with the effects of climate change. Six transitional risk scenarios were also modelled against three warming scenarios. Financial impacts were considered against four transitional risks. (See *Climate change-related disclosure report*.)

The Group has climate-related targets as part of our LTIP, and we are aligned with the SBTi (updating our targets accordingly). Given how we affect natural capital (e.g., the burning of diesel, the use of coal-based electricity, and reliance on third-party water suppliers), reducing the reliance on Eskom, and reducing reliance on third-party water suppliers, remains critical.

Sibanye-Stillwater accelerated its decarbonisation through three utility-scale renewable energy projects that began construction during the year: the Witberg wind energy project, the Castle wind energy project and the multi-buyer solar photovoltaic project to bring the total dedicated capacity of renewable energy projects in construction for Sibanye-Stillwater to 267MW, which is expected to fulfil 15% of our electrical energy requirements in South Africa from end-2025.

Sibanye-Stillwater aims to play a part in mitigating climate change by growing our green metals presence in North America and Europe. The Keliber lithium project is expected to have one of the lowest GHG emission intensities of Europe's seven existing/planned lithium production facilities.

Promoting low-waste circular economies is becoming an increasingly important feature of sustainability. We strive to play our part in the rise of "circularity" through the recycling of autocatalytic converters for the extraction of PGMs (platinum, palladium and rhodium), and the reclamation of tailings, which are also central to our green metals strategy. Historical tailings are reprocessed for the recovery of gold at our DRDGOLD operations; our recent acquisition of New Century Resources allows us to do the same for zinc, an important metal in the green transition.

Tailings storage facilities

Given the impact of TSFs on safety and the environment, the Committee notes that the Group met the August 2023 target for GISTM compliance for very high and extreme consequence TSFs; and that we are on track for full compliance by 2025, as targeted.

Water management

The Group is managing three water risks: quantity, quality and reputational. Risk mitigation strategies are in place which include water independence, leak detection, stakeholder collaboration and consultation, as well as the optimisation of water treatment facilities and programmes.

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

Given the type of business we are in, nature and biodiversity are key sustainability concerns. It is incumbent on us to demonstrate how we are minimising harm to ecosystems. Our goal in this regard is net biodiversity gain for existing operations and no net loss for new operations upon closure.

Our ambitious goal in 2023 to establish a target for net reduction in biodiversity footprint loss, was unfortunately not met. However, we continue to provide a thorough and comprehensive self-audit on our environmental impact. As a member of the ICMM we are fully committed to a "nature positive" future and will consider the latest guidance, as it becomes available, on establishing biodiversity targets.

See *Biodiversity management fact sheet*

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In terms of reducing closure liability (SA region), this year we set and achieved the target of a 3% reduction. This has been achieved through concurrent rehabilitation activities as well as demolition of surface infrastructure no longer in use. Mine closure is a complex and multi-disciplinary issue, and for which we recently developed a comprehensive social closure framework, with two of the SA gold operations in the advanced stages of planning for closure and utilising the framework. 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. However, the land can still be used for good and substitutive economies will be more supportive to the region.

The Committee notes the progress made in leveraging our post-mining land for socioeconomic impact. This includes collaborating with relevant institutions to implement economic programmes in the areas of clean energy, agriculture and industrialisation.

DATA DRIVEN AND CONSIDERED DECISION-MAKING

Sibanye-Stillwater remain ISO 14001 and ISO 45001 certified across our business, with the exception of our Australian region and Keliber lithium project. During 2023, the US region and the SA PGM Rustenburg operations progressed IRMA and completed stage 1 audits with stage 2 planned for 2024. In 2023 our ongoing participation in the UNGC SDG accelerator programme saw Sibanye-Stillwater winning the environmental award from the South African Institute of Mining and Metallurgy.

The Committee is keeping a close eye on changes to reporting regulations, with several new ESG frameworks introduced in the EU, such as the Corporate sustainability reporting directive (CSRD). The International Sustainability Standards Board (ISSB) published the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), which are built on and consolidate the TCFD recommendations. Post-year-end, the GRI launched its updated mining disclosure standard and the Securities and Exchange Commission (SEC) adopted rules to enhance and standardise climate-related disclosures by public companies. Sibanye-Stillwater continues aligning with reporting requirements and will abide by the SEC rules. See *supplementary information, Sustainability content index, https://www.sibanyestillwater.com/news-investors/reports/annual/*.



The Committee wholeheartedly supports the positive steps towards convergence of responsible mining standards through the ICMM. Most notably, and encouragingly, the Copper Mark (Mining Association of Canada), ICMM and the WGC are working towards consolidating their standards into a single global responsible mining standard and multi-stakeholder oversight system.

We welcome efforts by third parties to consolidated disclosures and to reduce red tape and duplication in the standards environment. This not only benefits business; more importantly it benefits the cause of ESG and sustainability.

The Committee congratulates CEO, Neal Froneman on his appointment as Chair of the WGC and Chair of Business Against Crime South Africa, notable milestones for the Group and the South African mining industry. We as the Committee also welcome our new Chief Sustainability Officer, Melanie Naidoo-Vermaak, who recently joined Sibanye-Stillwater's C-suite.

Long-term incentives: ESG scorecard

The Social, Ethics and Sustainability Committee, as one of its duties, recommends to the Remuneration Committee the arrangements for the measurement and assessment of ESG performance regarding the LTIP. The first ESG scorecard for the LTI plan came into effect in 2021, on a three-year cycle. The 2024 – 2026 ESG scorecard will be finalised in early 2024. For more information refer to page 264 of this report and further detail for each of the years, per indicator and per target is available in supplemental information, <https://www.sibanyestillwater.com/news-investors/reports/annual/>.



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 or material ESG related fines to disclose. I would like to thank the members of the Committee and the Board for their input and support throughout the year.

I am pleased to formally welcome Dr Elaine Dorward King as the new Chair of the Social, Ethics and Sustainability Committee from 1 January 2024. Her extensive experience in the field of sustainability will be of great value as Sibanye-Stillwater fulfils its strategic differentiator, to be *Recognised as a force for good*. On behalf of myself and the Committee, I wish Dr Elaine all the success in achieving our ambitious goals; and I wish the Committee success in its pivotal function of assisting the Board in crucial matters of ethics and sustainability.

Jerry Vilakazi

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Chairman: Social, Ethics and Sustainability Committee

26 April 2024



 International Council on Mining & Metals	https://www.icmm.com/en-gb/our-principles		https://cyanidecode.org/
	https://www.lseg.com/en/ftse-russell/indices/ftse4good		https://www.gold.org/
 INTERNATIONAL PLATINUM GROUP METALS ASSOCIATION	https://www.ipa-news.com/		https://www.lbma.org.uk/
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